

# **BUDGET OVERVIEW**

## **PROFIT & LOSS BUDGET – DISTRICT**

### **Operating Revenue**

- **Rental Revenue** –Assumes an **average 3% rent increase across all tenants** and includes a **full year of Nutrition Bar lease revenue**.
- **Property Tax** – Revenue is based on FY 25/26 **county estimates**.
- **Other Operating Revenue** – Decrease reflects the absence of **one-time revenues** recognized in the prior year, **\$55,000 Cardoza restitution**.

### **Operating Expenses**

- **Salaries & Benefits** –
  - The FY26 budget reflects **full-year staffing levels** resulting in the year-over-year increase.
  - Includes an annual **2.8% cost-of-living adjustment (COLA)** effective July.
  - Continues the allocation of **District salary and benefit expenses** to Evolutions.
  - The increase in benefits reflects **expanded benefit eligibility for two employees**.
- **Professional Fees** –Reflects an **\$85,000 increase over prior-year actuals** due to the addition of **construction support**.
- **Purchased Services** – Increase reflects a **budgeted document storage expense** that was not incurred in FY25 but is included in the FY26 budget.
- **Supplies** – The budget reflects a **modest increase** over 2025 actuals to account for potential unforeseen requirements.
- **Repairs & Maintenance** – The budgeted amount is based on a **three-year average of historical spending**, as actual annual costs vary year to year. **No significant new items** were added to this category.
- **Utilities** – Decrease reflects the **sale of the VA building**, resulting in reduced utility expenses.

- **Other Operating Expenses** – Other Operating Expenses decreased from the FY 2025 budget with the **removal of construction costs** but increased over FY 2025 actuals to reflect **anticipated travel, training, and miscellaneous expenses**.

### Non-Operating Revenue and Expenses

- **Gains/Losses on Investments** – Anticipated decrease reflects planned withdrawals from investment balances to fund upcoming tower-related expenses, resulting in reduced investment income.

## PROFIT & LOSS BUDGET – EVOLUTIONS

### Operating Revenue

- **Membership Revenue** – Budgeted to increase by approximately **3%** reflecting anticipated **enrollment growth** and improved **member retention**.
- **Other Operating Revenues** – Decrease reflects the exclusion of **non-recurring collections** received throughout the year that are not expected to remain steady.

### Operating Expenses

- **Salaries & Benefits** –
  - Includes an annual **2.8% cost-of-living adjustment (COLA)** effective July.
  - Continues the allocation of **District salary and benefit expenses** to Evolutions.
  - Reflects increased **front desk and housekeeping hours** compared to the prior year due to operational scheduling needs.
- **Utilities** – Budgeted to decrease based on **projected savings** from enrollment in a revised utility rate plan applicable to solar usage.
- **Repairs & Maintenance** – The budget **remains consistent** with the 2025 budget and reflects an increase over 2025 actuals to accommodate **potential unforeseen maintenance needs**.
- **Building and Equipment Rental** – Budgeted consistent with 2025, with an increase over actuals due to a **one-time prior-year refund adjustment**.

## Non-Operating Revenue and Expenses

- **Revenue Bond Interest Expense** – Although the annual amortization amount remains relatively consistent, the amortization was updated based on the revised rebate amount, extending the amortization period from **eight years through FY 2032 to eleven years through FY 2035**. This ensures that all remaining years with no expected savings after bond payments are offset, with **Guaranteed Net Savings expected to begin in FY 2036**.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<b>TULARE LOCAL HEALTHCARE DISTRICT</b>													
2	<b>2026 DRAFT BUDGET</b>													
3														
4	<b>DESCRIPTION</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTALS</b>
5	<b>OPERATING REVENUE</b>													
6	Rental Revenue	252,194	252,194	252,295	252,295	252,295	252,295	252,504	252,619	252,650	259,471	259,471	259,471	3,049,752
7	Property Tax Revenue	250,312	250,312	250,312	250,312	250,312	250,312	250,312	250,312	250,312	250,312	250,312	250,312	3,003,744
8	Other Operating Revenue	100	100	100	100	100	100	100	100	100	100	100	100	1,200
9	<b>TOTAL OPERATING REVENUE</b>	<b>502,606</b>	<b>502,606</b>	<b>502,707</b>	<b>502,707</b>	<b>502,707</b>	<b>502,707</b>	<b>502,916</b>	<b>503,031</b>	<b>503,062</b>	<b>509,883</b>	<b>509,883</b>	<b>509,883</b>	<b>6,054,696</b>
10	<b>OPERATING EXPENSES</b>													
11	Salaries & Wages	47,002	42,275	47,002	47,002	44,639	47,002	50,972	46,105	48,539	48,539	46,105	51,272	566,455
12	Employee Benefits	12,210	9,953	10,592	10,592	10,135	10,624	11,302	10,368	10,835	10,835	10,368	11,334	129,147
13	Professional Fees	11,800	7,300	1,000	6,500	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	114,600
14	Legal Fees	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	150,000
15	Purchased Services	37,209	25,524	26,874	29,234	25,524	26,382	36,095	25,615	26,465	29,175	25,615	29,465	343,177
16	Supplies	730	730	730	730	730	730	730	730	730	730	730	730	8,760
17	Repairs & Maintenance	300	300	300	300	300	300	300	300	300	300	300	300	3,600
18	Utilities & Phone	3,249	3,249	3,249	3,249	3,249	3,249	3,249	3,249	3,249	3,249	3,249	3,249	38,984
19	Building & Equipment Rental	8,415	8,415	8,415	8,415	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	102,324
20	Insurance	21,685	21,685	21,685	21,685	21,685	21,685	22,769	22,769	22,769	22,769	22,769	22,769	266,726
21	Other Operating Expenses	2,250	250	17,750	1,250	1,250	1,250	250	250	5,250	250	250	250	30,500
22	<b>TOTAL OPERATING EXPENSES BEFORE D&amp;A</b>	<b>157,350</b>	<b>132,181</b>	<b>150,097</b>	<b>141,457</b>	<b>139,594</b>	<b>143,305</b>	<b>157,750</b>	<b>141,469</b>	<b>150,220</b>	<b>147,930</b>	<b>141,469</b>	<b>151,452</b>	<b>1,754,273</b>
23	<b>EBITDA</b>	<b>345,255</b>	<b>370,425</b>	<b>352,609</b>	<b>361,249</b>	<b>363,113</b>	<b>359,401</b>	<b>345,165</b>	<b>361,562</b>	<b>352,843</b>	<b>361,954</b>	<b>368,414</b>	<b>358,431</b>	<b>4,300,422</b>
24														
25	<b>NON OPERATING REVENUES AND EXPENSES</b>													
26	Depreciation & Amortization	-60,520	-61,270	-61,209	-63,309	-63,047	-63,047	-63,021	-62,946	-63,082	-62,648	-63,443	-63,222	-750,764
27	GO Bond Revenue	376,067	376,067	376,067	376,067	376,067	376,067	376,067	376,067	376,067	376,067	376,067	376,067	4,512,804
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	-259,861	-259,861	-259,861	-259,861	-259,861	-259,861	-259,861	-259,861	-259,861	-259,861	-259,861	-259,861	-3,118,332
30	Interest Income	62,931	59,355	60,091	47,051	40,004	26,334	26,455	26,455	19,621	19,621	19,621	19,621	427,161
31														
32	<b>TOTAL NON OPERATING REVENUE &amp; EXPENSES</b>	<b>174,049</b>	<b>169,723</b>	<b>170,519</b>	<b>155,379</b>	<b>148,594</b>	<b>134,924</b>	<b>135,071</b>	<b>135,146</b>	<b>128,176</b>	<b>128,610</b>	<b>127,815</b>	<b>128,036</b>	<b>1,736,041</b>
33														
34	<b>INCREASE/(DECREASE) IN NET POSITION</b>	<b>519,304</b>	<b>540,148</b>	<b>523,128</b>	<b>516,628</b>	<b>511,707</b>	<b>494,325</b>	<b>480,236</b>	<b>496,708</b>	<b>481,019</b>	<b>490,564</b>	<b>496,230</b>	<b>486,467</b>	<b>6,036,463</b>

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
37	<b>TULARE LOCAL HEALTHCARE DISTRICT</b>													
38	<b>DRAFT CASH FLOW</b>													
39														
40	<b>DESCRIPTION</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTALS</b>
41	Estimated Cash	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
42	<b>OPERATING REVENUE</b>													
43	Total Revenue	565,537	561,961	562,798	549,757	542,710	529,040	529,371	529,486	522,683	529,504	529,504	529,504	6,481,856
44	Less Property Tax Revenue Accrual	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-3,003,744
45	Actual Property Tax Revenue	166,302			897,102	132,519		60,241					1,747,583	3,003,747
46	Less Investment Interest Accrual	-62,931	-59,355	-60,091	-47,051	-40,004	-26,334	-26,455	-26,455	-19,621	-19,621	-19,621	-19,621	-427,161
47	Actual Investment Interest	35,588	111,848	32,043	19,800	96,721	5,705	5,951	86,074	5,606	5,951	88,406	5,606	499,298
48	<b>TOTAL OPERATING REVENUE</b>	<b>454,183</b>	<b>364,141</b>	<b>284,437</b>	<b>1,169,296</b>	<b>481,635</b>	<b>258,100</b>	<b>318,796</b>	<b>338,793</b>	<b>258,356</b>	<b>265,522</b>	<b>347,977</b>	<b>2,012,761</b>	<b>6,553,997</b>
49														
50	<b>OPERATING EXPENSES</b>													
51	Total Operating Expenses	157,350	132,181	150,097	141,457	139,594	143,305	157,750	141,469	150,220	147,930	141,469	151,452	1,754,273
52	<b>NET OPERATING EXPENSES</b>	<b>157,350</b>	<b>132,181</b>	<b>150,097</b>	<b>141,457</b>	<b>139,594</b>	<b>143,305</b>	<b>157,750</b>	<b>141,469</b>	<b>150,220</b>	<b>147,930</b>	<b>141,469</b>	<b>151,452</b>	<b>1,754,273</b>
53														
54	<b>NET OPERATING CASH</b>	<b>296,833</b>	<b>231,961</b>	<b>134,340</b>	<b>1,027,839</b>	<b>342,041</b>	<b>114,794</b>	<b>161,045</b>	<b>197,324</b>	<b>108,137</b>	<b>117,593</b>	<b>206,508</b>	<b>1,861,308</b>	<b>4,799,724</b>
55														
56	<b>FINANCING ACTIVITIES</b>													
57	Capital Funded by District	-600,000	-630,000	-650,000	-5,035,000	-3,000,000	-2,500,000	-2,000,000	-2,000,000	-1,000,000	-1,000,000	-2,500,000	-991,000	-21,906,000
58	2020 Revenue Bond Payments			-354,526						-1,050,526				-1,405,052
59	<b>TOTAL FINANCING ACTIVITIES</b>	<b>-600,000</b>	<b>-630,000</b>	<b>-1,004,526</b>	<b>-5,035,000</b>	<b>-3,000,000</b>	<b>-2,500,000</b>	<b>-2,000,000</b>	<b>-2,000,000</b>	<b>-2,050,526</b>	<b>-1,000,000</b>	<b>-2,500,000</b>	<b>-991,000</b>	<b>-23,311,052</b>
60														
61	Estimated Cash	-103,167	-198,039	-670,186	-3,807,161	-2,457,959	-2,185,206	-1,638,955	-1,602,676	-1,742,389	-682,407	-2,093,492	1,070,308	-18,311,328
62	<b>TRANSFERS TO LAIF/(withdrawals)</b>	<b>-303,167</b>	<b>-398,039</b>	<b>-870,186</b>	<b>-4,007,161</b>	<b>-2,657,959</b>	<b>-2,385,206</b>	<b>-1,838,955</b>	<b>-1,802,676</b>	<b>-1,942,389</b>	<b>-882,407</b>	<b>-2,293,492</b>	<b>870,308</b>	<b>-18,511,328</b>
63														
64	<b>INVESTMENT ACCOUNTS</b>													
65	Transfers/(withdrawals)	21,873,947	21,570,780	21,172,740	20,302,554	16,295,393	13,637,435	11,252,229	9,413,274	7,610,598	5,668,209	4,785,802	2,492,310	
66	Estimated Investment Account Balances	-303,167	-398,039	-870,186	-4,007,161	-2,657,959	-2,385,206	-1,838,955	-1,802,676	-1,942,389	-882,407	-2,293,492	870,308	
66	<b>Estimated Investment Account Balances</b>	<b>21,570,780</b>	<b>21,172,740</b>	<b>20,302,554</b>	<b>16,295,393</b>	<b>13,637,435</b>	<b>11,252,229</b>	<b>9,413,274</b>	<b>7,610,598</b>	<b>5,668,209</b>	<b>4,785,802</b>	<b>2,492,310</b>	<b>3,362,619</b>	

	A	B	C	D	E	F	G	H
1	<b>TULARE LOCAL HEALTHCARE DISTRICT</b>							
2	<b>BUDGET COMPARISON</b>							
3								
4		<b>Calendar 2025 Budgeted Amounts</b>	<b>Calendar 2025 Actuals</b>	<b>Budget Draft 2026</b>	<b>\$ Inc/(Dec) Budget 2025 to Budget 2026</b>	<b>% Change Budget 2025 to Budget 2026</b>	<b>\$ Inc/(Dec) Calendar 2025 Actual to Budget 2026</b>	<b>% Change Calendar 2025 Actual to Budget 2026</b>
5	<b>OPERATING REVENUE</b>							
6	Rental Revenue	\$ 2,981,002	\$ 2,970,851	\$ 3,049,752	\$ 68,749	2%	\$ 78,901	3%
7	Property Tax Revenue	\$ 2,863,497	\$ 2,863,494	\$ 3,003,744	\$ 140,247	5%	\$ 140,250	5%
8	Other Operating Revenue	\$ 6,600	\$ 56,200	\$ 1,200	\$ (5,400)	-82%	\$ (55,000)	-98%
9	<b>TOTAL REVENUE</b>	<b>\$ 5,851,099</b>	<b>\$ 5,890,545</b>	<b>\$ 6,054,696</b>	<b>\$ 203,597</b>	<b>3%</b>	<b>\$ 164,151</b>	<b>3%</b>
10	<b>OPERATING EXPENSES</b>							
11	Salaries & Wages	\$ 571,404	\$ 503,491	\$ 566,455	\$ (4,949)	-1%	\$ 62,964	13%
12	Employee Benefits	\$ 119,596	\$ 113,925	\$ 129,147	\$ 9,551	8%	\$ 15,222	13%
13	Professional Fees	\$ 149,050	\$ 29,514	\$ 114,600	\$ (34,450)	-23%	\$ 85,086	288%
14	Legal Fees	\$ 139,500	\$ 141,077	\$ 150,000	\$ 10,500	8%	\$ 8,923	6%
15	Purchased Services	\$ 400,451	\$ 297,279	\$ 343,177	\$ (57,274)	-14%	\$ 45,898	15%
16	Supplies	\$ 8,367	\$ 7,746	\$ 8,760	\$ 393	5%	\$ 1,014	13%
17	Repairs & Maintenance	\$ 3,420	\$ 3,293	\$ 3,600	\$ 180	5%	\$ 307	9%
18	Utilities & Phone	\$ 43,112	\$ 39,535	\$ 38,984	\$ (4,128)	-10%	\$ (551)	-1%
19	Building & Equipment Rental	\$ 96,060	\$ 97,254	\$ 102,324	\$ 6,264	7%	\$ 5,070	5%
20	Insurance	\$ 270,501	\$ 260,304	\$ 266,726	\$ (3,775)	-1%	\$ 6,422	2%
21	Other Operating Expenses	\$ 60,429	\$ 25,940	\$ 30,500	\$ (29,929)	-50%	\$ 4,560	18%
22	<b>TOTAL EXPENSES BEFORE D&amp;A</b>	<b>\$ 1,861,889</b>	<b>\$ 1,519,358</b>	<b>\$ 1,754,273</b>	<b>\$ (107,616)</b>	<b>-6%</b>	<b>\$ 234,915</b>	<b>15%</b>
23	<b>EBITDA</b>	<b>\$ 3,989,210</b>	<b>\$ 4,371,187</b>	<b>\$ 4,300,422</b>	<b>\$ 311,213</b>	<b>8%</b>	<b>\$ (70,765)</b>	<b>-2%</b>
24	<b>NON OPERATING REVENUE AND EXPENSES</b>							
25	Depreciation & Amortization	\$ (768,862)	\$ (716,116)	\$ (750,764)	\$ 18,099	-2%	\$ (34,648)	5%
26	GO Bond Revenue	\$ 4,422,234	\$ 4,422,234	\$ 4,512,804	\$ 90,570	2%	\$ 90,570	2%
27	Bond Accretion	\$ 663,954	\$ 662,736	\$ 665,172	\$ 1,218	0%	\$ 2,436	0%
28	Bond Interest Expense	\$ (4,028,673)	\$ (3,221,562)	\$ (3,118,332)	\$ 910,341	-23%	\$ 103,230	-3%
29	Gains/Losses on Investments	\$ 857,248	\$ 956,350	\$ 427,161	\$ (430,087)	-50%	\$ (529,189)	-55%
30	Gains/Losses on Sale of Property	\$ -	\$ 1,678,291	\$ -	\$ -		\$ (1,678,291)	-100%
31	Extraordinary Revenue/Expenses	\$ -	\$ 190,764	\$ -	\$ -		\$ (190,764)	-100%
32	<b>TOTAL NON OPERATING</b>	<b>\$ 1,145,901</b>	<b>\$ 3,972,697</b>	<b>\$ 1,736,041</b>	<b>\$ 590,140</b>	<b>52%</b>	<b>\$ (2,236,656)</b>	<b>-56%</b>
33	<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ 5,135,110</b>	<b>\$ 8,343,884</b>	<b>\$ 6,036,463</b>	<b>\$ 901,353</b>	<b>18%</b>	<b>\$ (2,307,421)</b>	<b>-28%</b>

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<b>EVOLUTIONS</b>													
2	<b>2026 DRAFT BUDGET</b>													
3														
4	<b>DESCRIPTION</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTALS</b>
5	<b>OPERATING REVENUE</b>													
6	Enrollments/Dues	199,247	200,520	201,793	203,065	204,337	205,609	206,881	208,153	209,426	210,698	211,970	213,242	2,474,940
7	Other Operating Revenue	14,215	14,216	14,216	14,216	14,216	14,216	14,216	14,216	14,216	14,216	14,216	14,216	170,591
8	<b>TOTAL OPERATING REVENUE</b>	<b>213,462</b>	<b>214,736</b>	<b>216,009</b>	<b>217,281</b>	<b>218,553</b>	<b>219,825</b>	<b>221,097</b>	<b>222,369</b>	<b>223,642</b>	<b>224,914</b>	<b>226,186</b>	<b>227,458</b>	<b>2,645,531</b>
9	<b>OPERATING EXPENSES</b>													
10	Salaries & Wages	104,974	94,815	104,974	101,588	104,974	101,588	107,773	107,773	104,292	107,773	104,292	111,123	1,255,942
11	Employee Benefits	25,027	19,159	20,303	19,662	20,093	19,504	20,254	20,039	19,404	19,823	19,196	20,216	242,681
14	Purchased Services	21,176	18,276	19,676	21,276	19,976	18,276	18,276	18,276	18,276	21,276	16,316	16,816	227,892
15	Supplies & Minor Equip	11,825	10,475	9,525	10,725	9,275	9,275	11,825	10,475	9,525	10,725	9,275	9,275	122,200
16	Repairs & Maintenance	7,310	5,910	5,910	5,910	5,910	7,310	6,110	10,710	5,910	5,910	5,910	5,910	78,720
17	Utilities	23,850	24,250	20,450	17,550	14,550	17,150	18,950	20,850	21,950	17,750	22,350	21,350	241,000
18	Building & Equipment Rental	251	251	251	251	251	251	251	251	251	251	251	251	3,012
19	Insurance	7,432	7,432	7,432	7,432	7,432	7,432	7,803	7,803	7,803	7,803	7,803	7,803	91,411
20	Other Operating Expenses	1,350	1,200	2,050	1,350	2,200	2,200	1,350	700	1,150	1,350	4,700	700	20,300
21	<b>TOTAL OPERATING EXPENSES BEFORE D&amp;A</b>	<b>203,195</b>	<b>181,768</b>	<b>190,571</b>	<b>185,744</b>	<b>184,661</b>	<b>182,985</b>	<b>192,593</b>	<b>196,878</b>	<b>188,562</b>	<b>192,662</b>	<b>190,094</b>	<b>193,445</b>	<b>2,283,159</b>
22														
23	<b>EBIDTA</b>	<b>10,267</b>	<b>32,968</b>	<b>25,437</b>	<b>31,537</b>	<b>33,891</b>	<b>36,840</b>	<b>28,504</b>	<b>25,492</b>	<b>35,079</b>	<b>32,251</b>	<b>36,092</b>	<b>34,013</b>	<b>362,372</b>
24	<b>NON OPERATING REVENUES AND EXPENSES</b>													
25	Depreciation & Amortization	-57,346	-57,534	-57,576	-57,951	-57,797	-57,964	-57,992	-57,992	-57,992	-56,383	-56,269	-57,102	-689,896
26	Rev Bond Interest Expense & Solar Rebate	-7,652	-7,652	-7,652	-7,652	-7,652	-7,652	-7,652	-7,652	-7,652	-7,652	-7,652	-7,652	-91,826
27	<b>TOTAL NON OPERATING REVENUE &amp; EXPENSES</b>	<b>-64,998</b>	<b>-65,186</b>	<b>-65,228</b>	<b>-65,603</b>	<b>-65,449</b>	<b>-65,616</b>	<b>-65,644</b>	<b>-65,644</b>	<b>-65,644</b>	<b>-64,036</b>	<b>-63,921</b>	<b>-64,755</b>	<b>-781,723</b>
28														
29	<b>INCREASE/(DECREASE) IN NET POSITION</b>	<b>-54,731</b>	<b>-32,218</b>	<b>-39,791</b>	<b>-34,066</b>	<b>-31,557</b>	<b>-28,776</b>	<b>-37,140</b>	<b>-40,152</b>	<b>-30,564</b>	<b>-31,784</b>	<b>-27,829</b>	<b>-30,741</b>	<b>-419,351</b>

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
32	<b>EVOLUTIONS</b>													
33	<b>2026 DRAFT CASH FLOW</b>													
34														
35	<b>DESCRIPTION</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTALS</b>
36	Estimated Cash	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
37	<b>OPERATING REVENUE</b>													
38	Total Revenue	213,462	214,736	216,009	217,281	218,553	219,825	221,097	222,369	223,642	224,914	226,186	227,458	2,645,531
39	<b>NET OPERATING REVENUE</b>	<b>213,462</b>	<b>214,736</b>	<b>216,009</b>	<b>217,281</b>	<b>218,553</b>	<b>219,825</b>	<b>221,097</b>	<b>222,369</b>	<b>223,642</b>	<b>224,914</b>	<b>226,186</b>	<b>227,458</b>	<b>2,645,531</b>
40														
41	<b>OPERATING EXPENSES</b>													
42	Total Operating Expenses	203,195	181,768	190,571	185,744	184,661	182,985	192,593	196,878	188,562	192,662	190,094	193,445	2,283,159
43	<b>NET OPERATING EXPENSES</b>	<b>203,195</b>	<b>181,768</b>	<b>190,571</b>	<b>185,744</b>	<b>184,661</b>	<b>182,985</b>	<b>192,593</b>	<b>196,878</b>	<b>188,562</b>	<b>192,662</b>	<b>190,094</b>	<b>193,445</b>	<b>2,283,159</b>
44														
45	<b>NET OPERATING CASH</b>	<b>10,267</b>	<b>32,968</b>	<b>25,437</b>	<b>31,537</b>	<b>33,891</b>	<b>36,840</b>	<b>28,504</b>	<b>25,492</b>	<b>35,079</b>	<b>32,251</b>	<b>36,092</b>	<b>34,013</b>	<b>362,372</b>
46														
47	<b>FINANCING ACTIVITIES</b>													
48	Capital funded by EVO	-40,900	-8,750	-2,500	-45,000	-50,000	-10,000	-3,300	0	0	-3,000	-25,000	-25,000	-213,450
49	Rev Bond Payments & Solar Rebate	6,886	6,886	-80,962	6,886	6,886	6,886	6,886	6,886	-150,962	6,886	6,886	6,886	-163,063
50	<b>TOTAL FINANCING ACTIVITIES</b>	<b>-34,014</b>	<b>-1,864</b>	<b>-83,462</b>	<b>-38,114</b>	<b>-43,114</b>	<b>-3,114</b>	<b>3,586</b>	<b>6,886</b>	<b>-150,962</b>	<b>3,886</b>	<b>-18,114</b>	<b>-18,114</b>	<b>-376,513</b>
51														
52	Estimated Cash	76,253	131,104	41,976	93,423	90,777	133,726	132,090	132,378	-15,882	136,137	117,978	115,899	85,859
53	<b>INVESTMENT TRANSFERS/(WITHDRAWALS)</b>	<b>-23,747</b>	<b>31,104</b>	<b>-58,024</b>	<b>-6,577</b>	<b>-9,223</b>	<b>33,726</b>	<b>32,090</b>	<b>32,378</b>	<b>-115,882</b>	<b>36,137</b>	<b>17,978</b>	<b>15,899</b>	<b>-14,141</b>
54														
55														
56	Transfers	-23,747	31,104	-58,024	-6,577	-9,223	33,726	32,090	32,378	-115,882	36,137	17,978	15,899	-14,141
57														
58	<b>Cash needed</b>	<b>-23,747</b>	<b>31,104</b>	<b>-58,024</b>	<b>-6,577</b>	<b>-9,223</b>	<b>33,726</b>	<b>32,090</b>	<b>32,378</b>	<b>-115,882</b>	<b>36,137</b>	<b>17,978</b>	<b>15,899</b>	<b>-14,141</b>

	A	B	C	D	E	F	G	H
1	<b>EVOLUTIONS</b>							
2	<b>BUDGET COMPARISON</b>							
3								
4								
5		<b>Calendar 2025 Budgeted Amounts</b>	<b>Calendar 2025 Actuals</b>	<b>Budget Draft 2026</b>	<b>\$ Inc/(Dec) Budget 2025 to Budget 2026</b>	<b>% Change Budget 2025 to Budget 2026</b>	<b>\$ Inc/(Dec) Calendar 2025 Actual to Budget 2026</b>	<b>% Change Calendar 2025 Actual to Budget 2026</b>
6	<b>OPERATING REVENUE</b>							
7	Memberships	\$ 2,219,737	\$ 2,354,215	\$ 2,428,176	\$ 208,440	9%	\$ 73,961	3%
8	Enrollments	\$ 52,284	\$ 42,385	\$ 46,764	\$ (5,520)	-11%	\$ 4,379	10%
9	Childcare	\$ 86,460	\$ 78,548	\$ 82,273	\$ (4,187)	-5%	\$ 3,725	5%
10	Personal Trainer Rent	\$ 30,000	\$ 29,000	\$ 30,000	\$ -	0%	\$ 1,000	3%
11	Guest Fees	\$ 43,320	\$ 48,375	\$ 52,931	\$ 9,611	22%	\$ 4,556	9%
12	Drinks	\$ 4,842	\$ 4,012	\$ 4,440	\$ (402)	-8%	\$ 428	11%
13	Other Operating Revenue	\$ 9,600	\$ 12,395	\$ 947	\$ (8,653)	-90%	\$ (11,448)	-92%
14	<b>TOTAL REVENUE</b>	<b>\$ 2,446,243</b>	<b>\$ 2,568,930</b>	<b>\$ 2,645,531</b>	<b>\$ 199,288</b>	<b>8%</b>	<b>\$ 76,601</b>	<b>3%</b>
15	<b>OPERATING EXPENSES</b>							
16	Salaries & Wages	\$ 1,167,650	\$ 1,130,093	\$ 1,255,942	\$ 88,292	8%	\$ 125,849	11%
17	Employee Benefits	\$ 218,582	\$ 215,771	\$ 242,681	\$ 24,099	11%	\$ 26,910	12%
18	Purchased Services	\$ 231,206	\$ 224,587	\$ 227,892	\$ (3,314)	-1%	\$ 3,305	1%
19	Supplies	\$ 116,550	\$ 113,944	\$ 122,200	\$ 5,650	5%	\$ 8,256	7%
20	Repairs & Maintenance	\$ 79,580	\$ 66,869	\$ 78,720	\$ (860)	-1%	\$ 11,851	18%
21	Utilities	\$ 244,411	\$ 260,286	\$ 241,000	\$ (3,411)	-1%	\$ (19,286)	-7%
22	Building & Equipment Rental	\$ 2,826	\$ 2,010	\$ 3,012	\$ 186	7%	\$ 1,002	50%
23	Insurance	\$ 80,765	\$ 90,715	\$ 91,411	\$ 10,646	13%	\$ 696	1%
24	Other Operating Expenses	\$ 15,436	\$ 29,948	\$ 20,300	\$ 4,864	32%	\$ (9,648)	-32%
25	<b>TOTAL EXPENSES BEFORE D&amp;A</b>	<b>\$ 2,157,006</b>	<b>\$ 2,134,223</b>	<b>\$ 2,283,159</b>	<b>\$ 126,153</b>	<b>6%</b>	<b>\$ 148,936</b>	<b>7%</b>
26	<b>EBITDA</b>	<b>\$ 289,237</b>	<b>\$ 434,707</b>	<b>\$ 362,372</b>	<b>\$ 73,135</b>	<b>25%</b>	<b>\$ (72,335)</b>	<b>-17%</b>
27	<b>NON OPERATING REVENUE AND EXPENSES</b>							
28	Depreciation & Amortization	\$ (709,700)	\$ (692,457)	\$ (689,896)	\$ 19,803	-3%	\$ 2,561	0%
29	Rev Bond Interest Expense	\$ (97,092)	\$ (97,092)	\$ (91,826)	\$ 5,266	-5%	\$ 5,266	-5%
30	Gains/Losses on Investments	\$ -	\$ -	\$ -	\$ -		\$ -	
31	Gains/Losses on Sale of Property	\$ -	\$ 5,200	\$ -	\$ -		\$ (5,200)	-100%
32	Extraordinary Revenue/ Expenses	\$ -	\$ 11	\$ -	\$ -		\$ (11)	-100%
33	Investment Income	\$ -	\$ -	\$ -	\$ -		\$ -	
34	<b>TOTAL NON OPERATING</b>	<b>\$ (806,792)</b>	<b>\$ (784,338)</b>	<b>\$ (781,723)</b>	<b>\$ 25,069</b>	<b>-3%</b>	<b>\$ 2,615</b>	<b>0%</b>
35	<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ (517,555)</b>	<b>\$ (349,631)</b>	<b>\$ (419,351)</b>	<b>\$ 98,204</b>	<b>-19%</b>	<b>\$ (69,720)</b>	<b>20%</b>

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
69	<b>DISTRICT &amp; EVO COMBINED</b>													
70	<b>DRAFT CASH FLOW</b>													
71														
72	<b>DESCRIPTION</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTALS</b>
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	<b>OPERATING REVENUE</b>													
75	Total Revenue	778,999	776,697	778,806	767,038	761,263	748,865	750,468	751,855	746,325	754,418	755,690	756,962	9,127,387
76	Less Property Tax Revenue Accrual	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-250,312	-3,003,744
77	Actual Property Tax Revenue	166,302	0	0	897,102	132,519	0	60,241	0	0	0	0	1,747,583	3,003,747
78	Less Investment Interest Accrual	-62,931	-59,355	-60,091	-47,051	-40,004	-26,334	-26,455	-26,455	-19,621	-19,621	-19,621	-19,621	-427,161
79	Actual Investment Interest	35,588	111,848	32,043	19,800	96,721	5,705	5,951	86,074	5,606	5,951	88,406	5,606	499,298
80	<b>TOTAL OPERATING REVENUE</b>	<b>667,645</b>	<b>578,877</b>	<b>500,446</b>	<b>1,386,577</b>	<b>700,188</b>	<b>477,925</b>	<b>539,893</b>	<b>561,162</b>	<b>481,998</b>	<b>490,436</b>	<b>574,163</b>	<b>2,240,219</b>	<b>9,199,528</b>
81														
82	<b>OPERATING EXPENSES</b>													
83	Total Operating Expenses	360,545	313,949	340,669	327,201	324,255	326,290	350,343	338,347	338,782	340,592	331,563	344,897	4,037,432
84	<b>NET OPERATING EXPENSES</b>	<b>360,545</b>	<b>313,949</b>	<b>340,669</b>	<b>327,201</b>	<b>324,255</b>	<b>326,290</b>	<b>350,343</b>	<b>338,347</b>	<b>338,782</b>	<b>340,592</b>	<b>331,563</b>	<b>344,897</b>	<b>4,037,432</b>
85														
86	<b>NET OPERATING CASH</b>	<b>307,100</b>	<b>264,929</b>	<b>159,777</b>	<b>1,059,376</b>	<b>375,933</b>	<b>151,634</b>	<b>189,549</b>	<b>222,815</b>	<b>143,216</b>	<b>149,844</b>	<b>242,601</b>	<b>1,895,322</b>	<b>5,162,096</b>
87														
88	<b>FINANCING ACTIVITIES</b>													
89	Capital funded by District	-600,000	-630,000	-650,000	-5,035,000	-3,000,000	-2,500,000	-2,000,000	-2,000,000	-1,000,000	-1,000,000	-2,500,000	-991,000	-21,906,000
90	Capital funded by EVO	-40,900	-8,750	-2,500	-45,000	-50,000	-10,000	-3,300	0	0	-3,000	-25,000	-25,000	-213,450
91	District Revenue Bond Principal & Interest	0	0	-354,526	0	0	0	0	0	-1,050,526	0	0	0	-1,405,052
93	EVO Revenue Bond Interest (Solar)	6,886	6,886	-80,962	6,886	6,886	6,886	6,886	6,886	-150,962	6,886	6,886	6,886	-163,063
94	<b>TOTAL FINANCING ACTIVITIES</b>	<b>-634,014</b>	<b>-631,864</b>	<b>-1,087,988</b>	<b>-5,073,114</b>	<b>-3,043,114</b>	<b>-2,503,114</b>	<b>-1,996,414</b>	<b>-1,993,114</b>	<b>-2,201,488</b>	<b>-996,114</b>	<b>-2,518,114</b>	<b>-1,009,114</b>	<b>-23,687,565</b>
95														
96	Estimated Cash	-26,914	-66,935	-628,211	-3,713,738	-2,367,181	-2,051,480	-1,506,865	-1,470,299	-1,758,271	-546,270	-1,975,513	1,186,208	-18,225,469
97	<b>INVESTMENT TRANSFERS/(WITHDRAWALS)</b>	<b>\$ (326,914)</b>	<b>\$ (366,935)</b>	<b>\$ (928,211)</b>	<b>\$ (4,013,738)</b>	<b>\$ (2,667,181)</b>	<b>\$ (2,351,480)</b>	<b>\$ (1,806,865)</b>	<b>\$ (1,770,299)</b>	<b>\$ (2,058,271)</b>	<b>\$ (846,270)</b>	<b>\$ (2,275,513)</b>	<b>\$ 886,208</b>	<b>-18,525,469</b>
98														
99	<b>INVESTMENT ACCOUNTS</b>	21,873,947	21,547,033	21,180,098	20,251,887	16,238,149	13,570,967	11,219,488	9,412,623	7,642,324	5,584,053	4,737,783	2,462,270	
100	Transfers/(Withdrawals)	-326,914	-366,935	-928,211	-4,013,738	-2,667,181	-2,351,480	-1,806,865	-1,770,299	-2,058,271	-846,270	-2,275,513	886,208	
101	<b>Estimated Investment Account Balances</b>	<b>21,547,033</b>	<b>21,180,098</b>	<b>20,251,887</b>	<b>16,238,149</b>	<b>13,570,967</b>	<b>11,219,488</b>	<b>9,412,623</b>	<b>7,642,324</b>	<b>5,584,053</b>	<b>4,737,783</b>	<b>2,462,270</b>	<b>3,348,478</b>	

**Capital Projects and Budgeted Amounts**

<b>Project Name</b>	<b>FY 2026 Budget</b>
Fire Alarm Panel	\$30,000
Kitchen Flooring and Grease Trap	\$35,000
Seismic Assessment	\$1,500,000
DEMO – 890 Cherry	\$40,000
Tower - Storm Water SWPPP – Recurring	\$6,000
Tower - Medical Gas Testing	\$24,000
Tower - Installation of Roof Ladders	\$30,000
Tower - Plumbing	\$50,000
Tower - Basement Exterior Stairs	\$58,000
Tower - Courtyard Sidewalk	\$60,000
Tower - Elevator and Dumbwaiters	\$201,000
Tower - Helipad	\$918,000
Tower - Crane for Helipad	\$78,000
Tower - Railing	\$50,000
Tower - Krazan Inspection and Testing – Recurring	\$100,000
Tower - Elevator Framing and Drywall	\$116,000
Tower - Mechanical	\$150,000
Tower - Parking Lot – South Side	\$225,000
Tower - Validation Report	\$235,000
Tower - Completion	\$18,000,000

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**Total FY 2026 Capital Budget**

**\$21,906,000**

**EVO Capital Projects and Budgeted Amounts**

<b>Project Name</b>	<b>FY 2026 Budget</b>
Equipment – Stair Masters (2)	\$11,000
Equipment – Glute Cable Machine	\$12,000
Two-Way Radio for Business	\$2,500
Equipment – Cross Cable	\$7,500
Technology Equipment	\$45,000
Paint Interior	\$50,000
Equipment – NuStep	\$5,600
Landscaping	\$10,000
Equipment – Barbell Set (2)	\$4,800
Equipment – Various Weights (2)	\$3,300
Atrium Remodel	\$50,000
Group X Sound System (10)	\$3,000
Pilates Flex Cord & Bands & Mats	\$3,750
Shower Heads	\$5,000
<hr/>	
<b>Total FY 2026 EVO Capital Budget</b>	<b>\$213,450</b>

## **FY 2026 Solar Rebate Options Summary**

Staff evaluated **three options** based on how the available rebate is applied and the resulting impact on amortization and guaranteed net savings.

While the **annual amortization amount remains relatively consistent** with the amounts we previously budgeted, the options differ in **how the rebate is applied** and the **timing of net savings**.

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### **Proposed Options**

#### **Option 1 – Eight-Year Amortization (Original Structure)**

The rebate is spread evenly over the **same eight-year period originally budgeted**, ending in **FY 2032**. This option maintains the original amortization timeline but does not fully offset all years where cost savings are not achieved after bond payments.

#### **Option 2 – Eleven-Year Amortization (*Recommended*)**

The rebate is spread over **eleven years**, ending in **FY 2035**, to help **offset any years in which cost savings would not otherwise be realized after bond payments**. This option smooths the financial impact over a longer period and results in **Guaranteed Net Savings estimated to begin in FY 2036**.

#### **Option 3 – Upfront Rebate (No Amortization)**

The full rebate is applied upfront with **no amortization**, which allows for **multiple years with no cost savings after bond payments**. While this option accelerates rebate recognition, it creates greater variability and risk in annual savings.

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### **Staff Recommendation**

#### **Staff recommends Option 2.**

Option 2 provides the most balanced and fiscally responsible approach by extending the amortization period to fully offset years without expected savings, while maintaining a relatively stable annual amortization amount. This structure supports long-term financial stability.

	A	B	C	D	E	F	G	H	I	J	K
1	Measurement Period	Measurement Period	Guaranteed Gross Savings	Total Program Costs	Guaranteed Net Savings Before Bond Payments	Revenue Bond Payments	Guaranteed Net Savings After Bond Payments	FY 2025 Budget	FY 2026 Proposed Option #1	FY 2026 Proposed Option #2	FY 2026 Proposed Option #3
2	1	FY 23				\$ 38,146	\$ (38,146)				
3	2	FY 24				\$ 178,345	\$ (178,345)		\$ 40,626	\$ 40,626	\$ 40,626
4	3	FY 25	\$ 135,833	\$ 14,359	\$ 121,474	\$ 178,345	\$ (56,871)	\$ 81,250	\$ 81,252	\$ 81,252	\$ 81,252
5	4	FY 26	\$ 146,086	\$ 14,789	\$ 131,297	\$ 227,020	\$ (95,723)	\$ 81,250	\$ 118,046	\$ 82,632	\$ 826,320
6	5	FY 27	\$ 157,114	\$ 15,233	\$ 141,881	\$ 243,840	\$ (101,959)	\$ 81,250	\$ 118,046	\$ 82,632	
7	6	FY 28	\$ 168,975	\$ 15,690	\$ 153,285	\$ 249,865	\$ (96,580)	\$ 81,250	\$ 118,046	\$ 82,632	
8	7	FY 29	\$ 181,732	\$ 16,161	\$ 165,571	\$ 255,360	\$ (89,789)	\$ 81,250	\$ 118,046	\$ 82,632	
9	8	FY 30	\$ 195,453	\$ 16,646	\$ 178,807	\$ 274,928	\$ (96,121)	\$ 81,250	\$ 118,046	\$ 82,632	
10	9	FY 31	\$ 210,211	\$ 17,145	\$ 193,066	\$ 274,674	\$ (81,608)	\$ 81,250	\$ 118,046	\$ 82,632	
11	10	FY 32	\$ 226,083	\$ 17,659	\$ 208,424	\$ 274,102	\$ (65,678)	\$ 81,250	\$ 118,046	\$ 82,632	
12	11	FY 33	\$ 243,155	\$ 18,189	\$ 224,966	\$ 274,185	\$ (49,219)			\$ 82,632	
13	12	FY 34	\$ 261,517	\$ 18,735	\$ 242,782	\$ 274,871	\$ (32,089)			\$ 82,632	
14	13	FY 35	\$ 281,267	\$ 19,297	\$ 261,970	\$ 274,160	\$ (12,190)			\$ 82,632	
15	14	FY 36	\$ 302,509	\$ 19,876	\$ 282,633	\$ 274,051	\$ 8,583				
16	15	FY 37	\$ 325,357	\$ 20,472	\$ 304,885	\$ 274,491	\$ 30,394				
17	16	FY 38	\$ 349,931	\$ 21,086	\$ 328,845	\$ 274,455	\$ 54,391				
18	17	FY 39	\$ 376,363	\$ 21,719	\$ 354,644	\$ 273,941	\$ 80,703				
19	18	FY 40	\$ 404,793	\$ 22,370	\$ 382,423	\$ 274,898	\$ 107,526				
20	19	FY 41	\$ 435,372	\$ 23,041	\$ 412,331	\$ 274,298	\$ 138,034				
21	20	FY 42	\$ 468,263	\$ 23,733	\$ 444,530	\$ 274,141	\$ 170,389				
22	21	FY 43	\$ 503,641	\$ 24,445	\$ 479,196	\$ 274,375	\$ 204,821				
23	22	FY 44	\$ 541,693	\$ 25,178	\$ 516,515	\$ 273,973	\$ 242,542				
24	23	FY 45		\$ 19,780		\$ 274,882	\$ 210,227				
25	24	FY 46		\$ 20,373		\$ 274,076	\$ 246,321				
26	25	FY 47		\$ 20,985			\$ 286,918				
27	26	FY 48		\$ 21,614			\$ 603,780				
28	27	FY 49		\$ 22,263			\$ 649,786				
29	28	FY 50		\$ 22,930			\$ 699,252				
30	29	FY 51		\$ 23,618			\$ 752,439				
31	30	FY 52		\$ 24,327			\$ 809,625				
32	31	FY 53		\$ 25,057			\$ 871,108				
33	32	FY 54		\$ 25,808			\$ 937,210				
34			\$ 5,915,348	\$ 612,578	\$ 5,529,525	\$ 6,035,418	\$ 6,109,731	\$ 650,000	\$ 948,198	\$ 948,198	\$ 948,198