Fiscal Year 2026-2027 Budget

Beach Cities Health District

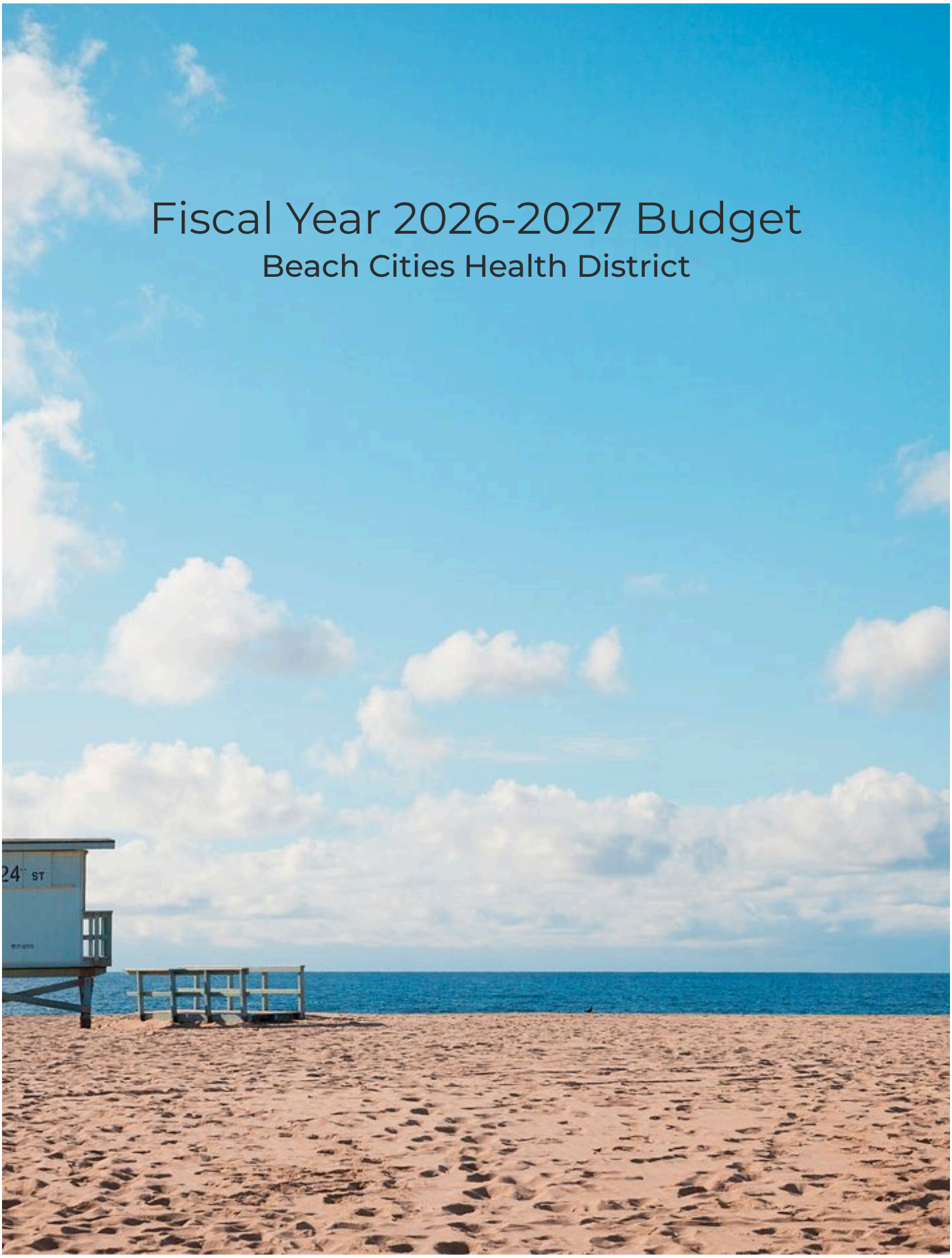
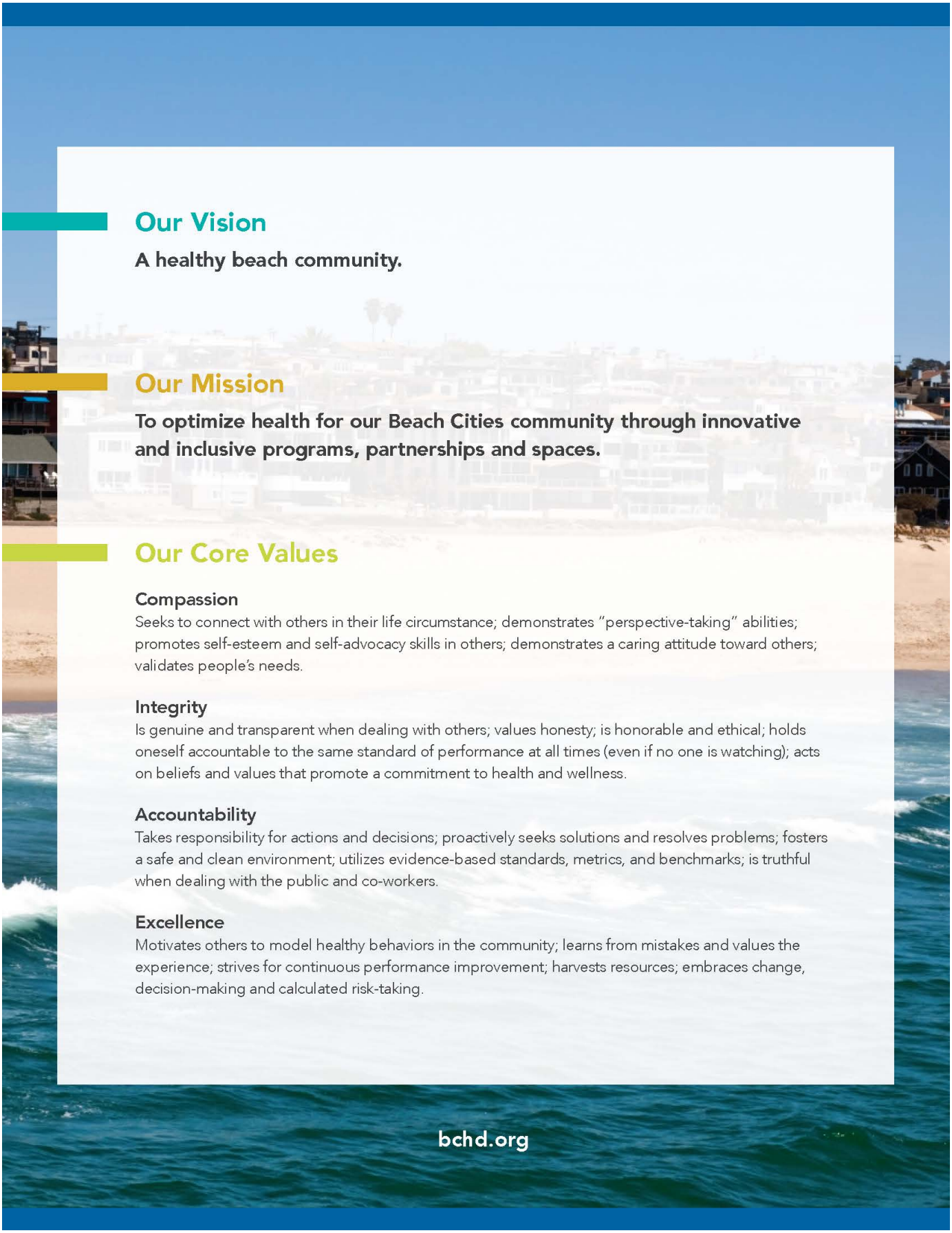


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Our Vision

A healthy beach community.

Our Mission

To optimize health for our Beach Cities community through innovative and inclusive programs, partnerships and spaces.

Our Core Values

Compassion

Seeks to connect with others in their life circumstance; demonstrates "perspective-taking" abilities; promotes self-esteem and self-advocacy skills in others; demonstrates a caring attitude toward others; validates people's needs.

Integrity

Is genuine and transparent when dealing with others; values honesty; is honorable and ethical; holds oneself accountable to the same standard of performance at all times (even if no one is watching); acts on beliefs and values that promote a commitment to health and wellness.

Accountability

Takes responsibility for actions and decisions; proactively seeks solutions and resolves problems; fosters a safe and clean environment; utilizes evidence-based standards, metrics, and benchmarks; is truthful when dealing with the public and co-workers.

Excellence

Motivates others to model healthy behaviors in the community; learns from mistakes and values the experience; strives for continuous performance improvement; harvests resources; embraces change, decision-making and calculated risk-taking.

bchd.org

BUDGET OVERVIEW

BUDGET MESSAGE







BCHD Beach Cities Health District
A Public Agency

bchd.org

EXECUTIVE SUMMARY
FY 2026 – 2027

In 2026, Beach Cities Health District (BCHD or "the District") continued its long tradition of providing important services as one of California's leading preventive health agencies, more than seven decades after voters established the former South Bay Hospital District in 1955. Over the years, BCHD has evolved from a community hospital into a nationally recognized preventive health district, partnering with local cities, county and state agencies, school districts, volunteer organizations, Blue Zones Project®, allcove centers, and countless community stakeholders who share the District's vision of a healthy beach community.

Today, BCHD serves approximately 125,000 Beach Cities residents through more than 40 preventive health programs spanning the full lifespan—from early childhood and youth behavioral health to adult wellness, older adult independence, and community-wide health promotion. These programs have become embedded in classrooms, workplaces, homes, and neighborhoods across Hermosa Beach, Manhattan Beach, and Redondo Beach, with demonstrable improvements in community well-being. For example, preventive school-based efforts have contributed to substantial declines in childhood obesity; Blue Zones Project® has strengthened community engagement around healthy living; Care Management Services support roughly 450 older adults and residents with disabilities each year; and more than 1,000 volunteers contribute meaningful service valued at over $1 million annually.

Entering FY26-27, BCHD continued advancing its innovative youth behavioral health strategy through allcove Beach Cities, supported by federal, state and county partners and strengthened its mental health and substance use initiatives, consistent with the District's 2025–2028 Health Priorities:

- **Mental Health & Substance Use**
- **Physical Health**

These priorities guide BCHD's overarching strategic goal:

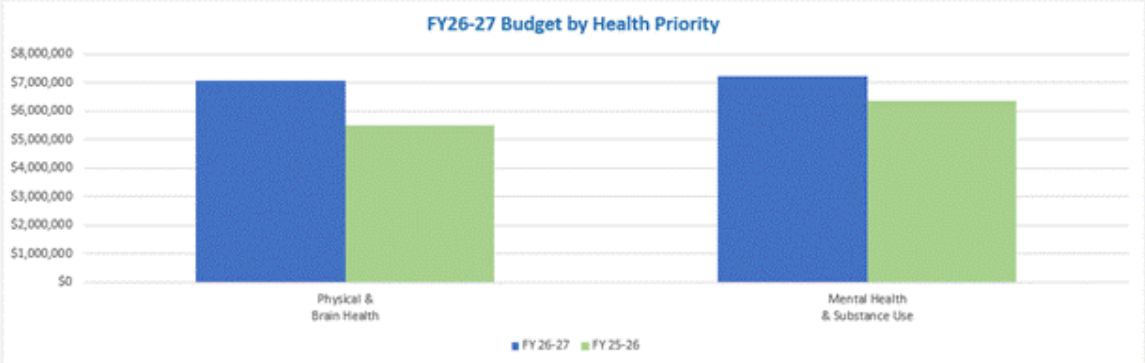
Promote and provide health and wellness services based on the evolving needs of the community.

To ensure alignment with community needs, BCHD updates its health priorities through a data-driven Community Health Report and needs assessment cycle. This informs strategic planning, funding decisions, and evaluation of service gaps across the Beach Cities.

BCHD's annual budget is developed using Priority Based Budgeting (PBB), a collaborative methodology that evaluates programs according to how well they align with core mission attributes:

- Health Priority Alignment & Gap in Service
- Reach & Efficiency
- Level of Service & Value

The District continues shifting operational emphasis toward behavioral health and preventive care, particularly through grant-funded youth mental health services, Enhanced Care Management (ECM) reimbursement expansion, and the continued implementation of the CYBHI Fee Schedule. These investments align with current community needs and statewide behavioral health transformation priorities.



Substantial capital projects also shape BCHD's 2026 landscape, including the construction of the new allcove Beach Cities Youth Wellness Center, relocation and tenant improvements of the Center for Health & Fitness, and ongoing work on the Healthy Living Campus, which together represent about than $8.8 million in FY26-27 capital investments of the total $9.8 million Board approved Capital Budget.

These operational and capital priorities strengthen BCHD's long-term financial outlook, provide modernized facilities for community health, and advance the District's commitment to delivering high-impact preventive services for the community.

The FY26-27 Budget demonstrates that the District continues making substantial progress in addressing the long-anticipated $2.5 million annual funding gap projected for FY27-28. An impact originally identified when planning for the retirement of the aging former hospital building constructed in 1959, now a medical office building (MOB) and scheduled for full decommission in 2027. BCHD began preparing for this transition and loss of ongoing funding more than a decade ago through long-term redevelopment planning, including identifying new sustainable revenue sources to replace tenant income from the 514 N. Prospect campus.

In FY26-27, the District continues to maintain a positive operating cash surplus of $250,000 in budgeted net operating fund income, down from $750,000 in FY25-26. This shift reflects the first year of a significant reduction in tenant income, which is being absorbed by the previous year's ongoing savings and new grant income as BCHD prepares for the operational wind-down and retirement of the 514 N. Prospect building. The FY26-27 Operating Budget achieves total revenues of $16.9 million and total expenses of $16.6 million, resulting in a balanced $250,000 surplus. This demonstrates the District's ability to uphold intergenerational fiscal equity by ensuring steady, continued investment for future programs and services.

	FY26-27 Budget	FY25-26 Actual*	FY24-25 Actual*
TOTAL REVENUES	16,923,000	17,465,000	16,612,000
TOTAL EXPENSES	(16,673,000)	(15,950,000)	(15,030,000)
OPERATING INCOME *	$ 250,000	$ 1,515,000	$ 1,582,000

*) Before non-cash items, GASB adjustments and audited financials

The District FY26-27 Budget continues to be balanced to achieve both immediate short-term program goals measured and tracked by the Priority Based Budget (PBB) process, and set-up to achieve long-term strategic goals. The Program Budget aligns with the Health Priorities and the District's strategic goals. BCHD 2025-2031 Strategic Plan & Goals outlines Beach Cities Health District's mission, vision, core values, strategic goals, and objectives updated every six years. It provides a clear framework to align organizational efforts with identified priorities and guide decision-making

In FY26-27, the District is advancing several major redevelopment components of the Healthy Living Campus (HLC) Master Plan, an initiative designed to modernize BCHD facilities and create a sustainable foundation for future preventive health services. Key projects already underway are the tenant improvement to relocate the Center for Health & Fitness (CHF), the new construction of the allcove Beach Cities permanent youth wellness center, and the build-out of the Program for All-Inclusive Care for the Elderly (PACE) on the District Campus. If funding is available, one final significant site improvement is to build the new campus connection pathway, which will link the District's existing facilities with the allcove Beach Cities youth wellness center new facility and create safer, more accessible circulation throughout the campus.

During FY26-27, BCHD is also progressing toward a public-private partnership (P3) for redevelopment of the former hospital site as the 514 N. Prospect building approaches decommissioning and end-of-useful-life. The FY26-27 Capital Investment Budget reflects these priorities, with $9.68 million in total capital investments, including funding for campus redevelopment, CHF improvements, IT infrastructure, and major allcove construction.

Beach Cities Health District Strategic Goals and Objectives

This budget aligns with the organization's 6-Year strategic goals and outlines key objectives for the upcoming fiscal years.

1. Improve Community Health and Engagement

- **Objective:** Provide purposeful engagement and preventive health programs and services for all ages, including children, youth, adults, and seniors.
- **Metric:** Track performance and accomplishments through the Department Performance Measures and Accomplishment framework.

2. Optimize Youth Services

- **Objective:** Increase operational efficiency and reduce redundancies by realigning youth departments.
- **Action Plan:** Combine the Youth Services, AdventurePlex, and Well-Being Services departments.

1. Diversify Revenue and Address Budget Gaps

- **Objective:** Invest in revenue-generating opportunities to address projected budget shortfalls resulting from the 514-building lease income and allcove sustainability.
- **Action Plan:**
  - Implement a Priority Based Budgeting (PBB) approach to evaluate programs for potential revenue generation, reduction, or elimination.
  - Establish a new Partnerships & Innovation department to develop and secure additional funding streams.

1. Ensure Sustainable Workforce Management

- **Objective:** Continuously balance staffing needs, compensation, and benefits with overall programmatic requirements.
- **Action Plan:** Adjust departmental budgets to account for relocated or eliminate vacant full-time equivalent (FTE) positions.

Budget Purpose and Overview

The purpose of the Budget Message is to provide the reader with an Executive Summary of the District's financial Budget overview with revenues and expenditures and the resulting fund financial position, including a summary of capital investments that provides for the District's long-term commitment to deliver services and programs.

Followed by reviewing major challenges and trends facing the District; the aging income-producing infrastructure, sustainability of grant-funded services, legislative matters and economic trends. This is followed by a summary of the long-term financial outlook and strategies and how those are tied to the District's health goals and community impact.

The annual Budget supports the District's strategic plan to advance and realize its vision and mission:

Vision

A healthy beach community

Mission

To optimize health for our Beach Cities community through innovative and inclusive programs, partnerships and spaces

The budget message outlines the District's FY26-27 commitment to its programs and services, identifying the major changes in programming, funding sources and expenditures impacting the annual budget and commitment to transparency and excellence throughout the organization, from financial reporting, programs, and service delivery to worksite culture.

The Priority Based Budget (PBB) is included as part of the Budget and is an integral part of the District budget process and is updated by all departments, with budget costs/revenues for each program and service. New programs were scored in Q1 of 2026 based on collected performance outcomes and the agreed-upon attributes to drive future trade-off discussions for budgeting and strategic development of the District. The scores collected from Q1 2026 set the basis for the FY26-27 Budget trade-offs made to develop a balanced budget.

The District's Operating and Capital budgets are developed collaboratively with the Board, Community, and BCHD Staff, in compliance with relevant finance policies. A series of public meetings took place from November 2025 to June 2026, when the budget was officially adopted by the District Board.

Detailed information and data about the District, its health priorities, and priority programs and services are available throughout this budget report. Supporting the Budget message, the budget report features District-wide and department financial statements, capital investments, Healthy Living Campus development plans, performance measures, accomplishments, a long-range financial outlook, a risk-assessment presentation, and the District's 2025-31 6-Year Strategic Plan.

The District's Annual Budget presented herein is the guide for the execution of programs and services and financial investments for the fiscal year July 1, 2026, through June 30, 2027.

FY 2026-2027 Financial Summary

The FY26 27 budget funds the District's programs and services for the current year while making strategic capital investments that protect and strengthen BCHD's ability to deliver and sustain future services.

This year's budgeted revenues increased by 9.2% to $16.9 million compared to the prior year's budget of $15.4 million with property tax remaining the District's largest (34%) and most stable source of funding, increasing by 4.4% from $5.2 million to 5.7 million. The total budgeted expenses increased by 14.1% to $16.6 million compared to prior year's budget of $14.6 million, reflecting continued investment in programs across the lifespan, staff compensation—new facilities expenses and rent and bi-annual Board elections.

The District's property tax program return recovered slightly from $2.68 in FY25-26 to $2.93 in FY26-27. While declining lease revenue from the 514 N. Prospect campus and the planned operational wind-down of 514 tenants have reduced the return for the past few years, the District ability to garner the $1.5M LA County grant for its youth mental health services improved the return to the Community. The District continues to stabilize revenue through diversified sources including grants, fee-based services, partnerships, ECM reimbursement and investment earnings.

Beach Cities Health District is leveraging $5.7 million in property taxes to generate $2.93 in community programs, services and investments for FY2026-27, representing a 293% return on investment for the community.

	FY 26-27 PROPOSED BUDGET		FY 25-26 BUDGET		VARIANCE	
REVENUE						
Property Tax	5,694,000	34%	5,456,000	36%	238,000	4%
Lease - Campus	2,084,000	12%	3,126,000	20%	(1,042,000)	-33%
Health and Fitness	2,474,000	15%	2,332,000	15%	142,000	6%
Limited Partnership	2,725,000	16%	2,093,000	14%	632,000	30%
allcove beach cities	1,702,000	10%	980,000	6%	722,000	74%
Lease - Other	1,002,000	6%	952,000	6%	50,000	5%
Grants and Other	572,000	3%	222,000	1%	350,000	158%
Interest	671,000	4%	197,000	1%	474,000	241%
TOTAL	**$16,923,000**	**100%**	**$15,358,000**	**100%**	**$ 1,565,000**	**10%**
EXPENSES						
Payroll & Benefits	9,759,000	59%	8,214,000	56%	1,545,000	19%
Operations	4,283,000	26%	3,085,000	21%	1,198,000	39%
Property Costs	2,342,000	14%	2,593,000	18%	(251,000)	-10%
School & Senior Funding	289,000	2%	716,000	5%	(427,000)	-60%
TOTAL	**$16,673,000**	**100%**	**$14,608,000**	**100%**	**$ 2,065,000**	**14%**
Operating Income	**$ 250,000**		**$ 750,000**		**$ (500,000)**	

Having a well-diversified portfolio of revenues allows the District to leverage property tax dollars to provide residents with more services, be resilient during difficult economic times and invest in and develop partners in the community to inspire collaboration and future growth.

FY 2026-2027 Financial Summary

- **Revenue details**: The largest revenue growth areas are the $722,000 from the $1.5 Million LA County grant-funded youth behavioral health services, followed by $622,0 from the Partnership with Sunrise Senior Living, $474,000 115 Pension & OPEB Trust, and other Fee Reimbursements for Enhanced Care Management (ECM).
- **Expense details**: Payroll and benefits are increasing by $1.5M, 50% are covered by new grants and user fees, and the other 50% are to address several years of compensation stagnation. Operational expenses are also increasing to support the expanded behavioral health and youth mental health operations at allcove Beach Cities, bi-annual election expenses and new facilities costs.
- **Financial strategy**: BCHD continues pursuing diversified, sustainable revenue sources—including leases, program fees, reimbursable behavioral health services, new development income, partnerships, investments, and multi-year grants—to ensure long-term financial stability as major capital transitions progress.
- **Program and Services**: Expenditures are to provide the over 40 District programs and services made possible by grant and user fee income to property taxes, partnerships and interest.

BUDGET BY OPERATING DEPARTMENT		FY26-27	%	FY25-26	%
TOTAL REVENUES		16,923,000	100%	15,358,000	100%
TOTAL EXPENSES		(16,673,000)	100%	(14,608,000)	100%
		250,000		750,000	
allcove Beach Cities & Drug Free Community (DFC)					
Service Streams (4): Wellness and Life Skills, Mental Health and Peer Support	Grant Revenues	1,846,000	11%	1,135,000	7%
Screening Results (6): Generalized Anxiety, Depression, Eating & Body Image	Program Expenses	(2,286,000)	14%	(1,584,000)	11%
Substance Use, Safety Concerns, and Early Psychosis					
Outreach throught out the Community		**(440,000)**		**(449,000)**	
Center for Health & Fitness (Medical Fitness Association Certified)					
Arthritis & Joint Replacement	Fee Income	1,592,000	9%	1,317,000	9%
Hypertension & Diabetes	Program Expenses	(2,401,000)	14%	(1,619,000)	11%
Low Back Pain					
Osteoporosis & Cancer Care		**(809,000)**		**(302,000)**	
Youth Services (& Adventure Plex)					
Mental Health and Happiness in schools	Fee Income	893,000	5%	1,015,000	7%
Early Childhood Development (0-5)	Program Expenses	(1,840,000)	11%	(1,674,000)	11%
Worksite Wellness for RBUSD and HBCSD					
Camps, Outdoor Events and Engagements		**(947,000)**		**(659,000)**	
Community Services					
Care Management Services (CMS) - Aprox. 450 unduplicated clients	Service Fee	406,000	2%	57,000	0%
Community Services Block Grant (CSBG) - Low Income Residents/Clients	Program Expenses	(1,480,000)	9%	(1,717,000)	12%
Enhanced Care Management (ECM) - Medi-Cal for more vulnerable residents					
Manhattan Beach - Dedicated CMS at the Joslyn Center and Fire Department		**(1,074,000)**		**(1,660,000)**	
Partnerships & Innovation / Capacity Building Services					
Community Health Information, 12 Volunteer Programs, plus events, etc.	Comm., Volunteer, etc.	(2,123,000)	13%	(1,973,000)	14%
Revenue Focus (FY25-26 $5,128,577), Policy & Legislation	Partnership & Innovation	(1,055,000)	6%	(971,000)	7%
514 N. Prospect Ave.					
11 Tenants, 3 larger (no Silverado rent,) and 8 smaller	Tenant Income	2,084,000	12%	3,126,000	20%
80% of Prior Year Cost; not including any major equipment upgrades	Property Expenses	(1,988,000)	12%	(2,249,000)	15%
		96,000		**877,000**	
Other Income & Services					
Property Tax, Partnership, Interest, Oth. Building Rent	Other Income Sources	10,103,000	60%	8,708,000	57%
Executive, Finance and HR (Legal, Election, Insurance, etc.)	Support Services	(2,972,000)	18%	(2,312,000)	16%
Parking, Other Property and Support Expenses (Del Amo, etc.)	General Property Expenses	(529,000)	3%	(510,000)	3%

Fund Balance, net position and summary of capital investments

For FY26-27, the District is projecting a positive operating surplus of $250,000. Despite this surplus, the District's Fund Balance is expected to decrease from $29 million to $24 million, a reduction of approximately $5.2 million. This decrease is driven primarily by planned capital investments in long-term community assets, including construction of the new allcove Beach Cities youth wellness center, relocation and tenant improvements for the Center for Health & Fitness. These investments are essential to ensure continued access to youth behavioral health services and fitness programming for senior citizens.

The Fund Balance is also affected by non-cash Government Accounting Standards (GASB) adjustments and unrealized gains or losses from investment income, which do not impact day-to-day operating cash but do influence the District's long-term financial position. These accounting effects, combined with significant capital outlays, explain why the Fund Balance decreases even in a year with positive net operating income.

	FY26-27	Prior 4-Year Operating Cash Income			
	Budget	FY25-26 (Pre-Audit)	FY24-25	FY23-24	FY22-23
TOTAL REVENUES	**16,923,000**	**17,456,000**	**16,612,000**	**15,261,000**	**14,717,000**
TOTAL EXPENSES	**16,673,000**	**15,950,000**	**15,030,000**	**14,803,000**	**14,645,000**
NET OPERATING INCOME / <LOSS>	**250,000**	**1,506,000**	**1,582,000**	**458,000**	**72,000**
GASB 87 & 96	(250,000)	(374,000)	268,000	225,000	356,000
Non-Operating Cash	100,000	627,000	369,000	80,000	(509,000)
Capital Investments *	(5,343,000)	(2,042,000)	(1,074,000)	(1,240,000)	(3,215,000)
CHANGE	**(5,243,000)**	**(283,000)**	**1,145,000**	**(477,000)**	**(3,296,000)**
FUND BALANCE	**24,308,000**	**29,118,000**	**29,401,000**	**28,256,000**	**28,733,000**
NET POSITION - EQUITY	**60,141,000**	**61,800,000**	**60,041,000**	**57,822,000**	**57,059,000**
CASH BALANCE **	**14,991,000**	**20,084,000**	**19,585,000**	**17,424,000**	**16,650,000**

*) Capital investements are trued up with the actual FY25-26 carry-over and are reported for management net of grant reimbursements and capital loan proceeds.

**) Actual Cash Balances include $4M Pension & OPEB 115 Trust in FY25-26, same as in FY24-25.

Net Position—the District's long-term, comprehensive measure of total economic resources is projected to decrease, reflecting changes in BCHD's long-term liabilities and capital structure. This change is driven by adjustments related to CalPERS pension obligations, Other Post-Employment Benefits (OPEB), depreciation of long-term assets, and updates to intangible and capital asset values. These movements represent standard long-term governmental accounting activity and do not reflect reductions in BCHD's short-term operational capacity or service levels.

Consistent with these adjustments, the District's cash balance is projected to decline from $20 million to $15 million. The decline is due to planned capital spending.

Capital investment expenditures are based on actual and planned spending for major District infrastructure projects. For FY26-27, total planned capital investments amount to $9,680,000, reflecting both new project spending and significant multi-year redevelopment work aligned with the Healthy Living Campus Master Plan. The FY26-27 capital program includes:

New Capital Investments – FY26-27 ($530,000)

- AdventurePlex Building Improvements (off-campus): $250,000
- AdventurePlex FF&E (off-campus): $150,000
- Prospect Campus Parking Improvements: $100,000
- IT Infrastructure – Computer Refresh: $30,000

Carry-Over Capital Investments– FY26-27 ($9,150,000)

- allcove Beach Cities Youth Wellness Center:
- Total project cost: $9,622,000
- Grant funding: $5,872,000
- Funding through borrowing in FY26-27: $3,750,000
- CHF Relocation & Tenant Improvements: $4,680,000
- Healthy Living Campus Work: $500,000
- Information Technology – Azure Cloud Migration & Cybersecurity Upgrades: $70,000
- District Off-Campus Properties (Artesia & PCH): $150,000

The District is raising funds for new equipment at the Center for Health & Fitness (CHF) and the construction of the Hillside Walkway connecting the new allcove Beach Cities site to the larger campus. Therefore, these initiatives are categorized as planned investments with net-zero budget impact. For more information and discussion on Capital Investments, please see the Capital expenditures section.

Major Changes, Challenges and Trends

Many factors influence the District's long-term financial health and outlook. Since its establishment in 1955, BCHD has evolved from operating a community hospital for nearly four decades into a preventive health organization serving the Beach Cities since 1998. This evolution, and the District's history of relying on income-producing real estate and partnerships while expanding preventive health programs, provides a unique and important context for today's financial challenges.

The District's core challenge is sustaining essential and evolving preventive health services, including older adult care management, youth and adult mental health, and community wellness programs, while managing rising costs, aging infrastructure, and increasing community demand.

Factors affecting funding and service delivery

Changing Funding Sources: Difficulty in sustaining grant funding and relying on an aging former hospital

(now medical offices) as a revenue source.

Economic Pressures: Unstable economic conditions impact overall funding availability and the

cost of operations.

Rising Costs: Increased expenses associated with delivering services and programs

put a strain on budgets.

Legislative and Regulatory Landscape: Compliance and policy shifts affect both revenue generation and

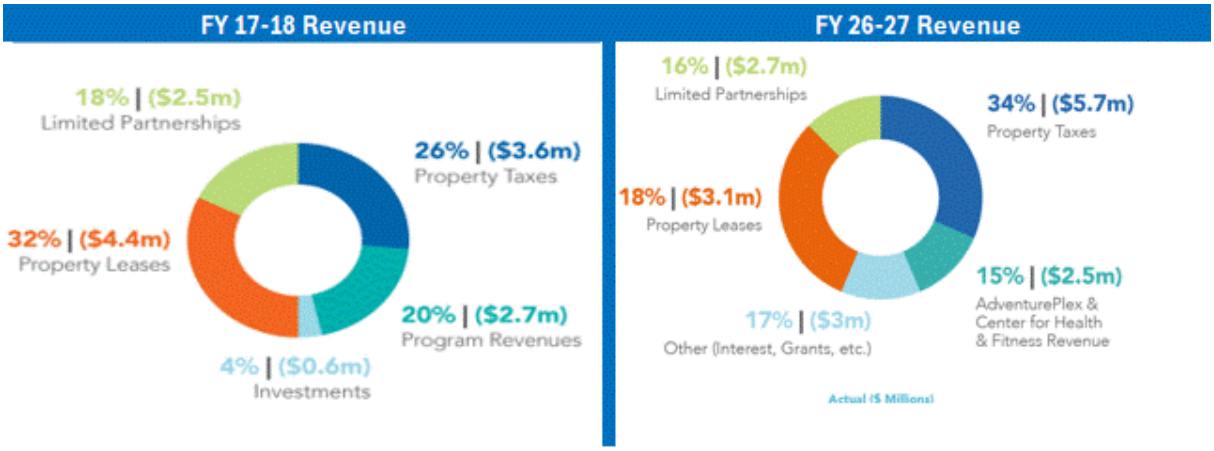
service requirements.

Growing Community Needs: Demand for preventative health services, particularly in areas like

mental health, is increasing.

Major Changes and Impacts in the Annual Budget Funding Sources and Expenditures

For the past few years, the District has experienced a decrease in lease income from the old Hospital building due to its age and outdated infrastructure and amenities. Between fiscal years 2017-18 and 2026-27, revenue sources have shifted to rely more heavily on Property Taxes and Other Income sources, mainly Grant Income, while income from User Fees at the Health & Fitness Operations, and Limited Partnerships have decreased. The income from Limited Partnerships has seen a recovery post Covid-19.



To offset the impending loss of lease income from the former hospital building, the District has successfully secured grants for the allcove Beach Cities youth mental health center. Recognizing the volatility of grant funding, the District is actively diversifying its income, pursuing new sources such as insurance reimbursements as a health services provider, charitable giving, fundraising, and increased user fees. Simultaneously, having to secure operating surpluses to invest in long-term assets, like the redevelopment of the Campus to the Healthy Living Campus that will provide future income and support for its programs and services.

In preparing the FY26–27 Operating Budget, staff identified the following challenges, strengths, and opportunities:

Threats & Challenges

- Loss of Lease / Note Receivable Revenues
- Limited Partnership has temporary fluctuations
- Health & Fitness Operations is a low-cost user fee provider
- Grants will fluctuate but requires both District resources and are largely not controllable
- All costs are increasing with increased inflation
- Interest rates are unpredictable
- Staff wages and medical cost coverage not keeping up with inflation
- Reduced support and overhead

Strengths & Opportunities

- Property Taxes are strong
- Limited Partnership income is trending strong
- Health & Fitness Operations are recovering
- Grants and donations provide a good source of supplemental income
- Other Property Revenues are a consistent source of income
- New Sources of Income; Enhanced Care Management (ECM), Fee Schedule, Donations
- Compensation is a midpoint and total compensation is above market

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Trends over the last few years highlight these threats/challenges and strengths/opportunities faced in both revenue and expense management, especially the loss of tenant lease income and increased payroll costs delivering District programs and services.

In FY25–26, in addition to diminishing tenant lease income, the District's financial outlook for FY26–27 was adversely affected by two factors; (1) the immediate expiration of grant funding for the allcove Beach Cities youth mental health center and (2) the critical need to address staff long lagging wage levels relative to market midpoints. Resolving these concerns was central to balancing the FY26–28 Budget and defining the District's long-term financial sustainability.

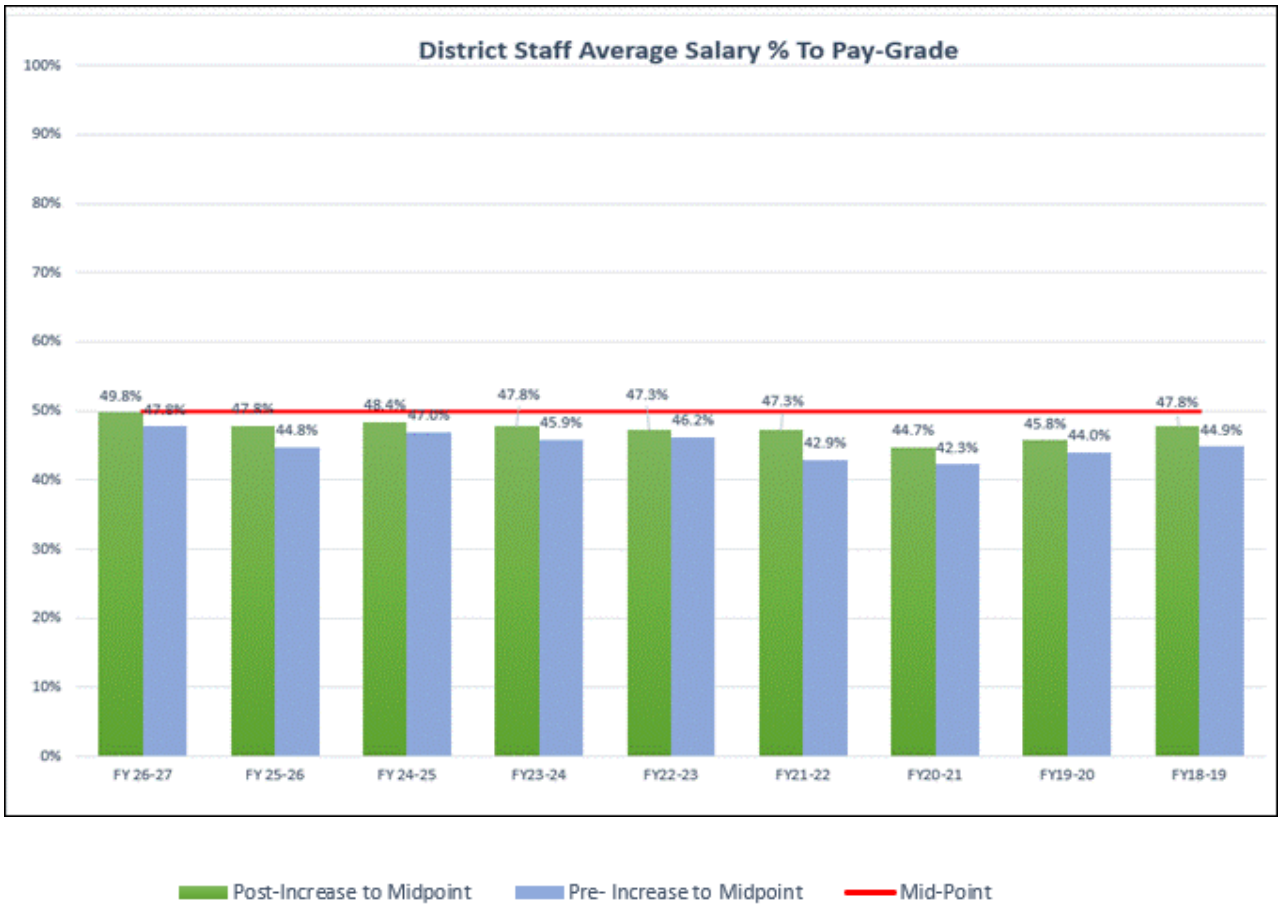
Transparently reviewing and discussing the challenges and opportunities, the District Board provided the following directions during the FY25-26 Mid-Year budget review, and further at the May 2026 Budget study session:

- Continue exploring other financial sustainability opportunities for allcove Beach Cities operations
- Address staff compensation and benefit adjustments
    - Utilize a consultant to review and recommend updates to salary and benefits structures
    - Emphasize performance when considering adjustment
- Include the following new revenue generation strategies:
    - Continuing market rate fee increases for Health & Fitness Operations aligned with the market
    - Implement Fee Schedule for allcove Beach Cities
    - Implement Enhanced Care Management (ECM) for Community Services
- Consider potential buy-in for future joint venture partnership opportunities.

However, by completion of the FY26-27 budget preparation, the District successfully addressed both of these issues. Los Angeles County approved $1.5 million per year for three years to allcove Beach Cities youth mental health center operations, ensuring stable, multi-year funding for youth behavioral health services and resolving the sustainability concerns previously identified in the FY25-26 budget and 3-year financial outlook. In addition, BCHD completed a comprehensive compensation review and adjusted staff wages to market midpoints, strengthening workforce stability and aligning salaries with competitive standards across the region.

With these two priorities resolved, the District enters FY26-27 with a stronger financial foundation. Although the District's operating surplus decreased from $750,000 in FY25–26 to $250,000 in FY26–27—a drop driven by a $1 million reduction in tenant lease income—long-term service sustainability has significantly improved. Beach Cities Health District (BCHD) is now better positioned to maintain essential preventive health programs while navigating major campus transitions and preparing to decommission the 514 N. Prospect Ave. Medical Office Building.

While the sustainability of the allcove Beach Cities youth mental health center operations has been secured for the next 3-years, and salary and benefit challenges were addressed to the tune of $1.5 million, the District recognizes that the challenge is still pending into the longer term. Also, as illustrated below by the tracking of the District Staff salary mid-point compared to market mid-point.


District Staff Average Salary % To Pay-Grade
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
49.8%
47.8%
47.8%
44.8%
48.4%
47.0%
47.8%
45.9%
47.3%
46.2%
47.3%
42.9%
44.7%
42.3%
45.8%
44.0%
47.8%
44.9%
FY 26-27
FY 25-26
FY 24-25
FY23-24
FY22-23
FY21-22
FY20-21
FY19-20
FY18-19
Post-Increase to Midpoint
Pre- Increase to Midpoint
Mid-Point

Challenge of Aging Income-Producing 514 N. Prospect

The District opened as a hospital in 1960, after it passed a public vote by the residents in January 1955.



— Landscaping is unfinished and signage lacking in this undated photo of South Bay Hospital circa 1960. (Daily Breeze file photo)

Today, the building requires many infrastructure upgrades and does not meet current prevailing Seismic standards. Past earthquakes have shown that the non-ductile concrete frame construction used for the old Hospital buildings doesn't perform well during seismic events.

Further, on February 28, 2023, Los Angeles County supervisors took the first step toward approving mandatory earthquake retrofitting on certain older concrete buildings that includes a defect discovered in the 1971 Sylmar earthquake that could lead to a catastrophic collapse. The measure targets "non-ductile" concrete buildings owned by the county and those located in unincorporated areas, and calls upon officials to prepare new rules for such a mandate. The city of Los Angeles approved a similar retrofit requirement in 2015.

While not yet a requirement in the City of Redondo Beach, the City's General Plan, where the District Campus resides, suggests non-ductile concrete frame buildings, such as 514 Prospect, should ultimately be "upgraded, relocated or phased out."

The District has done analysis of the costs of a Seismic upgrade, which was $86.5 million in 2018, and was analyzed to be financially infeasible for the District.

514 Building Structural Seismic Cost Evaluation Info (Page 9 of 11)

Cain Brothers Seismic Financial Analysis_2020 (Pages 8-16)

Based on the age of the building requiring major infrastructure upgrades, the lost net revenues resulting from high maintenance costs shown below, and the seismic vulnerabilities, the District has decided to decommission the building in 2027.

514 N. Prospect Av.	FY26-27	FY25-26	FY24-25	FY23-24	FY22-23	FY21-22	FY20-21	FY19-20	FY18-19	FY17-18
Lease Income	2,284,000	3,326,000	3,307,000	3,473,000	2,905,000	3,131,000	3,733,000	3,839,000	3,835,000	3,828,000
Annual % Change	*-31.3%*	*0.6%*	*-4.8%*	*19.6%*	*-7%*	*-16%*	*-3%*	*0%*	*0%*	
Expenditures										
Property Management	277,000	234,000	223,000	226,000	231,000	196,000	276,000	191,000	206,000	157,000
Building Maintenance Cost	1,091,000	1,263,000	1,290,000	1,103,000	1,102,000	1,016,000	1,093,000	921,000	866,000	787,000
Utilities & Waste	834,000	875,000	801,000	840,000	863,000	670,000	573,000	572,000	642,000	594,000
Total	2,202,000	2,372,000	2,314,000	2,169,000	2,196,000	1,882,000	1,942,000	1,684,000	1,714,000	1,538,000
Annual % Change	*-7.2%*	*2.5%*	*6.7%*	*-1.2%*	*17%*	*-3%*	*15%*	*-2%*	*11%*	
Net Cash Income	$ 82,000	$ 954,000	$ 993,000	$ 1,304,000	$ 709,000	$ 1,249,000	$ 1,791,000	$ 2,155,000	$ 2,121,000	$ 2,290,000
10 Year Lease Income Loss	$(2,208,000)									

Note: Excludes notes receivable interest and principle income.

Economic Conditions and Financial Market Trends

Despite facing volatile national political, socio and economic trends, the District has been able to maintain a balanced budget and build some operating surpluses to prepare for future funding gaps. It achieved this by reducing expenses, securing new and diversified funding, benefiting from the political will to support youth mental health services, Southern California's resilient economy and the strong local property tax base. Persistent inflation, combined with lingering effects of past interest rate hikes and new trade tariffs, has made it difficult to control expenditures. However, the District's major and immediate challenge is the decommissioning of its income-producing aging 514 N. Prospect Ave. Medical Office Building and more reliance on grant funding.

Besides tenant lease and property tax income, the District also relies on the Health & Fitness Operations User Fees and Limited Partnership income that are mostly recovered post Covid-19 and are now affected by increased costs affecting service delivery.

	FY 26-27 BUDGET		FY 25-26 BUDGET		FY 24-25 BUDGET		FY18-19 Pre-Covid	
REVENUE								
Health and Fitness	2,474,000	15%	2,332,000	15%	2,180,000	14%	2,826,000	34%
Limited Partnership	2,725,000	16%	2,093,000	14%	1,935,000	12%	2,071,000	12%

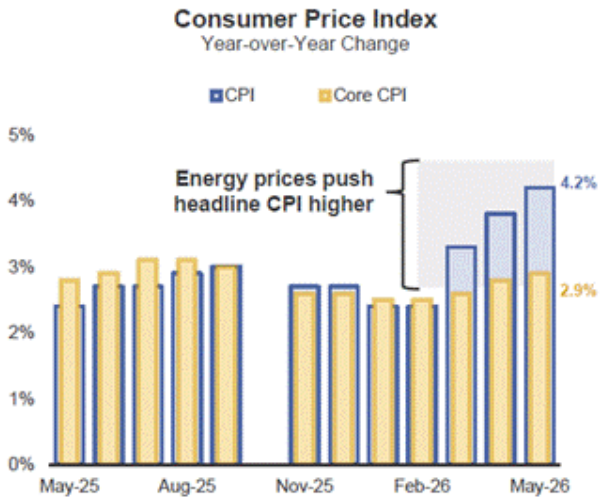
The Consumer Price Index (CPI) has risen by 3.4% year-over-year to about $334.98 (1982-1984 $100 baseline), still trending higher than anticipated mainly due to volatile energy prices and higher cost of housing. In response to this persistent pressure and a desire to target 2.0% inflation, the Federal Reserve abandoned its steady stance and executed its first interest rate hike in three years during its September 2026 meeting. The unanimous decision lifted the benchmark Federal Funds Rate by 25 basis points to a new target range of 3.75% to 4.00%, with central bankers signaling that further tightening may be necessary before the end of the year to stabilize consumer prices.

With the guidance of its investment advisors, PFM Asset Management LLC, the District, continues to monitor global, national, and state economic trends. This ongoing oversight prioritizes safety, liquidity, and yield in alignment with long-term financial goals.

Their June 30, 2026, quarter end market themes included:

- U.S. growth remains resilient as AI-driven investment offsets a moderating consumer
- 9 of the 18 Federal Reserve participants projected a 2026 rate hike

- Longer-term treasury yields face two-sided risks from inflation and growth dynamics





Source: Bloomberg Finance L.P. and Bureau of Labor Statistics. CPI as of May 2026. Market implied inflation expectations shown using 1-year and 5-year inflation swaps as of June 30, 2026.

Based on these market trends, the District budgeted $670,690 in interest earnings for FY26-27, representing 4% of total revenues. This is lower than in prior years because the yield curve has normalized and the previous strategy of holding short-term investments to capitalize on an inverted yield curve is no longer as effective. Additionally, the District is investing at least $5 million in capital projects, lowering the principal for earnings potential.

To finish construction on the allcove youth wellness center, the District has budgeted to borrow approximately $4 million at an anticipated interest rate of under 5%. A final decision will be made around November 2026. In the interim, the District will continue monitoring market trends to weigh the long-term trade-offs of drawing down cash reserves against the cost of borrowing in the current rate environment.

In addition, a resilient premium real estate environment, property values in the Beach Cities continue to anchor local revenue growth. The Los Angeles County Assessor's 2026 Roll highlights this local strength, reporting that Manhattan Beach's total assessed valuation alone surged by 5.3% to hit a record $29.07 billion, comfortably outpacing the broader Los Angeles County average growth rate of 4.42%.

Although HdL Coren & Cone forecasts a moderation in real estate growth to 4%, this projection remains conservative for our high-demand region. The FY26–27 coastal market is anchored by an acute housing inventory shortage, as elevated 7% mortgage rates deter existing homeowners from selling. This structural supply squeeze, paired with resilient premium demand across the Beach Cities, will continue to support high property valuations and insulate the District's tax revenues, boosting beyond current five-year forecasts.

Dist Wide Value Change	2026-27	2027-28	2028-29	2029-30	2030-31	5 year
District Net Taxable Value	*$62,482,773,219*	*$65,068,499,431*	*$67,917,171,323*	*$70,892,284,365*	*$73,999,450,774*	*16%*
Value change Year over Year	*5%*	*4%*	*4%*	*4%*	*4%*	*4%*
Prior Year Value Change	*4%*	*4%*	*4%*	*4%*	*n/a*	*4%*

Dist Wide Value Change	2025-26
District Net Taxable Value	*$59,701,118,391*

The resilience of the California and Beach Cities economies helps the District offset rising expenditures and protect its core services, even as national indicators like GDP and inflation tighten. With the 2027 decommissioning of the old hospital nearing next year, maintaining a strong fiscal foundation is critical. Securing favorable financing terms and leveraging local economic stability will be essential to ensure the successful completion of the Healthy Living Campus development.

Legislative Matters and Government Relations



Legislative Advocacy

During FY 2025–26, Beach Cities Health District (BCHD) advanced legislative priorities to support youth behavioral health, strengthen long-term funding for allcove Beach Cities, and promote policies that improve community health.

- With the implementation of California's Behavioral Health Transformation, BCHD worked with county partners, the statewide allcove network, the California Behavioral Health Commission, and state legislators to raise awareness of allcove Beach Cities and the youth drop-in center model as an innovative solution to the youth mental health crisis.
- BCHD partnered with the lead agencies across the allcove network and the central allcove team to advocate for one-time operational funding to sustain allcove beyond the initial grant term. Assembly members Pellerin and Berman championed a budget request resulting in a $5 million state appropriation for the allcove network.
- BCHD requested $2 million each from Senators Padilla and Schiff and Representative Lieu through Congressionally Directed Spending and Community Project Funding for construction of allcove Beach Cities. While the requests were not included in the final federal appropriations bill, BCHD continues to engage its federal delegation in support of future funding opportunities.

Funding and Revenue Development

BCHD continued to diversify revenue sources and position programs for long-term financial sustainability.

- Through a Los Angeles County Board of Supervisors motion authored by Supervisors Holly J. Mitchell and Janice Hahn, BCHD was awarded $4.5 million from the Los Angeles County Department of Mental Health's Behavioral Health Services Act (BHSA) Early Intervention funds to sustain allcove Beach Cities operations for three years.

- To support reimbursement for allcove services, BCHD continued implementation of the California Children and Youth Behavioral Health Initiative (CYBHI) Fee Schedule. BCHD became an approved Medi-Cal provider and executed a provider participation agreement with the Department of Health Care Services, enabling BCHD to bill for eligible school-linked behavioral health services.
- BCHD was awarded $160,000 for the Request for Service for Community Services Block Grant Program through Los Angeles County Department of Public Social Services for care management services for Supervisorial District 2
- BCHD prepared to bill for Enhanced Care Management (ECM) services under CalAIM, expanding reimbursement opportunities for eligible care coordination services through our Care Management department.
- Executed Master agreements with Department of Public Social Services for Community Services Block Grant Program Services and Los Angeles County Justice, Care and Opportunities Department for Justice Support Services to enable BCHD to respond to work orders as an approved County Vendor.

Government Relations and Strategic Partnerships

BCHD continued to build awareness of allcove Beach Cities and strengthen relationships with elected officials, government agencies, and regional partners.

- In partnership with the central allcove team, BCHD hosted a convening for organizations launching, or interested in launching, new allcove sites in Los Angeles County, with participation from the City of Santa Monica, Los Angeles County Department of Mental Health, allcove San Gabriel, community service providers, and other regional partners.
- BCHD hosted the groundbreaking ceremony for allcove Beach Cities, funded in part through the California Behavioral Health Continuum Infrastructure Program (BHCIP Round 4). The event featured remarks from Los Angeles County Supervisor Holly J. Mitchell and Assembly member Al Muratsuchi.
- BCHD hosted tours of allcove Beach Cities for elected officials and community partners, including Supervisor Janice Hahn, the Maywood City Council, and representatives from Governor Newsom's office.

Local Policy Engagement

BCHD continued to advocate for local land use, planning, and built environment policies that support community health and well-being.

- Engaged in local advocacy related to land use planning in Redondo Beach's General Plan and continued advocating for Living Streets improvements to promote healthy and connected communities.

In FY26-27, BCHD will continue to monitor funding opportunities for our programming and other policy priorities.

Commitment to Excellence and Transparency

The District is committed to excellence and transparency for financial auditing and budget reporting. Throughout the District, including staff conduct and responsibilities, Board action and accountability, BCHD is transparent to residents and taxpayers in the way we steward public funds.

Through the years, Beach Cities Health District has received the Excellence in Operating Budgeting and the Distinguished Budget Presentation awards from the California Society of Municipal Finance Officers, California's premier statewide association for public sector finance professionals, and the Government Finance Officers Association (GFOA), nationally recognized for public financial officials throughout the United States and Canada, respectively. (BCHD Budget Reports.)

The District's Annual Comprehensive Financial Reports (Audited Financial Reports) have also been honored for Excellence in Financial Reporting by the GFOA.

The award programs are designed to recognize those agencies whose budget and financial reports meet certain statewide and national standards considered to be of the highest quality. The effort to seek and attain these awards reflects the District's commitment to meeting the highest standards of governmental budgeting and reporting.

As each award is annual and valid for the fiscal year. The District renews its applications annually, and each year makes updates and improvements based on feedback received from all stakeholders.

In 2025, the District's Investment Policy was recertified by the California Municipal Treasurers Association (CMTA). This independent external review confirmed the policy's compliance with California state investment laws and adherence to best practices in public fund investment.

The certification provides several key benefits for District stakeholders:

- **Enhanced Trust and Confidence:** Confirmed by an independent external review.
- **Regulatory Compliance:** Ensures adherence to California Government Code sections.
- **Strengthened Oversight:** Complements and reinforces independent external audits.
- **Expert Validation:** Policy reviewed by Certified California Municipal Treasurers.
- **Increased Transparency:** Demonstrates diligence and accountability to the public we serve.

In addition, BCHD maintains its Transparency of Excellence Certificate with the California Special Districts Association (CSDA) and is designated a "Certified Healthcare District" by the Association of California Healthcare Districts (ACHD). The ACHD promotes governance, requiring demonstrated compliance to a core set of accountability and transparency standards, like Brown Act/ethics training, annual audit requirements, etc. This core set of ACHD standards is considered Best Practices in Governance for California Healthcare Districts and is available on its Transparency Web page.

Culture and Philosophy

At Beach Cities Health District, we foster a workplace culture that mirrors the health and wellness we promote in the community. Our commitment to employees includes competitive compensation and benefits, a healthy work environment, and a focus on building a diverse, equitable, and inclusive workforce. We achieve this by recruiting talented and dedicated professionals who embrace innovation to fulfill our mission.

This foundation empowers our employees to embrace a commitment to our mission, guided by our team leadership philosophy:

Our mission-driven team focuses on collaboration and continued learning to build a culture of wellness, compassion, and fun.

Core Values

The District's core values guide staff in their daily interactions and work performance:

- Accountability
- Compassion
- Integrity
- Excellence

The District regularly applies for workplace awards, including national healthcare industry and local Los Angeles-based programs. This process allows management and staff to measure, evaluate, and plan for continuous improvement in workforce wellness.

In July 2020, the District convened an internal task force to review and address historical, systematic, and institutional racism in response to the social unrest experienced in this country. The task force developed a Diversity, Equity, and Inclusion (DEI) advocacy statement that was adopted by the Board at their June 23, 2021, meeting and is reviewed, updated and re-approved annually.

At Beach Cities Health District (BCHD) our mission is to enhance community health, which can only be accomplished through our commitment to social equity and opposition to all forms of racism and discrimination.

We promote equitable health and well-being in our community by providing an inclusive work and volunteer environment, by providing equitable health programming, and by regularly examining how our programs can be designed to break down systemic barriers.

We believe that our focus on programs that address preventive health where people live, work, and play enables our community members of all demographics, identities, pronouns, ages, abilities, and socioeconomic status to thrive.

Commitment to Programs & Services to Improve Health in the Beach Cities

Beach Cities Health District (BCHD) is a healthcare district focused on preventive health and serves the communities of Hermosa Beach, Manhattan Beach, and Redondo Beach. Established in 1955 as a public agency, it offers an extensive range of dynamic health and wellness programs, with innovative services and facilities to promote health and prevent diseases across the lifespan. Its legal mandate is

"To Promote Public Health & General Welfare."

Why is preventive health care so important?

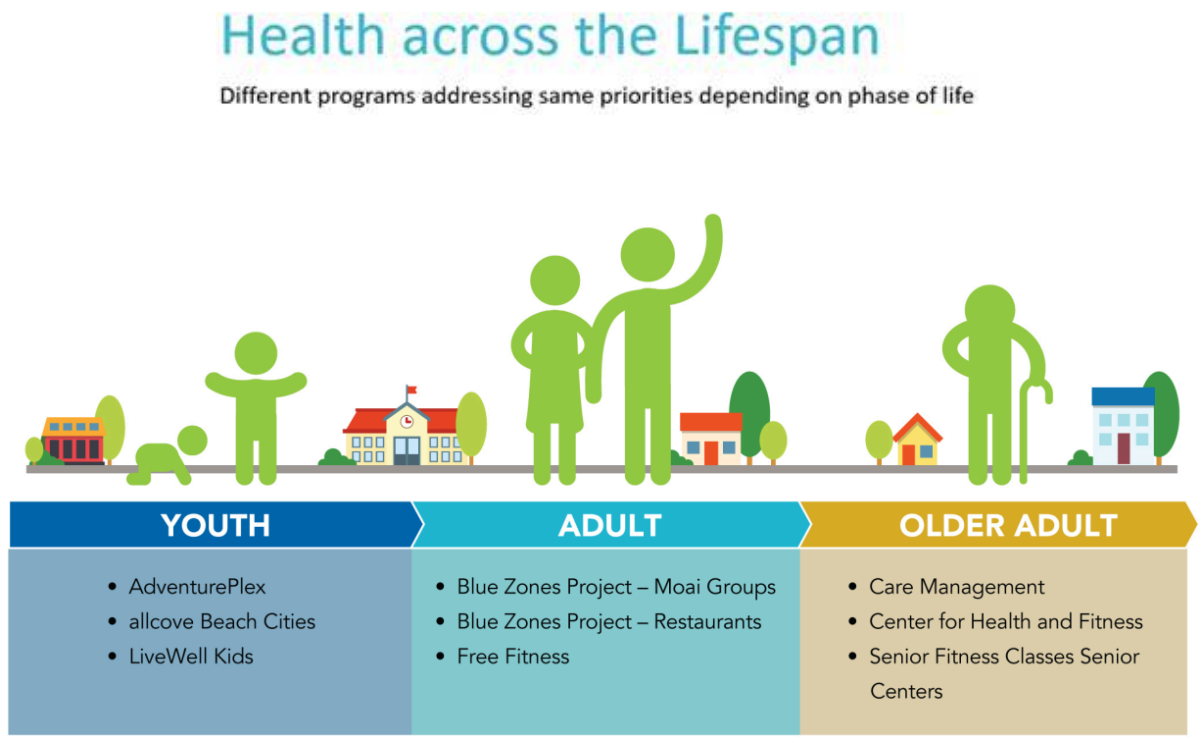
- **Early Detection and Better Outcomes:** Identifying potential issues like high blood pressure, diabetes, or cancer in early stages allows for simpler, more effective treatment and improved long-term health outcomes.
- **Reduced Risk of Chronic Diseases:** By addressing risk factors and promoting healthy behaviors, preventive care significantly lowers the chances of developing chronic conditions like heart disease, type 2 diabetes, certain cancers, and osteoporosis.
- **Enhanced Longevity and Quality of Life:** Catching and managing conditions early helps individuals live longer, healthier lives, maintain independence, and enjoy a better overall quality of life.
- **Improved Mental and Emotional Well-being:** Routine check-ups can include mental health screenings, helping detect and manage conditions like stress, anxiety, and depression early, contributing to greater peace of mind and emotional stability.
- **Maintained Physical Function:** Preventive measures support strong bones, muscles, and joints, helping to maintain mobility and independence, especially as individuals age.
- **Support for Healthy Habits**: Regular visits offer opportunities for personalized counseling on diet, exercise, stress management, and other lifestyle modifications that can profoundly impact long-term health.
- **Prevention of Infectious Diseases**: Immunizations protect individuals and communities from serious infectious illnesses like flu, pneumonia, measles, and more.

In accordance with its legal mandate to promote public health and general welfare, the District operates over 40 preventive health programs and services. These offerings are strategically focused on two primary Health Priorities identified: Physical Health and Mental Health & Substance Use.

Beach Cities Health District's focuses on keeping residents healthy and improving well-being at every stage of life. BCHD offers an extensive range of programs and services that address specific community health needs.

To support physical health, mental health, and combat substance abuse, many of the District's programs integrate the concepts of *Social Determinants of Health* (SDOH). As illustrated below, SDOH are the conditions in the places where people live, learn, work, and play that significantly influence a wide range of health risks and outcomes.

The District's programs and services integrate both physical and social determinants of health with the Health Priorities identified in the Community as the strategic guideposts. Many of the programs and services touch the community in all lifespans with some examples shown below.



The District has achieved large-scale, community-wide health improvements by implementing the Collective Impact Model for its programs, which include LiveWell™, Blue Zones®, and allcove™ youth mental health initiatives.

Collective Impact Model

A Collective Impact model is a structured approach to solving complex social problems by bringing together diverse organizations and individuals from different sectors to work toward a common goal.



Blue Zones Project Beach Cities



Beach Cities Partnership for Youth Coalition



LiveWell Kids – Reduction in Childhood Obesity



allcove Beach Cities



A Collective Impact model involves a diverse group of cross-sector partners, including nonprofits, government agencies, businesses, foundations, and community members. To be effective, the initiative also requires a dedicated "backbone organization" to manage and support the collaboration.

The District serves as the backbone organization. This critical role involves guiding vision and strategy, supporting aligned activities, establishing shared measurement practices, building public will, advancing policy, and mobilizing funding, which ultimately leads to more effective systems and improved community outcomes. With approximately 150 full-time and part-time employees, more than 1,000 individual volunteers, the District leverages its internal capacity to convene and manage these multi-stakeholder partnerships.

Volunteers are integral to the District's operations, managing and supporting its extensive range of programs and services. Annually, the District engages over 1,000 individual volunteers, who contribute an average of 28,000 service hours. These volunteers undertake diverse roles, ranging from assisting at Health and Fitness Centers and participating in student internships to providing support for older adult programs. The District highly values the contributions of its volunteers and expresses its appreciation through events such as the annual Volunteer Recognition Brunch.

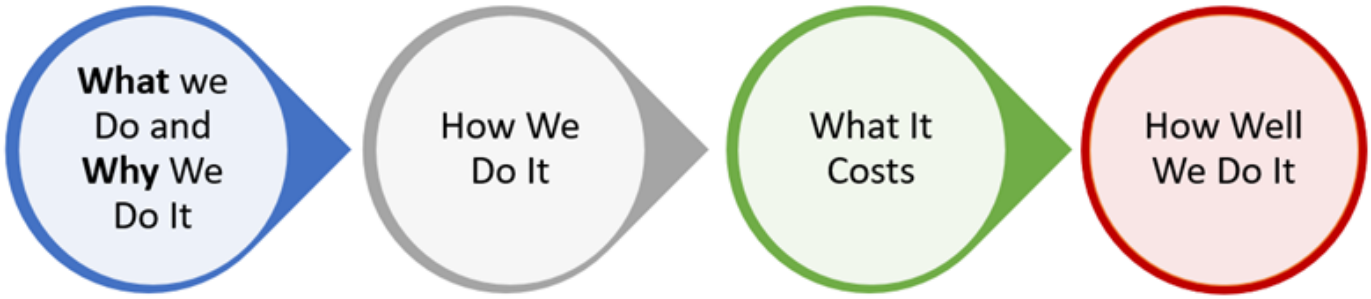
The District acknowledges the significant health benefits associated with volunteering for individuals. Research indicates that volunteering is linked to improved physical and mental health, including greater life satisfaction and lower rates of depression. Volunteers have also been found to experience increased social well-being and a stronger sense of purpose. By engaging in volunteer work, individuals contribute to their communities while simultaneously experiencing positive impacts on their own well-being.

The General Fund provides comprehensive financial management for all of the District's departments and operations, including support and administrative functions. For FY25-26, the District's operational framework has been restructured into five core functions, representing a realignment from the previous four-function model. This includes the establishment of a dedicated department for grant-funded services outlined below.



Beach Cities Community Public Health Impacts by Priority Based Budgeting

Priority Based Budgeting is a process used to understand community values, and budget accordingly to those values, while providing flexibility to meet the changing needs of the community.

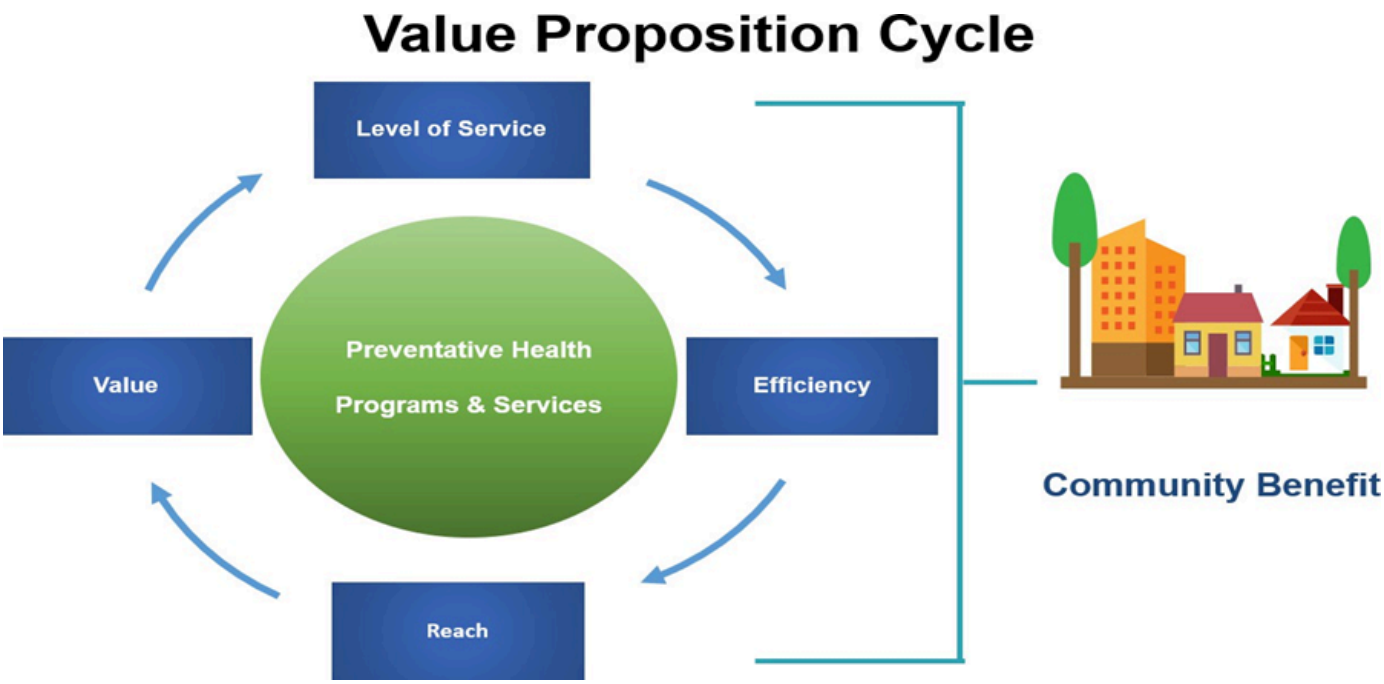


PBB offers Stakeholder numerous insights and key benefits:

- **Enhance budget transparency:** Clearly reflecting program and service costs.
- **Articulate program value:** Explaining the existence, cost, and value of our programs and services.

- **Understand true costs:** Shows fully loaded program/service costs, including administrative overhead.
- **Inform budget adjustments:** Guiding reductions or eliminations during budget cuts (e.g., recession, increased fixed costs, revenue loss).
- **Respond strategically:** Addressing community requests and expanding or funding new programs/services effectively.
- **Adapt to priorities:** Facilitating strategic shifts or refocusing BCHD's health priorities (e.g., adding a new priority, increasing funding for a specific need).
- **Reassess performance:** Ensuring programs/services continue to meet intended outcomes.

Ultimately what matters is the impact Beach Cities Health District has on those in the community it serves and the greater impact on public community health creating a Healthy Beach Community.



This value proposition shows the Priority Based Budgeting (PBB) attributes identified around the circle to be measured and evaluated against the performance standards of each program. To prepare the annual budget the District staff annually scores each health program according to alignment to the attributes.

The FY25-26 Budget was prepared by analyzing the District Program and Services according to the resulting scores below and recommended service level changes:

Implementing the Priority Based Budgeting (PBB) tool has enabled the District to collaboratively address financial challenges with staff, the Board of Directors, and the community. This approach has fostered open communication and facilitated the integration of diverse perspectives, leading to strong support for necessary reductions and both organizational and program changes.

For more information, see Priority Based Budget by Programs and Health Priorities Priority Based Budget.

2026 PBB Score by Program

1st Quartile			2nd Quartile			3rd Quartile			4th Quartile		
Program	Score	Impact	Program	Score	Impact	Program	Score	Impact	Program	Score	Impact
allcove Center Operations	90.00	↑	LiveWell Kids	80.00	↑	Care Management	73.33	↑	Walk & Roll to School Day	66.67	→
Partnership for Youth Coalition	90.00	↑	School Gardens/ Volunteers/ Garden Angels	80.00	↑	Information & Referrals	73.33	→	BCHD WorkWell Programs	66.67	→
In-Home Support Volunteer Programs	90.00	↑	Contract Services - Youth	80.00	→	Holiday Gift Bags	73.33	→	Charitable Giving	63.33	↑
Youth Advisory Council	86.67	→	Personal Training	80.00	↑	Pilates	73.33	→	Outdoor Programs	60.00	→
Partner Development	86.67	↑	Volunteer Support Programs	80.00	↓	Yoga	73.33	↑	Membership & Facility Operations	56.67	→
Public Policy & Legislative Affairs	86.67	→	Health Promotions General	80.00	→	New Innovation	73.33	→	Community Work Well Programs	53.33	→
Blue Zones Project	86.67	→	Camps	76.67	→	Reimbursements	73.33	↑	Parties & PDO	46.67	→
Grant Funding	86.67	↑	Mental Health & Happiness	76.67	→	HP/Comm Volunteer Programs	73.33	→			
Internship Program	86.67	→	Aging and Disability Services-Health and Wellness Education	76.67	→	Social-Emotional Health at Schools	70.00	→			
Research Coordination	83.33	→	Social Work Internship Program	76.67	↑	Parent Education and Engagement	70.00	→			
			Membership & Group Exercise	76.67	↑	Community Workshops and Trainings	70.00	↓			
			CHF Fee Based Services	76.67	→						
			Beach Cities Volunteer Day	76.67	→						
			Free Fitness Programs	76.67	↑						

↑ = Program delivery increase → = No significant change ↓ = Program delivery decreases

Implementing the Priority Based Budgeting (PBB) tool has enabled the District to collaboratively address financial challenges with staff, the Board of Directors, and the community. This approach has fostered open communication and facilitated the integration of diverse perspectives, leading to strong support for necessary reductions and both organizational and program changes.

Looking Forward and Conclusion

Beach Cities Health District is proactively addressing its long-term financial stability by planning for the redevelopment of its aging property at 514 N. Prospect Avenue. This 66-year-old medical office building, which used to generate more than 25% of the funding for District programs and services, has reached the end of its useful and economic lifespan and is slated for decommissioning in 2027. This necessitates a strategic pivot to ensure sustainable funding streams for essential community programs.

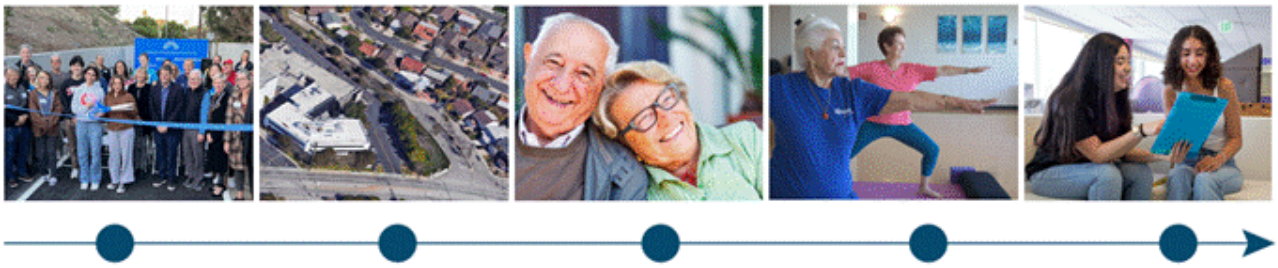
Recognizing the impending financial impact of the decommissioning and anticipating diminishing cash reserves since 2018, the District has strategically invested in the development of the Healthy Living Campus (HLC). This innovative project is designed to stabilize the District's financial position and secure the future viability of its programs and services. The Healthy Living Campus represents a forward-thinking approach to ensure continued support for vital community health initiatives.

The successful development of the Healthy Living Campus is projected to safeguard the District's long-term financial health and ensure the continuity of its essential programs and services.

Progress on the Healthy Living Campus Master Plan is on track, with key developments strengthening the District's long-term financial position. In 2019, the District funded a 115 Trust to secure long-term pension and OPEB obligations; the initial $3 million investment has since grown to $4.2 million. On-campus projects moving forward include the Program for All-Inclusive Care of the Elderly (PACE), which offers future rental income and a partnership opportunity, and the relocation of the Center for Health & Fitness for its 2,500 members. The allcove Beach Cities construction project is also underway at the corner of Beryl Street and Flagler Lane in Redondo Beach.

Positive Steps Forward

Progress is underway on several components of the Healthy Living Campus Master Plan



Bike Path
Completed in 2023, the bike and pedestrian path project installed a Class I bike path with new lighting, pavement, bicycle traffic signal sensors and landscaping.

Diamond Green Space
Finalizing plans to retain the 510 building and preserve adjacent green space along Diamond St.—addressing neighbor concerns.

PACE
BCHD has secured space on the campus for a PACE program, aiming to provide services for older adults and establish a long-term tenant in the 510 Building.

CHF
The Center for Health & Fitness (CHF) will relocate to the 510 Building in early 2027. Construction is underway.

allcove Beach Cities
56% of funding secured for construction of a permanent allcove Beach Cities location. Construction is underway.

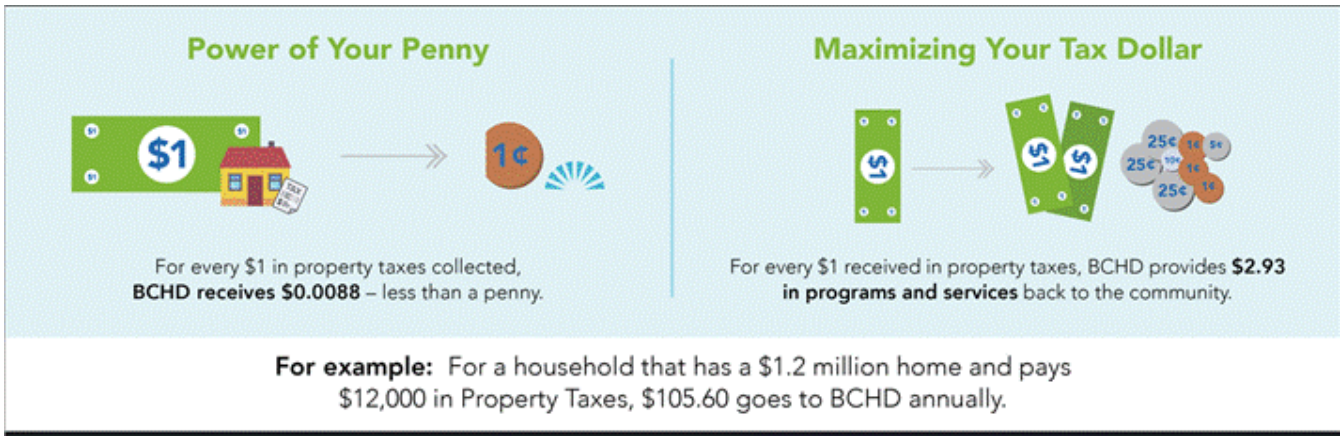
This investment reflects the District's commitment to proactive financial management and its dedication to serving the community's health and wellness needs for years to come.

While strategic plans and work for the Center for Health & Fitness (CHF), the Program for All-Inclusive Care for the Elderly (PACE), allcove Beach Cities, and the broader Campus redevelopment are taking place, the District's FY25-26 Budget ensures the continuous delivery of essential programs and services to the community. District staff remain focused on achieving organizational goals, and a number of important initiatives are scheduled for the upcoming fiscal year.

- Align youth departments to develop new and enhanced programming for ages 2–16.
- Execute and analyze the biennial Gallup Survey to report key health metrics.
- Finalize the setup of the Beach Cities Health Foundation, a District non-profit.
- Implement strategies to secure monetary and non-monetary gifts.

- Integrate medical reimbursement systems into BCHD operations.
- Determine the financial sustainability of allcove Beach Cities.

At Beach Cities Health District, our Board and staff are dedicated to serving our community. We are committed to ensuring that the FY26-27 budget, and the development of the Healthy Living Campus continue to deliver excellent value for each property tax dollar, strengthening your investment in local health and wellness.



Live well, health matters.

Tom Bakaly	Monica Suua
CEO	CFO

BUDGET ADOPTION RESOLUTION



BCHD
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Beach Cities Health District

bchd.org

Live Well. Health Matters.

RESOLUTION NO.609

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BEACH CITIES HEALTH DISTRICT
ADOPTING THE FINAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR 2026 – 2027

WHEREAS, a preliminary budget for Fiscal Year 2026-27, July 1, 2026 to June 30, 2027, has been prepared by the Chief Executive Officer and staff; and

WHEREAS, said budget incorporates expenditures for operating purposes, capital outlay and capital improvement projects; and

WHEREAS the Board of Directors of the Beach Cities Health District has examined the preliminary budget for Fiscal Year 2026-27.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF BEACH CITIES HEALTH DISTRICT HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

1. That the budget document which is on file with the Secretary to the Board, a summary of which is attached hereto as "Exhibit A," be and is adopted as the operating and capital budget for the District for FY 2026-27.

2. That the amounts designated in the final FY 2026-27 operating and capital budget are hereby appropriated and may be expended by the departments or funds for which they are designated, and such appropriation shall not be increased except as provided herein. Capital budget appropriation is authorized to completion of project, not limited to spending within fiscal years.

3. The Operating and Capital budget complies with the relevant Finance policies.

4. That the following controls are hereby placed on the use and transfer of budgeted funds:

(a) The Chief Executive Officer is responsible for keeping expenditures within budget allocations for positions, salaries, operational expenditures, and capital acquisitions and may adopt budget policies as necessary to carry out that responsibility. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board or Chief Executive Officer as described herein.

(b) The Chief Executive Officer may exercise discretion in administration of the budget to respond to changed circumstances, provided that any single increase in the overall budget in excess of $10,000 shall require approval by the Board.

(c) The Chief Executive Officer may authorize transfers between lines and/or within funds or departments, within the limits imposed by the available funds in the operating and capital budget.

(d) Except as provided by Section 3(b) herein, the Board must authorize any increase in the overall operating budget and capital budget.

5. That this resolution shall become effective on the date of adoption date.

PASSED, APPROVED, AND ADOPTED THIS 24th DAY OF JUNE 2026.

Jane Diehl, President
Board of Directors
Beach Cities Health District

ATTEST:

Vanessa Poster, Secretary / Treasurer
Board of Directors
Beach Cities Health District

EXHIBIT A

Beach Cities Health District
District Total Rollup
Budget 2026-27

	Budget FY26-27	Budget FY25-26	$ Variance	%	Budget FY24-25	Budget FY23-24
Property Tax Revenue	5,694,000	5,456,000	238,000	4%	5,162,800	5,002,800
Lease Revenue	1,714,859	3,053,193	(1,338,334)	-44%	3,838,158	4,162,409
Tenant BOE Reimbursements	1,370,234	1,024,508	345,726	34%	949,508	861,854
Interest Revenue	670,690	196,565	474,125	241%	211,675	344,930
Limited Partnership Revenue	2,725,000	2,093,133	631,867	30%	1,935,000	1,735,000
User Fees Revenue	2,474,266	2,332,114	142,152	6%	2,180,185	1,789,467
Grant revenue	2,163,100	1,191,440	971,660	82%	1,707,716	855,600
Other Revenue	111,000	10,600	100,400	947%	161,100	155,516
TOTAL REVENUE	**16,923,149**	**15,357,553**	**1,565,596**	**10%**	**16,146,142**	**14,907,576**
Payroll	9,759,220	8,214,051	(1,545,169)	-19%	8,070,390	7,395,834
Program Costs	176,080	167,852	(8,228)	-5%	166,582	175,206
Human Resources Related	213,908	178,010	(35,898)	-20%	180,905	184,592
Information Systems	279,843	306,602	26,759	9%	309,355	324,651
Community Relations	305,411	294,700	(10,711)	-4%	351,374	387,245
Facilities Expenses	2,434,228	2,017,085	(417,143)	-21%	2,037,875	1,883,572
Professional Services	2,544,719	2,158,198	(386,521)	-18%	2,535,641	1,916,092
Interest and Other	660,740	555,193	(105,547)	-19%	927,385	1,267,884
Funds & Grants	299,000	715,862	416,862	58%	1,048,635	1,372,500
TOTAL OPERATING EXPENSES	**16,673,149**	**14,607,553**	**(2,065,596)**	**-14.1%**	**15,628,142**	**14,907,576**
			-			
BCHD OPERATING SURPLUS / (Deficit)	**250,000**	**750,000**	**(500,000)**	**0%**	**518,000**	**-**
Capital Investment-New	(530,000)	(11,309,819)	10,779,819			
Capital Investment-Carry Over	(9,150,000)	9,150,000	-			
FUND CASH BALANCE CHANGE	**(9,680,000)**	**(2,159,819)**	**10,779,819**			
Other Financing Sources – Capital Loan Proceeds	3,750,000	-	3,750,000			
FUND BALANCE CHANGE	**(5,930,000)**	**(2,932,993)**	**(2,997,007)**			

2025-2028 HEALTH PRIORITIES



BCHD
A Public Agency
Beach Cities Health District

bchd.org

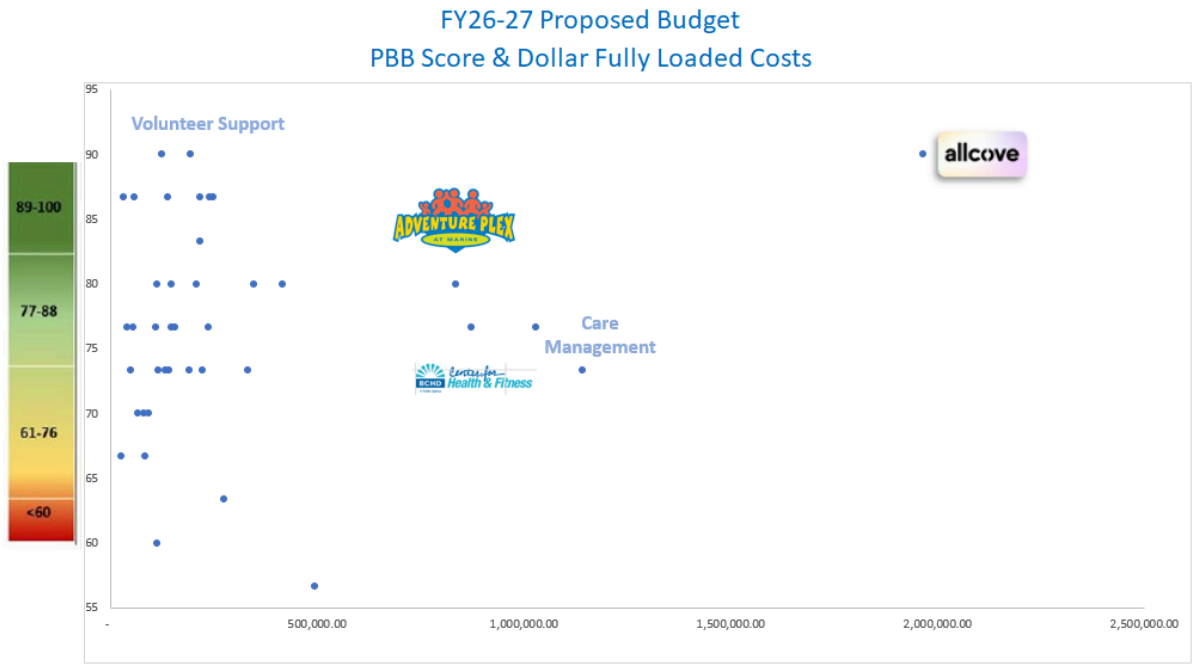
What is Priority Based Budgeting (PBB)?

Priority Based Budgeting (PBB) Is a process used to understand community values and budget accordingly, while providing flexibility to meet the changing needs of the community. PBB's underlying philosophy is that resources should be invested to meet the stated objectives of the program. This means resources are allocated according to how effectively a program/ service achieves the goals of the most significant value to the community.



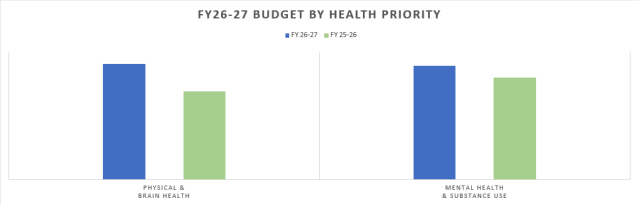
FY26-27 Program Budget

The following graphs provide the rankings of the programs and services that were reviewed in the FY26-27 budget planning process. Note, the purpose of ranking is not to automatically eliminate low-ranking programs, but to move into further analysis (as outlined above) based on the attributes to see whether adjustments, reductions or improvements can be made to increase the District's measurable impact.



FY26-27 Investment by Health Priority:

The District's programs reflect continued investment in both physical health and Mental health &Substance use. These health priorities are connected and emphasize the District's focus on taking care of both body and mind.





Mental Health & Substance Use

1. Decrease anxiety, depression and suicidal ideation
2. Reduce substance use (e.g. alcohol, cannabis, nicotine) across the lifespan
3. Increase community education for mental health and substance use prevention and access to early intervention services
4. Increase social connectedness to address loneliness and social isolation
5. Enhance stress resilience, positive coping strategies and mental well-being



Physical Health

6. Promote habits and practices to increase restful and restorative sleep
7. Improve health and quality of life for people with dementia, including Alzheimer's disease, and their caregivers
8. Maintain healthy eating habits and low percentage of residents who are obese or overweight
9. Improve biking and walking safety
10. Maintain high levels of physical exercise participation

FY26-27 Investment by Department:

BUDGET BY OPERATING DEPARTMENT		FY26-27	%	FY25-26	%
TOTAL REVENUES		16,923,000	100%	15,358,000	100%
TOTAL EXPENSES		(16,673,000)	100%	(14,608,000)	100%
		250,000		**750,000**	
allcove Beach Cities & Drug Free Community (DFC)					
Service Streams (4): Wellness and Life Skills, Mental Health and Peer Support	Grant Revenues	1,846,000	11%	1,135,000	7%
Screening Results (6): Generalized Anxiety, Depression, Eating & Body Image	Program Expenses	(2,286,000)	14%	(1,584,000)	11%
Substance Use, Safety Concerns, and Early Psychosis		**(440,000)**		**(449,000)**	
Outreach throught out the Community					
Center for Health & Fitness (Medical Fitness Association Certified)					
Arthritis & Joint Replacement	Fee Income	1,592,000	9%	1,317,000	9%
Hypertension & Diabetes	Program Expenses	(2,401,000)	14%	(1,619,000)	11%
Low Back Pain		**(809,000)**		**(302,000)**	
Osteoporosis & Cancer Care					
Youth Services (& Adventure Plex)					
Mental Health and Happiness in schools	Fee Income	893,000	5%	1,015,000	7%
Early Childhood Development (0-5)	Program Expenses	(1,840,000)	11%	(1,674,000)	11%
Worksite Wellness for RBUSD and HBCSD		**(947,000)**		**(659,000)**	
Camps, Outdoor Events and Engagements					
Community Services					
Care Management Services (CMS) - Aprox. 450 unduplicated clients	Service Fee	406,000	2%	57,000	0%
Community Services Block Grant (CSBG) - Low Income Residents/Clients	Program Expenses	(1,480,000)	9%	(1,717,000)	12%
Enhanced Care Management (ECM) - Medi-Cal for more vulnerable residents		**(1,074,000)**		**(1,660,000)**	
Manhattan Beach - Dedicated CMS at the Joslyn Center and Fire Department					
Partnerships & Innovation / Capacity Building Services					
Community Health Information, 12 Volunteer Programs, plus events, etc.	Comm., Volunteer, etc.	(2,123,000)	13%	(1,973,000)	14%
Revenue Focus (FY25-26 $5,128,577), Policy & Legislation	Partnership & Innovation	(1,055,000)	6%	(971,000)	7%
514 N. Prospect Ave.					
11 Tenants, 3 larger (no Silverado rent,) and 8 smaller	Tenant Income	2,084,000	12%	3,126,000	20%
80% of Prior Year Cost; not including any major equipment upgrades	Property Expenses	(1,988,000)	12%	(2,249,000)	15%
		96,000		**877,000**	
Other Income & Services					
Property Tax, Partnership, Interest, Oth. Building Rent	Other Income Sources	10,103,000	60%	8,708,000	57%
Executive, Finance and HR (Legal, Election, Insurance, etc.)	Support Services	(2,972,000)	18%	(2,312,000)	16%
Parking, Other Property and Support Expenses (Del Amo, etc.)	General Property Expenses	(529,000)	3%	(510,000)	3%

BUDGET BY PROGRAM



Beach Cities Health District
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FY 26-27 PROGRAM BUDGET

PROGRAM	FY 26-27 Cost
Aging and Disability Services-Health and Wellness Education (CS-2)	$129,854.39
allcove Advisory Group	$13,238.73
allcove Beach Cities (YS-1)	$2,907,621.35
BCHD WorkWell Programs (WBS-12)	$105,393.78
Beach Cities Volunteer Day (VS-3)	$44,924.21
Blue Zones Project	$255,897.39
Camps (634)	$556,940.20
Care Management (CS-1)	$1,439,888.46
Charitable Giving	$264,517.09
Community Work Well Programs (WBS-13)	$82,252.47
Community Workshops and Training (WBS-9)	$74,060.03
Contract Services - Youth (YS-10)	$9,926.92
Fee Based Services (615)	$299,007.90
Free Fitness Programs (HPC-1)	$62,763.61
Grant Funding	$275,344.84
Health Promotions General (HPC-3)	$480,699.38
Holiday Gift Bags (CS-6)	$55,581.93
HP/Comm Volunteer Programs (HPC-2)	$157,010.03
Information & Referrals (CS-3)	$260,153.69
In-Home Support Volunteer Programs (CS-5)	$149,910.82
Innovation	$145,276.18
Internship Program (VS-2)	$36,978.29
LiveWell Kids (YS-3)	$189,127.99
Membership & Drop-In Play (631)	$1,017,873.13
Membership & Group Exercise Classes (611)	$1,222,653.57
Mental Health & Happiness Series (WBS-11)	$129,065.06
Outdoor Programs (632)	$130,112.89
Parent Education and Engagement Programs (YS-13)	$117,865.55
Parties & PDO (633)	$283,768.19
Partner Development	$263,516.95
Partnership for Youth Coalition (YS-11)	$208,595.30
Personal Training (612)	$1,187,105.41
Pilates (613)	$470,496.40
Public Policy & Legislative Affairs (WBS-7)	$188,895.04
Reimbursements	$130,994.04
Research Coordination (LS-1)	$74,656.05
School Gardens/Docents/Garden Angels (YS-4)	$128,493.36
Social Work Internship Program (CS-7)	$200,509.75
Social-Emotional Health at Schools (YS-6)	$106,260.01
Volunteer Support Programs (VS-1)	$142,957.02
Walk & Roll to School Day	$31,737.98
Yoga (614)	$258,461.80
Youth Advisory Council (YS-12)	$40,711.54
Grand Total	**$14,331,098.72**

DISTRICT OVERVIEW AND INTRODUCTION

DISTRICT OFFICIALS

Board of Directors



Jane Ann Diehl

President
Elected: 11/24
Term Expires: 12/28



Noel Lee Chun, M.D., QME

President Pro-Tem
Elected: 11/22
Term Expires: 12/26



Vanessa Poster

Secretary/Treasurer
Elected: 11/20
Term Expires: 12/28



Martha B. Koo, M.D.

Board Member
Elected: 11/20
Term Expires: 12/28



Michelle Anne Bholat, M.D., MPH

Board Member
Elected: 11/22
Term Expires: 12/26

District Executive Leadership



Tom Bakaly
Chief Executive Officer



William Kim, M.D.
Chief Medical Officer



Kerianne Lawson
Chief Programs Officer



Cristan Mueller
Chief Health Operations & Communications Officer



Ali Steward
Chief Partnership Officer



Monica Suua, CPA
Chief Financial Officer



Megan Vixie, MPA
Chief Engagement Officer

Finance Department

Yuliya Pigrish, Controller
Cindy Sheu, Senior Accountant
Jamie Fresques, Senior Staff Accountant
Anni Bolsajian, Finance Technician

PROFILE, DEMOGRAPHICS & STATISTICS



Beach Cities Health District
BCHD
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Population

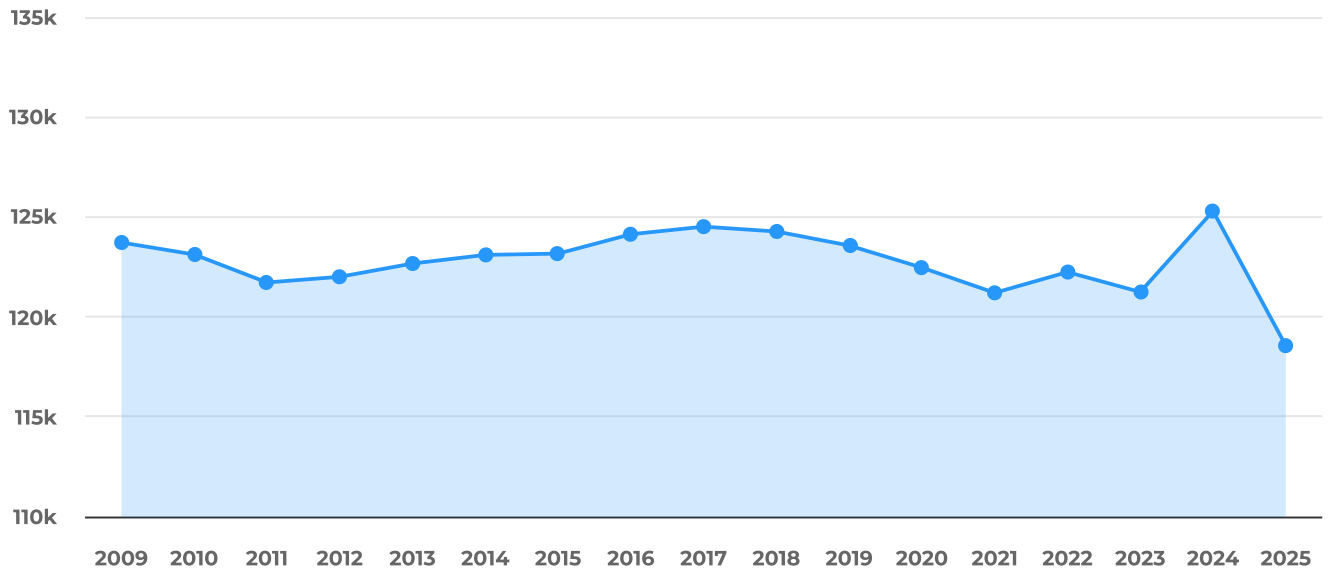
TOTAL POPULATION

118,556

-5.38%
vs. 2024

GROWTH RANK

12 out of 508 Municipalities in California



** Data Source: Client entered data for year 2025*

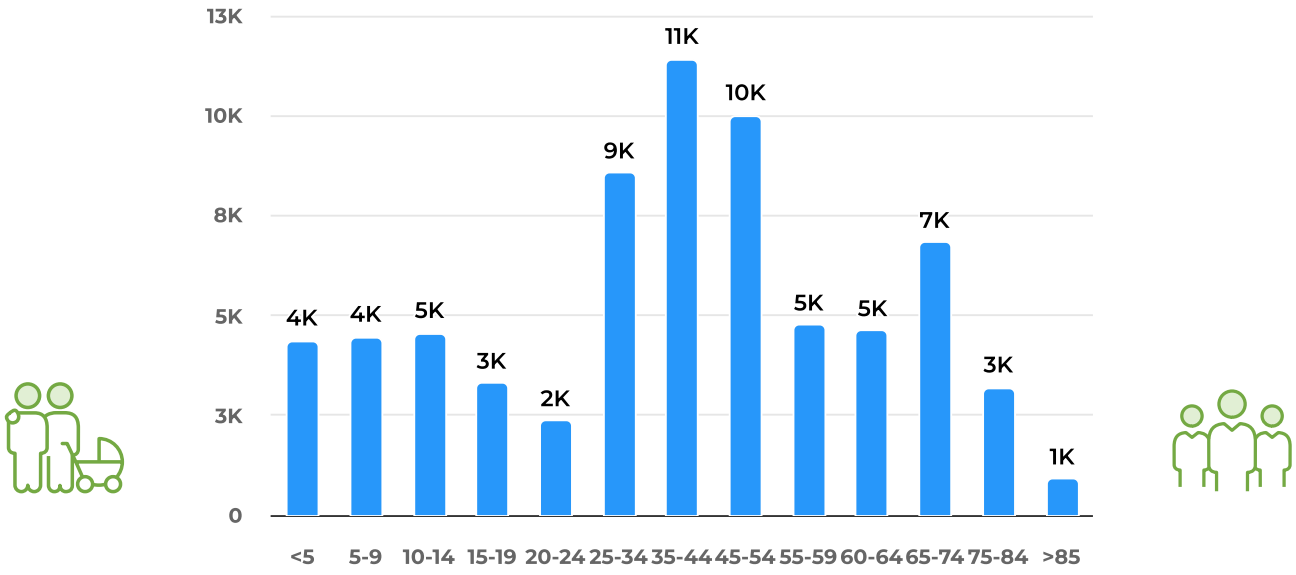
DAYTIME POPULATION

70,496

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

** Data Source: American Community Survey 5-year estimates*

POPULATION BY AGE GROUP



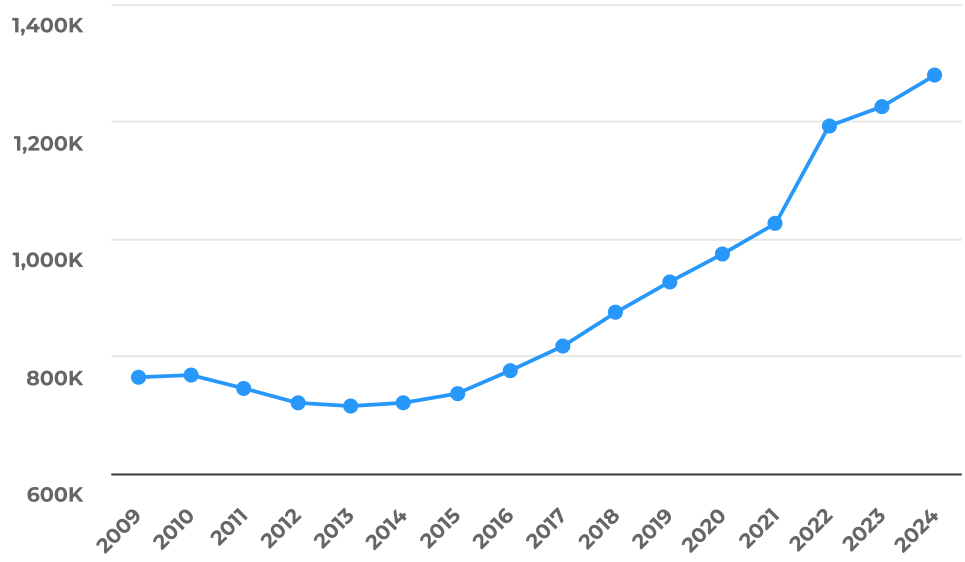
Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

** Data Source: American Community Survey 5-year estimates*

Housing

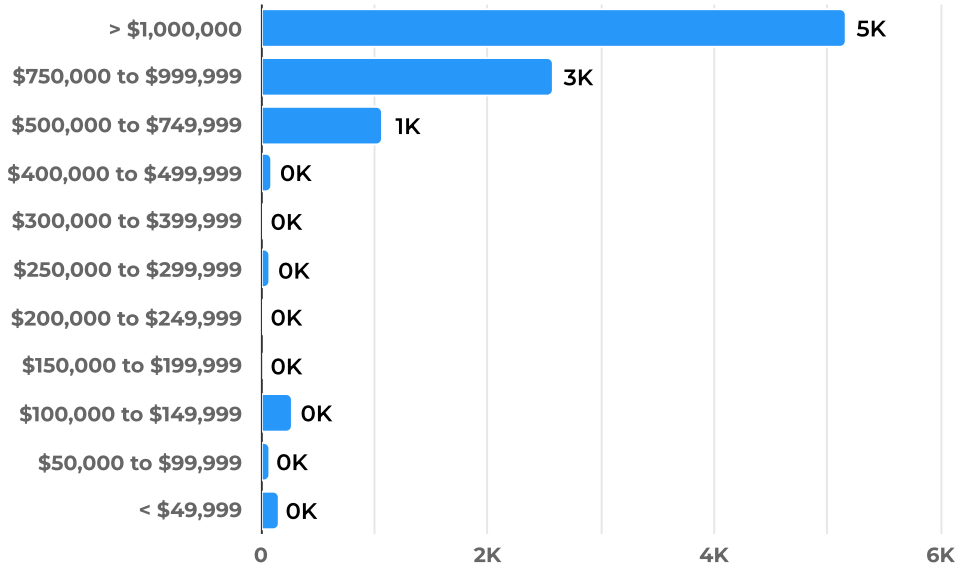
2024 MEDIAN HOME VALUE

$1,279,200



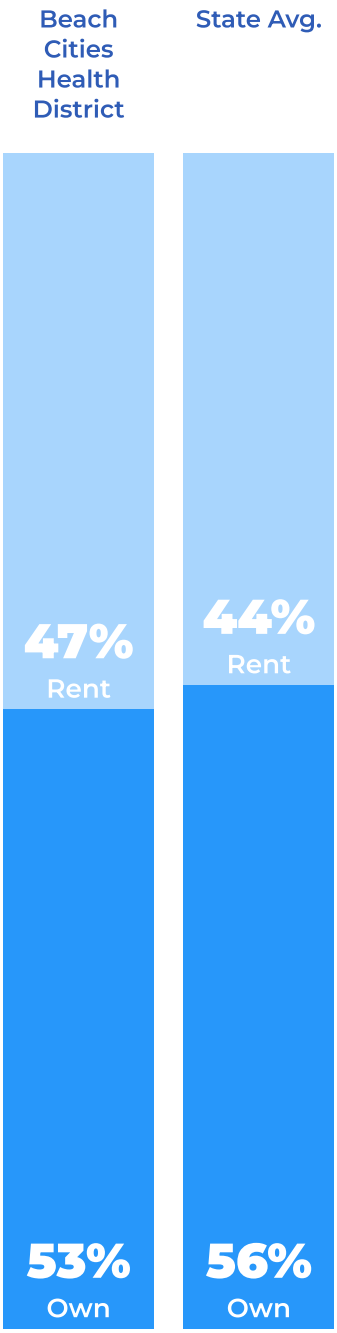
** Data Source: 2024 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

HOME VALUE DISTRIBUTION



** Data Source: 2024 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

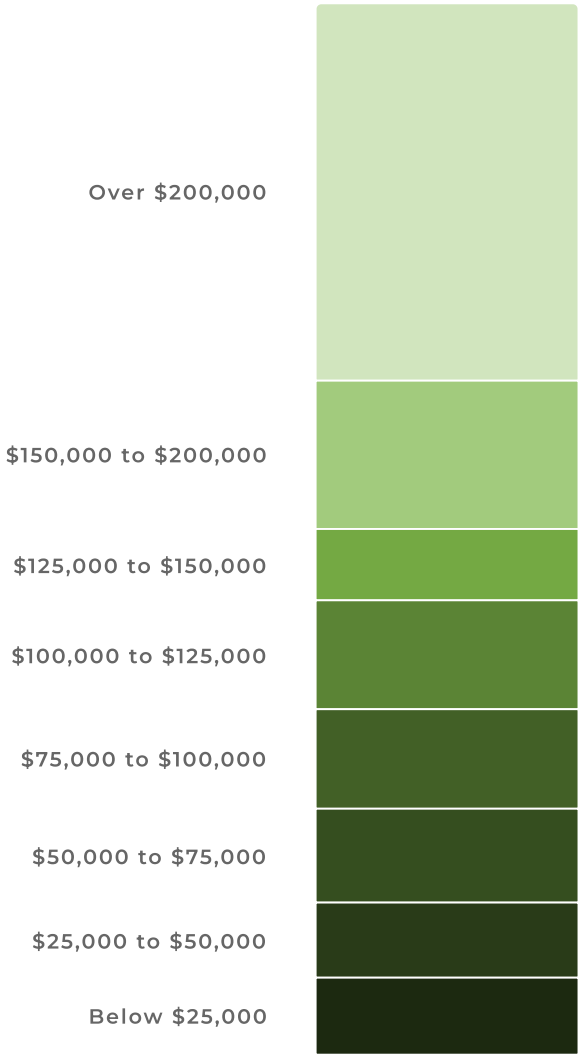
HOME OWNERS VS RENTERS



** Data Source: 2024 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

Economic

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



HOUSEHOLD INCOME

Above $200,000

36%

75.25%
higher than state average

Median income

$150,245

51.58%
higher than state average

Below $25,000

7%

-41.59%
lower than state average

** Data Source: American Community Survey 5-year estimates*

Established

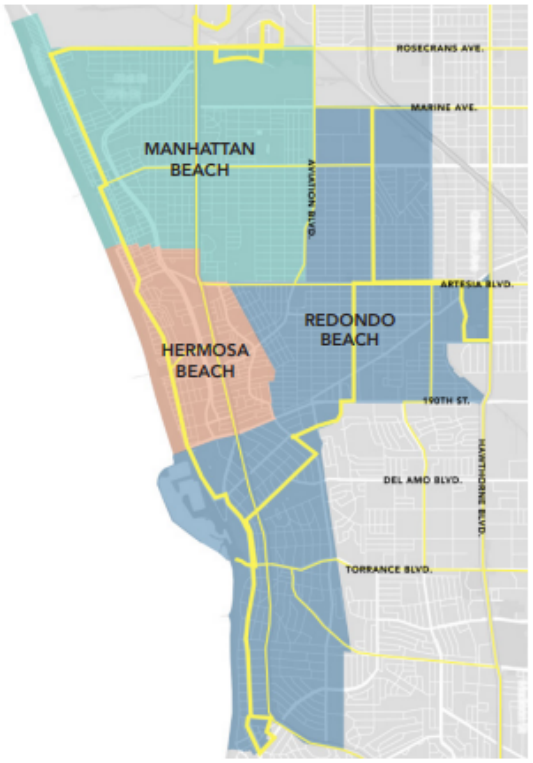
Beach Cities Health District is a public government agency, one of 76 Health Districts in California, and in operation since 1960. In 1993, the District changed its name from South Bay Hospital District to Beach Cities Health District.

Governing Body

Board of Five Directors.

Cities Served

Hermosa Beach, Manhattan Beach, and Redondo Beach.



Location

The Beach Cities Health District's administrative office is located in Redondo Beach, CA, approximately 18 miles southwest of Los Angeles, and 5 miles south of Los Angeles Airport (LAX). Services are distributed throughout the District.

Vision

A healthy beach community.

Mission

To optimize health for our Beach Cities community through innovative and inclusive programs, partnerships, and spaces.

Beach Cities Health District (BCHD), one of the leading healthcare districts in California, has served the communities of Hermosa Beach, Manhattan Beach and Redondo Beach since 1955. Driven by our vision for a healthy beach community, we offer more than 40 programs and facilities designed to enhance the health and well-being of all residents.

Healthcare Districts are a type of special district and public entities that provide community-based health care services to residents throughout the state. They respond to the needs in their District by providing a range of services, which may include a hospital, clinic, skilled nursing facility or emergency medical services, as well as education and wellness programs. Each of California's Healthcare Districts is governed by a locally elected Board of Trustees who are directly accountable to the communities they serve.

Profile, Demographics and Statistical Analysis

There are 76 Health Districts in California; most are hospitals. Created by residents for residents, Healthcare Districts throughout California provide vital services for the community members who create and oversee them.



- Palos Verdes Health District
- Eden Township Healthcare District
- Sequoia Healthcare District
- Los Medanos Healthcare District
- Peninsula Healthcare District
- Redbud Healthcare District
- Grossmont Healthcare District
- Fallbrook Healthcare District
- Camarillo Healthcare District
- Desert Healthcare District
- Petaluma Healthcare District
- Del Norte Healthcare District
- Marin Healthcare District
- Corning Healthcare District
- Mount Diablo Healthcare District
- Beach Cities Health District

Beach Cities Health District is a public government agency in Southern California and part of the greater South Bay area.



Source:

About Healthcare Districts - Association of California Healthcare Districts | ACHD - CA

Who We Are - Beach Cities Health District

OTHER EMPLOYEES IN BEACH CITIES DISTRICT VICINITY 2026-2027

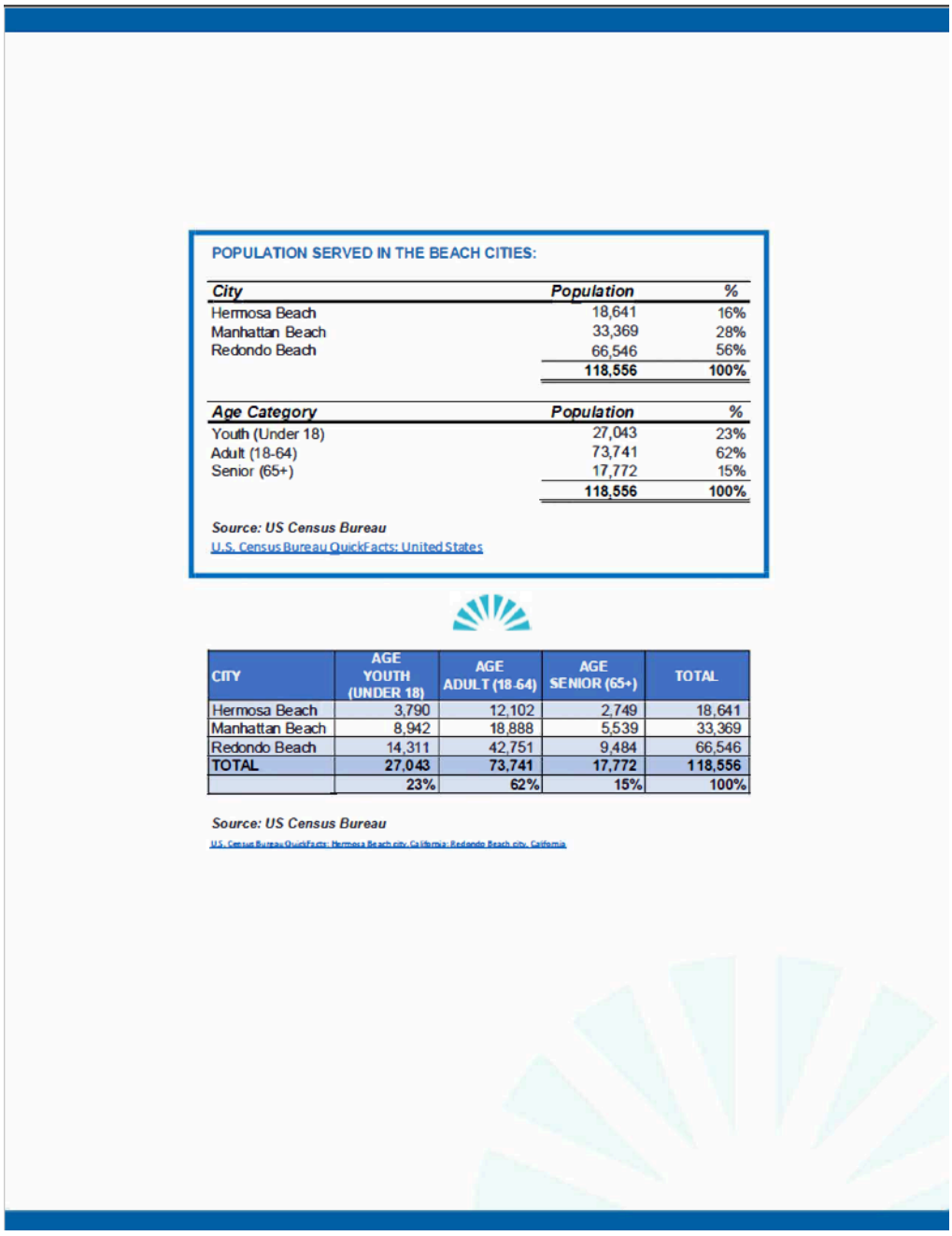
	Total Employment	% of Total Employment
Hermosa Beach	11,680	15.98%
Manhattan Beach	17,142	23.45%
Redondo Beach	44,275	60.57%
	73,097	100.00%
Northrop Grumman	10,856	14.85%
Redondo Beach Unified School District	997	1.36%
Skechers USA, Inc.	925	1.27%
Skechers Retail Store	314	0.43%
Manhattan Beach Unified School District	656	0.90%
Target Corporation	556	0.76%
Recreation Equipment Inc (REI)	175	0.24%
City of Redondo	299	0.41%
City of Manhattan Beach	168	0.23%
City of Hermosa	261	0.36%
Cheesecake Factory	261	0.36%
United States Postal Service	206	0.28%
Marriott Manhattan Beach	206	0.28%
Macy's	208	0.28%
Silverado Beach Cities	140	0.19%
Kensington Redondo Beach	130	0.18%
24 Hour Fitness	167	0.23%
Ralph's Grocery	94	0.13%
Hermosa Beach City School District	155	0.21%
Albertsons Companies, Inc. (Vons retail store)	155	0.21%
Other Employers	56,168	76.84%
Total Employees	73,097	100.00%

DIRECT AND OVERLAPPING PROPERTY TAX RATES
CURRENT AND PRIOR YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City of Hermosa Beach Residents - Total**	1.035651%	1.036693%	1.04137%	1.06494%	1.05167%	1.06475%	1.06624%	1.04898%	1.06141%	1.04792%	1.05011%
City of Hermosa Beach *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Overlapping - Hermosa Beach Residents											
Los Angeles County *	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Hermosa Beach Unified School District**	0.014729	0.015746	0.014928	0.040245	0.025942	0.039696	0.039111	0.025213	0.034923	0.024458	0.026096
El Camino Community College District**	0.017422	0.017447	0.022942	0.021199	0.022229	0.021555	0.023624	0.020267	0.022989	0.019960	0.020515
Metro Water District**	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
City of Redondo Beach Residents - Total	1.1178%	1.1127%	1.1172%	1.1110%	1.1066%	1.1093%	1.1114%	1.0778%	1.1036%	1.1079%	1.1075%
City of Redondo Beach *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City of Redondo Direct Rate	0.1580%	0.1581%	0.1583%	0.15871%	0.15883%	0.16317%	0.16331%	0.16340%	0.16353%	0.16353%	0.16089%
Redevelopment Agency	-	-	-	-	-	-	-	-	-	-	-
Overlapping - Redondo Beach Residents											
Los Angeles County *	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Flood Control	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Metropolitan Water District	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
El Camino Community College District**	0.017420	0.017450	0.022940	0.021200	0.022230	0.021550	0.023620	0.002264	0.022990	0.018322	0.018999
Redondo Beach Unified School District**	0.096890	0.091740	0.090790	0.086300	0.080860	0.084280	0.084300	0.072010	0.077110	0.086119	0.085040
City of Manhattan Beach Residents - Total	1.09278%	1.08753%	1.09412%	1.11931%	1.11857%	1.11721%	1.11560%	1.11456%	1.11490%	1.11262%	1.11440%
City of Manhattan Beach *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City of Manhattan Beach Direct Rate	0.1606%	0.1613%	0.1619%	0.1625%	0.1629%	0.1633%	0.1456%	0.1457%	14.5740%	14.5810%	14.5870%
Overlapping - Manhattan Beach Residents											
Los Angeles County *	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000
Colleges & School Districts	0.0892800	0.0840300	0.0906200	0.1158100	0.1150700	0.1137100	0.1121000	0.1110600	0.1114000	0.1091200	0.1109000
Metro Water District	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000
Flood Control District	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000

* Property Tax Assessment for Beach Cities Health District is included in Los Angeles County Property Tax since 2008 rolled into the 1% General Levy
** Numbers are estimates and not reflected in report as of time of publishing.
Source: Comprehensive Annual Financial Reports of City of Hermosa Beach, City of Manhattan Beach, City of Redondo Beach

Beach Cities Health District Population



POPULATION SERVED IN THE BEACH CITIES:

City	Population	%
Hermosa Beach	18,641	16%
Manhattan Beach	33,369	28%
Redondo Beach	66,546	56%
	118,556	**100%**

Age Category	Population	%
Youth (Under 18)	27,043	23%
Adult (18-64)	73,741	62%
Senior (65+)	17,772	15%
	118,556	**100%**

Source: US Census Bureau

U.S. Census Bureau QuickFacts: United States

CITY	AGE YOUTH (UNDER 18)	AGE ADULT (18-64)	AGE SENIOR (65+)	TOTAL
Hermosa Beach	3,790	12,102	2,749	18,641
Manhattan Beach	8,942	18,888	5,539	33,369
Redondo Beach	14,311	42,751	9,484	66,546
TOTAL	**27,043**	**73,741**	**17,772**	**118,556**
	23%	**62%**	**15%**	**100%**

Source: US Census Bureau

U.S. Census Bureau QuickFacts: Hermosa Beach city, California; Redondo Beach city, California

AWARDS

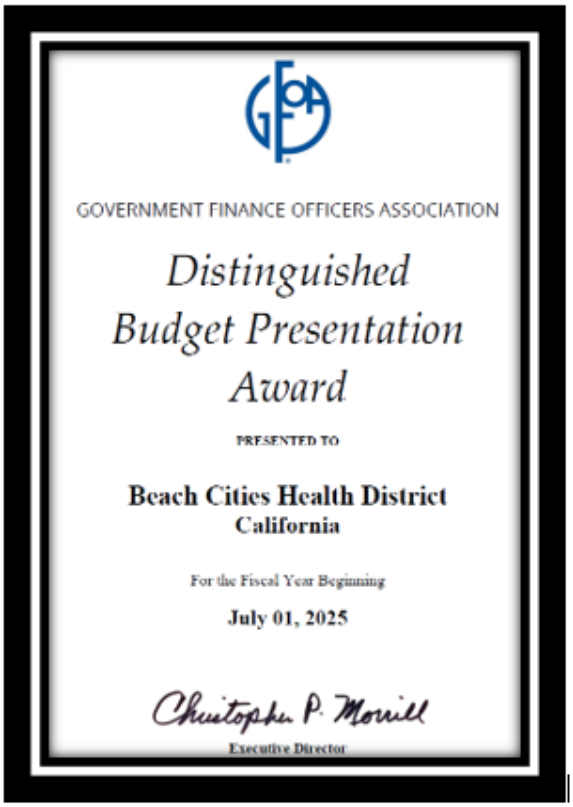


Beach Cities Health District
BCHD
A Public Agency

bchd.org

Distinguished Budget Presentation Award

Government Finance Officers Association of the United States and Canada presented a Distinguished Budget Presentation Award to Beach Cities Health District, California for the Annual Budget of the fiscal year beginning July 1, 2025. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.



This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the Government Finance Officers Association to determine eligibility for another award.

Beach Cities Health District aspires to continually provide the highest quality documents while exhibiting full transparency in budgeting, which are reflected by the guidelines established by the National Advisory Council on State and Local Budgeting, and the Government Finance Officers Association's best practices for budgeting.

The effort to seek and attain the Distinguished Budget Presentation Award reflects the District's commitment to meeting the highest standards of government budgeting and reporting.

GFOA Achievement for Excellence in Financial Reporting

Government Finance Officers Association of the United States and Canada has awarded the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2025. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

This award is valid for a period of one year only. We believe our current reporting continues to conform to program requirements, and we are submitting it to the Government Finance Officers Association to determine eligibility for another award.

Beach Cities Health District aspires to continually provide the highest quality reporting while exhibiting full transparency.


Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Beach Cities Health District
California

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

June 30, 2025

and issued to the public 164 days after the fiscal year end

Christopher P. Morrill

Executive Director/CEO

Beach Cities Health District is honored to have been awarded the Excellence in Financial Reporting Award for our Reporting.

CSMFO Budget Award



California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2025-2026

Presented to the

Beach Cities Health District

For meeting the criteria established to achieve a CSMFO Award in Budgeting.

February 5, 2026

Jennifer Wakeman
2025 CSMFO President

James Russell-Field, Chair
Recognition Committee

Dedicated to Excellence in Municipal Financial Reporting

Investment Policy Certification



California Municipal
Treasurers Association

Investment Policy Certification

Issued on 4/22/2025

Beach Cities Health District

The California Municipal Treasurers Association certifies that the investment policy of the Beach Cities Health District complies with the current State statutes governing the investment practices of local government entities located within the State of California.

CMTA

Nadia Lassen
President

4/22/2025
Date

**

The California Municipal Treasurers Association is developed and sustained by treasury professionals. CMTA serves as the vehicle for quality assurance, comprehensive education programs, high professional standards and public accountability.

The District affirms its dedication to fostering accountability, transparency, and integrity among individuals charged with the stewardship of public resources. Achieving certification from this agency affirms the strength and integrity of our Investment Policy.

AWARDS & SUCCESSES

MODERN HEALTHCARE
Recognized as "Best Places to Work" for the 13th time.

HEALTHCARE DISTRICT OF THE YEAR 2021
The District of the Year Award honors healthcare districts that implemented one or more initiatives to improve the health and well-being of their community.

PSYCHOLOGICALLY HEALTHY WORKPLACE (2011-2018)
8-time recipient

Special District Leadership Foundation (SDLF) presented BCHD a Transparency Certificate of Excellence in recognition of its outstanding efforts to promote transparency and good governance in 2021.

ADVENTUREPLEX
Accredited by the American Camp Association

The Center for Health and Fitness is one of two certified medical fitness facilities in the state of California.

The Beach Cities have been a nationally certified Blue Zones Community® since 2016, and has been published in BMJ Open on the impacts of the District's efforts in the community.

bchd.org

ORGANIZATION CHART & PERSONNEL

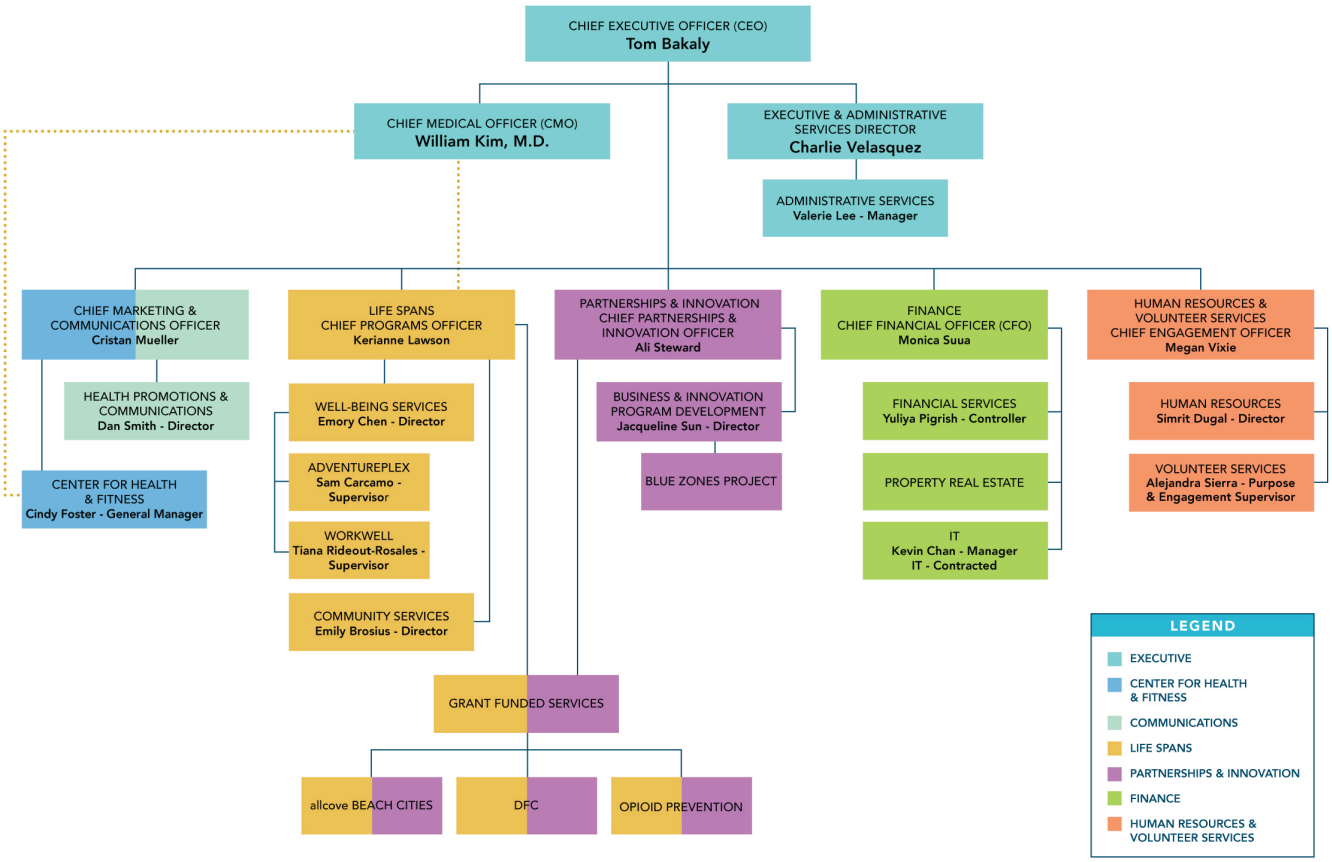


BCHD Beach Cities Health District
A Public Agency

bchd.org

BEACH CITIES HEALTH DISTRICT

ORGANIZATION CHART



FY26-27 PAYROLL WAGE BUDGET

	Salaries FY27	FY27	Salaries FY26	FY26	FY25	FY24	FY23	FY22	FY21	FTE Var. FY27/ 26
Administrative Support Services										
Executive/Administration	538,000	2.90	458,500	2.90	3.25	3.40	3.40	3.45	3.45	0%
HR	391,000	3.20	351,700	3.20	3.30	3.45	3.50	3.50	3.15	0%
Finance	471,000	4.00	421,000	4.00	4.30	4.60	4.60	4.60	4.75	0%
	1,400,000	10.10	1,231,200	10.10	10.85	11.45	11.50	11.55	11.35	
Direct Operating Support										
Health Promotion	625,000	5.26	552,000	5.05	5.55	5.20	6.17	5.86	5.56	4%
Volunteer Department	219,000	2.25	190,000	2.25	2.18	2.43	2.38	2.35	2.35	0%
IT	159,000	1.20	138,000	1.20	1.20	1.05	1.05	1.20	1.40	0%
Partnerships and Innovations	583,000	5.25	527,000	5.25	1.35	1.35	-	-	0.30	0%
Blue Zones Project	59,000	0.51	54,000	0.51	4.13	4.15	3.46	4.95	4.95	0%
	1,645,000	14.47	1,461,000	14.26	10.28	10.03	9.60	14.36	14.56	
LifeSpan Services										
LifeSpan Admin	19,000	0.10	17,000	0.10	0.15	0.15	1.40	2.00	2.00	0%
Community Services	846,000	9.30	617,000	7.30	7.43	7.63	9.54	9.73	9.66	27%
AdventurePlex	585,000	11.77	497,000	10.64	10.90	10.05	9.74	7.64	18.5	10%
Well-Being Services/Work Well	450,000	4.82	425,000	4.82	4.10	4.05	5.30	6.27	6.13	0%
Grant Funded Services — Alcove	791,000	8.70	511,000	6.20	9.15	7.10	5.00	-	-	27%
Grant Funded Services- DFC Grant	94,000	1.05	87,000	1.05	1.15	1.20	0.80	1.08	1.18	0%
Grant Funded Services - DFC Grant Match	75,000	1.00	75,000	1.00	1.00	1.00	1.00	0.80	0.85	0%
Grant Funded Services — Opioid Prevention - Grant	25,000	0.30	25,000	0.30						0%
	2,885,000	37.04	2,254,000	31.41	27.11	25.28	26.5	27.52	38.3	
Fitness Centers										

	Salaries FY27	FY27	Salaries FY26	FY26	FY25	FY24	FY23	FY22	FY21	FTE Var. FY27/ 26
Center for Health & Fitness	1,215,000	14.55	971,000	12.93	11.55	11.47	12.94	14.45	16.9	14%
Medical Fitness Exercise	-	-	-	-	-	-	-	-	0.62	0%
	1,215,000	14.55	971,000	12.93	11.55	11.47	12.94	14.45	17.59	
Real Estate - Property Operations	137,000	0.65	126,000	0.65	0.65	0.45	0.40	0.40	0.55	0%
District Direct Operating Services	5,882,000	66.71	4,812,000	59.25	60.49	57.28	59.17	56.73	71.0	
District Total Operations Salaries	7,282,000	76.81	6,043,000	69.35	71.34	68.73	70.6	68.28	82.4	
Real Estate — Capital	-	-	-	-	-	0.85	0.85	0.90	1.90	
District Total	**7,282,000**	**76.81**	**6,043,000**	**69.3**	**71.3**	**69.5**	**71.5**	**69.1**	**84.3**	**10%**

Comments on increases/decreases in FTE

- Health Promotions department added 0.03 FTE for a substitute Sr. Graphic Designer and 0.18 FTE for an Event specialist.
- The Community Services Department added 2 positions for Enhanced Care Management (ECM) program that will be covered with the new revenues from the program.
- Adventure Plex has a total increase of 1.13 FTE increase in part-time and seasonal positions to cover an increased demand for Adventure Plex programs for youth and will be covered with the respective revenues.
- Allcove added 1 FTE for a Billing Coordinator position that will be covered with the new Fee schedule revenues. Added 0.5 FTE for a full-time Director position that will start at mid-year and 1 FTE for an Administrator position. The Director and Admin positions will be covered with revenues for the state funding.
- The Center for Health and Fitness Department added 1.62 FTE increase in part-time positions for personal trainers and instructors to cover an increased demand for the gym programs. These additional FTEs will be covered with the respective revenues.

FY 26-27	FTE by Department
Executive Administration	
Chief Executive Officer	1.00
Director of Executive & Administrative Service	1.00
	2.00
Administration	
Director of Human Resources	0.10
Administrative Services Manager	0.80
	0.90
Human Resources	
Chief Engagement Officer	0.60
Director of Human Resources	0.90
Administrative Services Manager	0.10
HR Generalist	1.60
	3.20
Finance	
Chief Financial and Assets Officer	0.35
Controller	0.90
Senior Accountant	0.75
Sr. Staff Accountant	1.00
Finance Technician	1.00
	4.00
Health Promotion and Communications	
Chief Health Ops & Communications Officer	0.85
Director of Communications	1.00
Creative Marketing Project Manager	1.00
Partnerships & Innovation Manager	0.20
Senior Graphic Designer	0.03
Communications Supervisor	1.00
Communications Associate	0.50
Administrative Assistant II	0.45
CHF Member Services Specialist	0.18
Communications Instructor	0.06
	5.26
Volunteer Services	
Chief Engagement Officer	0.40
Volunteer Engagement Supervisor	1.00
HR Generalist	0.15
Volunteer Services Associate	0.70
	2.25

Information Technology	
Chief Financial and Assets Officer	0.20
IT Manager	1.00
	1.20
Partnerships and Innovations	
Chief Partnerships and Innovation Officer	0.65
Director Policy & Innovation	0.85
General Manager - Health & Fitness Operations	0.20
Partnerships & Innovation Manager	0.80
Partnerships & Funding Innovation Specialist	1.00
Programs & Funding Innovation Specialist	1.00
Programs and Policy Coordinator	0.75
	5.25
Blue Zones Project	
Chief Partnerships and Innovation Officer	0.10
Director Policy & Innovation	0.15
Programs and Policy Coordinator	0.25
	0.51
Lifespan Services - Admin	
Chief Programs Officer	0.10
	0.10
Lifespans Services - Community Services	
Chief Programs Officer	0.20
Director of Community Services	1.00
Care Management Supervisor	1.00
Care Manager II	5.35
Community Services Coordinator	1.00
Administrative Assistant II	0.50
Community Instructor	0.25
	9.30
Lifespans Services - AdventurePlex	
Chief Programs Officer	0.20
Director of Youth Services	0.40
AdventurePlex Supervisor (Ops & Events)	1.00
Member Services Representative- APlex	0.83
Adventure Staff	8.72
Camp Staff	0.63
	11.77

Life Spans Services - Well Being Services	
Chief Programs Officer	0.10
Director of Well-Being Services	0.30
School Health Programs Supervisor	1.00
Garden Coordinator	1.00
	2.40

Lifespans Services - Work Well	
Chief Programs Officer	0.10
Director of Well-Being Services	0.30
Well-Being Programs Supervisor	1.00
Well-Being Programs Coordinator	1.00
Blue Zone Instructor	0.01
Work Well Instructor	0.02
	2.42

*Grant Funded Services - allcove	
Chief Partnerships and Innovation Officer	0.10
Chief Programs Officer	0.30
allcove Director	0.50
allcove Clinical Manager	1.00
allcove Operations Manager	1.00
Peer Specialist I	2.00
allcove Clinical Coordinator	2.00
allcove Youth Engagement Coordinator	0.25
allcove Programs Coordinator	0.85
allcove Clinical Coordinator	2.00
	10.00

Grant Funded Services - DFC Grant	
Chief Partnerships and Innovation Officer	0.15
allcove Youth Engagement Coordinator	0.75
allcove Programs Coordinator	0.15
	1.05

Center for Health & Fitness	
Chief Health Ops & Communications Officer	0.15
General Manager	0.80
CHF Programs Manager	1.00
Membership Services Manager	1.00
CHF Member Services Specialist	2.52
Instructor I	0.63
Instructor II	1.63
Instructor- Specialty	1.08
Personal Trainer ML1	2.34
Personal Trainer ML2	3.42
	14.55

Real Estate - 514 Property Operations	
Chief Financial and Assets Officer	0.15
Controller	0.10
	0.25
Real Estate - Del Amo Building	
Administrative Services Manager	0.10
Chief Financial and Assets Officer	0.30
	0.40
DISTRICT'S TOTAL	**76.81**

** Includes 1.00 FTE for DFC Grant match and 0.30 FTE for Opiod Prevention Grant match*

DISTRICT EMPLOYEE BENEFIT OPTIONS

Cafeteria Plan
- Medical (CalPERS)
- Dental (Principal)
- Vision (VSP)
- Life Insurance (Lincoln)
- Café Dollars

Long Term Disability

Flexible Spending Accounts (HealthEquity)
- Medical
- Dependent Care

Dependent Care Reimbursement

Employee Assistance Program (EAP)

Pet Insurance (Nationwide)

Paid Family Leave

Paid Time Off
- Vacation
- Holidays
- Sick Time

Education Assistance

Community Service

Retirement
- CalPERS Pension Plan
- 457 Deferred Compensation
- Roth After-Tax

Health & Fitness
- Center for Health & Fitness (CHF) Membership
  - Discounted CHF services
- AdventurePlex Drop & Play
- WorkWell Program

Credit Union

Flexible Work Schedule
- Hybrid/Remote
- Flex Schedule

Public Service Student Loan Forgiveness

Employee Discounts

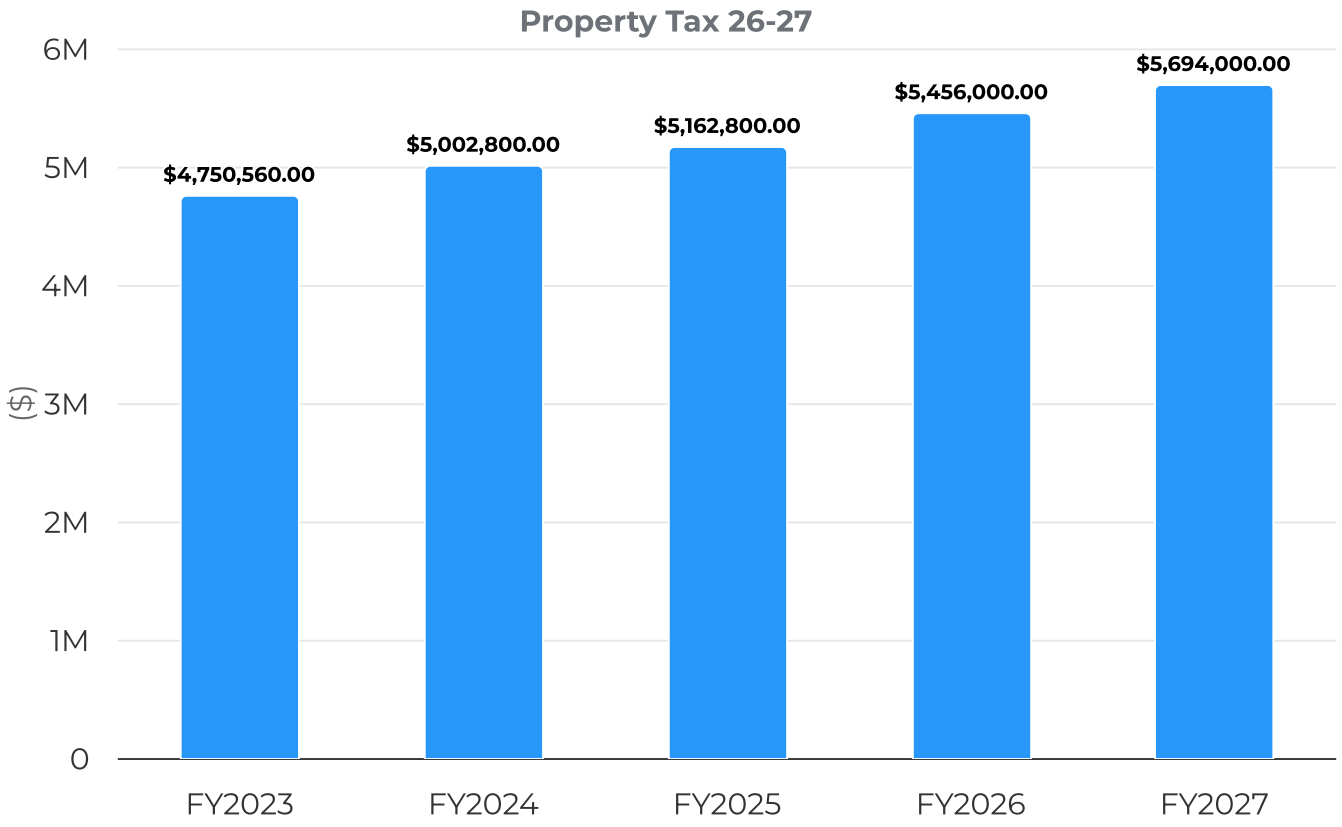
SUMMARY FINANCIAL CHARTS & TRENDS



BCHD A Public Agency Beach Cities Health District

bchd.org

Property Tax

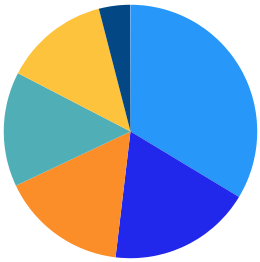


Property Tax Data

Fiscal Year		Amount	$ Increase	% Increase
2007-08	Actual	2,310,000.00	209,000.00	9.9%
2008-09	Actual	2,431,000.00	121,000.00	5.2%
2009-10	Actual	2,442,000.00	11,000.00	0.5%
2010-11	Actual	2,465,000.00	23,000.00	0.9%
2011-12	Actual	2,499,000.00	34,000.00	1.4%
2012-13	Actual	2,735,000.00	236,000.00	9.4%
2013-14	Actual	2,874,000.00	139,000.00	5.1%
2014-15	Actual	2,960,000.00	86,000.00	3.0%
2015-16	Actual	3,146,000.00	186,000.00	6.3%
2016-17	Actual	3,355,000.00	209,000.00	6.6%
2017-18	Actual	3,592,000.00	237,000.00	7.1%
2018-19	Actual	3,793,000.00	201,000.00	5.6%
2019-20	Actual	3,995,000.00	202,000.00	5.3%
2020-21	Actual	4,346,000.00	351,000.00	8.8%
2021-22	Budget	4,499,541.00	153,541.00	3.5%
2022-23	Budget	4,750,560.00	251,019.00	5.6%
2023-24	Budget	5,002,800.00	252,240.00	5.3%
2024-25	Budget	5,162,800.00	160,000.00	3.2%
2025-26	Budget	5,456,000.00	293,200.00	5.7%
2026-27	Budget	5,694,000.00	238,000.00	4.4%

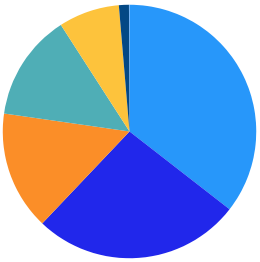
Budgeted Revenue Comparison

Budgeted 2026-2027 Revenue- 16.9 M



- PROPERTY TAX **(Budgeted) $5,694,000.00** (33.65%)
- LEASE **(Budgeted) $3,085,092.06** (18.23%)
- LIMITED PARTNERSHIP **(Budgeted) $2,725,000.00** (16.10%)
- User Fees **(Budgeted) $2,474,264.34** (14.62%)
- OTHER REVENUE **(Budgeted) $2,264,101.20** (13.38%)
- INTEREST **(Budgeted) $670,690.09** (3.96%)
- DONATIONS **(Budgeted) $10,000.00** (0.06%)

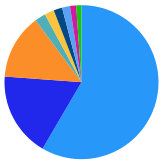
Budgeted 2025-2026 Revenue - 15.3 M



- PROPERTY TAX **(Budgeted) $5,456,000.00** (35.53%)
- LEASE **(Budgeted) $4,077,699.26** (26.55%)
- User Fees **(Budgeted) $2,332,110.60** (15.19%)
- LIMITED PARTNERSHIP **(Budgeted) $2,093,133.00** (13.63%)
- OTHER REVENUE **(Budgeted) $1,192,045.00** (7.76%)
- INTEREST **(Budgeted) $196,565.32** (1.28%)
- DONATIONS **(Budgeted) $10,000.00** (0.07%)

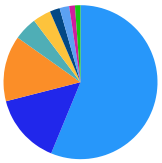
Budgeted Expense Comparison

Budgeted 2026-2027 Expense - 16.6 M



- Payroll Expense **(Budgeted) $9,744,672** (58.45%)
- Professional Services **(Budgeted) $2,954,717** (17.72%)
- Facilities Expense **(Budgeted) $2,278,757** (13.67%)
- Other **(Budgeted) $383,731** (2.30%)
- Community Relations Cost **(Budgeted) $333,782** (2.00%)
- Funds and Grant Expense **(Budgeted) $299,000** (1.79%)
- Informations System Expense **(Budgeted) $279,845** (1.68%)
- Human Resources Cost **(Budgeted) $214,535** (1.29%)
- Program Cost **(Budgeted) $184,109** (1.10%)

Budgeted 2025-2026 Expense - 14.6 M



- Payroll Expense **(Budgeted) $8,214,052** (56.23%)
- Professional Services **(Budgeted) $2,158,191** (14.77%)
- Facilities Expense **(Budgeted) $2,017,084** (13.81%)
- Funds and Grant Expense **(Budgeted) $715,862** (4.90%)
- Other **(Budgeted) $555,193** (3.80%)
- Informations System Expense **(Budgeted) $306,602** (2.10%)
- Community Relations Cost **(Budgeted) $294,699** (2.02%)
- Human Resources Cost **(Budgeted) $178,020** (1.22%)
- Program Cost **(Budgeted) $167,850** (1.15%)

CAPITAL INVESTMENTS & EXPENDITURES



Beach Cities Health District
BCHD
A Public Agency

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Approved Capital Expenditures Budget FY2026-27

BCHD's **Capital Budget** is a schedule of improvements or replacements of fixed assets costing in excess of $5,000 with a useful life greater than one year.

The District classifies Capital Expenditures as one of three categories:

- Furniture, Fixtures and Equipment (FF&E)
- Building Improvements
- Information Technology investments

Capital expenditures requested in the annual budget are based on operational needs, improvements required at owned properties, statutory regulations, budget impacts and return on investments. Capital improvements are first requested by staff, and then reviewed by Finance staff, then approved by the Chief Finance Officer and Chief Executive Officer. The requests are then brought to the Finance Committee and Board of Directors for review and approvals. The schedule for FY26-27 is shown in the table below.

New Capital Investments	Budget
DISTRICT-WIDE	
Adventure Plex - Building	$ 250,000
Adventure Plex - FF&E	150,000
512-520 N. Prospect campus parking	100,000
IT Infrastructure - Computer Refresh	30,000
ALLCOVE CAMPUS CONNECTION	
Hill Side Connection	$ 2,000,000
Capital Donations	(2,000,000)
	-
CENTER FOR HEALTH AND FITNESS (CHF)	
Gym equipment	$ 300,000
Capital Donations - (50K collected in FY25-26)	(300,000)
	-
Total New	**$ 530,000**
Carry-Over	**Budget**
ALLCOVE BEACH CITIES	
allcove Youth Wellness Center	$ 9,867,000
allcove Youth Wellness Center - Grant Funding	(6,172,000)
Funded by Borrowing	**$ 3,695,000**
CHF Relocation & Tenant Improvements	$ 4,705,000
HLC - Healthy Living Campus	378,350
Capital projects contingency	301,650
Information Technology - Azure, Cloud Move, Cyber Updates	70,000
Total Carry-Over	**$ 9,150,000**
Total Capital Investments	**$ 9,680,000**

Capital investments for FY26-27 include the District's regularly planned annual expenditures:

- Adventure Plex: building improvements, bathroom renovations and kitchen remodel.
- Adventure Plex FF&E: new planned play structure.
- 512-502 N. Prospect campus parking: ADA improvements.
- IT infrastructure upgrades —replacing computers older than five years and limited to no more than 20% of the total inventory
- The District also plans to invest in new equipment for the CHF and construct a campus connection, known as the "Artists Way" walking path, linking the campus buildings with the new allcove facility. These projects are expected to be funded through charitable donations.

Healthy Living Campus



BCHD has been working with the community to reimagine our former hospital site to better reflect our mission and meet the current and future health needs of Hermosa Beach, Manhattan Beach and Redondo Beach residents. In pursuit of this vision, since 2017 we've collected feedback from the community, consulted with experts, and publicly vetted numerous designs and concepts for the 11-acre site with our Board of Directors. A Master Plan has emerged from this iterative, community-driven process to create an innovative Healthy Living Campus anchored in Health, Livability and Community.

Here are some updates regarding the Healthy Living Campus project:

- In May 2023, BCHD was awarded $6.3 million in grant funding from the California Department of Health Care Services' (DHCS) Behavioral Health Continuum Infrastructure Program (BHCIP). This program supports behavioral health infrastructure projects, providing new opportunities to address gaps in mental health services. This grant is specifically for new construction of allcove Beach Cities, a youth wellness center in Redondo Beach, serving young people ages 12-25 in the county's Service Planning Area (SPA) 8, and comes through the BHCIP Round 4: Children and Youth grants.
- Following a May groundbreaking ceremony attended by civic leaders, the BCHD Board, allcove Youth Advisors and numerous stakeholders, grading work has begun for the new, permanent facility for allcove Beach Cities at the southwest corner of Beryl Street and Flagler Lane, part of BCHD's Healthy Living Campus plan. The 9,400 square-foot, two-story allcove center will be the first building constructed as part of the Campus revitalization.

- In June 2025, the Board approved a Request for Expression of Interest process to identify developers and ideas to revitalize the Campus. In May 2026, the Board voted to authorize the CEO to execute an Agreement to Enter into a Ground Lease with Sunrise Senior Living. The proposal from Sunrise includes a fully licensed Residential Care Facility for the Elderly (RCFE) with a mix of independent living, assisted living and specialized memory care as part of a broader continuum of care for older adults. (A 90-day due diligence period for Sunrise is expected to be completed in early September.)
- Work is also underway inside the 510 N. Prospect Avenue building on two projects:
  - Seismic strengthening and demolition work is progressing for the new site for the Center for Health & Fitness (CHF) on the top floor;
  - Seismic work and demolition are also taking place on the main floor, which will be the site of a Program for All-Inclusive Care for the Elderly, or PACE facility, to be operated by Los Angeles Jewish Health and their Brandman Centers for Senior Care.

A thorough environmental impact review process was undertaken by BCHD beginning in June 2019. Despite delays caused by the COVID-19 pandemic, a comprehensive, 1,778-page Environmental Impact Report (EIR) was certified by a 5-0 vote of the BCHD Board of Directors in September 2021. The Final Certified EIR was not challenged and is being used as a guiding document for the work now being done on the BCHD Campus.

Planning for the Healthy Living Campus project has been a multi-year endeavor. The proposed project has undergone revisions based on community feedback and input from expert structural and financial consultants. More information is available at https://www.bchdcampus.org/ .

The Budget Summary for HLC is presented below:

Healthy Living Campus PRE-CONSTRUCTION	Total ITD Budget June 2025	Budget Re-class	Total District Budget Pre-Construction	Actuals as of June 2026	Budget FY26-27
DESIGN AND PS&E	1,904,600		1,904,600	1,877,289	27,311
LEGAL	3,177,000	350,000	3,527,000	3,377,303	149,697
FINACIAL SERVCIES and FINANCIAL ADVISOR FEES	1,763,000	(450,000)	1,313,000	1,241,253	71,747
DIRECT OWNER	6,840,700	100,000	6,940,700	6,844,805	95,895
RESERVE	33,700	-	33,700	-	33,700
	$ 13,719,000	$ -	$ 13,719,000	$ 13,340,650	$ 378,350

allcove Beach Cities



allcove Beach Cities opened November 1, 2022, in a temporary location on the BCHD Campus in Redondo Beach, offering mental and physical health services, education and employment assistance, peer and family support, and substance use prevention programs for young people ages 12-25 in the greater South Bay. Since opening, more than 2,100 young people have enrolled in programs and services offered by allcove Beach Cities.

As mentioned previously, a groundbreaking celebration was held in May, followed by the commencement of grading work at the site of the new, permanent location for allcove Beach Cities at 1272 Beryl Street in Redondo Beach, on the SW corner of Beryl St. and Flagler Lane. The 9,400 square-foot, two- story allcove center will be the first building constructed as part of BCHD's Healthy Living Campus master plan.

The California Department of Health Care Services' (DHCS) Behavioral Health Continuum Infrastructure Program (BHCIP) supports behavioral health infrastructure projects, providing new opportunities to address gaps in mental health services. In December 2022, Governor Gavin Newsom announced $480.5 million in awards for 54 projects to improve California's behavioral health infrastructure for children and youth, with Los Angeles County set to receive $122.4 million for 13 county projects, including allcove Beach Cities.

Beach Cities Health District (BCHD) has been awarded $6,336,702 in grant funding for new construction of the allcove Beach Cities youth wellness center in Redondo Beach, which serves young people ages 12-25 in Los Angeles County's Service Planning Area (SPA) 8.

The allcove Beach Cities permanent building is estimated to cost $11.5 million and will be completed in the first half of 2027. It has been funded by $6,336,702 State grant, remaining federal funds of about $500,000 previously awarded, the 10% District match requirement of $532,498, a loan of $3,750,000 that will be obtained in FY26-27 and the remaining $380,502 are funded through BCHD's capital investment fund balance as shown below.

ALLCOVE BEACH CITIES PROJECT	Project Budget	Actuals as of June 2026	FY26-27 Carry over Budget
2000 CONSTRUCTION	**$9,912,699**	**$686,631**	**$9,226,068**
2000 Construction (GMP)	$9,162,699	($63,369)	$9,226,068
2000 Preconstruction (DB)	$750,000	$750,000	$0
2100 DESIGN	**$328,553**	**$328,553**	**$0**
2100 Architecture & Engineering	$328,553	$328,553	$0
2200 DIRECT OWNER	**$968,748**	**$606,911**	**$361,837**
2220 Project Management	$351,000	$261,325	$89,675
2220 BCHD Internal	$55,181	$55,181	$0
2230 Other	$150,000	$44,672	$105,328
2240 Legal	$142,567	$138,811	$3,757
2250 Communications	$20,000	$0	$20,000
2280 Owners Contingency	$250,000	$106,922	$143,078
2300 FF&E	**$290,000**		**$279,095**
2310 Furniture & Equipment	$150,000	$10,905	$139,095
2320 Signage / Branding	$40,000	$0	$40,000
2330 Low Voltage Systems	$100,000	$0	$100,000
TOTAL PROJECT COST	**$11,500,000**	**$1,633,000**	**$9,867,000**
TOTAL FUNDING SOURCES	**(11,500,000)**	**(1,633,000)**	**($9,867,000)**
Grant Funding - State	(6,337,000)	($165,000)	($6,172,000)
Grant Funding - State - District Match	(532,498)	($532,498)	$0
Grant Funding - Federal	(500,000)	(500,000)	-
Grant Funding - Loan	(3,750,000)		(3,750,000)
Grant Funding - Direct Cost	(380,502)	(435,502)	55,000

CHF Relocation/Construction



In April of 2025, the BCHD Board of Directors unanimously approved a motion for the Chief Executive Officer (CEO) to sign a lease agreement to move the Center for Health & Fitness (CHF) center from the 514 N. Prospect Ave. building – which is slated to be vacated in early 2027 – to the 510 N. Prospect Ave. building, which is next to the current location and has an expected lifespan through 2055. This action will keep CHF on the BCHD Campus, requires just one move (a prior concept included two moves), and keeps the facility near its current location, which has more than 3,000 members. Current plans call for the relocation to take place in the first half of 2027.

With approval of the new lease, the 510 N. Prospect Ave. building will be part of the Healthy Living Campus project, a positive outcome for neighbors on Diamond Street, who had concerns over impending construction adjacent to their properties and loss of hillside green space.

Seismic work and demolition were first steps in the project, with tenant improvements/renovation soon to be underway for the new CHF site, which is on the top floor of the 510 building.

The funding for this project is funded through BCHD's capital investment fund balance as shown below.

CHF RELOCATION PROJECT

CHF RELOCATION PROJECT	Project Budget	Actuals as of June 2026	FY26-27 Carry over Budget
2000 CONSTRUCTION	**$4,715,195**	**$342,500**	**$4,372,695**
2000 Construction Base CHF	$3,664,000	$0	$3,664,000
2000 Added Seismic Improvements	$600,000	$342,500	$257,500
2000 Added Fire Alarm System - w/Base	$0	$0	$0
2000 Contingency	$261,195	$0	$261,195
2000 Market Factor	$190,000	$0	$190,000
2100 DESIGN	**$210,000**	**$200,712**	**$9,288**
2100 Architecture & Engineering	$210,000	$200,712	$9,288
2200 DIRECT OWNER	**$459,805**	**$351,803**	**$108,017**
2220 Project Management	$160,000	$123,654	$36,361
2220 BCHD Internal	$55,000	$12,048	$42,952
2230 Permits / Other	$199,805	$199,805	$0
2240 Legal	$45,000	$16,296	$28,704
2300 FF&E	**$215,000**	**$0**	**$215,000**
2310 Furniture & Equipment	$115,000	$0	$115,000
2320 Signage / Branding	$20,000	$0	$20,000
2330 Low Voltage Systems	$80,000	$0	$80,000
TOTAL CHF PROJECT COST	$5,600,000	$895,015	$4,705,000

DISTRICT-WIDE BUDGET FUND FINANCIALS

DESCRIPTION OF FUNDS



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Description of Governmental Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Beach Cities Health District, like other state and local government entities ,uses Fund Accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund. All activities are reported in the General Fund except for those segregated in the Special Revenue Fund. This fund includes all governmental activities such as Community Services, BlueZones and Youth Services Department, Property Operations Management, Health & Fitness Operations, and all support services, including executive office, HR and Finance.

Special Revenue Fund. Beach Cities Health District's Special Revenue Fund segregates donation revenues received through Beach Cities Health Foundation established on 07/09/2025 under IRC Section 501(c)(3) a blended component unit of the Beach Cities Health District which is consolidated into one fund with the General Fund. There is currently no activity budgeted in the Special Revenue Fund. All revenues in the Special Revenue Fund are transferred to the General Fund where the expenses occur and are recorded.

Fund Balance Classification

The District Principal Preservation Policy #6130 demonstrates the Board's commitment to ensure sufficient funds are in reserve for maintaining the District's Programs and Services by requiring unrestricted reserve to equal a minimum of six(6)months of operating expenditures. Further, the District's remaining available fund balance shall be designated "Committed Fund Balance" to be used for prudent long-term protection of District assets and ensure continued return on investments.
Fund balances are reported in the fund statements in the following classifications:

- **Nonspendable**– this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

- **Committed**– this includes amounts that can be used only for the specific purposes determined by a formal action of the Board. It includes legislation (Board action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Board's action limiting the use of the funds is separate from the action (legislation) that created (enabled) the funding source, then it is committed, not restricted. For the District, a resolution is the highest level of decision-making authority that is used to establish a fund balance.

- **Unassigned**– this includes the remaining spendable amounts which are not included in one of the other classifications.

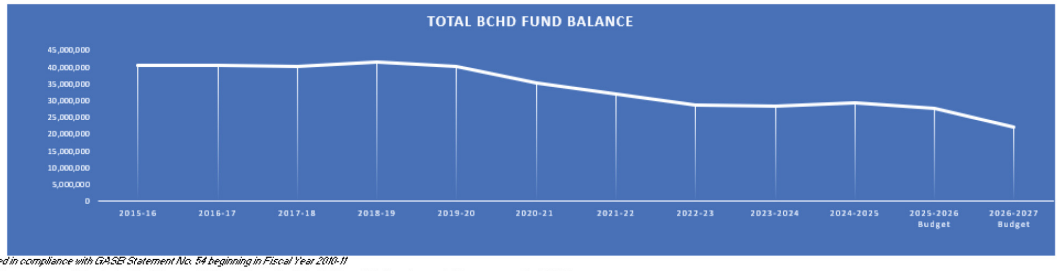
BEACH CITIES HEALTH DISTRICT

Fund Financial Statements

Change in Fund Balance

Prior Ten Years of Audited Financial Statements, FY 2025-26 and FY 2026-27 Budgets

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-2024	2024-2025	2025-2026 Budget	2026-2027 Budget
Beginning BCHD Fund Balance	**40,164,540**	**40,412,439**	**40,419,628**	**40,406,443**	**41,577,023**	**40,148,185**	**35,256,078**	**32,029,442**	**28,732,778**	**28,255,925**	**29,401,445**	**27,887,652**
Change in Fund Balance												
Operating Income	1,592,576	844,506	1,427,753	1,543,294	1,099,240	(1,391,932)	(135,749)	612,577	2,583,152	2,513,150	750,000	250,000
Capital Outlay	(1,344,677)	(837,317)	(1,440,938)	(1,820,366)	(2,528,078)	(3,500,175)	(3,090,888)	(3,870,617)	(3,060,005)	(3,335,483)	(2,263,793)	(5,930,000)
	247,899	7,189	(13,185)	(277,072)	(1,428,838)	(4,892,107)	(3,226,637)	(3,258,040)	(476,853)	(822,333)	(1,513,793)	(5,680,000)
Proceeds from Capital Leases	-	-	-							*1,967,853*		
Restatements per audit	-	-	-	*1,447,652*	-	-	-	*(38,624)*				
	247,899	7,189	(13,185)	1,170,580	(1,428,838)	(4,892,107)	(3,226,637)	(3,296,664)	(476,853)	1,145,520	(1,513,793)	(5,680,000)
General Fund												
Reserved	-	-	-	-	-	-	-	-	-		-	-
Unreserved	-	-	-	-	-	-	-	-	-		-	-
Nonspendable	13,096,740	12,702,714	12,693,207	13,535,083	13,651,412	13,143,921	12,591,193	11,809,692	11,020,385	10,785,874	9,998,921	7,499,191
Committed	-	20,813,451	20,701,868	17,758,194	16,187,729	11,125,415	9,119,958	5,800,531	6,013,709	6,784,562	5,289,551	2,644,775
Unassigned	26,108,938	5,746,755	5,854,660	6,604,145	6,545,223	6,551,504	6,322,174	6,930,696	6,972,824	7,289,208	7,757,377	6,263,686
	39,205,678	39,262,920	39,249,735	37,897,422	36,384,364	30,820,839	28,033,325	24,540,919	24,006,918	24,859,644	23,045,849	16,407,652
Special Revenue Funds												
Restricted fund	1,206,761	1,156,708	1,156,708	1,156,708	1,156,708	1,156,703	1,156,703	1,156,703	1,156,703	1,156,703	1,156,703	-
Restricted for 115 Trust - Pension				2,522,893	2,607,113	3,278,536	2,839,414	3,035,156	3,092,304	3,385,098	3,685,100	5,800,000
Ending BCHD Fund Balance	**40,412,439**	**40,419,628**	**40,406,443**	**41,577,023**	**40,148,185**	**35,256,078**	**32,029,442**	**28,732,778**	**28,255,925**	**29,401,445**	**27,887,652**	**22,207,652**



1) *Categories of Fund Balance were revised in compliance with GASB Statement No. 54 beginning in Fiscal Year 2010-11.*
2) *Beach Cities Health District Board of Directors enacted Resolution No. 5411 to establishing a "Committed Fund Balance" dedicated to capital investements for 2016-17.*
3) *During the year ended June 30, 2019, the District corrected an error associated with the price amortization of the Ducot notes receivable discount.*

TOTAL GENERAL FUND SUMMARY

	Budget FY26-27	Budget FY25-26	Amount Variance	%	Actual FY24-25	Actual FY23-24	Actual FY22-23	Actual FY21-22	Actual FY20-21
Property Tax Revenue	5,694,000	5,456,000	238,000	4%	5,330,688	5,024,156	4,751,854	4,478,036	4,345,848
Lease Revenue	3,085,093	4,077,701	(992,608)	-24%	4,375,232	4,792,762	4,435,932	4,406,582	5,266,204
Investment Revenue	670,690	196,565	474,125	241%	977,335	926,970	1,092,840	1,407,747	942,501
Limited Partnership Revenue	2,725,000	2,093,133	631,867	30%	2,452,090	1,745,655	1,618,389	1,384,062	1,175,456
Program Income	2,474,266	2,332,114	142,152	6%	2,232,993	2,056,369	1,640,291	1,186,576	307,970
Grants and Other Revenue	2,274,100	1,202,040	1,072,060	89%	1,578,185	940,211	1,598,205	2,476,146	678,037
TOTAL REVENUE	**16,923,149**	**15,357,553**	**1,565,596**	10%	**16,946,523**	**15,486,123**	**15,137,511**	**15,339,149**	**12,716,016**
Payroll & Benefits	9,759,220	8,214,051	1,545,169	-19%	7,748,704	7,450,995	6,832,163	6,659,062	6,389,086
Program Costs	176,080	167,852	8,228	-5%	146,634	173,420	185,065	165,106	195,083
Human Resources Related	213,908	178,010	35,898	-20%	197,550	187,533	198,090	149,520	136,039
Information Systems	279,843	306,602	(26,759)	9%	290,237	278,216	209,563	250,838	192,758
Community Relations	305,411	294,700	10,711	-4%	337,158	326,132	546,032	364,340	367,294
Facilities Expenses	2,434,228	2,017,085	417,143	-21%	1,895,742	1,815,265	1,867,545	1,574,292	1,449,062
Professional Services	2,544,719	2,158,198	386,521	-18%	2,647,929	2,120,214	2,190,351	1,613,188	2,417,373
Interest and Other	660,740	555,193	105,547	-19%	929,740	1,193,521	1,241,093	1,140,626	1,078,774
Funds & Grants	299,000	715,862	(416,862)	58%	906,802	1,257,859	1,440,056	1,535,537	1,597,537
TOTAL OPERATING EXPENSES	**16,673,149**	**14,607,553**	**2,065,596**	-14%	**15,100,496**	**14,803,154**	**14,709,958**	**13,452,509**	**13,823,006**
NET INCOME (LOSS)	**250,000**	**750,000**	**(500,000)**		**1,846,027**	**682,969**	**427,553**	**1,886,640**	**(1,106,990)**
Total Capital Investments	5,930,000	2,263,793	(3,666,207)	162%	1,073,392	1,239,740	3,176,395	3,090,887	3,339,642
Fund Cash Balance Change	**(5,680,000)**	**(1,513,793)**	**(4,166,207)**	**-275%**	**772,635**	**(556,771)**	**(2,748,842)**	**(1,204,247)**	**(4,446,631)**
Non-Cash NR Amortization	-	-	-	100%	(70,644)	(699,663)	(618,530)	(543,566)	(474,308)
Unrealized Gain/Loss	-	-	-		443,536	779,577	109,330	(1,478,821)	28,832
Total Income (Loss)	**(5,680,000)**	**(1,513,793)**	**(4,166,207)**	**-275%**	**1,145,527**	**(476,857)**	**(3,258,042)**	**(3,226,634)**	**(4,892,107)**
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-			-	-	-	-	-
Transfers Out	-	-			-	-	-	-	-
Restatements	-	-			-	-	(38,624)	-	-
GENERAL FUND BALANCE as of July 1	**26,730,949**	**28,244,742**			**27,099,219**	**27,576,075**	**30,872,739**	**34,099,375**	**38,991,482**
CHANGE IN GENERAL FUND BALANCE as of June 30	**21,050,949**	**26,730,949**			**28,244,742**	**27,099,219**	**27,576,072**	**30,872,740**	**34,099,380**
SPECIAL FUND BALANCE as of June 30	0	1,156,703			1,156,703	1,156,703	1,156,703	1,156,703	1,156,708
CHANGE IN TOTAL FUND BALANCE as of June 30	**21,050,949**	**27,887,652**			**29,401,445**	**28,255,925**	**28,732,775**	**32,029,443**	**35,256,088**

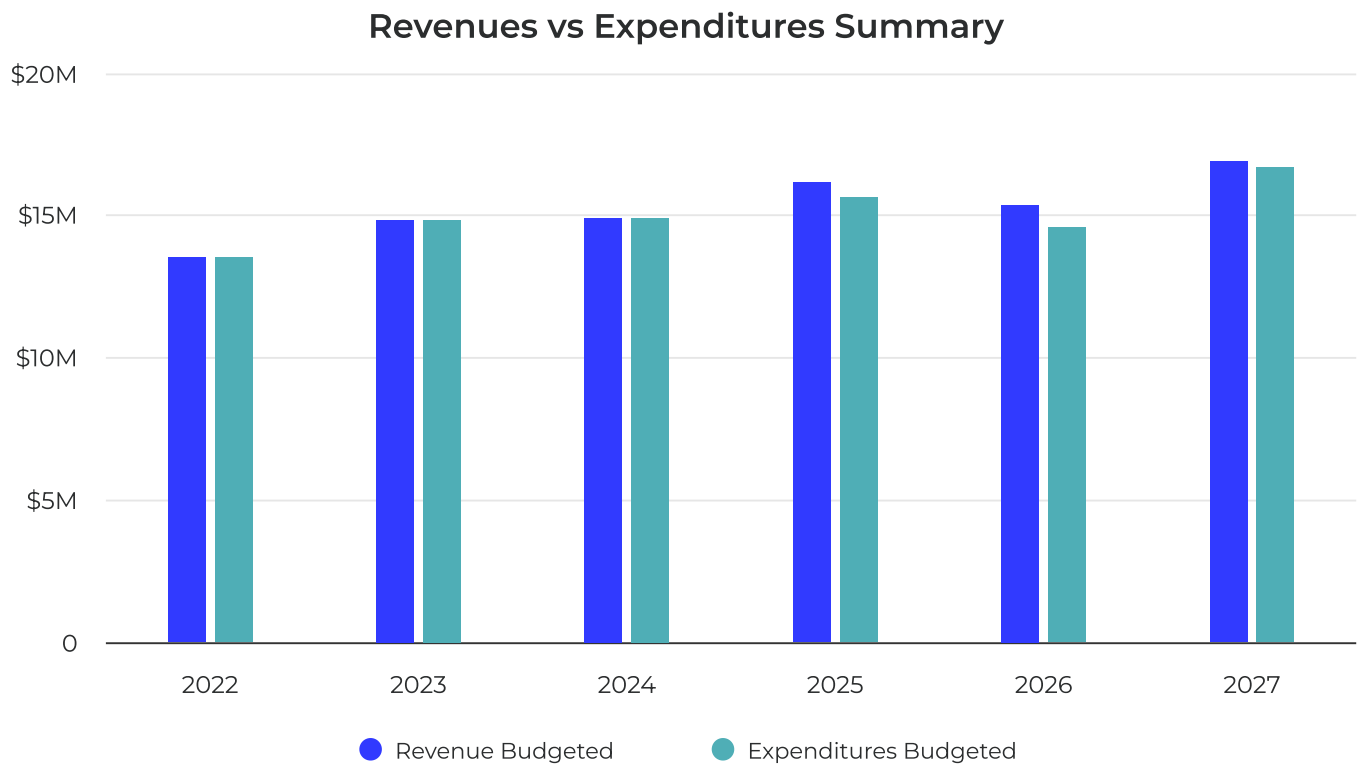
GENERAL FUND SUMMARY

	Budget FY26-27	Budget FY25-26	Amount Variance	%	Actual FY24-25	Actual FY23-24	Actual FY22-23	Actual FY21-22	Actual FY20-21
Property Tax Revenue	5,694,000	5,456,000	238,000	4%	5,330,688	5,024,156	4,751,854	4,478,036	4,345,848
Lease Revenue	3,085,093	4,077,701	(992,608)	-24%	4,375,232	4,792,762	4,435,932	4,406,582	5,266,204
Investment Revenue	670,690	196,565	474,125	241%	977,335	926,970	1,092,840	1,407,747	942,501
Limited Partnership Revenue	2,725,000	2,093,133	631,867	30%	2,452,090	1,745,655	1,618,389	1,384,062	1,175,456
Program Income	2,474,266	2,332,114	142,152	6%	2,232,993	2,056,369	1,640,291	1,186,576	307,970
Grants and Other Revenue	2,274,100	1,202,040	1,072,060	89%	1,578,185	940,211	1,598,205	2,476,146	678,037
TOTAL REVENUE	**16,923,149**	**15,357,553**	**1,565,596**	10%	**16,946,522**	**15,486,123**	**15,137,511**	**15,339,149**	**12,716,016**
Payroll & Benefits	9,759,220	8,214,051	1,545,169	-19%	7,748,704	7,450,995	6,832,163	6,659,062	6,389,086
Program Costs	176,080	167,852	8,228	-5%	146,634	173,420	185,065	165,106	195,083
Human Resources Related	213,908	178,010	35,898	-20%	197,550	187,533	198,090	149,520	136,039
Information Systems	279,843	306,602	(26,759)	9%	290,237	278,216	209,563	250,838	192,758
Community Relations	305,411	294,700	10,711	-4%	337,158	326,132	546,032	364,340	367,294
Facilities Expenses	2,434,228	2,017,085	417,143	-21%	1,895,742	1,815,265	1,867,545	1,574,292	1,449,062
Professional Services	2,544,719	2,158,198	386,521	-18%	2,647,929	2,120,214	2,190,351	1,613,188	2,417,373
Interest and Other	660,740	555,193	105,547	-19%	929,740	1,193,521	1,241,093	1,140,626	1,078,774
Funds & Grants	299,000	715,862	(416,862)	58%	906,802	1,257,859	1,440,056	1,535,537	1,597,537
TOTAL OPERATING EXPENSES	**16,673,149**	**14,607,553**	**2,065,596**	-14%	**15,100,496**	**14,803,154**	**14,709,958**	**13,452,509**	**13,823,006**
NET INCOME (LOSS)	**250,000**	**750,000**	**(500,000)**		**1,846,026**	**682,969**	**427,553**	**1,886,640**	**(1,106,990)**
Total Capital Investments	5,930,000	2,263,793	(3,666,207)	162%	1,073,392	1,239,740	3,176,395	3,090,887	3,339,642
Fund Cash Balance Change	**(5,680,000)**	**(1,513,793)**	**(4,166,207)**	**-275%**	**772,634**	**(556,771)**	**(2,748,842)**	**(1,204,247)**	**(4,446,631)**
Non-Cash NR Amortization	-	-	-	100%	(70,644)	(699,663)	(618,530)	(543,566)	(474,308)
Unrealized Gain/Loss	-	-	-		443,536	779,577	109,330	(1,478,821)	28,832
Total Income (Loss)	**(5,680,000)**	**(1,513,793)**	**(4,166,207)**	**-275%**	**1,145,520**	**(476,853)**	**(3,258,040)**	**(3,226,634)**	**(4,892,107)**
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-		-	-	-	-	-
Transfers Out	-	-	-		-	-	-	-	-
Restatements	-	-	-		-	-	(38,624)	-	-
GENERAL FUND BALANCE as of July 1	**26,730,949**	**28,244,742**			**27,099,222**	**27,576,075**	**30,872,739**	**34,099,375**	**38,991,482**
CHANGE IN GENERAL FUND BALANCE as of June 30	**21,050,949**	**26,730,949**			**28,244,742**	**27,099,222**	**27,576,075**	**30,872,739**	**34,099,375**

BEACH CITIES HEALTH FOUNDATION

	Budget FY26-27	Budget FY25-26	Amount Variance	%	Actual FY24-25	Actual FY23-24	Actual FY22-23	Actual FY21-22	Actual FY20-21
Property Tax Revenue	-	-	-	0%	-	-	-	-	-
Lease Revenue	-	-	-	0%	-	-	-	-	-
Investment Revenue	-	-	-	0%	-	-	-	-	-
Limited Partnership Revenue	-	-	-	0%	-	-	-	-	-
User Fees Revenue	-	-	-	0%	-	-	-	-	-
Other Revenue	-	-	-	0%	-	-	-	-	-
TOTAL REVENUE	-	-	-		-	-	-	-	-
Payroll & Benefits	-	-	-	0%	-	-	-	-	-
Program Costs	-	-	-	0%	-	-	-	-	-
Human Resources Related	-	-	-	0%	-	-	-	-	-
Information Systems	-	-	-	0%	-	-	-	-	-
Community Relations	-	-	-	0%	-	-	-	-	-
Facilities Expenses	-	-	-	0%	-	-	-	-	-
Professional Services	-	-	-	0%	-	-	-	-	-
Interest and Other	-	-	-	0%	-	-	-	-	-
Funds & Grants	-	-	-	0%	-	-	-	-	-
TOTAL OPERATING EXPENSES	-	-	-		-	-	-	-	-
NET INCOME (LOSS)	-	-	-		-	-	-	-	-
								-	-
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-		-	-	-	-	-
Transfers Out	-	-	-		-	-	-	-	-
Restatements	-	-	-		-	-	-	-	-
GENERAL FUND BALANCE as of July 1	0	1,156,703			1,156,703	1,156,703	1,156,703	1,156,708	1,156,708
CHANGE IN GENERAL FUND BALANCE	0	1,156,703			1,156,703	1,156,703	1,156,703	1,156,703	1,156,708
as of June 30									

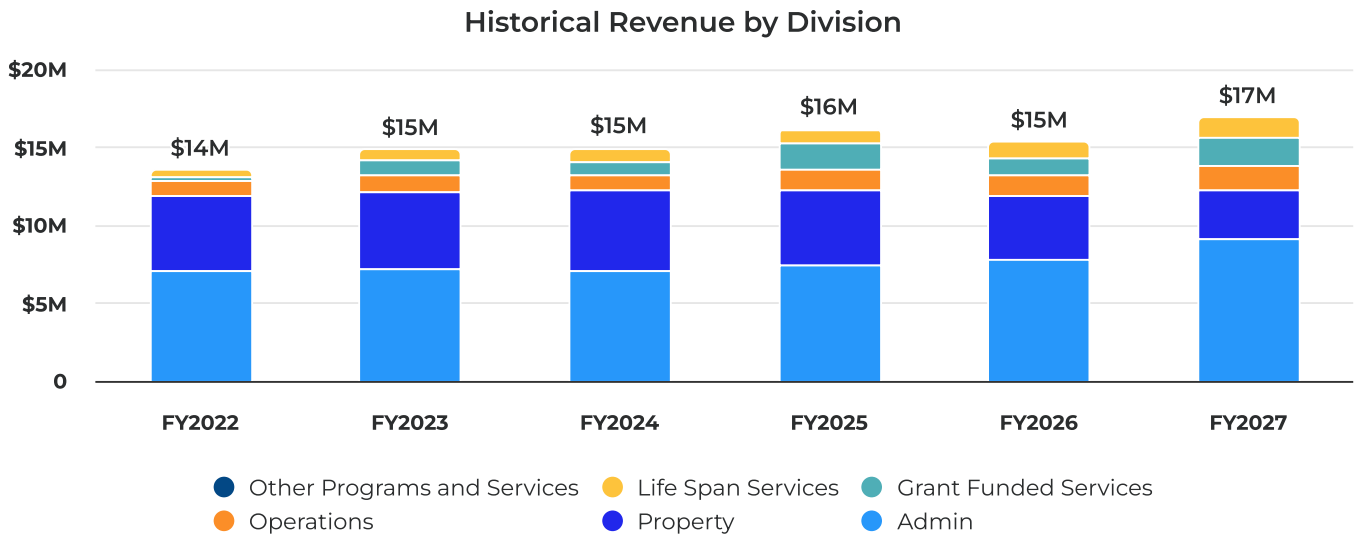
Total Budget

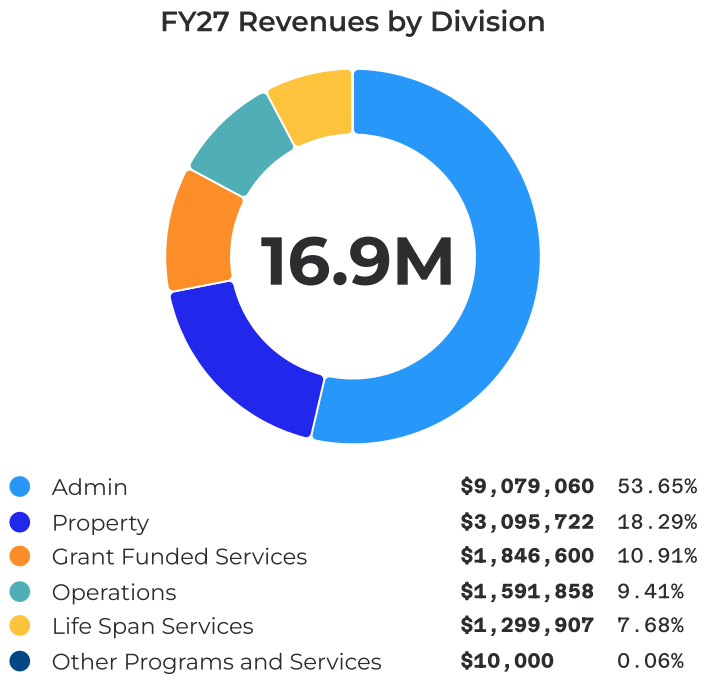


In the 2027 budget, total expenditures are projected at $16.7 million, representing a 14.14% increase from the 2026 budgeted expenditures of $14.6 million. This marks a notable rise following the previous year's 6.53% decrease. On the revenue side, the 2027 budget anticipates $16.9 million, which is 10.19% higher than the $15.4 million budgeted for 2026, reversing the prior year's 4.88% decline.

Overall, both revenues and expenditures are expected to grow in 2027 compared to 2026, with expenditures increasing at a slightly higher rate than revenues. The budgeted revenues continue to exceed budgeted expenditures, maintaining a positive margin between the two categories.

Revenues by Division

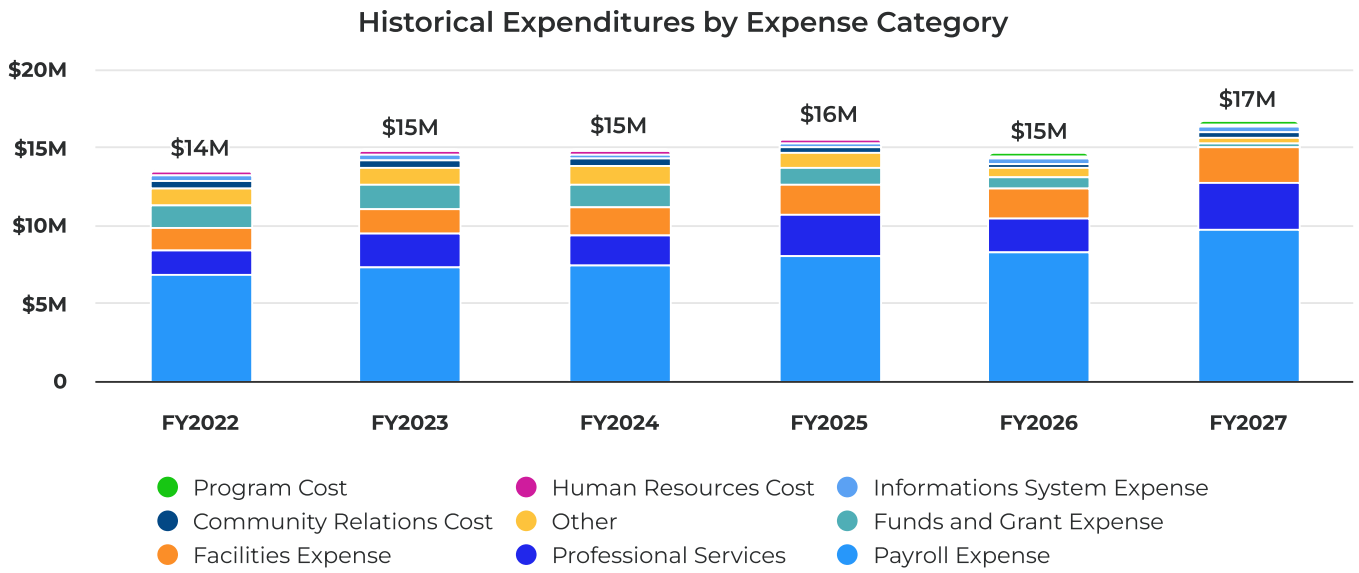


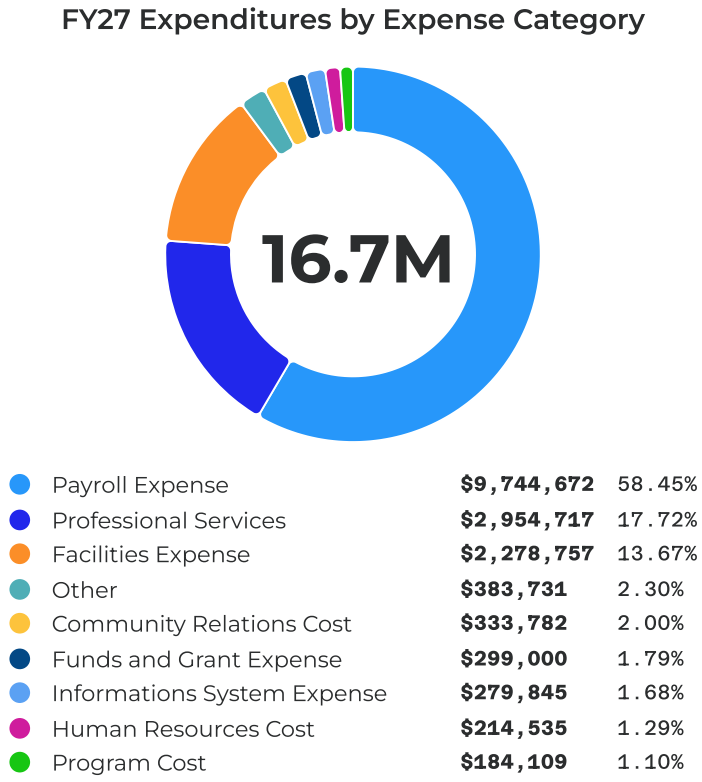


Revenues by Division

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Life Span Services	$1,072,629.60	$1,299,907.20	21.19%
Grant Funded Services	$1,134,557.00	$1,846,600.00	62.76%
Operations	$1,316,969.00	$1,591,858.34	20.87%
Other Programs and Services	$10,000.00	$10,000.00	-
Admin	$7,733,033.00	$9,079,060.00	17.41%
Property	$4,090,364.58	$3,095,722.15	-24.32%
Total Revenues	**$15,357,553.18**	**$16,923,147.69**	**10.19%**

Expenditures by Expense Category





Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$8,214,052.16	$9,744,671.72	18.63%
Program Cost	$167,850.08	$184,109.27	9.69%
Human Resources Cost	$178,019.62	$214,534.73	20.51%
Informations System Expense	$306,602.00	$279,844.79	-8.73%
Community Relations Cost	$294,699.25	$333,782.22	13.26%

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Facilities Expense	$2,017,083.92	$2,278,757.36	12.97%
Professional Services	$2,158,191.38	$2,954,716.86	36.91%
Other	$555,192.77	$383,730.74	-30.88%
Funds and Grant Expense	$715,862.00	$299,000.00	-58.23%
Total Expenditures	**$14,607,553.18**	**$16,673,147.69**	**14.14%**

26-27 District Budget and Previous 5 years

	FY 26-27 Budget	FY 25-26 Budget	FY 24-25 Budget	FY 23-24 Budget	FY 22-23 Budget	FY 21-22 Budget
REVENUE						
Classes & Group	115,197	87,080	67,655	47,391	23,309	38,118
CHF Membership	772,934	638,291	610,694	480,998	620,065	417,673
One-time Visits & Consults	918,882	829,622	838,968	683,166	613,146	599,091
Toddler Town Revenues	31,076	25,641	19,927	29,500	27,025	33,924
Camp Revenue	585,900	715,587	612,216	526,530	394,616	213,195
Food & Beverage	0	0	0	0	0	1,500
Retail	0	2,652	0	0	610	0
Balances Due on Account	(6,480)	(6,564)	(6,564)	(2,760)	0	0
Facility Rental	56,760	39,805	37,290	24,644	21,910	28,290
Total Revenue User Fees	**2,474,266**	**2,332,114**	**2,180,186**	**1,789,467**	**1,700,680**	**1,331,778**
Property Tax	5,694,000	5,456,000	5,162,800	5,002,800	4,750,560	4,499,544
Lease	3,085,093	4,077,701	4,787,666	5,024,263	4,765,021	4,626,613
Interest	670,690	196,565	211,674	344,930	497,561	677,327
Limited Partnership	2,725,000	2,093,133	1,935,000	1,735,000	1,825,000	1,898,874
Donations	10,000	10,000	10,000	9,000	9,000	5,000
Other Revenue	2,264,100	1,192,051	1,858,616	1,002,115	1,302,916	494,612
Total Revenue Government	**14,448,885**	**13,025,439**	**13,965,955**	**13,118,109**	**13,150,054**	**12,202,170**
Total Revenue	**16,923,149**	**15,357,553**	**16,146,143**	**14,907,577**	**14,858,733**	**13,533,947**

	FY 26-27 Budget	FY 25-26 Budget	FY 24-25 Budget	FY 23-24 Budget	FY 22-23 Budget	FY 21-22 Budget
EXPENSES						
Salaries - Reg FT	5,610,176	4,719,311	4,641,118	4,252,021	4,150,562	3,990,653
Salaries - Reg PT	1,476,815	1,183,644	1,155,153	1,107,226	1,133,823	851,825
Salaries - Instructor (non-benefit)	195,252	140,410	209,065	189,278	154,992	286,333
Cafeteria Plan Contribution	856,626	767,696	751,287	683,088	694,478	636,774
Payroll Taxes	542,745	449,426	451,749	416,183	403,012	407,396
LTD Insurance	17,716	15,928	14,960	13,789	16,193	13,471
Pension Plan Contribution	1,054,890	934,945	844,559	724,251	711,170	621,610
Unemployment Insurance	0	0	0	5,000	5,000	20,000
Employee Instant award exp	5,000	2,500	2,500	5,000	5,004	7,200
Total Payroll Expenses	**9,759,220**	**8,214,051**	**8,070,390**	**7,395,834**	**7,274,232**	**6,837,703**
COGS - Cost of Goods Sold - non-food	0	0	0	8,508	3,192	2,592
Café Supplies - cost of good sold - food	5,800	5,796	5,796	6,756	8,676	7,944
Consumables (food used as supplies)	18,200	18,200	18,150	17,550	13,846	15,550
Office Supplies	18,191	17,816	18,190	20,492	25,794	26,450
Gym/Locker Room Supplies	51,960	49,212	44,028	46,428	35,244	31,476
Program Supplies	54,783	52,388	54,481	55,048	33,746	39,050
Jantorial Supplies	25,898	23,940	23,940	17,936	15,600	20,000
Other Supplies	1,250	500	2,000	2,500	1,400	1,400
Total Program Costs	**176,080**	**167,852**	**166,585**	**175,206**	**137,499**	**144,473**
Employee Retention & Recognition	3,267	3,507	4,162	5,850	5,601	5,700

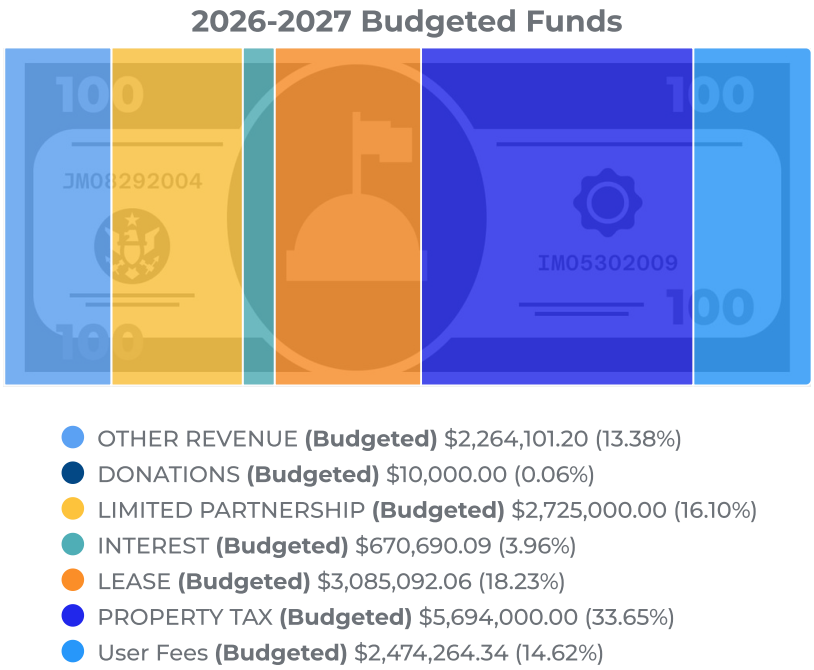
	FY 26-27 Budget	FY 25-26 Budget	FY 24-25 Budget	FY 23-24 Budget	FY 22-23 Budget	FY 21-22 Budget
Employee Wellness	41,300	43,900	43,400	48,400	53,010	44,400
ADP Payroll Processing Fees	3,000	3,300	3,300	3,300	3,300	3,600
Education & Training Seminars	24,541	19,676	20,574	22,374	30,844	34,004
Insurance - Worker's Comp	75,000	59,592	53,160	43,887	44,778	40,728
Recruitment	13,023	10,076	11,750	13,746	16,152	15,388
Tuition Reimbursement	12,890	7,000	11,400	16,000	12,500	13,500
Uniforms	10,184	9,113	14,116	14,908	11,311	15,454
Employee Travel/Parking	30,702	21,852	19,052	16,122	24,877	13,420
Total Human Resources Expenses	**213,908**	**178,015**	**180,912**	**184,592**	**202,373**	**186,192**
IT/ Hardware/Electronics	996	1,000	1,000	1,000	0	0
Phone Equipment	0	0	0	0	0	4,000
IT Repair & Maint Parts	1,700	1,600	1,600	1,600	1,800	1,800
IT Software Expense	277,144	304,002	306,764	322,051	303,768	318,294
Total Information Systems Expenses	**279,843**	**306,602**	**309,364**	**324,651**	**305,568**	**325,094**
Advertising	54,000	54,000	80,253	84,447	122,613	116,912
Community Education Materials	140	0	0	1,480	1,980	0
Community Outreach	47,050	41,050	41,800	51,550	37,600	38,081
Internet / Intranet / Website	32,580	32,580	22,200	22,800	13,900	14,700
Dues & Memberships	41,818	28,831	35,585	37,675	43,051	32,799
Educational Materials	250	250	250	250	700	1,696

Mailing Services	0	0	0	2,600	7,000	7,000
Management of Volunteers	12,500	12,500	17,500	2,500	16,075	35,520
Meetings	26,851	22,351	23,104	22,708	17,396	23,150
Postage	6,338	6,564	6,552	20,564	40,790	40,112
Printing	53,004	66,574	76,774	93,924	148,333	134,340
Promotional Items/Materials	23,062	23,062	43,262	42,662	38,046	38,050
Subscriptions	6,618	5,738	2,894	2,894	2,444	1,470
Business Promotion Allocation	1,200	1,200	1,200	1,200	0	0
Total Community Relations	**305,411**	**294,700**	**351,374**	**387,242**	**489,928**	**483,841**
Building Maintenance & Repair	214,074	225,369	254,138	204,136	189,982	195,989
Equipment/Furniture < $5,000	41,904	38,804	38,796	36,404	23,500	25,608
Equipment/Lease	527,144	86,142	84,344	83,394	80,543	76,309
Equipment/General Maintenance & Repair	156,083	160,672	133,116	133,300	129,044	129,064
Landscape Maintenance	101,068	102,858	100,332	95,880	94,906	82,108
Electricity	544,056	541,656	584,616	506,016	394,560	338,850
Gas	204,760	204,756	204,756	237,684	138,480	121,776
Water	139,300	163,300	163,577	163,400	121,400	121,400
Waste Removal	36,072	35,364	35,832	29,364	21,624	19,356
Telephone	109,140	108,136	96,636	81,682	107,076	99,794
Janitorial Services	360,642	350,028	341,724	343,332	292,864	229,283
Total Facilities Expenses	**2,434,228**	**2,017,085**	**2,037,867**	**1,914,092**	**1,593,999**	**1,440,139**
Accounting Services	40,000	40,000	41,200	45,200	31,000	28,400

Banking Services	97,974	96,112	90,300	84,300	69,017	66,937
Election Services	375,000	0	380,000	0	313,000	0
Laundry Services	5,496	4,308	4,308	4,308	2,736	9,696
Legal Services	205,478	145,500	145,500	115,500	88,502	88,502
Outside Services	1,075,888	1,014,889	1,227,803	894,249	1,066,122	757,808
Outside Service-Research	0	140,000	0	130,000	0	75,000
Outside Services - H&P	74,136	36,516	54,756	27,960	27,960	39,996
Outside Services - Property	108,000	105,000	84,000	84,000	84,000	84,000
Engineering/Maintenance Services	468,570	479,036	419,672	393,456	373,548	311,184
Service Contracts	74,588	79,400	70,356	88,912	83,760	89,755
Taxes & Licensing	19,584	17,446	17,748	17,188	17,176	17,122
Total Professional Services Expenses	**2,544,726**	**2,158,193**	**2,535,639**	**1,885,072**	**2,156,821**	**1,568,394**
Prospect South Bay	60,000	78,000	78,000	90,000	90,000	62,000
Debt Services	277,506	0	351,997	663,182	612,725	566,104
Interest Expense	21,600	21,600	29,603	78,418	127,675	169,496
Insurance - General	301,630	455,593	467,786	436,284	340,849	302,959
Total Other Expenses	**660,736**	**555,193**	**927,386**	**1,267,884**	**1,171,249**	**1,100,559**
Grants	0	385,862	593,635	856,800	949,374	1,024,774
Health Fund - Youth	0	0	0	2,700	2,700	2,700
Health Fund - Adults	0	0	0	4,000	4,000	4,000
Health Fund - Seniors	289,000	320,000	445,000	500,000	555,000	409,084
Holiday Assistance	10,000	10,000	10,000	9,000	8,000	7,000
Total Funds & Grants Expenses	**289,000**	**715,862**	**1,048,635**	**1,372,500**	**1,519,074**	**1,447,558**

Total Expense	16,673,149	14,607,554	15,628,141	14,907,578	14,850,733	13,533,948
Cash Income (Loss) Before Cap Ex	**250,000**	**750,000**	**518,000**	**0**	**0**	**0**
NR Amortization	0	0	382,324	699,665	618,530	543,566
510 Building	0	(319,990)	0	0	0	0
510 Building Income	0	423,964	0	0	0	0
General Fund OPERATING Income	**250,000**	**646,032**	**135,678**	**(699,662)**	**(618,528)**	**(543,566)**
MIS	100,000	122,262	305,064	126,423	151,250	70,075
FF&E	150,000	7,300	42,193	35,000	160,000	328,384
Parking	9,707,740	0	0	0	0	0
Building	5,006,505	9,596,695	10,406,723	12,047,585	7,050,395	8,740,206
Grant	(9,621,693)	(6,147,238)	(6,161,907)	(7,881,269)	(1,536,460)	(1,638,665)
Total Capital Expenditures	**5,342,552**	**3,579,019**	**4,592,073**	**4,327,739**	**5,025,184**	**7,500,000**
Net Income (Loss)	(5,092,555)	(2,932,987)	(4,456,395)	(5,027,401)	(6,443,712)	(8,043,566)

District Funding Sources Summary

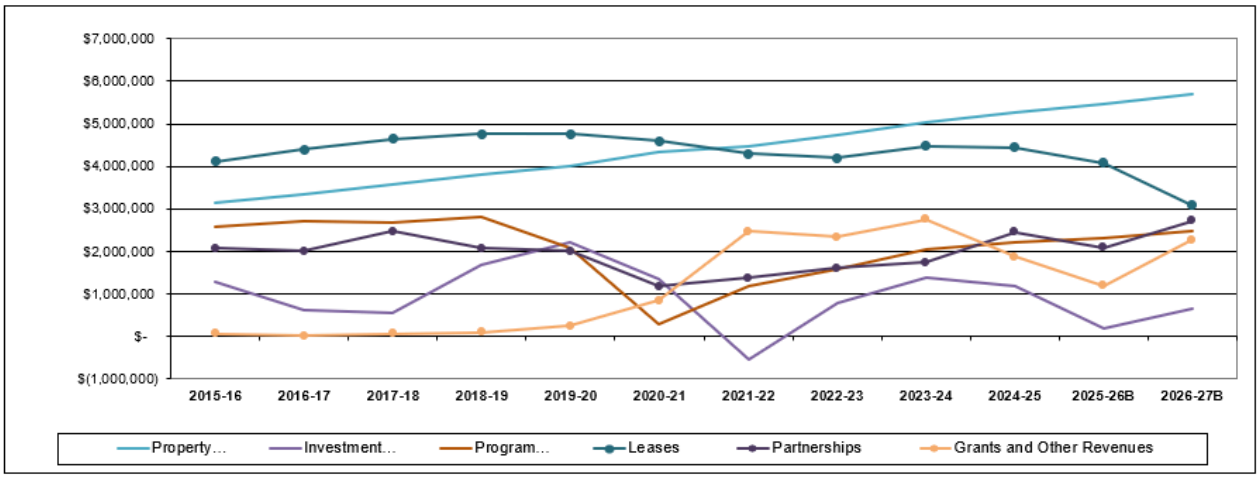


The District Funding Sources

Beach Cities Health District (BCHD) is one of the largest preventative health agencies in the nation and has served the communities of Hermosa Beach, Manhattan Beach, and Redondo Beach since 1960. The District was originally a hospital and was built with a bond measure and funding from property taxes. Later, when the District transitioned into the preventative health arena, the funds available were invested and diversified into owning and leasing property, joint venture partnerships, operating a health and fitness center, a youth fitness center, and keeping a portfolio of investments. With the income and user fees from these various sources, the District can offer an extensive range of dynamic health and wellness programs with innovative services and facilities that promote health in every lifespan — from children to youth to families and older adults.

TREND BY FUNDING SOURCE

*Fiscal Year	Property Taxes	Leases	Partnerships	Program Income	Grants and Other Revenues	Investment Earnings	Total
2015-16	3,145,703	4,116,447	2,083,332	2,572,774	75,955	1,301,865	13,296,076
2016-17	3,355,324	4,394,800	2,001,129	2,702,307	26,113	619,756	13,099,429
2017-18	3,591,891	4,649,091	2,473,590	2,671,695	68,292	555,677	14,010,236
2018-19	3,793,278	4,766,430	2,071,315	2,809,085	105,551	1,700,327	15,245,986
2019-20	3,994,702	4,756,865	2,002,771	2,073,958	246,943	2,224,613	15,299,852
2020-21	4,345,848	4,589,435	1,175,456	305,976	840,568	1,337,999	12,595,282
2021-22	4,478,036	4,296,858	1,384,062	1,186,035	2,476,691	(532,478)	13,289,204
2022-23	4,751,854	4,201,238	1,618,389	1,584,269	2,348,450	795,602	15,299,802
2023-24	5,024,156	4,476,889	1,745,655	2,056,373	2,760,479	1,373,655	17,437,207
2024-25	5,263,694	4,441,834	2,452,090	2,232,993	1,872,414	1,199,416	17,462,441
2025-26B	5,456,000	4,077,699	2,093,133	2,332,111	1,202,045	196,565	15,357,553
2026-27B	5,694,000	3,085,093	2,725,000	2,474,266	2,274,100	670,690	16,923,149
	34%	**18%**	**16%**	**15%**	**13%**	**4%**	**100%**



*Source: Audited Financial statements
B - Budget

Each income stream compared to total District income has historically stayed relatively consistent year-over-year. However, in FY26-27 Lease revenue has dropped from an average of 27-28% to 18% due to the decision made by the Board to vacate the original hospital building located at 514 N. Prospect Ave. Building in Redondo Beach by March of 2027. Thus, all tenants will be moving out of 514 Building before the end of the fiscal year. This revenue source will be replaced with the ground lease revenue from the planned new development in future years.

Due to COVID- 19, the District closed the Health and Fitness (H&F) operations from mid-March of 2020 and re-opened in April of 2021 with limited-hour, reservation-only in-door and out-door services at 50% capacity per State of California regulations. On March 7th of 2022, all the restrictions were lifted, and H&F operations have been focusing on regaining enrollments. After a significant drop in FY2020-21 the revenues have been steadily recovering in H&F Operations and are projected to reach the pre-COVID levels in FY2026-27 as reflected in the budget. For FY2021-22 and FY2022-23 there is a temporary increase in other revenues due to the funds received for COVID-19 relief efforts.

Additionally, from the financial recession in 2008-2009, property tax income was 20% and investment income was 15% of total District income. The current property tax portion is 34% and investment income of 4% of total District income. The diversified portfolio helps the District maintain services through different economic challenges facing the nation, the state, and the Beach Cities Health District (BCHD) jurisdiction.

Property Taxes (34%). The District receives, on average, approximately 88% of one penny of every property tax dollar collected from the 1% property tax levy within Hermosa

Beach, Manhattan Beach, and Redondo Beach. Property taxes are collected by Los Angeles County and distributed among the local taxing agencies according to state law. See the Property Tax Dollar Breakdown illustrative graph on the following page.

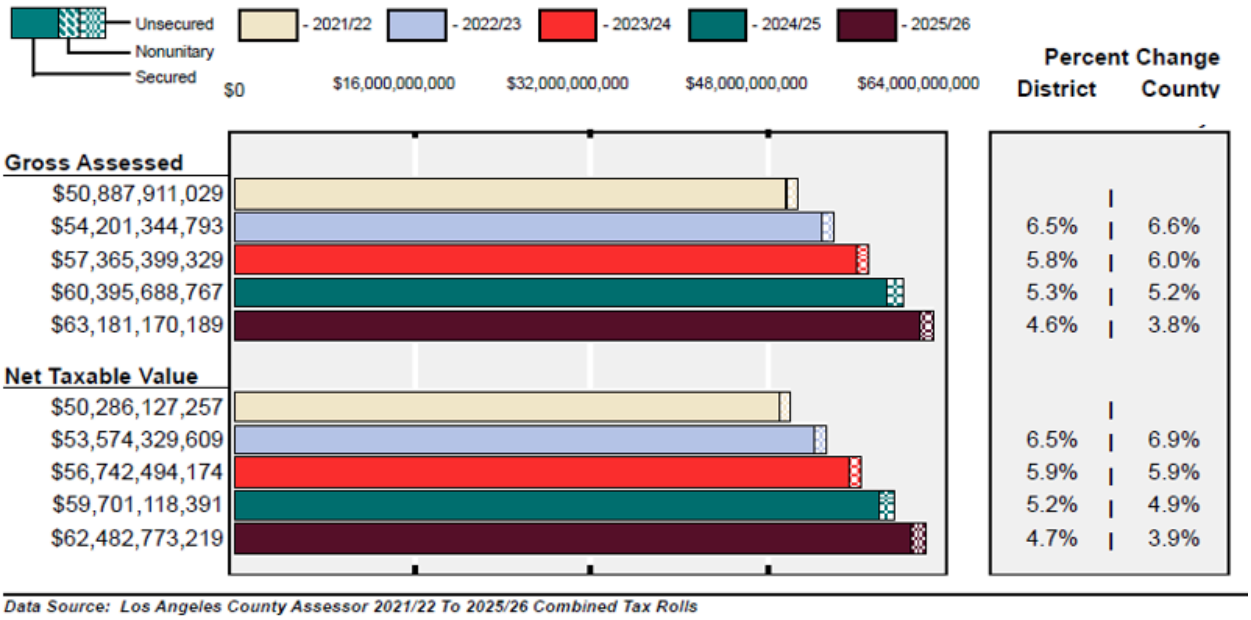
For budgeting purposes, the District uses input from HdL Coren & Cone, a reputable consulting firm, to estimate annual property taxes for Secured, Unsecured and HOX (homeowner tax exemptions) apportionments.

Per HdL's General Fund (GF) forecast, growth of all values generating property tax revenue for FY26-27 is 4.15%, without any factoring for new construction activity. The HdL's report states that adding 50% of the trimmed average growth due to new construction for the past 8 years of $63,260,823 would be the equivalent of an additional 0.10% growth to this base number. This would mean forecasting growth of 4.26% for 2026-27 with some new construction additions. A more optimistic model would be developed by adding 100% of the trimmed average growth due to new construction ($121,176,424) that would add 0.20% to the baseline forecast for a bottom line for a forecast of 4.35%. Thus, HdL's conservative estimate of growth for 2026-27 is 4.15%.
HdL states in their report that the CPI granted for all taxing entities in the State per Proposition 13 for FY26-27 will be 2.00%, the same increase that was granted for FY25-26. The report discusses that as 2024 ended and moved through 2025 purchasers of properties were experiencing interest rate fluctuations, along with the median price increases in District cities. Home sale prices, as well as the number of homes coming to market, increased in 2025 with 96 more sales and median sale price growth of $99,000 district wide. The properties that sold in calendar year 2025 are adding $1,379,668,109 to the market value and overall growth to the value pool between the 2025-26 and 2026-27 fiscal years. This is in comparison to the $1,243,818,540 growth that was reflected in the current fiscal year in this category.

HdL was not including a Proposition 8 data entry point in this year's forecast as the year-over-year changes are not significant to the bottom line in the current market. HdL has reviewed all single-family residential properties that have sold during the 2025 calendar year and have compared that sale price against 2024 transfers to ascertain the median price change between tax years. This analysis has led HdL to believe that the current real estate market is not resulting in an uptick in Proposition 8 reviews and do not consider it to be an important factor for FY26-27.

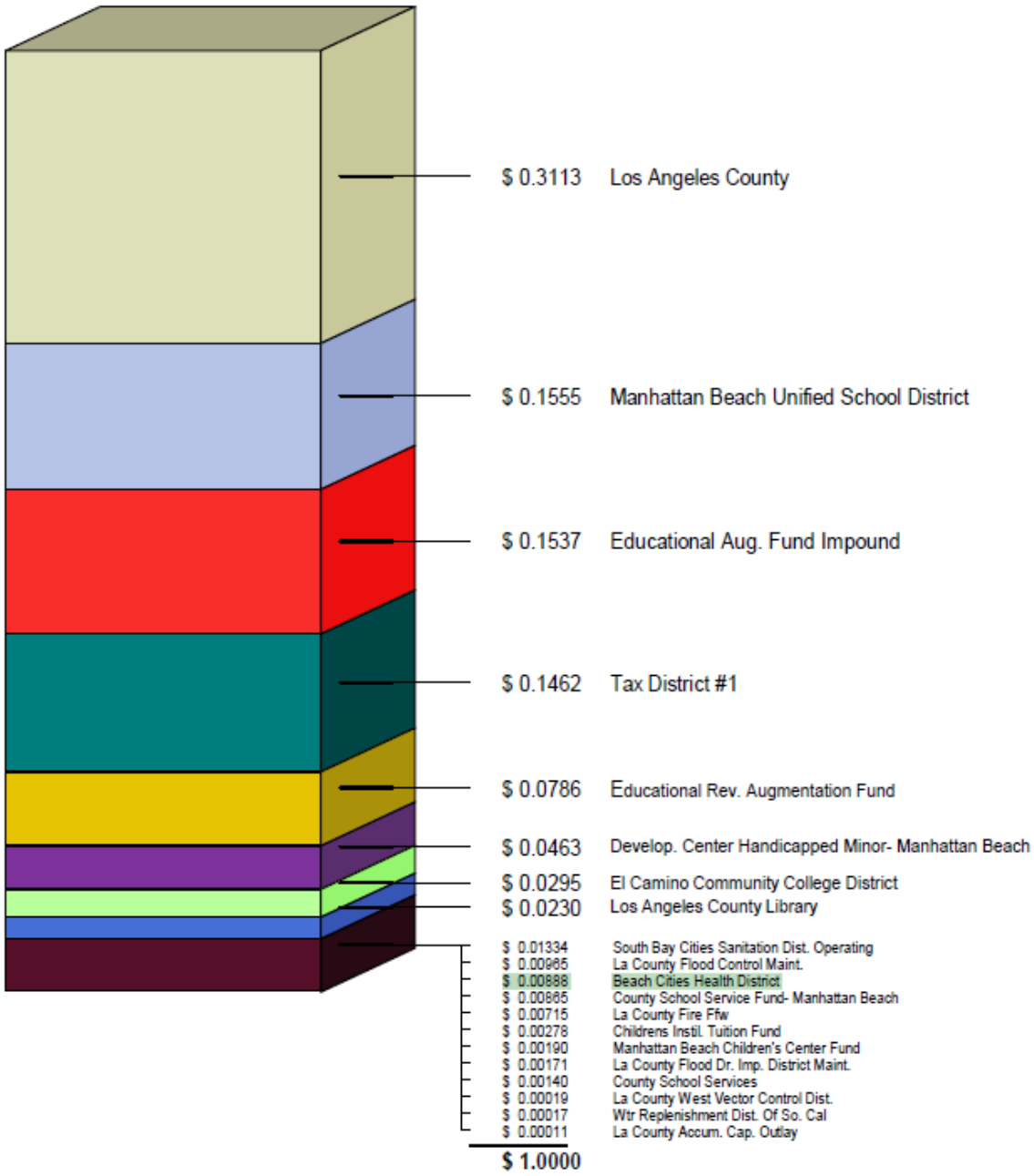
The District budgeted $5,694,000, an increase of 4.4%, compared to the prior year budget or 2.5% compared to the actual collection of the property taxes in FY25-26 which is a conservative estimate compared HdL's estimate for FY26-27 budget that compares to actual General Fund revenue. Projections by HdL for property tax receipts have been considered and are illustrated in the District's long-term financial outlook. Up to FY25-26, property taxes have been trending at 5%-6% increase annually since FY12-13. The District has collected property taxes with 2% favorable difference from the budgeted amount for FY25-26.

BEACH CITIES HEALTH DISTRICT
2021/22 TO 2025/26 ASSESSED VALUES



Data Source: Los Angeles County Assessor 2021/22 To 2025/26 Combined Tax Rolls

BEACH CITIES HEALTH DISTRICT
PROPERTY TAX DOLLAR BREAKDOWN



ATI (Annual Tax Increment) Ratios for Tax Rate Area 06174, Excluding Redevelopment Factors & Additional Debt Service

Data Source: Los Angeles County Assessor 2022/23 Annual Tax Increment Tables

Lease Revenue (18%). Lease revenue consists of four Distinct sources: tenant rental income, tenant common area building operating expense (BOE) reimbursements, parking lease revenue, and notes receivable principal payments from Venice Family Clinic.

		FY26-27 Budget	FY25-26 Budget	Variance	
514 Prospect Campus					
	Silverado Senior Living	-	742,000	(742,000)	-100%
	Surgery Center	239,000	574,000	(335,000)	-58%
	UCLA	301,000	392,000	(91,000)	-23%
	Community Psychiatry	84,000	122,000	(38,000)	-31%
	Kaiser Foundation	-	122,000	(122,000)	-100%
	Other-smaller spaces	90,000	149,000	(59,000)	-40%
		714,000	**2,101,000**	**(1,387,000)**	-66%
BOE Costs		**1,370,000**	**1,025,000**	**345,000**	34%
Off Campus					
	1837 PCH (Sunrise)	339,000	308,000	31,000	10%
	601 PCH (Leap and Bound)	224,000	212,000	12,000	6%
	2114 Artesia (SBFHC)	197,000	192,000	5,000	3%
	2114 Artesia (SBFHC) - Notes Receivable	42,000	40,000	2,000	5%
		802,000	**752,000**	**50,000**	7%
Parking Lease					
	Ducot Parking Lease	200,000	200,000	-	0%
		200,000	**200,000**	**-**	0%
	Total Lease Revenue	**3,086,000**	**4,078,000**	**(992,000)**	-24%

Tenant Rental Income

The District manages eleven tenants located at 514 Prospect Avenue in Redondo Beach, often referred to as the District "Campus". The total of 514 Campus revenue has decreased by <$1,387,000> or 66% due to the annual contractual lease adjustments based on the District's BOD direction to vacate 514 Building by March of 2027.

Three tenants are located "off-campus" at properties owned by the District across the beach cities totaling $802,000 in annual lease revenue, an increase of 7% or $50,000 due to the annual increase per contractual agreements.

Tenant Common Building Operating Expense (BOE) Reimbursements

Only the tenants at 514 Campus are subject to common area expenses, and further, only tenants with triple net leases pay common area expenses separately from their rent. Several tenants have gross tenant agreements where the rental income covers common area expenses. BOE costs are reimbursed based on contractual agreements and trued-up after each fiscal year-end. BOE fluctuates based on actual common area building expense costs incurred. The District budgeted $1,370,000 with $345,000 (34%) increase in BOE reimbursements compared to last year's budget to include the BOE reimbursements for FY25-26 and prorated reimbursement for FY26-27 due to the end of the tenants' leases.

Venice Family Clinic Notes Receivable

Starting in FY21-22, Venice Family Clinic has been re-paying a ten-year loan to the District for the interior building improvements made in FY19-20 and FY20-21. Per government GAAP (Generally Accepted Accounting Principles), the principal payment is recorded as

lease revenue in the BCHD General Fund. The principal loan payment for FY25-26 is $42,000.

Parking Lease Revenue
The District leases out one of the parking structures to the building owner of two adjacent buildings at 514 Prospect Avenue and receives a fixed rental income of $200,000 through the year of 2030.

Limited Partnerships (16%). The District has invested in two partnerships: Sunrise Beach Cities Assisted Living, L.P., with an 80% joint venture investment as a limited partner, and Beach District Surgery Center, L.P., with a 5% joint venture investment as a minority equity holder. Both entities are also tenants of the District. The District takes a conservative approach when budgeting for the joint venture partnership income as the result of operations tends to fluctuate considerably from year-to-year.
The Sunrise operations have fully recovered from the pandemic and have exceeded the budgeted revenues in FY23-24 and FY24-25 by 25% and 42% respectively. Thus, for FY26-27, the District has increased the budget for Sunrise by $632,000 or 30% based on the Sunrise forecast, the current market outlook and the trend in the past two fiscal years.
The District has not been collecting any revenues from Surgery Center for the past four fscal years and has not budgeted any revenues for FY26-27 due to the reduction of income from the Surgery Center.

Program Revenue (User Fees) (15%). The District owns and operates two health & fitness facilities, Adventure Plex (“APlex”) within the Lifespan services and Center for Health and Fitness (“CHF”), a standalone gym facility.
APlex is mainly focused on toddlers and youth, with activities such as toddler and small children play area, camps, and special events. CHF is focused on adults and older adults and operates a fitness club with “gym memberships”, personal training, group classes, etc. User fees are based on attendance and members signed up for membership. The goal for both facilities is to bring the user fees from both facilities combined to cover the basic cost of operating the facilities with some support from other funding sources to finance executive management support, advertisements, building maintenance and capital outlays.

Both facilities are budgeted based on current trends and programs offered that are further described and reviewed in the Departmental Overview, Performance Measures and Accomplishments section.

For FY26-27, the District budgeted $2,474,266 in program revenues for both facilities, 6% more than in FY25-26.
Summer, Fall, Winter, and Spring camps are the main sources of revenue for Adventure Plex facility. The Adventure Plex was $113K below the budget in running all Summer camps during FY25-26 due to low enrollment in extended care and slower general enrollment. Thus, the District reviewed the trend and made an adjustment, decreasing Camp revenue in FY26-27 by $156,000 or 22%. All other programs are planned to continue operating at a similar capacity as in prior year and were budgeted at the same level as in FY25-26.

The CHF continued focus is on increasing membership revenue. CHF has been monitoring revenue forecasts, conducting extensive outreach to potential members. And their efforts have paid off. In FY25-26 total revenues in CHF facility exceeded the budget by 12%. In FY25-26 One-time Visits & Consultation exceeded the budget by 13%, CHF

Memberships exceeded the budget by 11% and Classes & Groups were at budget. To bring the revenues up even further to offset the increased costs to run the gym operations following the direction of the Board of Directors, CHF changed the structure of the membership and increased the memberships and fees across most departments effective 7/1/2026, budgeting $1,592,000 in total revenues for FY26-27, 17% more than in FY25-26.

Grants and Other Revenues (13%). In the past several years, since opening allcove youth facility in November 2022, Grants and other revenues have been increasing steadily. From an 8% increase in total revenues in FY25-26 to a 13% increase in total revenues in FY26-27. The District has applied and has been awarded grants for Youth Substance and Mental Health Services for FY26-27 bringing total revenues in this category to $2.27M, an increase of $1.07M.Drug-Free Communities Support Program Grants. On October 30, 2019, the District was awarded an Annual Grant for Drug-Free Communities (DFC) Support Program by the Department of Health and Human Services (HHS) Substance Abuse and Mental Health Services Administration for the amount of $125,000 annually, totaling $625,000 for five years for the period from 10/30/2019 to 09/30/2024. The DFC Support Program was established under the Drug- Free Communities Act of 1997, P.L. 105-20. The purpose of the DFC funding is to address two major goals: 1) establish and strengthen collaboration among communities, public and private non-profit agencies, and federal, state, local and tribal governments to support the efforts of community coalitions, and 2) reduce substance use among youth and, over time, among adults. In FY23-24, the District applied for the continuation of the grant for another five-year period from 10/01/2024 to 09/30/2029 totaling $625,000. This application was awarded on 09/06/2024. Thus, in FY26-27 the District budgeted a total of $125,000 for the first year of the second term of the DFC grant.
The District budgeted $20,000 for the opioid service agreement revenue from the three cities as part of their participation as a local jurisdiction in California's opioid settlements with opioid manufacturers, distributors and pharmacies used for programs and services addressing opioid prevention in the District.Youth Wellness Center. In FY26-27 BCHD's allcove Beach Cities Youth Wellness Center is being funded primarily by two grants:

1. On July 8th, 2025, the District was awarded $300,000 grant from LA County Department of Mental Health for Supported Education and Employment through the Behavioral Health Services Oversight & Accountability Commission's Mental Health Student Services Act. The District budgeted $111,600 for FY26-27 based on the grant schedule.

2. In March of 2026, the Los Angeles County Board of Supervisors unanimously approved a motion by Supervisors Holly J. Mitchell and Janice Hahn to invest a total of $4.5 million – $1.5 million over three years from July 1, 2026 to June 30,2029 – to sustain mental health services provided by allcove Beach Cities youth center. This action is in response to a growing youth mental health crisis and a commitment to expanding access to vital services in the County and is keeping the doors open to serve young people. Thus, in FY26-27, the District budget 1.5M for the expansion of the contract from LA County Department of Mental Health for Supported Education and Employment through the Behavioral Health Services Oversight & Accountability Commission's Mental Health Student Services Act.

Furthermore, $90,000 was budget in allcove Fee schedule and billing revenue for eligible behavioral health services provided through allcove Beach Cities under the California

Youth Behavioral Health Initiative (CYBHI) Fee Schedule. The CYBHI Fee Schedule enables affiliated community providers, such as allcove Beach Cities, to bill for eligible school-linked behavioral health services provided to students from participating partner school districts. Reimbursements are made through students' commercial insurance or Medi-Cal, with claims administered by a third-party administrator.

Community Services. The District budgeted for four funding sources in Community Services in FY26-27:

1. $152,500 for Capacity and Infrastructure Transition, Expansion, and Development Intergovernmental Transfer (CITEDIGT) grant issued by California Department of Health Care Services (DHCS). The service period for this grant is from 01/01/2026 to 12/31/2026. This grant supports the transition, expansion, and development of infrastructure and capacity for Enhanced Care Management (ECM) services. BCHD is providing a 50% match as part of the Intergovernmental Transfer program. Progress reports are submitted every six months detailing expenditures with supporting documentation. Upon DHCS approval, BCHD remits its match an is subsequently reimbursed the full amount.

2. $100,000 for Enhanced Care Management (ECM), a statewide Medi Cal benefit providing person-centered, community-based care management for members with the highest levels of need. The funding is being provided by DHCS and contracted Medi Cal Managed Care Plans (MCPs) via Community Care Hub, Full Circle Health Network.
   The District was approved to receive this funding on 11/03/2025 and it will be ongoing. The District is planning to serve about 23–25 clients a month in FY26-27. The average reimbursement rate across BCHD's contracted MCPs is approximately $375 per member per month. Full Circle Health Network retains a 10 percent administrative fee.

3. $95,724 through Community Services Block Grant (CSBG) Program funded by the County of Los Angeles, Department of Public Social Services (DPSS) that supports care management services for low-income older adults and adults with disabilities living in Supervisorial District 2, helping them maintain independence in their homes. The service period for this program is from 01/01/2026 to 12/31/2027 receiving up to $160,000 across two calendar years (maximum $80,000 per year). BCHD submits monthly service data through the CSBG Contract Invoicing System (CIS). Reimbursement is based on service hours at a rate of $40.65/hour. In FY25-26 from January to June, the District collected $13,700 in reimbursements.
4. In addition, the District budgeted $48,227 for annual funding from the City of Manhattan Beach to provide on-site care management services for eligible seniors and disabled residents based on the contract with the city and a $10,000 annual grant from Sunrise Assisted Living. The contract period with the city is from 07/05/2022 to 07/01/2027.

The remaining other revenues include reimbursements for Holiday Gift Donations budgeted at $10,000 and another $11,000 in reimbursements from the three school districts for a Work Well program administered by the District in FY26-27.

Investments (4%). The District receives investment income from two types of sources: notes receivables interest and a cash investment portfolio. The notes receivable portion decreases each year according to the amortization schedules. The investment portfolio provides interest income, and gains or losses from unrealized change in market value and realized gains or losses from sale of investments. Investment income is budgeted based on the amortization schedules and expected return on the portfolio based on the projected portfolio balance.
In FY26-27 the District budgeted $476,000 in interest revenue from 115 Pension trust under its operations to cover CalPERS annual unfunded liability payment, increasing investment revenues from 1% to 4% of the total revenues.
The District does not budget for GASB pronouncement noncash interest income.

The total investment portfolio fiscal year-end June 30, 2026 is $19.9 million, $1.2 million better compared to the prior year, ended June 30, 2025. The increase is due to realized and unrealized interest revenue and gain and losses as shown on the table below, and a balanced spending and cash flow monitoring to cover operational and capital expenditures. During FY25-26, $2M was transferred to the 115 Pension Trust account to take advantage of higher interest earnings to pay annual unfunded liability invoices from the 115 Trust Pension account.

BCHD Investment Portfolio Performance			
Fiscal Year - Actual	**FY23-24**	**FY24-25**	**FY25-26**
Portfolio - @ Cost	$ 11,203,390	$ 6,269,819	$ 1,770,694
Cost to Market Valuation	(720,731)	25,075	119,621
Portfolio - @ Market *	10,482,659	6,294,894	1,890,315
CAMP Custodial Cash sweep account	110,925	2,861,954	3,550,138
Managed Portfolio - @ Market	**$ 10,593,584**	**$ 9,156,849**	**$ 5,440,454**
CAMP & LAIF *	2,911,346	5,338,219	7,587,988
Total Value - @ Market	**$ 13,504,930**	**$ 14,495,068**	**$ 13,028,442**
OPEB 115 Trust	$ 753,873	$ 829,585	$ 950,120
Pension 115 Trust	3,092,304	3,385,098	5,893,087
Total Value - 115 Trust	**$ 3,846,176**	**$ 4,214,683**	**$ 6,843,207**
Total District's Portfolio	**$ 17,351,107**	**$ 18,709,751**	**$ 19,871,649**
Portfolio Interest Income	178,677	278,800	397,889
Realized Gain / (Loss)	(59,038)	(45,707)	32,163
Net Portfolio Gain / (Loss)	**$ 119,638**	**$ 233,093**	**$ 430,052**
Notes Receivable (NR) Interest	107,772	27,773	12,665
Pension 115 Trust Earnings	330,504	311,680	532,116
Interest Income Realized	**$ 557,914**	**$ 572,546**	**$ 974,833**
Unrealized Gain/(Loss)	449,073	443,536	94,444
OPEB 115 Trust Earnings	90,053	80,320	125,668
Deduct - NR Discount Amortization	(699,663)	(382,324)	-
Total BCHD Interest Income	**$ 397,377**	**$ 714,079**	**$ 1,194,946**

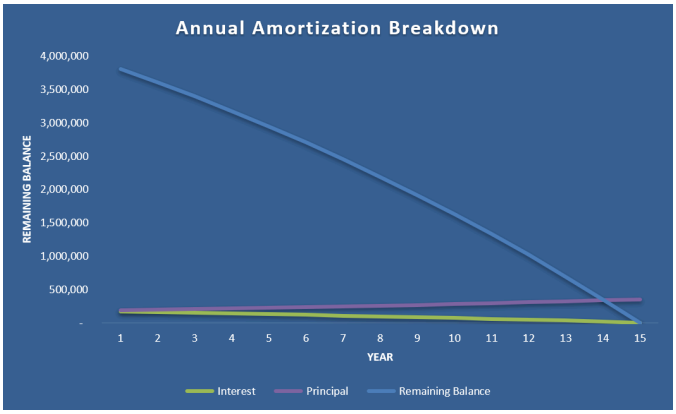
DEBT

Debt Obligations

The District recently broke ground in Redondo Beach on the allcove Beach Cities project, which will expand access to youth-focused mental health and wellness services in the community. Once completed, the new center is expected to add approximately 96 outpatient service slots and have the capacity to serve approximately 24,000 individuals annually. The project is supported by $6.3 million in Behavioral Health Continuum Infrastructure Program (BHCIP) Round 4 funding, which is being used to expand youth wellness, prevention, and behavioral health services throughout Los Angeles County. Governor Newsom's announcement on new behavioral health projects.

In the second quarter of FY26-27, the District plans to obtain $4M financing through a non-callable note with a 15-year amortization period (tax-exempt bank qualified) and 4.37% interest rate. The proceeds will be used to provide the remaining funding necessary to complete construction of the allcove Beach Cities Youth Center, as described in the capital expenditure section under "allcove Beach Cities."

To support the financing and construction of the project, the District has budgeted 273K in notes payable for nine months in FY26-27, representing the anticipated debt service and related financing obligations during the fiscal year. The financing is consistent with the State's continued investment in expanding behavioral health infrastructure and youth mental health services under Governor Newsom's mental health reform initiatives.



Year	Monthly Payment	Interest	Principal	Remaining Balance
1	364,015.68	170,963.78	193,051.90	3,806,948.10
2	364,015.68	162,356.36	201,659.32	3,605,288.80
3	364,015.68	153,365.19	210,650.49	3,394,638.31
4	364,015.68	143,973.14	220,042.54	3,174,595.77
5	364,015.68	134,162.32	229,853.36	2,944,742.41
6	364,015.68	123,914.07	240,101.61	2,704,640.82
7	364,015.68	113,208.90	250,806.78	2,453,834.05
8	364,015.68	102,026.44	261,989.24	2,191,844.82
9	364,015.68	90,345.40	273,670.28	1,918,174.54
10	364,015.68	78,143.54	285,872.14	1,632,302.40
11	364,015.68	65,397.66	298,618.02	1,333,684.37
12	364,015.68	52,083.45	311,932.23	1,021,752.16
13	364,015.68	38,175.66	325,840.02	695,912.15
14	364,015.68	23,647.75	340,367.93	355,544.23
15	364,015.68	8,472.12	355,543.56	-

DEPARTMENT PERFORMANCE MEASURES AND ACCOMPLISHMENTS

DEPARTMENT AND PROGRAMS

Overview & Account and Control Structure

The 2026-2027 Budget is comprised of the following departments and programs are organized to roll up for manager-level and director-level budgetary control.

General fund is comprised of all departments and programs listed below.



Life Span Services

- 140 Work Well
- 200 Community Services
- 405 Life Span Services Administration
- 410 Well Being Services
- 630 Adventure Plex (APLEX) Facility
  - 631 Operations
  - 632 Programs
  - 633 Events
  - 634 Camps



Center for Health and Fitness (CHF)

- 611 Center for Health and Fitness
- 612 Personal Training
- 613 Pilates
- 614 Yoga
- 615 Fee Based



Grant Funded Services

- 411 Drug Free Community – Grant
- 412 Opioid Grant
- 413 Youth Wellness – Grant - allcove



300 - Beach Cities Health Foundation



Other Program and Services

- 130 Information Systems
- 150 Volunteer Management
- 160 Health Promotions and Communications
- 190 Partnership and Innovations
- 800 Blue Zones project



Support Services

- Human Resources
  - 110 Human Resources
- Executive
  - 125 Administration
  - 170 Executive Admin
  - 175 Board of Directors
- Finance
  - 120 Finance



Property Operations

- 1272 Beryl - allcove
- 710 BCHD and Outlying Properties
- 720 Prospect Parking
- 730 Prospect Avenue (514 Prospect) Campus
- 740 Prospect Avenue (510 Prospect) 3rd Floor

Fund Matrix



General Fund

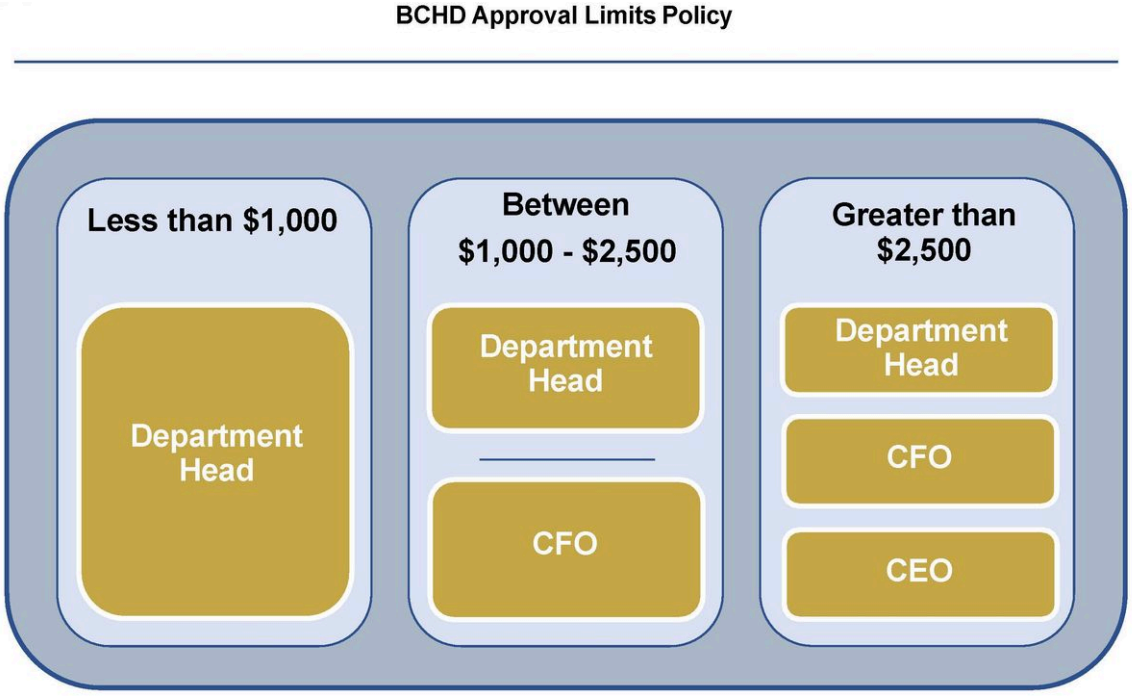
- Grant Funded Services
  - Center for Health and Fitness
  - Other Programs and Services
  - Administrative Services
  - Property
  - Life Span Services



Special Fund

- Beach Cities Health Foundation

Department, Account Control and Approval Limits



Life Span Services



Life Span Services consists of the following sub-departments:

- Well-Being Services
- Adventure Plex
- Community Services
- Community Funded Services
- Research & Evaluation
- Lifespan Administration Services include the Chief Medical Advisor, and the Chief Programs Officer.
  The Chief Medical Advisor provides strategic direction and oversight for all health-related programs in the District. In addition, the Chief Medical Advisor counsels on the development and implementation of the Community Health Snapshot and the District three-year priorities.
  The Chief Programs Officer is responsible for the implementation of programs in the community and for monitoring program effectiveness.

Life Span Services

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
One-time Visits & Consults	208,670	231,460	(22,790)
Toddler Town Revenues	31,076	25,641	5,435
Camp Revenue	585,900	715,587	(129,687)
Retail	0	2,652	(2,652)
Facility Rental	56,760	39,805	16,955
Total Revenue User Fees	**882,406**	**1,015,145**	**(132,739)**
Other Revenue	417,500	57,488	360,012
Total Revenue Government	**417,500**	**57,488**	**360,012**
Total Revenue	**1,299,906**	**1,072,633**	**227,273**
EXPENSES			
Salaries - Reg FT	1,302,135	1,052,076	250,059
Salaries - Reg PT	577,328	483,927	93,401
Salaries - Instructor (non-benefit)	21,487	20,124	1,363
Cafeteria Plan Contribution	188,358	167,183	21,175
Payroll Taxes	145,370	115,608	29,762
LTD Insurance	4,484	3,887	597
Pension Plan Contribution	238,952	209,367	29,585
Total Payroll Expenses	**2,478,119**	**2,052,169**	**425,950**
Cafe Supplies - cost of good sold - food	5,800	5,796	4
Consumables (food used as supplies)	1,800	1,800	0
Office Supplies	4,694	4,698	(4)
Program Supplies	29,212	31,213	(2,001)
Janitorial Supplies	10,524	10,524	0
Total Program Costs	**52,031**	**54,031**	**(2,000)**
Employee Retention & Recognition	720	623	97
Employee Wellness	13,500	13,500	0
Education & Training Seminars	4,700	6,300	(1,600)

Income Statement FY 2026-2027
Life Span Services

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Insurance - Worker's Comp	25,067	19,347	5,720
Recruitment	500	500	0
Uniforms	3,872	3,796	76
Employee Travel/Parking	2,802	7,052	(4,250)
CSI Over/Short Deposit	0	0	0
Total Human Resources Expenses	**51,156**	**51,127**	**29**
IT Software Expense	39,584	39,584	0
Total Information Systems Expenses	**39,584**	**39,584**	**0**
Community Education Materials	140	0	140
Community Outreach	2,900	4,500	(1,600)
Dues & Memberships	2,995	3,498	(503)
Educational Materials	0	0	0
Meetings	3,975	5,975	(2,000)
Postage	942	946	(4)
Printing	10,572	11,322	(750)
Promotional Items/Materials	1,500	2,000	(500)
Total Community Relations	**23,024**	**28,229**	**(5,205)**
Building Maintenance & Repair	38,053	8,052	30,001
Equipment/Furniture < $5,000	17,700	13,700	4,000
Equipment/Lease	2,340	2,340	0
Equipment/General Maintenance & Repair	11,487	9,228	2,259
Landscape Maintenance	8,904	8,904	0
Electricity	62,856	62,856	0

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Gas	760	756	4
Waste Removal	5,364	5,364	0
Janitorial Services	61,008	53,364	7,644
Total Facilities Expenses	**208,471**	**164,564**	**43,907**
Banking Services	35,382	27,521	7,861
Outside Services	79,700	59,640	20,060
Outside Service-Research	0	140,000	(140,000)
Outside Services - H&F	0	6,756	(6,756)

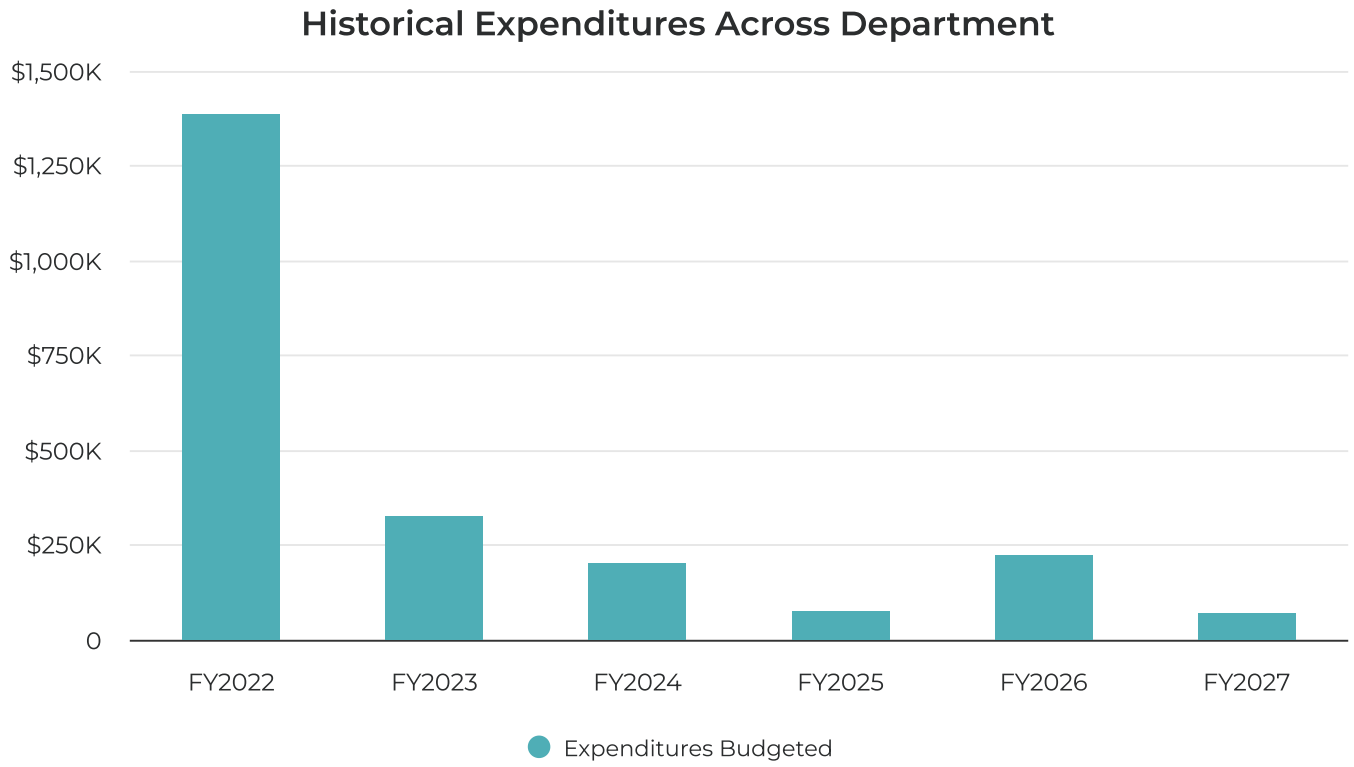
	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Service Contracts	27,932	27,936	(4)
Taxes & Licensing	1,954	816	1,138
Total Professional Services Expenses	**144,968**	**262,660**	**(117,692)**
Insurance - General	33,359	34,793	(1,434)
Total Other Expenses	**33,359**	**34,793**	**(1,434)**
Grants	0	385,862	(385,862)
Health Fund - Seniors	289,000	320,000	(31,000)
Total Funds & Grants Expenses	**289,000**	**705,862**	**(416,862)**
Total Expense	**3,319,709**	**3,393,027**	**(73,318)**
Cash Income (Loss) Before Cap Ex	**(2,019,802)**	**(2,320,396)**	**300,594**

Life Spans Administration



Provides strategic direction, management, and evaluation for BCHD programs and services that support health and wellness across the lifespan. This administrative function, in accordance with public health practice standards, seeks to address the ongoing and emerging health needs of the residents in the Beach Cities. The team divides its services and focuses between the sub-departments, Well-Being Services, and Community Services. The Well-Being Services department focuses on youth ages 0–12 and their families and community support. The Community Services department's focus is to assist the uninsured and the aging and disabled population.

Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$24,080.53	$26,174.60	8.70%
Program Cost	$3,800.00	-	-100.00%
Human Resources Cost	$336.61	$598.00	77.65%
Community Relations Cost	$6,175.00	$175.00	-97.17%
Professional Services	$187,300.00	$42,000.00	-77.58%
Total Expenditures	**$221,692.14**	**$68,947.60**	**-68.90%**

Well-Being Services

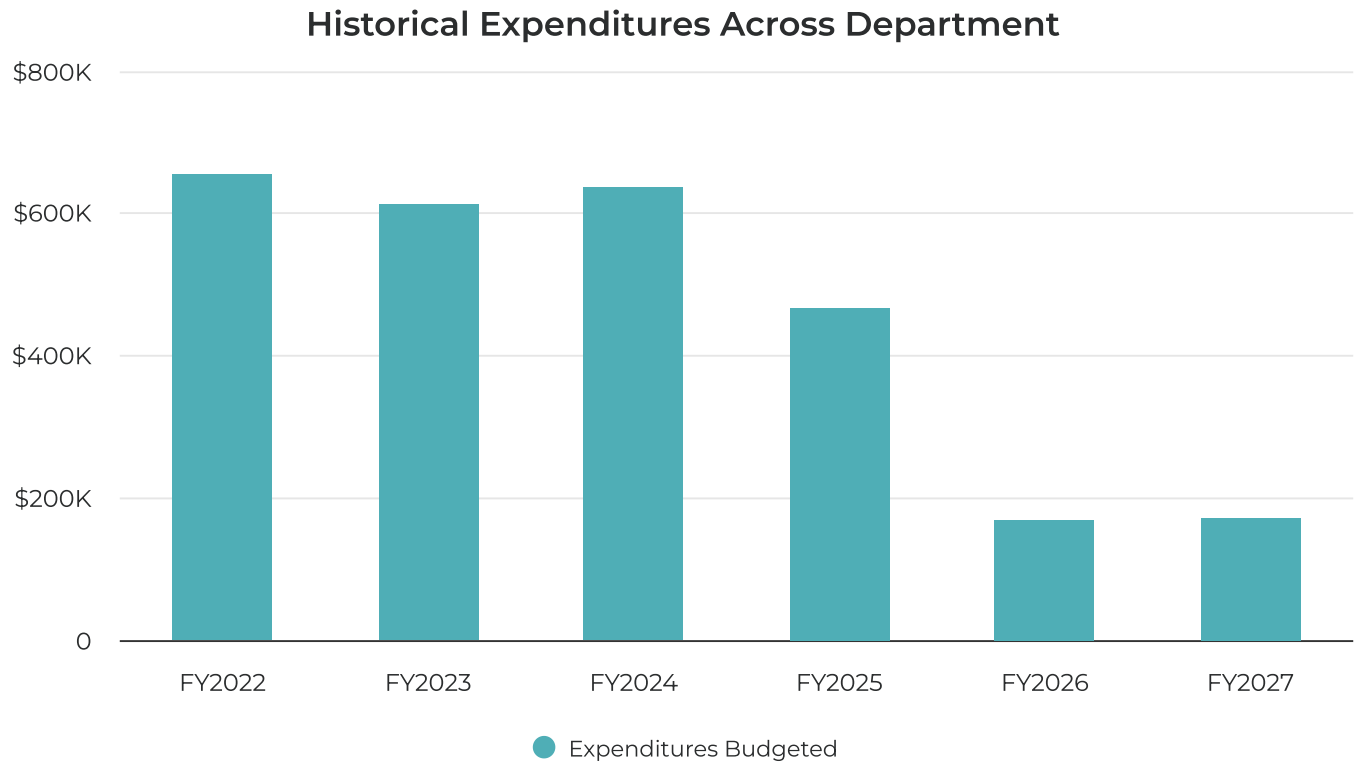


Well-Being Services is composed of the following Programs:

- School Gardens/Docents/Garden-Angels
- Parent Education and-Engagement Programs
- Social-Emotional Health at Schools
- LiveWell Kids
- WorkWell to LiveWell
- Mental Health Trainings
- Mental Health and Happiness
- Adventure Plex Facility

Beach Cities Health District partners with the Hermosa Beach City School District (HBCSD}, Manhattan Beach Unified School District (MBUSD) and Redondo Beach Unified School District (RBUSD) to create environments that support student and family health. Key stakeholders include students, administrators, teachers, staff, families, school boards, and community partners.

Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$71,504.67	$77,397.69	8.24%
Program Cost	$1,200.00	$1,200.00	-
Human Resources Cost	$1,191.60	$739.93	-37.90%
Community Relations Cost	$1,976.00	$1,676.00	-15.18%
Professional Services	$92,250.00	$89,951.00	-2.49%
Total Expenditures	**$168,122.27**	**$170,964.62**	**1.69%**

Summary of Goals

Goal #1 – Mental Health and Substance Use

- Social Emotional Health at Schools:

  Provide social-emotional learning activities and programming in Beach Cities public schools to build resiliency and success for youth in grades K-5.

- Parent Engagement and Education:

  An increase in the number of parents having conversations with their children about substance abuse, social media, mental health and bullying.
  Increase the
  number of parents having conversations with their children about substance use, social media, mental health, and bullying.

  Provide parents with
  free resources, education, and opportunities to connect parenting issues and challenges in their effort s to help young people reach their full potential and live healthily.

  Deliver mental health training to community partners and the public to enhance the community's capacity to support mental health, including Mental Health First Aid training and QPR Suicide Prevention training.

  Deliver a community-wide Mental Health & Happiness Initiative to enhance mental well-being through resilience strategies, social connection and community engagement, including the delivery of workshops, activations and activities on gratitude, purpose, resilience, mindfulness, and social connection.

Goal #2 – Public Health and Safety

International Walk and Roll to School Day (elementary schools HBCSD, MBUSD, RBUSD):

It brings together BCHD staff, local elected officials, police officers, school administrators, parents, students, and volunteers to promote safe streets and human-powered transportation.
Annual observances across the three school districts increase awareness and inspire local action to create a safer and environmentally sustainable community.

Goal #3 – Physical and Brain Health for Well-BeingYouth Services

LiveWell Kids:
Educating transitional kindergarten through fifth-grade students on the process and benefits of growing their own food, improving nutritional knowledge, and making healthy eating choices.

School Garden / Volunteers / Garden Angels:
Deliver the six-lesson LiveWell Kids curriculum to fidelity to all kindergarten through fifth-grade students at the eight RBUSD elementary schools, the three HBCSD schools and one MBUSD school.

Prepare and maintain all twelve LiveWell Kids outdoor gardens year-round.

Promoting engagement between families and the school community through volunteerism.

Department Accomplishments

In August, 85 participants experienced an interactive Power of Purpose Workshop facilitated by Kathleen Terry hosted at Redondo Beach Center for Spiritual Living. Attendees then engaged in the Social Connections Fair that provided a variety of opportunities for purposeful engagement with Purpose Discussion Groups, Moai Social Groups, Redondo Beach Center for Spiritual Living and allcove Beach Cities.

The in-person celebration of International Walk and Roll to School Day returned on October 8 across all three Beach Cities school districts to encourage more kid-power and less horsepower. The event brought together BCHD staff, local elected officials, police departments, school administrators, parents, students and volunteers to walk along designated routes to promote safe streets and physically active transportation. Sixteen schools within Hermosa Beach City School District, Manhattan Beach Unified School District and Redondo Beach Unified School District participated and approximately 2,444 students hit the pavement that morning for the event.

The LiveWell Kids program (LWK) was delivered to kindergarten through fifth grade students at eight RBUSD elementary schools, three HBCSD schools and one MBUSD elementary school. More than 5,600 students across these campuses had the opportunity to participate in the program over the course of the 2025-2026 academic year. Over 1,500 lessons were delivered in the fresh air of the school gardens by more than 340 trained volunteers.

Well-Being Services partnered with South Bay Adult School to engage students and community members through the Mindful Connections Wellness Workshop Series in effort to develop and strengthen mental and physical health. Participants in the six-week program that ran from September 30 to November 4 gained valuable insight and practical tools through group activities, sharing opportunities and discussion on such topics that include: 1) Prioritizing Goals and Physical Health, 2) Rebuilding Social Connections and Play, 3) Awareness of What We Consume, 4) Practice Self-Care, Gratitude and Mindfulness, 5) Taking Control of Stress and 6) Introduction to Mental Health First Aid Training.

Well-Being Services provided the WorkWell worksite wellness program to 55 Beach Cities Health District employees as well as over 330 education professionals in both Hermosa Beach City School District and Redondo Beach Unified School District.

Mental Health and Happiness activations that included obstacles course, glimmer jars, wireless headset meditation, gratitude Jenga and postcards were provided to over 2,100 students grades K-5 across the three Beach Cities school districts during the 2025-26 academic year.

Well-Being Services hosted 16 participants for QPR Suicide Prevention Training on March 16. This learning opportunity helped individuals recognize warning signs of a suicide crisis and how to Question, Persuade and Refer someone to help. The training is aimed at equipping people with the knowledge and skills necessary to intervene and support someone who may be struggling with suicidal thoughts or behaviors and refer them to someone who can formally assess and intervene.

Objectives by the Numbers

Performance Metrics	FY2024-25 Actual	FY2025-26 Actual	FY2026-27 Projection
# of total youth participants in Mental Health and Happiness_Activations.	216	2192	2000
% of 5th graders who report frequent sadness (Most of the time OR all the time)	11%	10%	9%
# of total student participants in Mental Health and Happiness activation	21	2192	2000
# of total participants of Mindfulness Drop-In sessions	253	263	250
# of participants in attendance for parent engagement activities, events and meetings	1079	504	500
# of student participants at Walk and Roll to School Day	2750	2444	2500
# of students in grades K-5 that received LiveWell Kids program	5478	5678	5500
# of LiveWell Kids lessons delivered-	1297	1512	1500
# of individuals participating in mental health training (Mental Health First Aid, QPR suicide prevention training, general mental health training)	262	33	40
# of mental health training (MHFA,QPR, general mental health training)	10	2	3
# of BCHD employees participating in WorkWell	55	55	60
# of total WorkWell participation from community partners	183	331	330

Community Services

Community Services consists of the following:

- Care Management
- Volunteer Services
  Information and Referral
- Community-based Programs and Services
  Cognitive Health



Community Services Administration

Provides strategic direction, management, and evaluation for BCHD programs and services that support independent living for older adults and adults with disabilities, as well as ensure health care access for all beach cities residents. The administrative function, in accordance with public health practice standards, seeks to address on-going and emerging health needs of the aging and disabled populations.

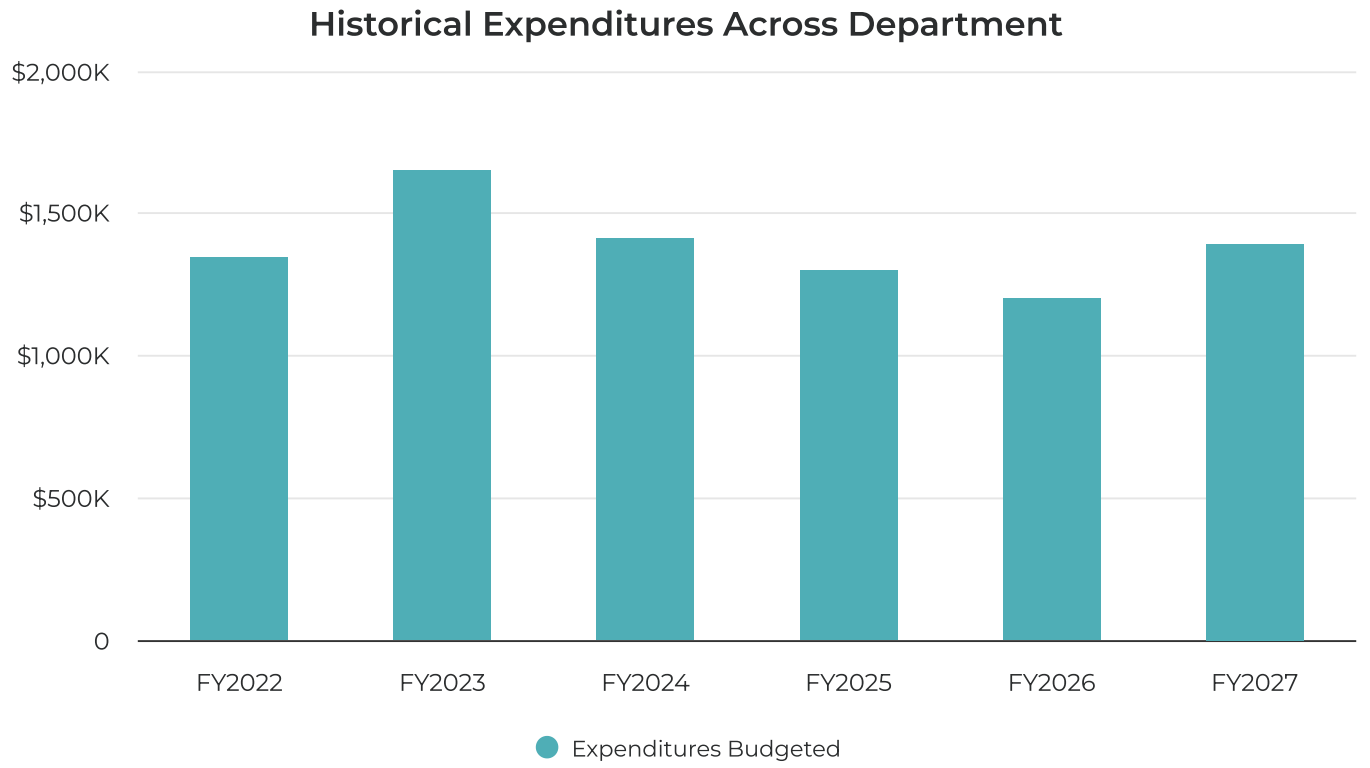
Community Services Organization

Community Services staff work closely with the cities of Hermosa Beach, Manhattan Beach, and Redondo Beach, the local health care and social services system, non-profit organizations, and residents, to create an age-friendly community. Care management is staffed by professional social workers who, with a team of trained and supervised volunteers, help individuals live at home as long as safely possible, while supporting independence and improving quality of life through social connection. BCHD has established a health fund for income-qualifying older residents and residents who have disabilities that need additional services to support their independence and well-being.

Staff provide high-touch information and referral services to members of the public who contact BCHD for questions regarding health-related services and resources. Staff support residents in the navigation of public benefits, including health insurance.

BCHD delivers community-based and evidence-based programs to promote healthy aging. Programs include physical activity classes (e.g., Balance Coordination, Chair Yoga, Mindfulness, etc.), mental health workshops, and community education on additional topics related to aging. Community Services also delivers programs to support the cognitive health of beach cities residents, including free workshops for the public and in-person support groups for caregivers of people living with dementia.

Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$837,971.36	$1,053,638.47	25.74%
Program Cost	$700.00	$700.00	-
Human Resources Cost	$9,827.71	$12,672.33	28.94%
Informations System Expense	$21,500.00	$21,500.00	-
Community Relations Cost	$756.00	$896.00	18.52%
Professional Services	$8,140.00	$12,000.00	47.42%
Funds and Grant Expense	$320,000.00	$289,000.00	-9.69%
Total Expenditures	**$1,198,895.07**	**$1,390,406.80**	**15.97%**

Summary of Goals

Goal #1 — Mental Health & Substance Abuse

- Provide care management services to improve the quality of life and maintain the independence of older adult residents and residents with disabilities within the Beach Cities.
- Provide public benefits enrollment support to clients through health literacy counseling and enrollment application assistance.
- Help residents navigate health-related resources and public benefits available within the South Bay and greater Los Angeles area.
- Help keep care management clients safe and independent at home by utilizing volunteers to provide services for errands, exercise, companionship and well-being checks.
- Fundraise and execute Holiday Gift Bag program to deliver holiday gift bags and grocery gift cards to identified care management clients during the month of December.

Goal #2 — Physical Health & Brain Health

- Deliver health and wellness education in partnership with beach cities senior centers on the topics of physical fitness, cognitive health, and mental health.

Goal #3 — People & Partnership

- Offer social work internships that increase care management service delivery.

Priority Based Budget Program Goals

Care Management

- Provide support for frail and home bound residents.
- Prevent inappropriate institutionalization and hospitalization.
- Reduce caregiver burden.
- Reduce social isolation and loneliness.
- Increase connection to public benefits.

In-Home Support Volunteer Programs for Care Management Clients

Conversation Companions

- Provide companionship and social support to clients

Brain Buddies

- Provide companionship and activity-based interactions to clients with cognitive impairment and/or dementia

Errand Assistance

- Assist clients with errands to support independent living

Holiday Gift Bags

- Spread cheer during the winter holidays by delivering gift bags to clients

Aging and Disability Services – Health and Wellness Education

- Offer evidence-based programs to promote physical health/fitness, cognitive health and mental health
- Enhance free community exercise opportunities available for older adults
- Increase knowledge of best practices to support cognitive and mental health
- Increased social connection

Information and Referrals

- Provide high-quality local referrals for services and programs in the South Bay community
- Connect community members with health-related support programming

Social Work Intern Program

- Remain a Center of Excellence as part of Southern California's Geriatric Social Work Education Consortium (GSWEC)
- Host a total of approximately five interns every academic year to assist Care Management clients

Department Accomplishments

- Assisted 440 unduplicated clients through our Care Management program
- Submitted 96 applications for public benefits, including Medi-Cal, on behalf of clients
- Assisted 645 unduplicated callers through the Information and Referral line
- Provided 118 clients with volunteer support, including Brain Buddies, Conversation Companions and Errand Volunteers
- Delivered holiday gift bags to 239 older adults with assistance from 122 community members, including BCHD volunteers and local first responders.
- Provided 478 free community exercise classes in local senior centers
- Facilitated four workshops on topics of cognitive health and mental health.
- Ran three in-person dementia caregiver support groups every month.
- Seven social work interns provided regular care management support to 125 clients.

Objectives by the Numbers

Performance Metrics	FY2024-25 Actual	FY2025-26 Actual	FY2026-27 Projected
Number of unduplicated Care Management clients	439	440	475
Care Manager visits clients (home, office or community location)	1846	1718	1800
Care Manager phone calls with clients	7223	6457	6750
Volunteer visits with clients	540	698	700
Completed errands by volunteers	1085	1260	1250
Volunteer phone calls to clients	1017	1234	1250
Information and Referral unduplicated callers	587	645	750
Public benefit enrollments submitted on behalf of residents	76	96	100

Adventure Plex



AdventurePlex consists of the following Programs:

- Drop-in Play
- Camps
- Outdoor
- Parties
- Parent Day Out (PDO) / Parent Night Out (PNO)

AdventurePlex is geared to challenge children-physically, mentally, and intellectually-with non-stop activities in a structured and safe environment. Aplex provides a fun place to play, with an adventure play structure full of mazes, tunnels, and slides; an outdoor rock-climbing wall and ropes course; gymnasium; arts &crafts rooms; Toddler Town; and catering that is provided by Fresh Brothers Pizza.

Operations Department oversees all the AdventurePlex facility operations, including customer drop-in play and Membership Services.

The Operations Department is headed by the Youth Services Director.

The Program department oversees the programs, classes, and fitness portions of the AdventurePlex facility, including implementation and management of team building, the Ropes course, and Rock wall operations.

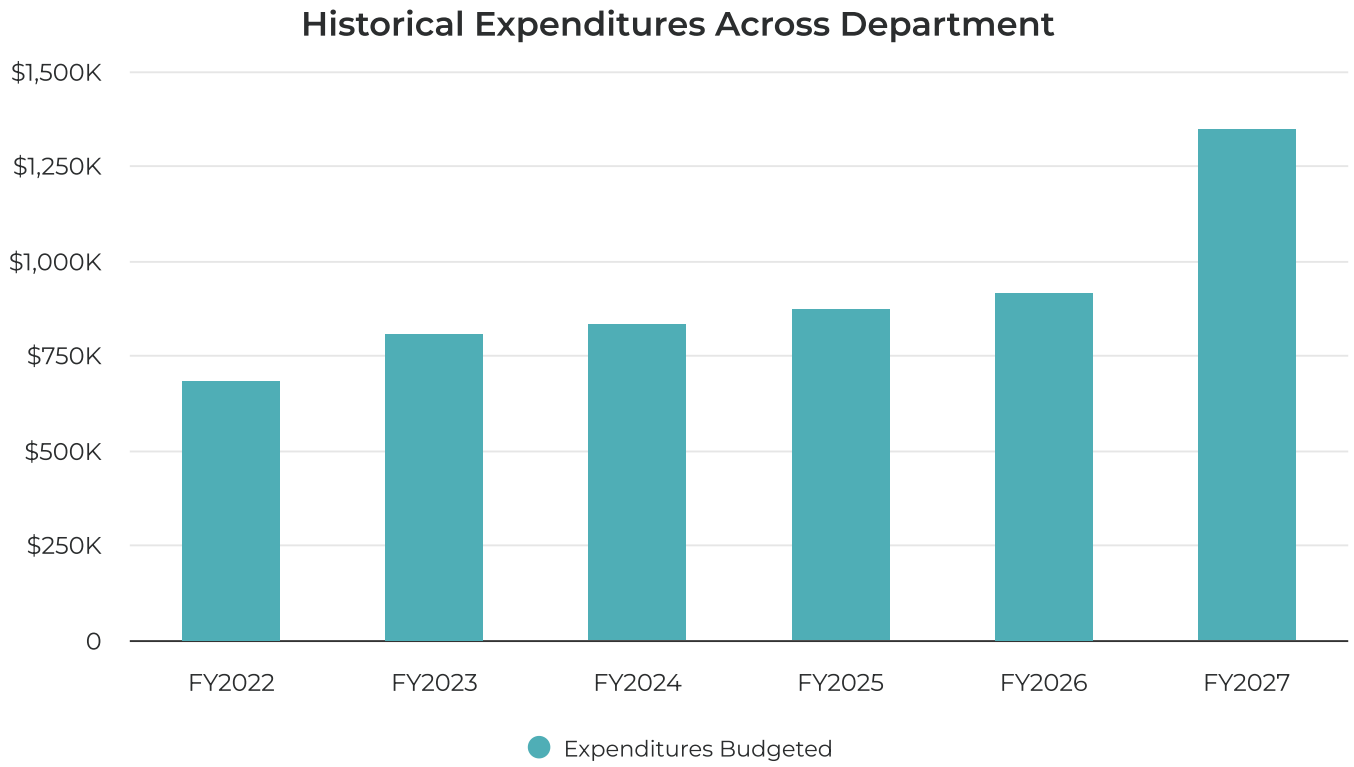
Events Department oversees the special events, birthday parties and rentals for AdventurePlex, including development, sales, facilitation, and follow-up on AdventurePlex events.

The Events Department is headed by the Youth Services Director.

Camps department oversees the planning and operations of all AdventurePlex camps, including design and management of the department oversees the planning and operations of all AdventurePlex camps, including design and management of the AdventurePlex operations for seasonal camps.

The Camp Department is headed by the Youth Services Director.

Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$595,798.97	$700,200.55	17.52%
Program Cost	$21,155.16	$21,155.75	-
Human Resources Cost	$13,166.39	$16,496.57	25.29%
Informations System Expense	$18,084.00	$18,084.00	-
Community Relations Cost	$6,051.00	$6,052.83	0.03%
Facilities Expense	$164,069.04	$483,461.79	194.67%

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Professional Services	$63,016.10	$65,268.46	3.57%
Other	$34,792.73	$33,359.74	-4.12%
Total Expenditures	**$916,133.39**	**$1,344,079.69**	**46.71%**

Summary of Goals

Goal #1- Physical Health &Brain Health

1. Drop-in play for children and families, 6 days per week to increase physical activity using the “We Make Fitness Fun” model.
2. Provide a variety of activities for children and families each month of the year.
3. Offer ongoing special events for children and families that introduce the AdventurePlex facility and programs.
4. Provides accredited seasonal camps for children throughout the year, offering a health and fitness alternative to the camps prevalent in the South Bay when schools are not in session.
5. Offers comprehensive toddler and parent programming in a state-of-the-art imaginative play area for children ages 0-5.

Department Accomplishments

- Hosted 3,105 drop-in play children.
- Registered 96 Flex Kids Club memberships that enjoyed a variety of monthly activities.
- Offered special events for 200 children at AdventurePlex and hosted 185 birthday parties. Provided accredited seasonal camps for 9,742 campers.
- Offered comprehensive toddler and parent programming in Toddler Town

Objectives by the Numbers

Performance Metrics	FY2024-25 Actual	FY2025-26 Actual	FY2026-27 Projected
Drop-in Play	4,135	3,105	3,200
Special Events	144	200	200
Birthday Parties	196	185	190
Campers	10,089	9,742	10,000

Center for Health and Fitness



Center for Health and Fitness (CHF) is the only certified medical fitness facility in California, one of 45 in the nation. CHF provides affordable, age-appropriate physical activities to assist community members in their efforts to achieve optimal health.

Center for Health and Fitness consists of the following programs:

- Membership (in-person and virtual) and Group Exercise classes
- Fee-based Services (massage & nutrition)
- Personal Training & Small Group Training
- Medical Fitness Pilates
- Yoga

Operations Department

The Operations Department oversees all the CHF facility operations, including:

Membership Services, including recruitment, retention and group exercise classes.

The Operations Department is headed by the General Manager and supported by the Medical Member Services Manager.

Personal Training Department

The Personal Training (PT) Department oversees all personal training, including:

Degreed and certified trainers implement fitness assessments and training sessions to help develop a personalized exercise program for each participant.

The Personal Training Department is headed by the Programs Manager.

Medical Fitness Department

The Medical Fitness Department oversees the implementation of clinical fitness programs to help individuals manage chronic medical conditions, including:

Pre-habilitation for knee and hip replacement surgeries

Medical exercise training for diabetes and hypertension

Medical exercise training for low back pain

Medical exercise training for osteoporosis

Medical exercise training for arthritis and total joint replacement Cardiac rehab exercise program

The Medical Fitness Department is headed by the Programs Manager.

Pilates Department

The Pilates Department oversees the implementation of Pilates, including:

Certified Pilates instructors provide mat and reformer classes to our participants.

The Pilates Department is headed by the Programs Manager.

Yoga Department

The Yoga Department oversees the implementation of yoga, including:

Certified yoga instructors providing classes to our participants.

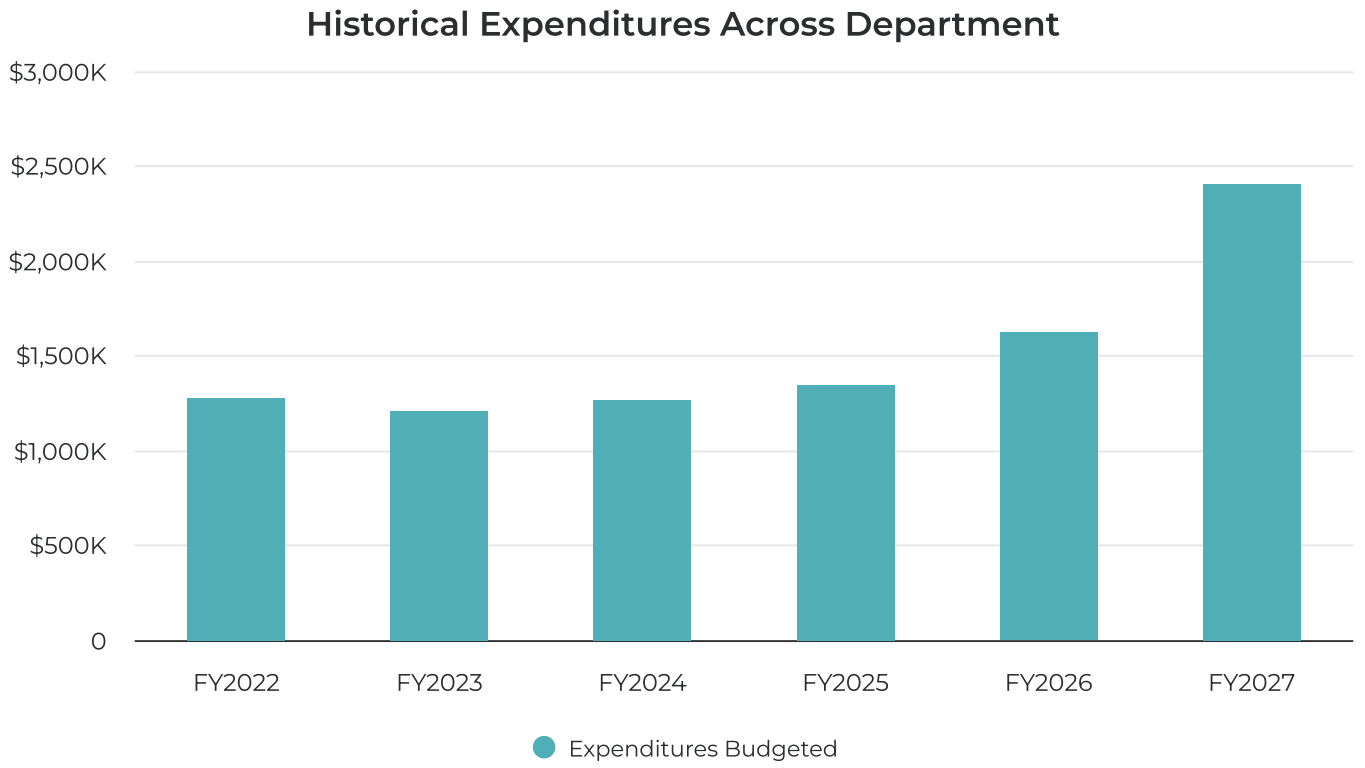
The Yoga Department is headed by the Programs Manager.

Fee-Based Services Department

The Fee-Based Services Department oversees massage and nutrition, including Licensed massage therapists and dieticians with degrees in nutrition.

The Fee-Based Services Department is headed by the Programs Manager

Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$1,257,320.15	$1,555,147.07	23.69%
Program Cost	$59,386.92	$63,261.36	6.52%
Human Resources Cost	$16,296.83	$19,879.78	21.99%
Informations System Expense	$39,588.00	$42,576.00	7.55%
Community Relations Cost	$9,199.92	$19,503.24	111.99%
Facilities Expense	$141,989.88	$151,587.17	6.76%
Professional Services	$95,964.24	$550,131.32	473.27%
Total Expenditures	**$1,619,745.94**	**$2,402,085.94**	**48.30%**

Summary of Goals

Goal #1 Physical & Brain Health

1. Continue to offer a variety of classes and programs for adults in the beach cities which enhance active aging.
2. Continue to provide personal training services by degreed and nationally certified personal trainers.
3. Continue to implement programming with outcome measurements to track improvements in member's health and fitness parameters.
4. Implement a Medical Exercise Training program led by medical exercise specialists and create partnerships with local physicians and health providers

Department Accomplishments

- Signed up 964 new members.
- Completed 6,546 personal and small group training sessions.
- Served 10,610 Pilates, Yoga, Massage and Nutrition clients.

Objectives by the Numbers

Performance Metrics	FY2024-25 Actual	FY2025-26 Actual	FY2026-27 Projected
New Membership	910	964	630
Personal and SmallGroup Training Sessions	6,156	6,546	5,649
Pilates, Yoga, andFee-Based Participants	9,766	10,610	8,911

Rollup: Center for Health and Fitness

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Classes & Group	115,197	87,080	28,117
CHF Membership	772,934	638,291	134,643
One-time Visits & Consults	710,212	598,162	112,050
Balances Due on Account	(6,480)	(6,564)	84
Total Revenue User Fees	**1,591,860**	**1,316,969**	**274,891**
Total Revenue	**1,591,860**	**1,316,969**	**274,891**
EXPENSES			
Salaries - Reg FT	413,195	371,904	41,291
Salaries - Reg PT	628,222	478,824	149,398
Salaries - Instructor (non-benefit)	173,765	120,286	53,479
Cafeteria Plan Contribution	84,642	67,172	17,470
Payroll Taxes	92,641	74,284	18,357
LTD Insurance	2,873	2,487	386
Pension Plan Contribution	159,804	142,366	17,438
Total Payroll Expenses	**1,555,148**	**1,257,319**	**297,829**
COGS - Cost of Goods Sold - non-food	0	0	0
Consumables (food used as supplies)	0	0	0
Office Supplies	2,136	2,460	(324)
Gym/Locker Room Supplies	51,960	49,212	2,748
Program Supplies	6,096	6,600	(504)
Janitorial Supplies	3,072	1,116	1,956
Total Program Costs	**63,264**	**59,388**	**3,876**
Employee Retention & Recognition	156	95	61
Education & Training Seminars	4,176	3,120	1,056
Insurance - Worker's Comp	14,399	11,183	3,216
Recruitment	252	996	(744)
Uniforms	900	900	0
Total Human Resources Expenses	**19,881**	**16,296**	**3,585**

Rollup: Center for Health and Fitness

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
IT Software Expense	42,576	39,588	2,988
Total Information Systems Expenses	**42,576**	**39,588**	**2,988**
Dues & Memberships	1,248	1,248	0
Educational Materials	0	0	0
Postage	312	624	(312)
Printing	156	3,552	(3,396)
Subscriptions	2,628	2,580	48
Business Promotion Allocation	1,200	1,200	0
Total Community Relations	**5,544**	**9,204**	**(3,660)**
Building Maintenance & Repair	1,704	6,000	(4,296)
Equipment/Furniture < $5,000	5,604	504	5,100
Equipment/Lease	437,528	2,340	435,188
Equipment/General Maintenance & Repair	7,224	2,652	4,572
Janitorial Services	130,500	130,500	0
Total Facilities Expenses	**582,560**	**141,984**	**440,576**
Banking Services	44,292	44,292	0
Laundry Services	5,496	4,308	1,188
Outside Services	0	10,920	(10,920)
Outside Services - H&F	74,136	29,760	44,376
Service Contracts	7,704	6,684	1,020
Total Professional Services Expenses	**131,640**	**95,964**	**35,676**
Total Expense	**2,400,598**	**1,619,746**	**780,852**
Cash Income (Loss) Before Cap Ex	**(808,740)**	**(302,777)**	**(505,963)**

Administrative Services



Administrative Services

Under the supervision of Human Resources, Administrative Services strives to assist all BCHD departments in functions of administrative support. Administrative Services coordinates a group of dedicated volunteers to assist in completing support requests from our various departments and provides front-line communications with the public by answering phones, handling walk-ins to ensure community members get the correct information and assistance that is needed. This department oversees District-wide services, such as the coordination of community meeting rooms, janitorial services, office equipment maintenance, emergency planning and coordination. Daily tasks consist of data entry, filing, collating, copying, and assisting with special projects like preparing materials for community events or lesson delivery for participating elementary schools.

Human Resources

Provides services that promote a work environment characterized by equity, open communication, personal accountability, trust, mutual respect, and fun! Human Resources manages benefits and compensation, employee relations, performance management, recruiting and hiring, regulatory compliance, and training programs. Human Resources also oversees internal safety policies, procedures, and guidelines, ensuring safety is the top priority for staff in alignment with best practices and guidance from the Los Angeles County Department of Public Health, CDC, and OSHA. BCHD is proud to have been recognized for our award-winning work culture by receiving national recognition as 'a psychologically healthy workplace' from the American Psychological Association and ranked one of the best places to work by Modern Healthcare, Outside Magazine, and Los Angeles Business Journal.

Volunteer Management

A volunteer corps of typically more than 1,300 people participated in 30 volunteer programs, contributing approximately 28,000 hours of service to the beach cities community. BCHD recognizes volunteering as a community health program; some health benefits include lower rates of depression, and higher rates of life satisfaction while increasing life expectancy. Volunteering provides groups and individuals opportunities to utilize their gifts, talents, and passions throughout the variety of District programming, including:

Volunteering with Youth through our partnerships with beach cities elementary schools to deliver nutrition and garden education or tend to school gardens in preparation for lesson delivery. Volunteers can also be found at Adventure Plex, our fitness center created especially for young people, where kids play their way to good health. allcove Beach Cities a youth wellness center offering mental and physical health resources, education and employment counseling, peer and family support, and substance-use prevention programs – also provides opportunities to volunteer for youth in a youth forward setting.

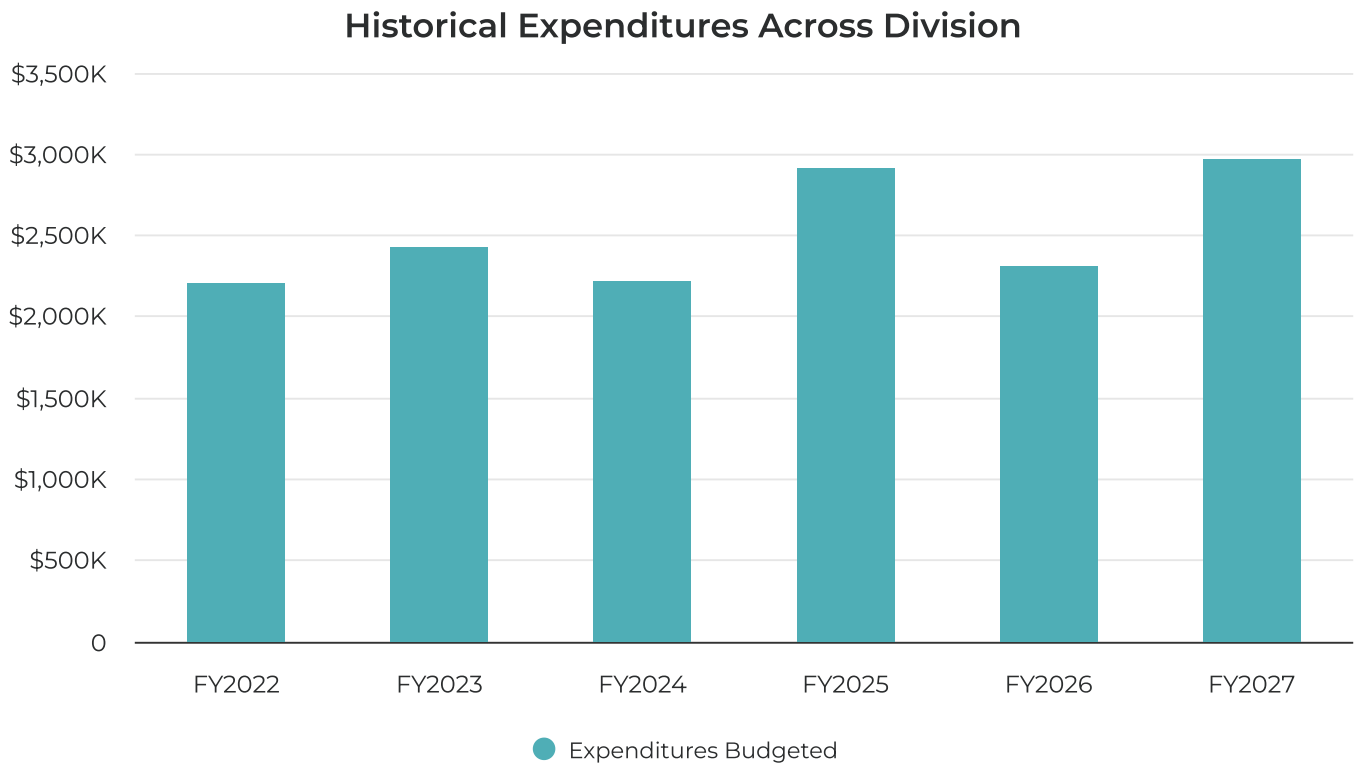
Volunteering with Adults by providing administrative support to departments, staffing front desks, serving o n committees, working on special projects, supporting community events, and even helping recruit and place new volunteers! Volunteers can also be found at the Center for Health & Fitness, providing a warm and welcoming experience to all members and guests.

Volunteering with Seniors by keeping beach cities older adults and adults with disabilities healthy and indep endent in their homes for as safe and as long as possible. Volunteers provide activities such as running errands, providing social visits, coaching seniors through simple exercises for strength and balance training, and conducting structured activities for clients with memory impairment.

Financial Services

Provides support for the general ledger, accounts payable and receivable, payroll, financial reporting, treasury, and leads the annual budget process. By maintaining accounting controls, delivering best practices on budgeting, and implementing the District's commitment to meet the highest standards of governmental budgeting and reporting, the department protects BCHD from audit or accounting control discrepancies. On a monthly basis, Finance provides the management of all departments with a budgetary variance report. In addition, treasury and financial results reports are provided to the CEO, the elected Board of Directors and the community in the monthly Treasurer's Report published in the Board Meeting packets.

Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$1,772,618.92	$1,978,541.71	11.62%
Program Cost	$13,938.00	$14,640.00	5.04%
Human Resources Cost	$63,742.25	$71,095.40	11.54%
Informations System Expense	$19,200.00	$28,020.00	45.94%
Community Relations Cost	$39,900.00	$54,178.00	35.78%
Facilities Expense	$15,116.00	$13,600.00	-10.03%
Professional Services	$249,000.00	$677,978.00	172.28%
Other	$138,911.00	$133,911.00	-3.60%
Total Expenditures	**$2,312,426.17**	**$2,971,964.11**	**28.52%**

Rollup: Administrative Service

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Property Tax	5,694,000	5,456,000	238,000
Interest	660,060	183,900	476,160
Limited Partnership	2,725,000	2,093,133	631,867
Total Revenue Government	**9,079,060**	**7,733,033**	**1,346,027**
Total Revenue	**9,079,060**	**7,733,033**	**1,346,027**
EXPENSES			
Salaries - Reg FT	1,251,458	1,103,333	148,125
Salaries - Reg PT	148,292	128,063	20,229
Cafeteria Plan Contribution	231,685	226,925	4,760
Payroll Taxes	97,476	85,489	11,987
LTD Insurance	3,030	3,029	1
Pension Plan Contribution	241,602	223,286	18,316
Employee Instant award exp	5,000	2,500	2,500
Total Payroll Expenses	**1,978,543**	**1,772,617**	**205,926**
Consumables (food used as supplies)	3,000	3,000	0
Office Supplies	7,940	7,738	202
Janitorial Supplies	2,700	2,700	0
Other Supplies	1,000	500	500
Total Program Costs	**14,640**	**13,938**	**702**
Employee Retention & Recognition	1,416	1,769	(353)
Employee Wellness	27,800	30,400	(2,600)
ADP Payroll Processing Fees	3,000	3,300	(300)
Education & Training Seminars	8,765	6,952	1,813
Insurance - Worker's Comp	9,897	8,746	1,151
Recruitment	2,275	1,130	1,145
Tuition Reimbursement	12,890	7,000	5,890
Employee Travel/Parking	5,050	4,450	600
Total Human Resources Expenses	**71,096**	**63,743**	**7,353**
IT Repair & Maint Parts	200	100	100

Income Statement FY 2026-2027
Rollup: Administrative Service

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
IT Software Expense	27,820	19,100	8,720
Total Information Systems Expenses	**28,020**	**19,200**	**8,820**
Community Outreach	1,500	1,500	0
Dues & Memberships	34,800	21,600	13,200
Educational Materials	250	250	0
Meetings	12,000	10,500	1,500
Postage	4,278	4,700	(422)
Printing	1,200	1,200	0
Subscriptions	150	150	0
Total Community Relations	**54,178**	**39,900**	**14,278**
Equipment/Furniture < $5,000	1,600	1,600	0
Equipment/Lease	12,000	7,440	4,560
Equipment/General Maintenance & Repair	0	6,076	(6,076)
Total Facilities Expenses	**13,600**	**15,116**	**(1,516)**
Accounting Services	40,000	40,000	0
Banking Services	18,000	24,000	(6,000)
Election Services	375,000	0	375,000
Legal Services	204,978	145,000	59,978
Outside Services	33,100	33,600	(500)
Taxes & Licensing	6,900	6,400	500
Total Professional Services Expenses	**677,978**	**249,000**	**428,978**
Interest Expense	21,600	21,600	0
Insurance - General	112,311	117,311	(5,000)
Total Other Expenses	**133,911**	**138,911**	**(5,000)**
Total Expense	**2,971,964**	**2,312,427**	**659,537**
Cash Income (Loss) Before Cap Ex	**6,107,096**	**5,420,606**	**686,490**

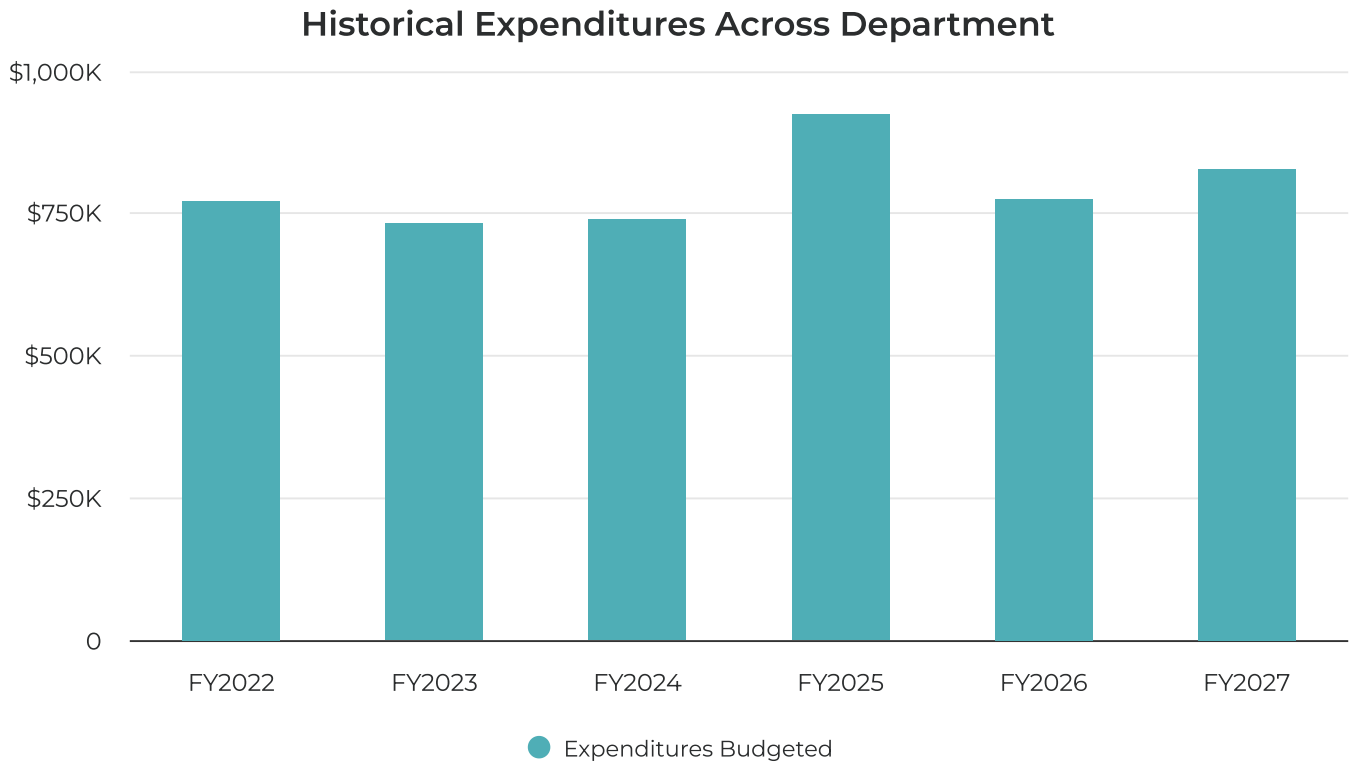
Finance

Finance is comprised of the following sub-departments:

1. Accounting
2. Financial Reporting
3. Treasury
4. Budget & Audit



Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$615,806.64	$660,737.55	7.30%
Program Cost	$3,240.00	$3,240.00	-
Human Resources Cost	$7,288.98	$10,744.75	47.41%
Informations System Expense	$19,100.00	$27,820.00	45.65%
Community Relations Cost	$6,200.00	$7,200.00	16.13%
Facilities Expense	$1,600.00	$1,600.00	-
Professional Services	$102,100.00	$96,600.00	-5.39%
Other	$21,600.00	$21,600.00	-
Total Expenditures	**$776,935.62**	**$829,542.30**	**6.77%**

Summary of Goals

Goal #1-Transparancy
Objective C.1-

- Provide all program managers, department heads, CEO and Board of Directors the monthly budget-to-actual variance reports and analysis.
- Direct preparation of all financial reporting, including the annual operating budget and Annual Comprehensive Financial Report. Prepare the Adopted Budget document by September each year for submission to the GFOA and awards program.
- Prepare the Annual Comprehensive Financial Report by December each year for submission to the GFOA Award program.
- Prepare and submit annually to the State Controller the Financial Transactions Report and the Government Compensation Report. Monthly reporting, accounting and controls for Capital expenditures.
- Cash flow and investment portfolio management.
- Grant management.
- Coordinate annual audit of the District and special audits of Federal, State, and LA City funds.
- Process payroll and employee benefits bi-weekly.
- CalPERS (Pension and OPEB) administration. 457(b) Deferred Compensation Plan Administration.
- Contract and risk management.
- Build automations and efficiencies. Maintain compliance.
- Manage public records requests.

Department Accomplishments

- Produced FY25-26 annual budget report and submitted to CSMFO and Government Finance Officers Association (GFOA) for an award.
- Received the 7th consecutive Distinguished Budget Presentation Award; (1st submission was in 2019) from GFOA and the 7th excellence award from CSMFO.
- Produced the annual operations budget for FY26-27 and Priority-Based Budget for FY 2026-27 using Resource-X Software in conjunction with Prospero Budgeting Software.
- Completed FY24-25 independent audit, an unqualified opinion is issued with no findings.
- Produced FY24-25 Annual Comprehensive Financial Report and received an award from the Government Finance Officers Association.
- Automated payroll data upload to CalPERS.

Objectives by the Numbers

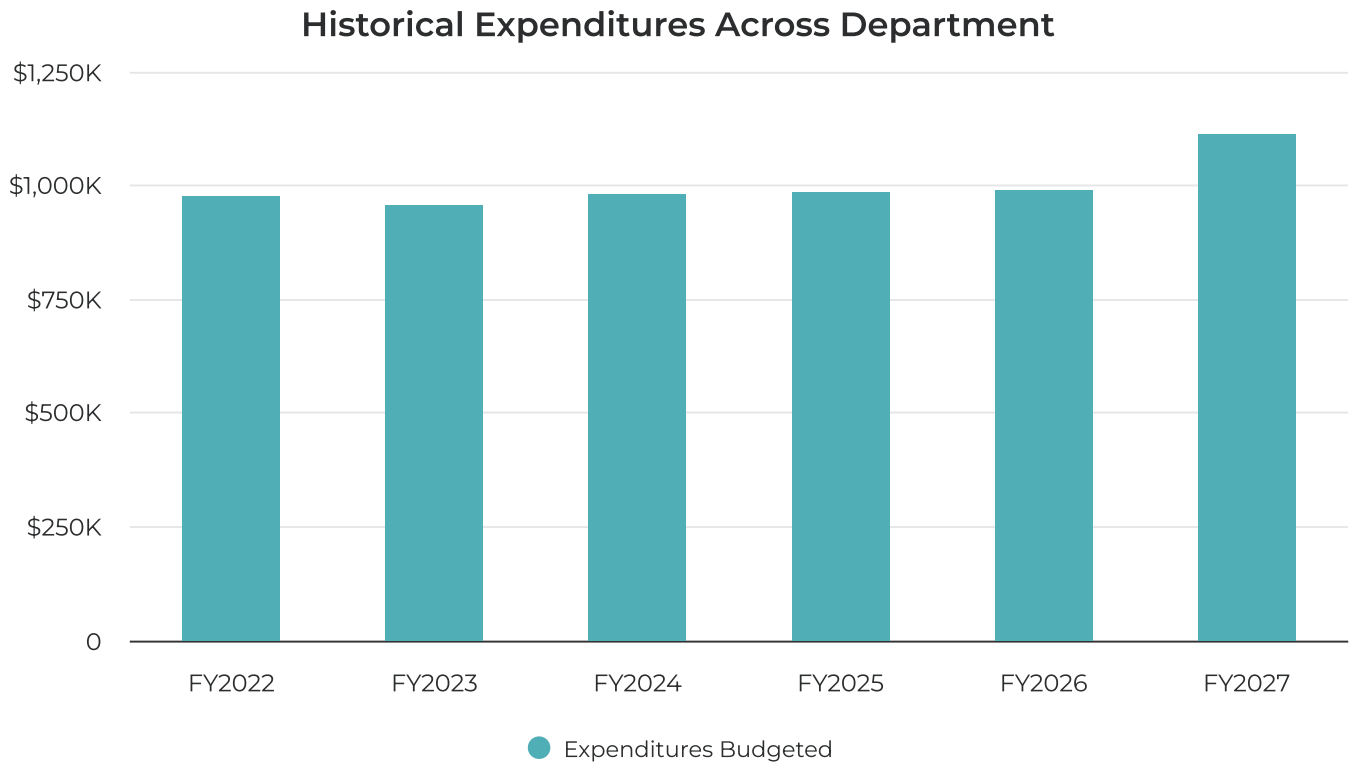
Performance Measures	FY2024-25 Actual	FY2025-26 Actual	FY2026-27 Projected
Produce an Annual Comprehensive Financial Report and submit it to the GFOA award program. Receive a Certificate of Achievement for Excellence in Financial Reporting Program (COA).	Produced ACFR and submitted it for the GFOA award. Received a Certificate of Achievement for excellence for 8th consecutive years.	Award submittal.	Award submittal.
Produce a budget, submit it for peer review. Received recognition for the CA Society of Municipal Finance Officers (CSMFO) Operating Budget Excellence Award.	Produced a budget and submitted it for peer review and CSMFO award. Received the 6th Excellence Award after receiving Meritorious Budgeting awards for 12 consecutives years.	Produced a budget and submitted it for peer review and CSMFO award. Received the 7th Excellence Award after receiving Meritorious Budgeting awards for 13 consecutive years.	Award submittal.
Submit budget to the Government Finance Officers Association for peer review, receive recognition for the Operating Budget Award.	Applied for and received the Distinguished Budget Presentation Award for the 6th time.	Applied for and received the Distinguished Budget Presentation Award for the 7th time.	Award submittal.
Complete an independent audit and with an unqualified opinion.	Audit Completes. Unqualified audit Opinion was issued with no findings.	Unqualified audit Opinion is anticipated	Unqualified audit Opinion is anticipated
Automation to enhance finance department efficiencies.	Fully implemented Clear-Gov budget Software makes the production of the budget more efficient.	Created an efficient workflow for Section 501(c)(3) Beach cities Health Foundation.	In collaboration with P&I Department, review Grant financial reporting process and tools to improve efficiencies in grant reporting.
Compliance	Implemented HIPAA and finalized procedures for HIPAA.	Created policies and procedures to formalize IT controls that protect the District's financial data and information.	Review debt compliance to ensure the District meets all contractual, regulatory, and financial obligations tied to its new borrowings.
Payroll and Benefits	Implemented 457B plan with Lincoln Financial. Set up vendor connect between ADP And Lincoln Financial.	Implemented automated payroll data upload to CalPERS portal.	Implement timecard signatures in ADP for timely grant reporting.

Human Resources, Volunteer, and Administrative Services

The Human Resources department develops and executes human resource strategy in support of the overall business plan and strategic direction of the District, specifically in the areas of talent management (employees and volunteers), diversity, equity and inclusion, workforce planning, organizational and systems alignment, executive coaching, training and development, change management, emergency management, risk management, compensation, benefits, Administrative Services, and HR transactional functions.



Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$859,554.23	$954,511.30	11.05%
Program Cost	$12,825.00	$13,525.00	5.46%
Human Resources Cost	$59,807.15	$69,432.62	16.09%
Informations System Expense	$2,020.00	$2,120.00	4.95%
Community Relations Cost	$19,535.00	$22,903.00	17.24%
Facilities Expense	$13,516.00	$12,000.00	-11.22%
Professional Services	$9,400.00	$28,900.00	207.45%
Other	$1,760.00	$1,361.00	-22.67%
Funds and Grant Expense	$10,000.00	$10,000.00	-
Total Expenditures	**$988,417.38**	**$1,114,752.92**	**12.78%**

Summary of Goals

Goal # 1 — Human Resources

Execute a recruitment strategy that focuses on hiring the best fit for positions with an emphasis on internal promotion wherever possible. Assess BCHD employee engagement through a holistic approach (e.g., surveys, task force) to effectively measure employee engagement in a collaborative and meaningful process for all employees.
Execute HIPAA rollout for applicable programs (e.g., care management, Center for Healt h & Fitness) Submit application for and achieve awards that recognize BCHD's organizational culture.
Maximize efficiencies for support by centralizing requests for Human Resources services and executing departm ental help requests.

Goal #2 — Volunteer Services

Coordinate the following volunteer programming:

- allcove Beach Cities Volunteer Programs
- AdventurePlex Volunteer Programs
- Blue Zones Project Volunteer Programs
- Center for Health & Fitness Volunteer Programs
- Community Services Volunteer Programs
- Health Promotion / Communications Volunteer Programs
- Volunteer Support Programs
- Well Being Services Volunteer Programs

Fundraise and execute the Holiday Gift Bag program to deliver holiday gift bags and grocery gift cards to identified care management clients during the month of December.
Host BCHD Beach Cities Volunteer Day to engage local partners and individuals in preparing LiveWell Kids garde ns for upcoming school programming.
Structure volunteer programming as a community health program, so volunteers who engage in more than 100 hours of service each year derive the highest amount of health benefits from volunteering.
Offer volunteer opportunities that provide service delivery or capacity building in a scalable and cost-effective manner to support the District's overall strategic plan.

Increase the District's capacity to offer programs and services through a robust internship program.

Goal #3- Administrative Services

Ensure BCHD facilities and operations are in compliance with all safety measures and protocols as well as completing requests for safety assistance and needs from the Safety Committee
Continue collaboration with beach cities emergency coordinators and Area G emergency response representatives to align emergency plans and support during a local disaster.
Ensure BCHD Emergency Operations Plan is reviewed annually and updated to meet current and future needs of the District. Maximize efficiencies for support by centralizing requests for Administrative Services and executing departmental help requests.

Department Accomplishments

Human Resources:

- Completed a District-wide compensation study. Implemented staff promotions / reclassification / salary adjustments per recommendations of the study and effective FY25-26.
- Hired 34 new employees in FY25-26, with 78% of open professional positions filled by internal candidates.
- Completed FY25-26performance appraisal process and 6-month performance goals.
- Coordinated Open Enrollment, including café dollar increase recommendation.
- Conducted BCHD's annual employee engagement survey that also analyzed findings and implemented recommendations. Engagement score was 84.3% for 2025.
- Hosted annual HIPAA refresher training for applicable staff.
- Awarded the #2 Ranking on Modern Healthcare's Best Places to Work in Healthcare for 2025, which recognizes outstanding employers in the healthcare industry on a national level. Also ranked second in the family-friendliest workplace. This is the fourteenth consecutive year the District has received this recognition.
- Responded to 416 help desk ticket requests from staff for support (e.g., benefits, recruitment, employee changes, leaves of absence).

Volunteer Services:

- Coordinated 1,365 volunteers (including 33 families and 13 community partner organizations) that donated 28,791 hours of service, equating to a monetary value of $1,202,046.
- Provided 118 older adult care management clients support through Brain Buddies, Conversation Companions, and Errand Volunteer programs.
- Hosted Beach Cities Volunteer Day in support of the LiveWell Kids Garden Program at 13 Redondo Beach and Hermosa Beach elementary schools, where 126 volunteers and 14 organizations showed up to prepare school gardens for the coming school year.
- Hosted 27th annual Holiday Gift Bag Project where 211 seniors received gift bags delivered by 130 107 community members
- $11,549 was fundraised from 78 donors.
- 52 volunteers achieved, reaching over 100 hours of service during FY25-26.
- Launched the "We Love Our Volunteers" campaign during National Volunteer Appreciation Week with a newsletter e-blast and daily social media posts highlighting volunteers and their contributions made to the beach cities community and hosted an in-person social hour with the community and volunteers.
- Placed 22 interns across Community Services, Communications, Center for Health & Fitness, Well Being Services, allcove Beach Cities, Youth Services and Human Resources.
- Conducted the Volunteer Engagement Survey to assess and benchmark the overall volunteer experience at BCHD, including:
- 88% of volunteers surveyed agreed with the statement: "Overall, volunteering has impacted my health and well-being for the better."

- 93% of volunteers surveyed agreed with the statement: "My volunteer assignment makes an impact on BCHD's vision of a healthy beach community."
- Hosted the annual Volunteer Recognition Brunch to honor the achievements of BCHD volunteers, spotlighting Core Value award winners for above-and-beyond commitment to their community.

Administrative Services:

- Hosted annual Workplace Violence prevention training for all staff.
- Conducted annual Disaster Service Worker refresher training for all staff.
- Updated BCHD Injury & Illness Prevention Program and added to the employee HRIS software and the Employee Dashboard.
- Hosted quarterly Safety Committee meetings where safety policies and procedures are annually reviewed and updated (e.g., evacuation plans, active shooter protocols, safety inspection forms), first aid kits and emergency supplies replenished, and incident logs reviewed.
- Coordinated BCHD's participation in the Great Shakeout Earthquake Drill where employees practiced what to do during an earthquake and evacuation procedures and reminded them to conduct an annual review of their personal emergency plans and kits.
- Completed 397 help desk ticket requests from staff for administrative support (e.g., event preparation, phone calls, printing / copying).
-



Objectives by the Numbers

Performance Metrics	FY2024-25 Actual	FY2025-26 Actual	FY 2026-2027 Projected
Execute a recruitment strategy that focuses on hiring the best fit.	Hired 19 total employees	Hired 34 total employees	Based on Need
Access BCHD employee engagement through a holistic approach.	85.6 out of 100 (national average=31)	84.3 out of 100	Greater than 80
Turnover rate	5.5% with Avg tenure being 11.71 years	10.5% with avg. tenure being 9.22 years	Below industry standard (around 20%)
Submit application for awards that recognize BCHD's organizational culture.	Best Places to Work in Modern Healthcare for 13th time. Exact Ranking will be announced in October 2025.	Ranked second for family-friendliest workplace by Modern Healthcare's Best Places to work. Exact ranking on the list will be issued at a later date.	In the Top 10 on Modern Healthcare's Best places to Work.
Structure Volunteer Programming as a Community Health Program, so volunteers derive the highest amount of health benefits.	88% of volunteers Surveyed agree volunteering has impacted their health for the better.	93% of volunteers surveyed agree volunteering has impacted their health for the better.	90% of volunteers agree their health has been impacted for the better.
Number of Volunteers in our programs	52 volunteers reached over 100 hours of service.	53 volunteers reached over 100 hours of service.	Above 50 volunteers are reaching over 100 hours of volunteer service.
Length of volunteer service with Beach Cities Health District	2.65 average length of volunteer service	2.96 average length of volunteer service	More than 3 years average length of volunteer service.

Offer volunteer opportunities that provide service delivery or capacity building in a scalable and cost-effective manner to support the District's overall strategic plan.	1,275 volunteers, 31,763 hours of service, $1,274,972 equivalent of donated time. 31 families engaged in volunteer service. 19 Community Partners engaged in service.	1,365 volunteers, 28,791 hours of service, $1,202,046 equivalent of donated time. 33 families engaged in volunteer service. 13 Community Partners engaged in service.	1,400 volunteers, 29,000 hours of service, $1,250,000 equivalent of donated time. 30 families engaged in volunteer service. 20 Community Partners engaged in service.
Increase District's capacity to offer programs and services through a robust internship program	24 Interns contributed 4,639 hours to BCHD programs.	22 Interns contributed 4,231 hours to BCHD programs.	20 Interns contributed 4,100 hours to BCHD programs.
Maximize efficiencies for support by centralizing requests for services	Help Desk requests =408 Admin Services requests=370	Help Desk requests =416 Admin Services requests=397	Dependent on need
Ensure BCHD facilities follow all safety measures and protocols.	Workers Compensation Ex Mod factor=1.17	Workers Compensation Ex Mod factor=1.70	Workers Compensation Ex Mod factor=1.50

Property



Managed by a project consulting team (Project Team), consisting of the Beac h Cities Health District (BCHD) CFO, CBRE-commercial real estate services, BCHD Administration Department, and support from onsite property management firm overseeing the 510, 512, 514 and 520 Norther Prospect Avenue, Redondo Beach, CA buildings and Adventure Plex in Manhattan Beach, CA. This Project Team is responsible for the various BCHD properties to ensure that building standards are maintained for safety, comfort, and operating requirements.

The BCHD CFO and CBRE-commercial real estate services also manage the District Property development projects, the Healthy Living Campus (HLC) and the construction of the permanent allcove Beach Cities Youth Wellness Center in coordination with the BCHD CEO and CFO.

Summary of Goals

- Oversight of 514 Prospect Avenue campus, which is managed by Charles Dunn Real Estate.
- Lease management, approximately $3.0 million of District funding.
- Manage off-campus District properties. Complete the annual Capital Budget.
- Execute the District Capital Projects.

Department Accomplishments

514 Property Parking Improvements

BCHD completed the refurbishment of surface parking areas at 514 Property. BCHD staff prioritize areas that will not be impacted by future development planned for the property and areas in need of new paving. The scope included adding a new “slurry seal” coat over existing asphalt paving, repairing the asphalt as needed and providing new striping and painted graphics for the parking and traffic areas. BCHD Team organized a multiphase process to add the protective slurry coating to existing parking and roadways throughout the 514 properties to minimize disruption to operations and the public access roads.





Cooling Tower Refurbishment

The only cooling tower at central plant has been showing signs of wear from decades of use. An action plan was implemented to refurbish the interiors and repair/replace key components of the cooling tower to keep it reliable and operational. Scope included a new Pump #2 motor, float assembly, and internal torque cylinder inside cell “B”, The work was coordinated to always keep one “cell” in operation for cooling of 514 Building





Piping Repairs in Tunnel

Extensive piping repairs were completed at the service tunnel. Medium pressure steam/condensate was leaking near perimeter wall and other areas. A new pressure-reducing valve was also added to the system and other piping repairs / replacements were complete during the past year.

Supply Fan #3 Repairs

Large Supply Fan #3 which provides air flow for a large area of 514 north wing required extensive repairs. Fan Motor was removed and rebuilt; new pully and bearings were installed. Air handler

514 Roof Repairs

Targeted roof repairs to 514 Building were complete. Area of new roofing include roof over 2nd Floor Fitness Center and high roof over Silverado. These areas were identified as sources of ongoing water intrusion issues during heavy rain.

Chilled Water Piping System

Chilled water loop piping that feeds air handlers throughout building with cooling water was flushed and cleaned this month. This will result in added energy efficiency and prolong the life of the piping and chilled water pumps.







Objectives by the Numbers

Mechanical (HVAC)

- Investigation and troubleshooting of existing heat exchanger was completed by mechanic team.
- Steam regulator leak was repaired.
- New Valve and gaskets for Boiler #4 were installed.
- ASCO solenoid valve was replaced on Boiler #4
- Piping repairs were completed for connection between Boiler #2 and Boiler #3.
- Chiller air relief valve was repaired.
- Air grills were replaced at 520 parking levels (P1 & P2).
- Hot water supply turbine was inspected, repaired, cleaned and retuned back to service.
- Mechanical piping was repaired at Air Handler/Supply Fan #3.
- Circulation pump at hot water co-gen turbines was also replaced.
- Isolation board at Chiller #2 was replaced
- Primary feed piping to Boiler 2 was replaced.
- Fan motor and pulley for large exhaust fan was replaced
- Troubleshooting & repairs for a Chilled water pipe leak was completed
- Troubleshooting and repairs were needed for chiller control system, including adding a new isolation board at Chiller #2
- Piping was repaired at Boilers #2 and #4. Boiler #4 also required other minor repairs.
- Building Management system (BMS) controls needed troubleshooting and repairs due to communication/sensor failure at cooling tower

- Supply fan #8 was repaired - failed pulley & bushing was replaced
- Actuator and valve for Boiler #2 was replace to resolve a potential gas leak.

Plumbing Major Repairs

- Leaking drain line, small copper water line and galvanized vent line were all replaced.
- Small oil and separator tank was replaced
- Sewer leak at Shakespeare, Surgery, and SSL staff restroom was inspected and repaired.
- Cast iron pipe at 2nd floor Fitness Center was replaced.
- Plumbing repairs were also completed at basement and ground floor areas.
- Central plant and 3rd floor strainers were replaced.
- Main circulating pump and motor was rebuilt
- Piping repairs were completed at engineering maintenance room,
- Leaks were repaired at multiple locations for hot water system near boilers.
- A water leak at basement was also inspected and repaired.
- A sewer back-up was also fixed at the 1st floor
- Heat exchanger connection was repaired.
- Water leak was repaired at 2nd floor yoga room restroom
- Piping was repaired/replaced at 2nd floor CHF ceiling.

- **Other Improvements**
- Occupancy signs were added to property
- Beehive was removed from north roof.
- Elevator controls were repaired at 2nd floor.
- Irrigation sprinklers were repaired.
- South Coast Air Quality Management District (AQMD) re-issued the permits for BCHD to continue operating gas burning Emergency Generator and Boilers.
- Fire door (Won Door) was repaired
- Automatic Fire Door (Won Door) at 3rd floor was repaired.
- Surgery Center suite door was replaced.
- Parking structure stairwell door was replaced.
- Annual window cleaning was completed
- Toilet was repaired at UCLA suite.
- Water damage repairs to interiors caused by previous roof leak were completed.
- Repairs were completed for various locks and door hardware and for automatic closing for door
-

514 N. Prospect Major Capital Improvements

- Replace Domestic Hot Water System for 514 Building (North Wing)
- Paving Refurbishments (Parking & Roadways) – 514 Property
- Cooling Tower Refurbishment /Major Repairs
- Piping Replacements – Service Tunnel & Basement
- Supply Fan #3 – New 30 HP Motor .
- New Pressure Reducing Valve
- 514 Targeted Roofing Repairs

Performance Metrics	FY2024-25 Actual	FY2025-26 Actual	FY2026-27 Projected
SQ FT Managed	246,000	246,000	246,000
Lease Revenue (prior GASB 87)	$4,824,000	$4,289,000	$3,085,000
Capital Expenditures (Net)	$1,073,000	$2,100,000	$5,930,000

Rollup: Property

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Lease	3,085,093	4,077,701	(992,608)
Interest	10,630	12,665	(2,035)
Total Revenue Government	**3,095,725**	**4,090,367**	**(994,642)**
Total Revenue	**3,095,725**	**4,090,367**	**(994,642)**
EXPENSES			
Salaries - Reg FT	136,552	125,696	10,856
Cafeteria Plan Contribution	11,714	10,996	718
Payroll Taxes	8,690	9,619	(929)
LTD Insurance	196	196	0
Pension Plan Contribution	17,029	19,251	(2,222)
Total Payroll Expenses	**174,182**	**165,749**	**8,433**
Janitorial Supplies	6,000	6,000	0
Other Supplies	250	0	250
Total Program Costs	**6,250**	**6,000**	**250**
Insurance - Worker's Comp	637	562	75
Total Human Resources Expenses	**637**	**562**	**75**
Meetings	500	0	500
Total Community Relations	**500**	**0**	**500**
Building Maintenance & Repair	174,317	211,317	(37,000)
Equipment/Furniture < $5,000	11,000	17,000	(6,000)
Equipment/Lease	75,276	74,022	1,254
Equipment/General Maintenance & Repair	136,172	141,516	(5,344)
Landscape Maintenance	92,162	93,954	(1,792)
Electricity	481,200	478,800	2,400
Gas	204,000	204,000	0
Water	139,300	163,300	(24,000)
Waste Removal	30,708	30,000	708
Telephone	7,200	7,200	0
Janitorial Services	138,114	135,144	2,970

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Total Facilities Expenses	**1,489,449**	**1,556,253**	**(66,804)**

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Banking Services	300	300	0
Outside Services	84,647	43,320	41,327
Outside Services - Property	108,000	105,000	3,000
Engineering/Maintenance Services	468,570	479,036	(10,466)
Service Contracts	5,652	23,480	(17,828)
Taxes & Licensing	10,730	10,230	500
Total Professional Services Expenses	**677,887**	**661,366**	**16,521**
Prospect South Bay	60,000	78,000	(18,000)
Insurance - General	107,320	285,039	(177,719)
Total Other Expenses	**167,320**	**363,039**	**(195,719)**
Total Expense	**2,516,233**	**2,752,974**	**(236,741)**
Cash Income (Loss) Before Cap Ex	**579,490**	**1,337,390**	**(757,900)**

Support and Other Program Services

Executive. The CEO and administrative staff provide leadership and guidance to help departments and staff maintain BCHD's mission, vision, and goals. Centralized administrative services support all District staff.

Partnerships and Innovation (P&I). Identifies, incubates and implements opportunities for innovation across the District, including funding models, healthcare system integration, public policy and technology and data applications through a public health framework. Our Partnerships & Innovation team engages with community stakeholders, corporate partners, and local, state and federal elected officials to build productive partnerships and identify opportunities for collaboration and financial sustainability. The P&I team also leads the efforts of Beach Cities Health Foundation and its charitable giving strategy.

Health Promotions and Communications. This department provides all aspects of communications to District staff and Board members. The Communications Department ensures that Beach Cities Health District's Programs and Services are represented in a manner that conveys our preventive health mission to the community we serve. The Department handles health promotion, media relations, graphic design, copywriting, copyediting, marketing communications, social media, promotions, partnerships, advertising, branding, creative content – including videos – for internal and external web sites, critical communications, and publishing of the District's LiveWell magazine and annual report. The Department oversees the District's community relations involvement with local business and service organizations and through participation in community events and fairs.

Information Technology (IT) maintains BCHD's computers, telecommunications, business application software, and network connections by supporting staff, configuring devices, troubleshooting problems, and providing long-term strategic planning. With Cyber Security in the forefront of daily operations, the District's IT Department is finalizing the transition into a Cloud network that allows for better, faster, and more secure IT platforms to ensure improved operating efficiency, HIPAA compliance and improved Cyber Security. IT together with HR manages Artificial Intelligence (AI) by setting up policies and procedures for the District's staff.



Support Services

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Donations	10,000	10,000	0
Total Revenue Government	**10,000**	**10,000**	**0**
Total Revenue	**10,000**	**10,000**	**0**
EXPENSES			
Salaries - Reg FT	1,521,910	1,367,600	154,310
Salaries - Reg PT	122,971	92,832	30,139
Cafeteria Plan Contribution	207,539	192,947	14,592
Payroll Taxes	123,244	110,980	12,264
LTD Insurance	3,818	3,768	50
Pension Plan Contribution	246,626	228,337	18,289
Total Payroll Expenses	**2,226,113**	**1,996,464**	**229,649**
Consumables (food used as supplies)	1,400	1,400	0
Office Supplies	900	400	500
Program Supplies	7,875	7,375	500
Total Program Costs	**10,175**	**9,175**	**1,000**
Employee Retention & Recognition	680	720	(40)
Education & Training Seminars	3,300	1,300	2,000
Insurance - Worker's Comp	14,173	12,350	1,823
Recruitment	9,996	7,450	2,546
Uniforms	2,000	2,000	0
Employee Travel/Parking	2,850	2,850	0
Total Human Resources Expenses	**32,999**	**26,667**	**6,332**
IT/ Hardware/Electronics	996	1,000	(4)
IT Repair & Maint Parts	1,500	1,500	0
IT Website / Internet Equipment	0	0	0
IT Software Expense	153,091	191,657	(38,566)
Total Information Systems Expenses	**155,590**	**194,157**	**(38,567)**
Advertising	54,000	54,000	0

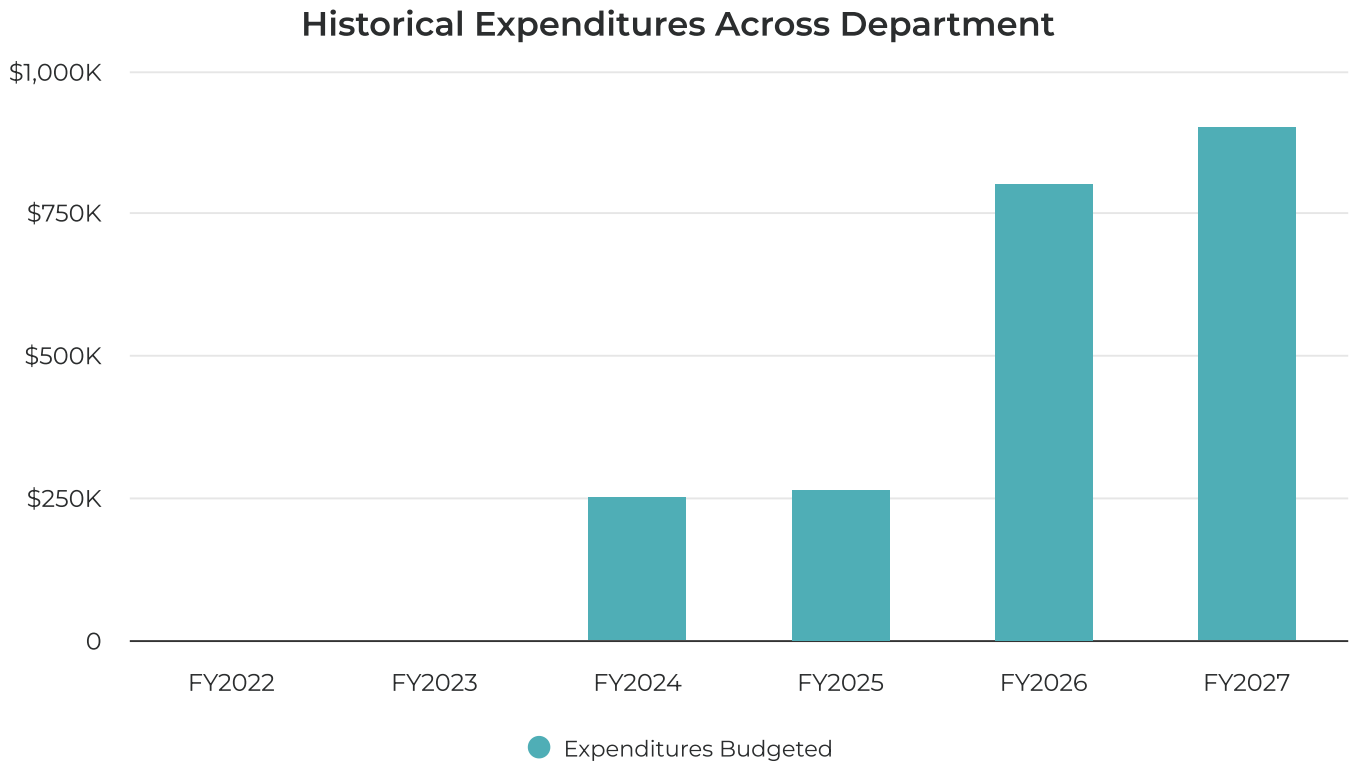
	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Community Outreach	36,050	30,050	6,000
Internet / Intranet / Website	32,580	32,580	0
Dues & Memberships	2,275	2,485	(210)
Mailing Services	0	0	0
Management of Volunteers	12,500	12,500	0
Meetings	3,376	876	2,500
Postage	650	150	500
Printing	36,326	46,500	(10,174)
Promotional Items/Materials	17,062	17,062	0
Subscriptions	3,300	2,468	832
Total Community Relations	**198,119**	**198,671**	**(552)**
Equipment/Furniture < $5,000	0	0	0
Telephone	101,940	100,936	1,004
Total Facilities Expenses	**101,940**	**100,936**	**1,004**
Legal Services	500	500	0
Outside Services	403,596	373,131	30,465
Service Contracts	24,312	21,300	3,012
Total Professional Services Expenses	**428,398**	**394,931**	**33,467**
Insurance - General	14,848	13,100	1,748
Total Other Expenses	**14,848**	**13,100**	**1,748**
Holiday Assistance	10,000	10,000	0
Total Funds & Grants Expenses	**10,000**	**10,000**	**0**
Total Expense	**3,178,186**	**2,944,103**	**234,083**
Cash Income (Loss) Before Cap Ex	**(3,168,186)**	**(2,934,103)**	**(234,083)**

Partnerships and Innovation

1. Consolidate BCHD's grant writing, fundraising, innovation and partnership opportunities to maximize revenue ge neration.
2. Pursue business development opportunities, including specific risk-sharing or payment models that will compensate BCHD to support existing infrastructure and programs that are dedicated to enhancing access to behavioral health services.
3. Pursue potential grant opportunities to seek funding for innovation or current BCHD programming.
4. Ensure sustainability of grant-
   funded innovation with continuing business strategies to secure ongoing funding or to generate new revenue.
5. Implement charitable giving strategy through Beach Cities Health Foundation.



Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$721,184.40	$791,324.57	9.73%
Program Cost	-	$9,032.16	-
Human Resources Cost	$7,645.88	$8,744.67	14.37%
Community Relations Cost	$2,668.33	$21,887.15	720.26%
Professional Services	$71,280.00	$71,280.00	-
Total Expenditures	**$802,778.61**	**$902,268.55**	**12.39%**

Summary of Goals

Goal #1 — Programs & Services - Promote and provide health and wellness services based on the evolving needs of the community.

Objective A.5 – Physical Health

- Deliver Blue Zones Project programs, including Blue Zones Approved Restaurant/Grocery stores and moais. Engage and garner support from volunteer committees and continue relationship building with Blue Zones partners through promotion, events and engagement

Goal #2- People and Partnerships - Strengthen BCHD's and its partners' ability to drive individual and community health.

OBJECTIVE B.4 - Serve as a leader, convener, and backbone organization by cultivating strategic partnerships and managing strong relationships to collaboratively address community health priorities.

- Facilitate collaborative meetings, activities and partnerships with local, regional and state partners

Goal #3 – Awareness - Further BCHD as a trusted and essential community institution.

OBJECTIVE C.1 - Demonstrate an ongoing commitment to transparency and good governance by actively participating in government and special district transparency efforts.

- Provide policy subject matter expertise on local policy issues in the Beach Cities. Monitor and respond to state legislative activities pertinent to the District. Coordinate with contract lobbyists to advance the District's legislative priorities

Goal #4: Physical Assets, Infrastructure & Financials – Leverage resources to enhance resources and improve efficiency

OBJECTIVE D.3 - Increase revenue-generating opportunities to support BCHD's operational and capital needs.

- Determine best use of Beach Cities Health Foundation and implement strategies to receive monetary and non-monetary gifts
- Develop charitable giving strategy and integrate into BCHD operations
- Pursue potential grant opportunities to seek funding for current and future BCHD operational and capital needs
- Identify and integrate medical reimbursement systems into BCHD operations

OBJECTIVE D.4 - Continue to invest in innovation (e.g., sustainability, efficiency, technology) to protect and enhance District assets.

- Explore, identify and integrate innovative initiatives to address evolving public health needs as well as emerging technologies, tools and data analytics solutions to enhance service delivery and health outcomes

Department Accomplishments

- Beach Cities Health Foundation (BCHF) officially received 501(c)(3) status from IRS
- BCHD raised more than $102,000 through donations including with 386 supporters
- Executed Master Agreements with Los Angeles County for Community Services Block Grant Program Services and Justice Support Services
- Selected as an Envirotokens partner with Lazy Acres to receive community donations
- Awarded $4.5 million grant for allcove Beach Cities services through Los Angeles County Department of Mental Health
- Awarded $160,000 from the Los Angeles County Department of Public Social Services for care management services
- Applied to 21 grants and was awarded $5,128,577 in funding
- BCHD approved as a Medi-Cal provider
- Executed agreement with Department of Health Care Services to participate in the Children and Youth Behavioral Health Initiative (CYBHI) Fee Schedule Program
- Started submitting reimbursement claims for allcove services to the CYBHI Fee Schedule Program.

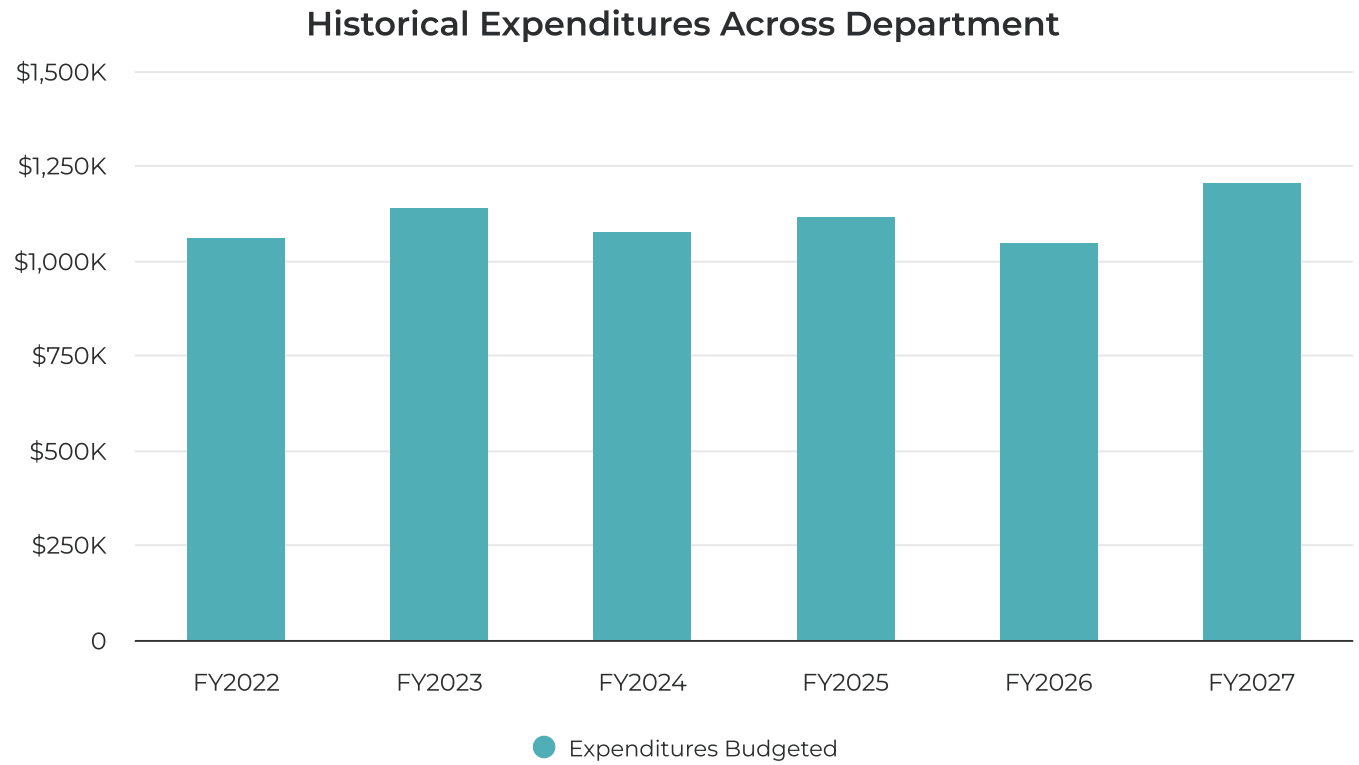
Objectives by the Numbers

Performance Metrics	FY2024-25 Actual	FY2025-26 Actual	FY 2026-2027 Projected
Grant Applications Completed	4	21	15
Revenue Generated	$617,498	$5,128,577	$3,000,000
Foundation Donations	N/A	$102,567	$200,000
Donors	N/A	386	400

Health Promotions



Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$761,432.70	$922,539.32	21.16%
Program Cost	$5,550.00	$5,550.00	-
Human Resources Cost	$4,639.32	$5,423.79	16.91%
Informations System Expense	$4,800.00	$4,800.00	-
Community Relations Cost	$180,692.00	$171,018.00	-5.35%
Professional Services	$86,601.00	$93,600.00	8.08%
Total Expenditures	**$1,043,715.02**	**$1,202,931.11**	**15.25%**

Summary of Goals

- **District Goal A: Programs & Services**
  - **Objective A.1.2** Physical Health Objectives
    - **Program Goal**
      1. Host Free Fitness Series

- **District Goal C: Transparency —** Further the District's standing as a trusted and valued community resource
  - **Objective C.2** Strengthen community awareness and engagement by developing and implementing a proactive outreach plan to deepen the community's understanding of what BCHD is, how programs and services are benefiting residents, and how the Health District's funding model and real estate holdings impact programs and services.
    - **Program Goals**
      1. Educate and engage residents around preventive health and deepen the community's awareness and understanding of BCHD's mission and how the programs and services provided are benefiting residents.
      2. Represent BCHD at community events to build and maintain relationships.
      3. Provide health promotion and communication support for BCHD's programs and services.

Make accessing information and resources on bchd.org easy and intuitive.

Department Accomplishments

- Hosted Free Fitness Series in Hermosa Beach (4 yoga classes), Manhattan Beach (4 yoga classes) and Redondo Beach (4 Zumba classes).
- Attended or promoted 287 BCHD, allcove and Community Events
- Health Promotions and Communications promoted and produced BCHD's presence at the Manhattan Beach Hometown Fair in October, the Redondo Beach Chamber's Super Bowl 10K & Health Expo in February, the Hermosa Beach St. Patrick's Day Parade in March, and Congressman Ted Lieu's "Medicaid Day of Action" event in March, plus numerous other community events.
- Promoted and hosted two Strategic Development Half-Day events.
- Redesigned and launched the new BCHD.org, consolidating four separate sites into one cohesive, accessible digital platform. The site unifies all facilities under the BCHD brand, with improved navigation, search, a streamlined events calendar, and integrated chat functionality.

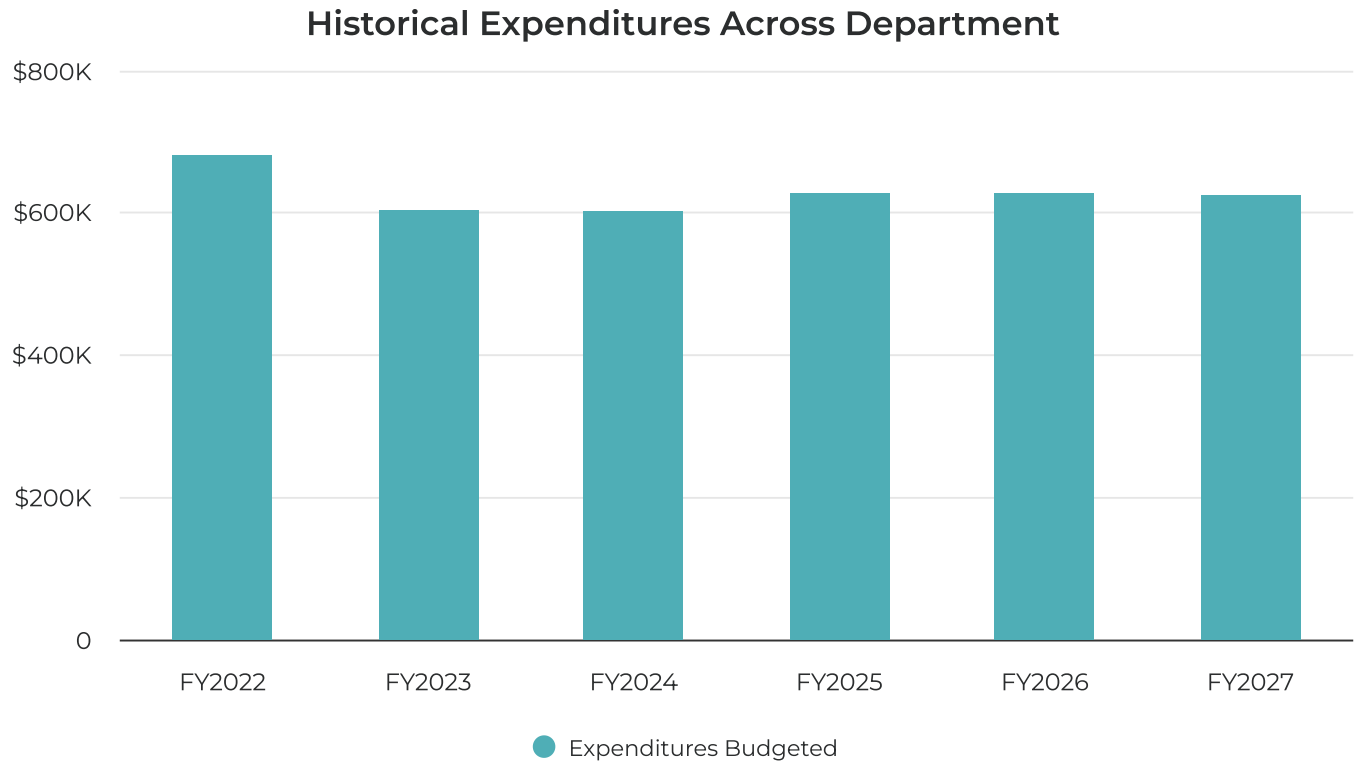
Objectives by the Numbers

Performance Measure	FY2024-25 Actual	FY2025-26 Actual	FY 2026-27 Projected
1. BCHD.org	96,524	228,862	235,000
1. AdventurePlex.org	53,868	58,165	59,700
1. BeachCitiesGym.org	36,892	23,765	24,475
1. BCHDcampus.org	4,526	3,887	4,000
# of Community Events	391	145	150
# of Residents reached at Community Events	20,000 (est.)	7,424	7,650
# of Media Clips	66	78	78
# of Summer Free Fitness Series Individual Participants	748	1,076	1,100
Produce Beach Cities Annual Report and LiveWell	Complete	Complete	On Target

Information Technology

Information Technology Infrastructure Management, Support and Development.

Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

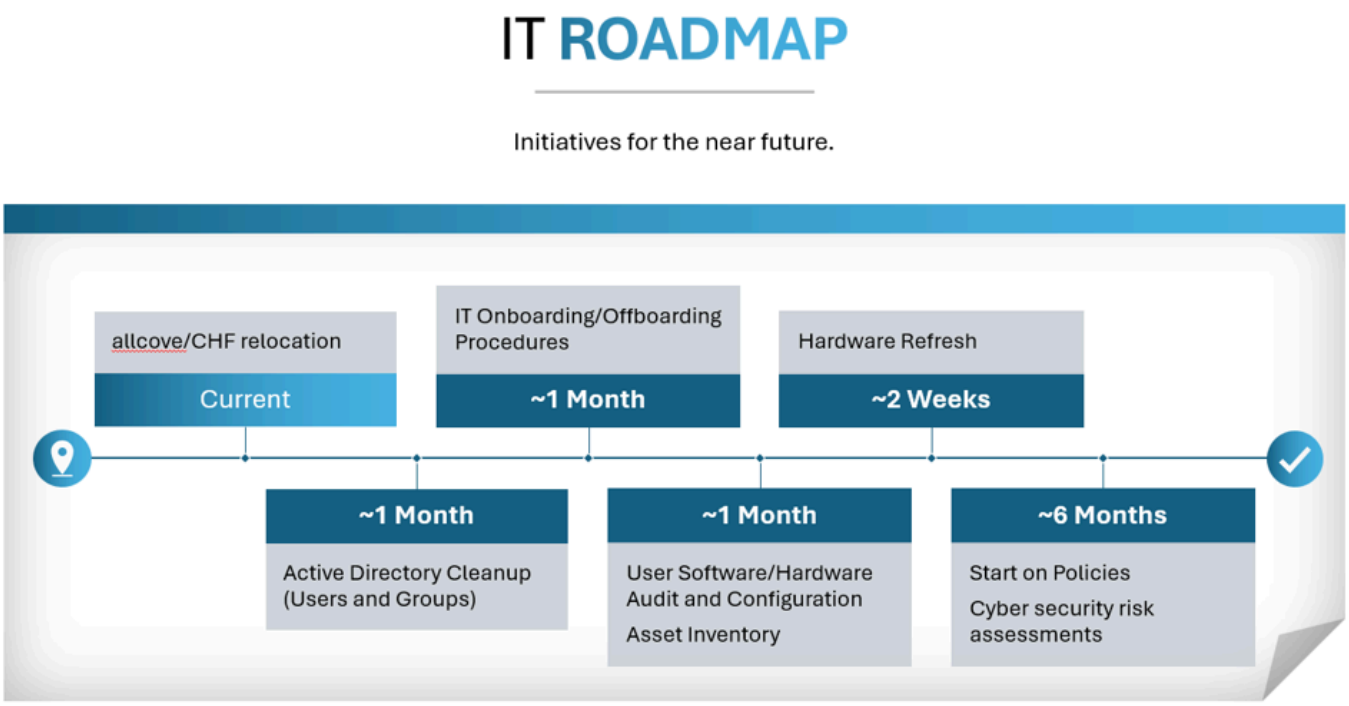
Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$183,054.09	$207,302.08	13.25%
Human Resources Cost	$1,077.24	$1,213.93	12.69%
Informations System Expense	$187,437.00	$148,871.79	-20.58%
Facilities Expense	$100,936.00	$101,936.04	0.99%
Professional Services	$144,300.00	$153,070.44	6.08%
Other	$11,339.69	$13,487.00	18.94%
Total Expenditures	**$628,144.02**	**$625,881.28**	**-0.36%**

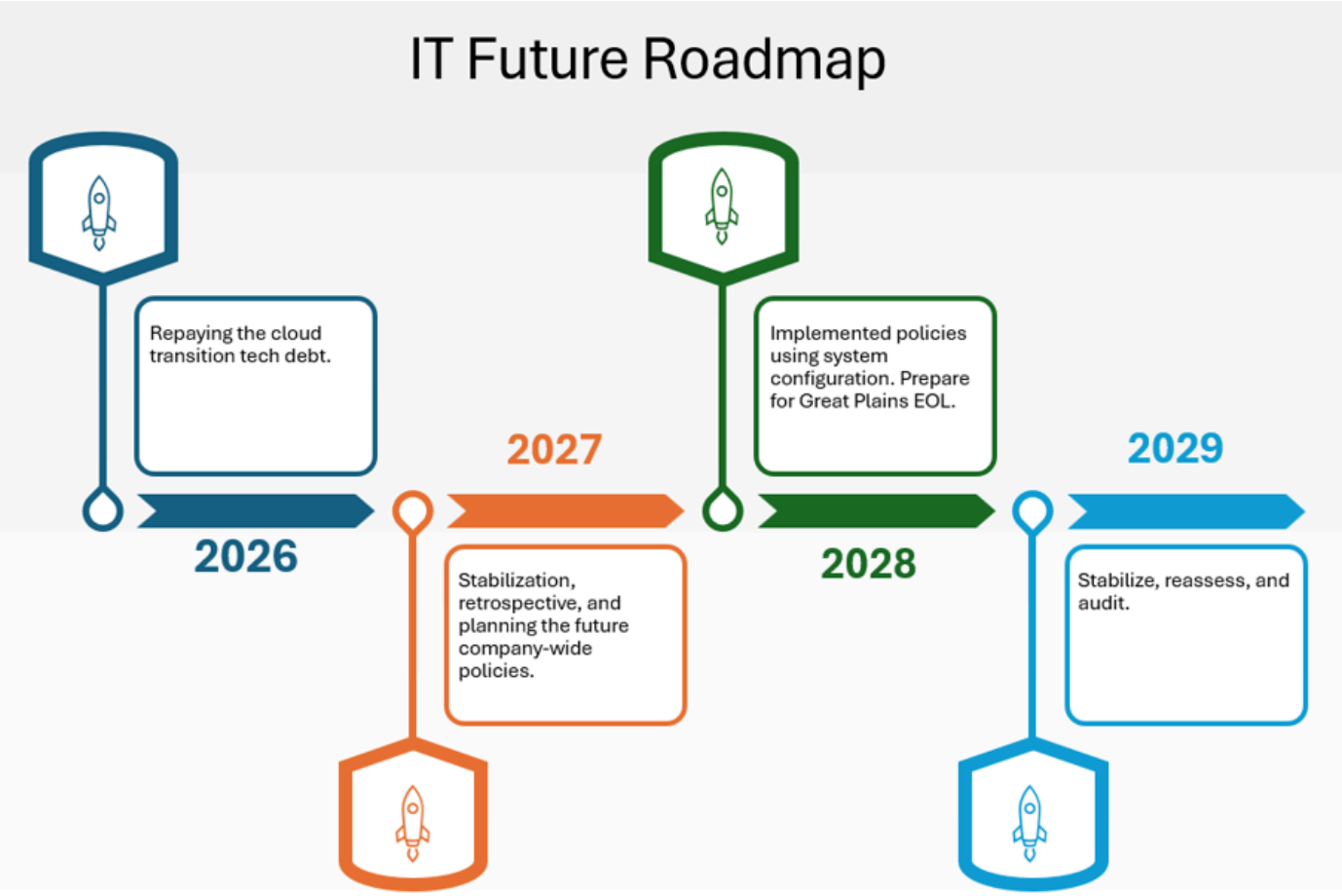
Summary of Goals

Goal #1- Support District Staff with information technology

- Manage 3rd Party IT Service Provider.
  Assistance with events.
- Research and implementation of new technologies.
- Manage 3rd Party IT Service Provider.

Goal #2-Complete New Projects




IT Future Roadmap
Repaying the cloud transition tech debt.
2026
2027
Stabilization, retrospective, and planning the future company-wide policies.
Implemented policies using system configuration. Prepare for Great Plains EOL.
2028
2029
Stabilize, reassess, and audit.

Grant Funded Services



Grant Funded Services consists of:

allcove

Drug Free Community

Opiod City Grants

Drug-Free Communities

The Beach Cities Partnership for Youth Coalition was awarded a fiscal year 2024 Drug-Free Communities (DFC) Support Program renewal for $125,000 by the White House Office of National Drug Control Policy (ONDCP) and managed through a partnership between ONDCP and Centers for Disease Control and Prevention (CDC). The original DFC grant term was five years, starting in 2019, totaling $625,000. The extension for an additional five-year term is also for $125,000 annually and will total $625,000. The Beach Cities Partnership for Youth Coalition joins more than 750 community coalitions across the U.S. working to increase community-wide collaboration and decrease youth substance use. Among the grantees, the Beach Cities Partnership for Youth Coalition is one of 23 recipients from California.

Since receiving the initial DFC grant in 2019, substance use among young people has fallen, with the percentage of Beach Cities 11th graders who reported using alcohol or other drugs plummeting from 35% in 2019 to 17% in 2025, according to the California Healthy Kids Survey (CHKS). The CHKS also reports marijuana use among Beach Cities 11th graders dropped from 23% in 2019 to 5% in 2025.

Opioid settlement partnerships

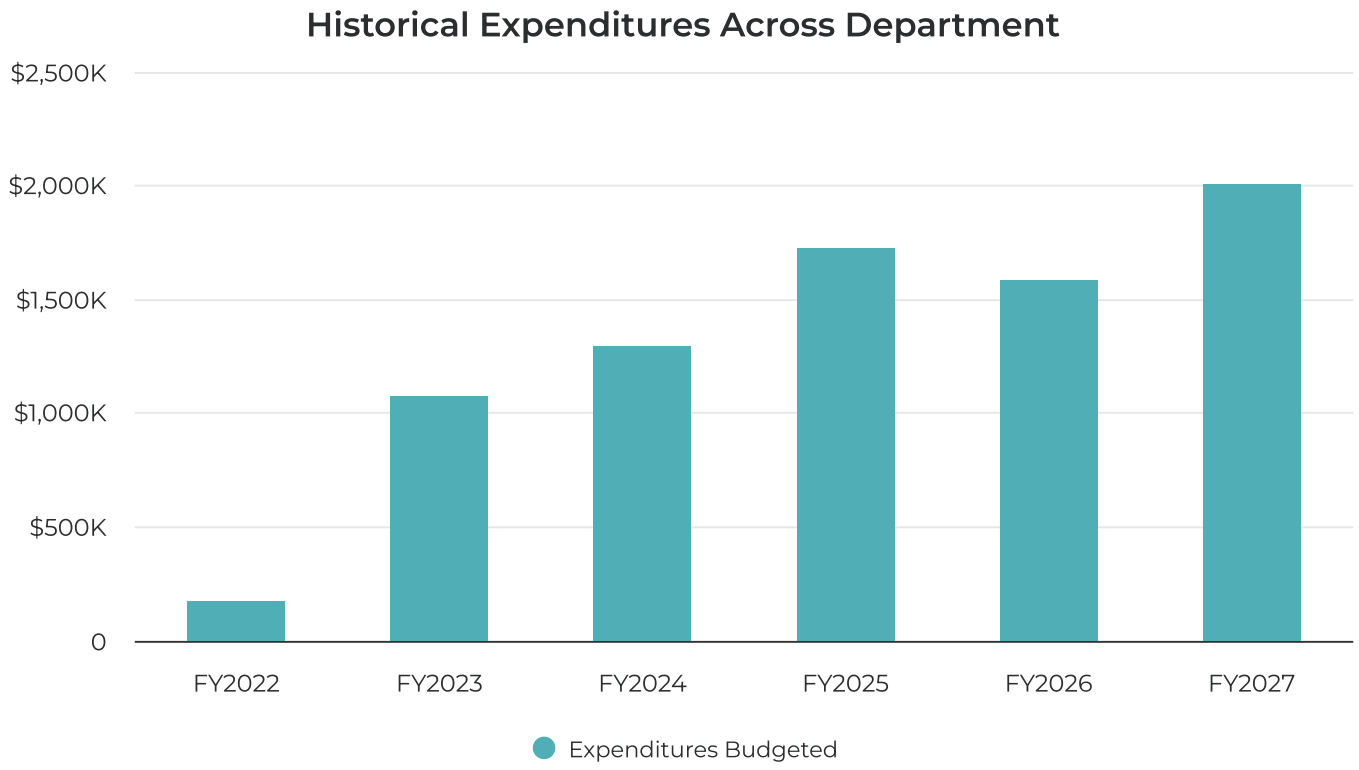


Through the California Department of Healthcare Services, participating cities are allocated a share of opioid settlement funds from a number of lawsuits against manufacturers, distributors, and other entities responsible for aiding the opioid epidemic. Funds need to be used specifically for specific activities related to opioid remediation. BCHD has entered into service agreements with the City of Hermosa Beach and the City of Manhattan Beach to provide counseling services and peer support for young people at risk of opioid use disorder, substance abuse prevention education, and distribution and training of naloxone.

The City of Manhattan Beach entered into a service agreement on a reimbursement basis from November 2023 – November 2024 and was later extended to November 2026. The City of Hermosa is allocating all their opioid settlement dollars to BCHD in a 5-year service agreement, where any unspent funds at the end of the term will be returned to the city.

	Contract Amount	BCHD Reimbursed in FY 25-26
City of Hermosa Beach	185,958.86	9,779.62
City of Manhattan Beach	82,733.00	9,216.84

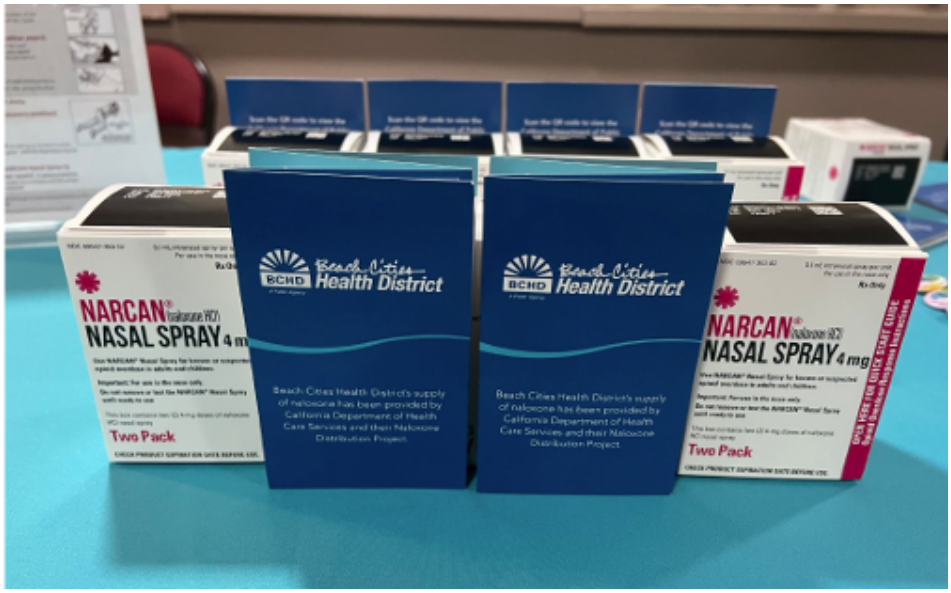
Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$969,724.21	$1,347,113.45	38.92%
Program Cost	$25,320.00	$29,720.00	17.38%
Human Resources Cost	$19,620.32	$38,139.88	94.39%
Informations System Expense	$14,073.00	$14,073.00	-
Community Relations Cost	$18,696.00	$28,546.00	52.69%
Facilities Expense	$38,220.00	$38,220.00	-
Professional Services	$494,274.04	$475,348.00	-3.83%
Other	$5,350.00	$34,292.00	540.97%
Total Expenditures	**$1,585,277.57**	**$2,005,452.33**	**26.50%**


NARCAN
NASAL SPRAY 4 mg
Two Pack
BCHD
Beach Cities Health District
Beach Cities Health District's supply of naloxone has been provided by California Department of Health Care Services and their Naloxone Distribution Project.
NARCAN
NASAL SPRAY 4 mg
Two Pack
BCHD
Beach Cities Health District
Beach Cities Health District's supply of naloxone has been provided by California Department of Health Care Services and their Naloxone Distribution Project.

Income Statement FY 2026-2027
Grant Funded Services

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Other Revenue	1,846,600	1,134,563	712,037
Total Revenue Government	**1,846,600**	**1,134,563**	**712,037**
Total Revenue	**1,846,600**	**1,134,563**	**712,037**
EXPENSES			
Salaries - Reg FT	984,917	698,709	286,208
Cafeteria Plan Contribution	132,678	102,673	30,005
Payroll Taxes	75,325	53,455	21,870
LTD Insurance	3,316	2,563	753
Pension Plan Contribution	150,879	112,327	38,552
Total Payroll Expenses	**1,347,114**	**969,727**	**377,387**
Consumables (food used as supplies)	12,000	12,000	0
Office Supplies	2,520	2,520	0
Program Supplies	11,600	7,200	4,400
Janitorial Supplies	3,600	3,600	0
Total Program Costs	**29,720**	**25,320**	**4,400**
Employee Retention & Recognition	296	300	(4)
Education & Training Seminars	3,600	2,004	1,596
Insurance - Worker's Comp	10,829	7,405	3,424
Uniforms	3,412	2,412	1,000
Employee Travel/Parking	20,000	7,500	12,500
Total Human Resources Expenses	**38,141**	**19,621**	**18,520**
IT Software Expense	14,073	14,073	0
Total Information Systems Expenses	**14,073**	**14,073**	**0**
Community Outreach	6,600	5,000	1,600
Dues & Memberships	500	0	500
Meetings	7,000	5,000	2,000
Postage	156	156	0

Income Statement FY 2026-2027
Grant Funded Services

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 26-27 Budget
Printing	4,750	4,000	750
Promotional Items/Materials	4,500	4,000	500
Subscriptions	540	540	0
Total Community Relations	**24,046**	**18,696**	**5,350**
Equipment/Furniture < $5,000	6,000	6,000	0
Equipment/General Maintenance & Repair	1,200	1,200	0
Janitorial Services	31,020	31,020	0
Total Facilities Expenses	**38,220**	**38,220**	**0**
Legal Services	0	0	0
Outside Services	474,845	494,278	(19,433)
Service Contracts	9,000	0	9,000
Total Professional Services Expenses	**483,845**	**494,278**	**(10,433)**
Debt Services	277,506	0	277,506
Insurance - General	33,792	5,350	28,442
Total Other Expenses	**311,298**	**5,350**	**305,948**
Total Expense	**2,286,460**	**1,585,275**	**701,185**
Cash Income (Loss) Before Cap Ex	**(439,860)**	**(450,721)**	**10,861**

allcove Beach Cities

allcove Beach Cities opened Nov. 1, 2022. It's a "one-stop shop" for young people ages 12-25 in South Bay to access mental health and physical health services; substance-use prevention and treatment; wellness services and life skills; supportive education, empl oyment assistance; and peer and family support.

Beach Cities Health District received funding from California's Mental Health Services Oversight and Accou1ntabillity Commission lor program implementation, supported by Stanford's Center for Youth Mental Health and Weill-Being, and also received federal community project funding for the facility.
Additional funding includes California's Children and Youth Behavioral Health Initiative and the Mental Health Student Services Act.

allcove Beach Cities has a "no wrong door" policy, which is helping to close the accessibility and affordability gap and reduce the health and economic burdens of untreated mental health concerns. By focusing on prevention and early intervention, allcove Beach Cities helps identify mental health challenges from the outset, modifying risk exposure and strengthening the coping mechanisms of young people to help them establish a purposeful path in life. Priority populations include transitional aged youth, LGBTQ+, BIPOC, juvenile justice involved youth, and undocumented young people.

allcove Beach Cities offers the following services for young people ages 12 to 25:

- Mental health
- Physical health
- Substance use
- Peer support
- Family support
- Supported education and employment
- Life skills and wellness services



allcove Beach Cities is:

- Youth-centered, co-designed with young people
- Focused on prevention, screening, and early intervention services
- Working to build youth resilience, increase early help-seeking, reduce stigma.
- Providing rapid, easy, and affordable access for y outh ages 12-25
- Integrated and multidisciplinary care, coordinated with the local youth-serving system.

Summary of Goals

Goal #1-Programs and Services for allcove

Objective A:

1. Mental Health Objectives: Increase access to early intervention mental health services for young people; decrease anxiety, depression and suicidal ideation across the lifespan
2. Physical Health & Brain Health Objectives: Promote brain health across the lifespan; promote healthy sleep across the lifespan
3. Public Health & Safety Objectives: Increase community access to and education about preventive health program s and services
4. Substance Use Objectives: Reduce alcohol use, drug consumption and vaping in youth



L.A. County Supervisor Holly J. Mitchell with members of the allcove Beach Cities Youth Advisory Group

Department Accomplishments

- allcove Beach Cities celebrated three years of service to the young people and families of the South Bay and SPA 8. Since its opening on Nov. 1, 2022, the center has welcomed more than 18,100 visits by young people ages 12-25 and has served more than 2,133 youth who have enrolled in services.
- The third annual South Bay Leadership & Wellness Conference in February included more than 90 young people attended from more than 18 youth organizations. Youth participants engaged in interactive workshops, meaningful discussions, and hands-on wellness activities designed to support their well-being and leadership development. The conference created space for young people to build new relationships, explore tools for managing stress and staying balanced, and strengthen skills they can carry into their schools, communities, and future careers.
- The Beach Cities Partnership for Youth Coalition was recognized by the CDC's Drug-Free Communities (DFC) Branch as a national coalition success story, selected from more than 500 DFC-funded coalitions nationwide. The recognition highlighted the Coalition's innovative, youth-led fentanyl awareness and overdose prevention efforts, including opioid education videos, naloxone training, and school partnerships that reached more than 4,000 youth. This national spotlight reflects the Coalition's impactful, community-wide approach to preventing youth substance use.
- allcove Beach Cities celebrated the groundbreaking of its future permanent home on May 16, followed by covefest, a vibrant youth-led community celebration that welcomed more than 300 attendees across both events. The groundbreaking featured remarks from L.A. County Supervisor Holly Mitchell and State Assembly Member Al Muratsuchi, with the ceremony led entirely by the allcove Youth Advisory Group. covefest showcased the creativity and leadership of local youth through interactive wellness activities, art, music, and community engagement, highlighting the youth voice at the heart of the allcove model.
- In response to a growing youth mental health crisis and a commitment to expanding access to vital services, the Los Angeles County Board of Supervisors unanimously approved a motion by Supervisors Holly J. Mitchell and Janice Hahn to invest a total of $4.5 million – $1.5 million over three years – to sustain mental health services provided by allcove Beach Cities youth center. The motion also calls for a report back in two months with funding options to create similar models throughout the County.
- allcove staff participated in 113 outreach and provided 176 tours. allcove also hosted 144 like and wellness skill events, many of which were support by our Youth Advisory Group who completed a total of 1600 hours supporting allcove.

Objectives by the Numbers

Performance Metrics	Actual FY2024-25	Actual FY2026-26	Budget FY2026-27
Visits to allcove Beach Cities	5,461	5052	5305
Mental Health Services	329	199	209
Substance Use Services	12	17	18
Physical Health Services	4	1	1
Peer Support Services	20	5	5
Family Support Services	49	164	172
Education & Employment Services	24	89	93
Number of Risk Assessments	62	115	121
Events at allcove	128	141	148
Tours of allcove	228	173	182
Youth Advisory Group Hours	1,125.75	1632	1714

LONG-TERM FINANCIAL OUTLOOK

The District was created in 1955 by the residents of Hermosa, Manhattan, and Redondo Beach. It opened its hospital in 1960 and transitioned into preventative health in the late 1990s.

Over its 66-year history, the District has successfully diversified its funding, evolving from a reliance on traditional hospital income to a mix of medical office leases, joint venture partnerships, insurance reimbursements, and grants. Today, as lease revenues from 514 N. Prospect wind down and the building reaches the end of its economic usefulness, the District stands at another pivotal crossroads. This transition offers a unique opportunity to evolve once again by establishing a new Healthy Living Campus.

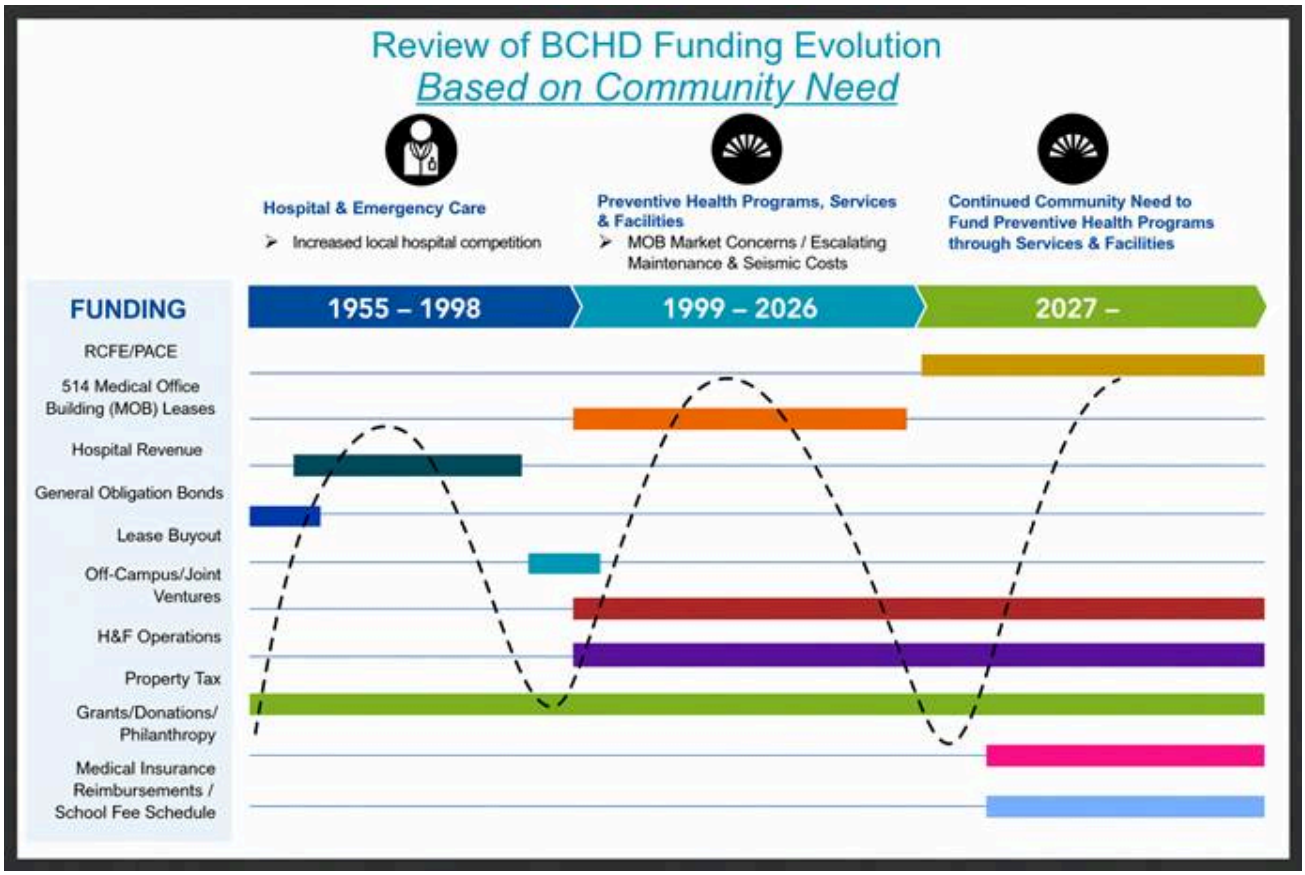




1955	Community votes to fund South Bay Hospital
1960	South Bay Hospital opened
1984	Building leased to outside management (Tenet)
1998	Tenet leaves and BCHD focuses on preventive health
2010	The Beach Cities are chosen for the Blue Zones Project
2020	BCHD leads COVID community relief and recovery efforts
2022	allcove Beach Cities opens
TODAY	BCHD delivers 40+ programs and services in the community

The District has adjusted its funding strategy to better address the evolving needs of our community, ensuring that available resources are allocated effectively and continue to support the programs, services, and priorities that are most important to local residents.

The following illustrates the evolving needs of the District and provides a comprehensive outlook on how funding, resources, and priorities may need to adapt over time to effectively support the changing needs of our community.



Resulting in the following 15-year forecast illustrating the need for the District to ensure that the planned Partnership and RCFE Sunrise Development takes shape and materializes in the next 5-years to be able to meet new and emerging health needs in our community with rising costs as in 15-years property taxes, grants and medical insurance reimbursements are anticipated not to cover all increases in operating costs.

15-Year Long-Term Financial Forecast & Planning

	Y1 FY26-27	Y2 FY27-28	Y3 FY28-29	Y4 FY29-30	Y5 FY30-31	Y10 FY35-36	Y15 FY40-41
Beach Cities Health District	BUDGET	5-YEAR FORECAST				10-YEAR FORECAST	
REVENUES	16,924,000	15,292,000	15,743,000	16,097,000	17,670,000	20,859,000	24,124,000
EXPENSES	16,674,000	14,951,000	15,777,000	16,107,000	17,097,000	20,411,000	24,955,000
Operating Cash Forecast	250,000	341,000	(34,000)	(10,000)	573,000	448,000	(831,000)
PACE Partnership Income	0	0	0	300,000	500,000	1,300,000	1,500,000
Sunrise Development Income	0	0	500,000	500,000	750,000	1,250,000	1,343,750
Operating Cash Forecast	250,000	341,000	466,000	790,000	1,823,000	2,998,000	2,012,750

Long – Term Financial Risk Profile & Outlook

- Enhanced Care Management (ECM) Revenues assumed to be increasing
  - State Budget includes proposed ECM rate cuts, and
  - State Medical asset limits may change; ECM eligible will be reduced, and ECM revenue will reduce
  - The District Senior Health Fund expense will grow.
- Expense increases at 4%, while inflation may remain high
- Year 4-15 – allcove funding of $1.5M assumed
- After Year 11 – District ongoing expenses grow faster then Revenues (Revenues 3%/Flat and assuming a 4% increase in expenses.)

- Why are the Development Projects Important Financially
  - Stabilize the Long-Term Financial Outlook ensuring a consistent growing revenue source (and not dependent materially on grants)
  - Allow for expansion of current services, reinstatement services already cut or new services
  - After Year-15, and every 5-year, the Development revenues catches up with the ongoing expense increases
  - Ability to create a long-term ongoing revenue sharing partnership
  - Allow flexibility to possibly use 510 N. Prospect Ave. building for other Programs and Services, like Center of Excellence after 2030 (results in reduced tenant revenue)

To address evolving challenges and opportunities, the District is committed to investing in the Healthy Living Campus. By partnering with reputable organizations to have a Residential Care for the Elderly (RCFE) and a Program of All-Inclusive Care for the Elderly (PACE) on the Campus, the District will establish a new revenue stream to replace the income from 514 N. Prospect Avenue, thereby securing income for the long-term delivery of essential programs and services for decades to come.

The District is currently navigating a pivotal phase characterized by a significant campus redevelopment initiative, which includes the replacement of the former hospital building, building a new youth mental health facility, called allcove Beach Cities, and relocating its Medically Accredited Center for Health & Fitness to 510 N. Prospect Ave., another building next to the 514 N. Prospect Ave. old Hospital on Campus. This multifaceted project directly impacts the District's financial outlook for the next five years, necessitating a stringent focus on strategic priorities and the careful allocation of resources. The anticipated stabilization of income streams, from these substantial investments, are still a few years away. The anticipated milestones of the future endeavors have created opportunities for the discussions of outcomes outlined below:

YEAR 1

- Vacate and close the 514 N. Prospect Ave. building
- Open a new allcove Beach Cities facility
- Open a new Center for Health & Fitness space
- Get ready to invest in the PACE Program as a partner

YEAR 2 - 15

- Stabilize funding for grant funded allcove services
- Sustain current Programs and Services
- Meet new and increasing health needs
- Preserve District culture and market mid-point salaries
- Maintain all Properties; Adventure Plex, Campus Parking and 510 N. Prospect Ave., 2114 Artesia Blvd
- Determine District Future Home-office (starting 2030)
  - 1200 Del Amo
  - 510 N. Prospect Ave. Lower Level
    - Budget Trade-off discussion – Services vs. Center of Excellence

Funding Sources

- Ongoing revenues
- New income sources:
  - Sunrise Ground Lease and Revenue Share
  - PACE Partnership Income
  - Billing for Services (ECM, Fee Schedule, Health & Fitness Operations)
- Capital Reserves
- Borrow
- Sell 601 S. PCH HWY Property for Higher Return PACE Investment

$500K - $2M Surplus Policy Priority Discussion

Current:

- 50% Annual Operating Expense Reserve
- Capital Reserve

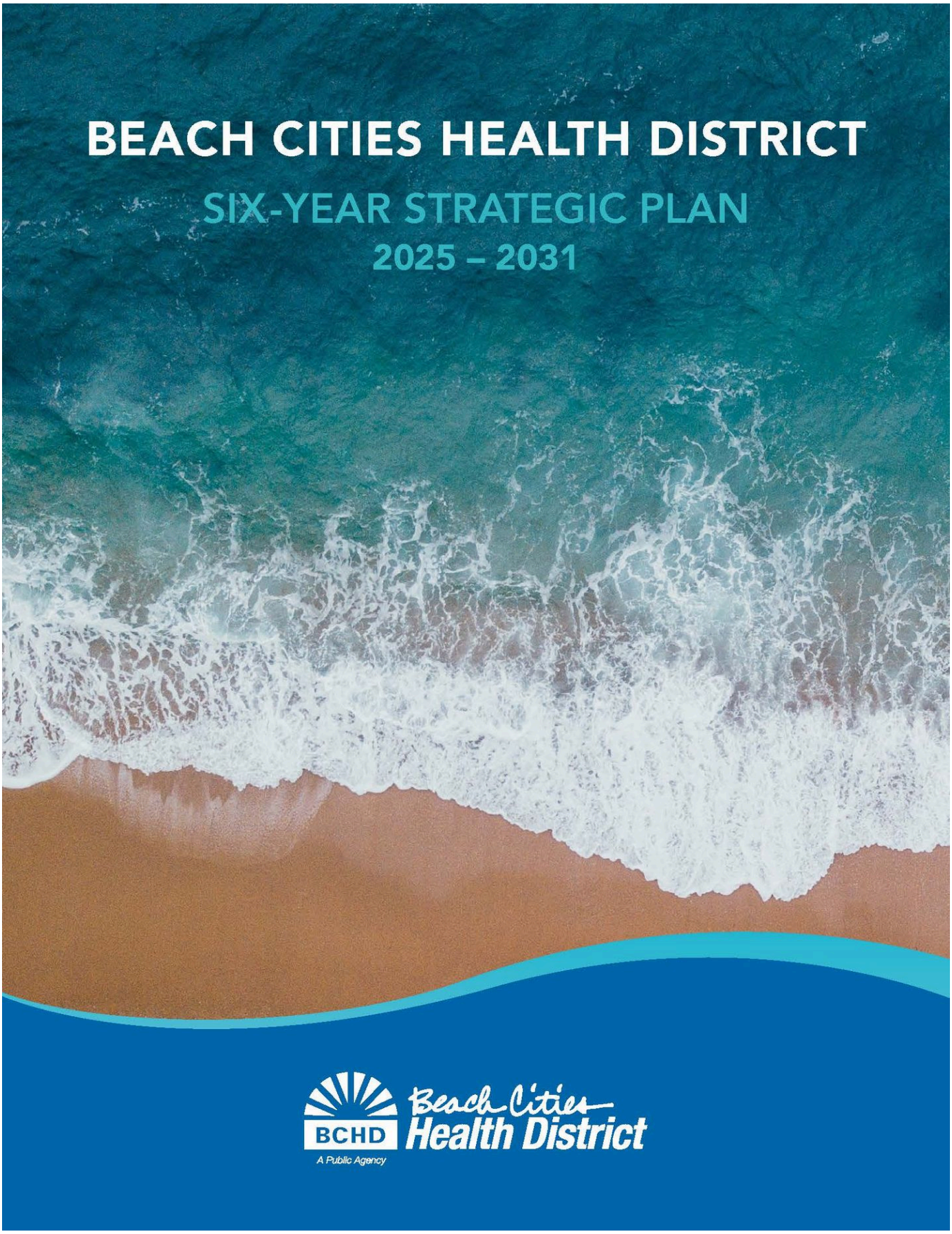
Prioritize Future Surpluses:

- allcove / Grant Services Stabilization Fund
- Expansion of Services
  - Restoration of Services
  - New Services
- Staff Compensation Stabilization
- Capital reserve contribution

In the interim period before a more stable funding stream is achieved, the District plans to leverage its Capital Reserves to support essential annual capital investments and borrow $4 Million. These investments include, but are not limited to, vital updates to IT infrastructure, the necessary maintenance of the 514 N. Prospect old hospital building for its remaining operational years, and the comprehensive care of all four District facilities located across the Beach Cities. The level of care required for each facility varies based on its usage and whether it is District-owned or leased.

With the use of $9 Million of capital reserves and $4 Million of borrowing, which the District is able to do as tax exempt borrowing, are designated for investments in major Capital Investment projects. This includes the completion of the new allcove facility, which is primarily supported by grant funding, as well as partial tenant improvements for the relocation of the Center for Health and Fitness, encompassing associated temporary lease obligations. Additionally, this funding covers the remaining estimated expenditures for the Healthy Living Campus. Further details regarding the District's Capital Investment strategy can be found in the capital section of this report.

SUPPLEMENTARY INFORMATION


BEACH CITIES HEALTH DISTRICT
SIX-YEAR STRATEGIC PLAN
2025 – 2031
BCHD
A Public Agency
Beach Cities Health District



STRATEGIC PLANNING GOALS

(not in priority order)

Goal A: COMMUNITY HEALTH
Promote and provide health and wellness services based on the evolving needs of the community.

Goal B: PEOPLE & PARTNERSHIPS
Strengthen BCHD and its partners' ability to drive improvements in individual and community health.

Goal C: AWARENESS
Further BCHD as a trusted and essential community institution.

Goal D: FINANCIALS, INFRASTRUCTURE & PHYSICAL ASSETS
Leverage resources to enhance services and improve efficiency.

2025-2028 HEALTH PRIORITIES



Mental Health & Substance Use



Physical Health

STRATEGIC APPROACH



The 2025–2031 Six-Year Strategic Plan serves as a forward-thinking roadmap that defines Beach Cities Health District's (BCHD) mission, vision, core values, strategic goals and objectives for the years ahead. This plan is designed to guide BCHD with clarity and purpose, ensuring all efforts are aligned with our unwavering commitment to advancing the health and well-being of the communities we serve.

The plan clearly articulates BCHD's strategic priorities and identifies the key areas where we will focus our energy, expertise and resources to achieve meaningful and lasting impact. Informed by the most recent Community Health Report, the plan incorporates both community-identified health needs and broader organizational priorities, including financial sustainability, infrastructure development, information technology modernization, talent development and organizational resilience.

Developed through a collaborative planning process, the Strategic Plan reflects the dedicated work of the Strategic Planning Committee, which has been actively engaged in its development since 2023. It has been shaped by Strategic Development Half-Day meetings that welcomed thoughtful input from BCHD's Board, staff and community stakeholders.

As we embark on this transformative journey, the 2025–2031 Strategic Plan stands as a living document—one that not only charts our direction but inspires innovation, fosters accountability and strengthens partnerships across every level of the organization. Together, we are building a healthier beach community.

STRATEGIC PLANNING COMMITTEE ROSTER

FISCAL YEAR 2026-27

ASSIGNED BOARD MEMBERS

- Martha Koo, M.D., Committee Chair
- Vanessa Poster, Committee Chair

ASSIGNED STAFF

- Tom Bakaly, BCHD CEO
- Cristan Mueller, Chief Health Operations & Communications Officer

COMMUNITY MEMBERS

- Lisa Gaudio – Marketing Consultant
- Lilly Hanna – Integrative Nutrition
- Jeffrey Gaul – Account Manager
- Jennifer Seidner – BayRidge Effective Therapy
- Susan Bremer Rossow – Amazon
- Nadira (Aisha) Ahmad – Healthcare Administration
- Sloane Maples – DaVita

YOUTH REPRESENTATIVES

- Luke Finigan – High School Student



GOAL A: COMMUNITY HEALTH

Promote and provide health and wellness services based on the evolving needs of the community.

OBJECTIVES

A.1 Strive to ensure that all programs and services are accessible and affordable to diverse populations, with a focus on minimizing barriers such as income, ability and transportation.

A.2 Promote intergenerational engagement in health and wellness programs to strengthen social bonds and mutual support across age groups.

A.3 Serve as a connector to key community resources by maintaining strong local partnerships and making residents aware of and able to access essential services, even when not directly provided by BCHD.

A.4 Utilize the Community Health Report to identify community needs and health priorities.

HEALTH PRIORITIES & OBJECTIVES

Mental Health & Substance Use

- Decrease anxiety, depression and suicidal ideation
- Reduce substance use (e.g. alcohol, cannabis, nicotine) across the lifespan
- Increase community education for mental health and substance use prevention and access to early intervention services
- Increase social connectedness to address loneliness and social isolation
- Enhance stress resilience, positive coping strategies and mental well-being

Physical Health

- Promote habits and practices to increase restful and restorative sleep
- Improve health and quality of life for people with dementia, including Alzheimer's disease, and their} caregivers
- Maintain healthy eating habits and low percentage of residents who are obese or overweight
- Improve biking and walking safety
- Maintain high levels of physical exercise participation



GOAL B: PEOPLE & PARTNERSHIPS

Strengthen BCHD's and its partners' ability to drive individual and community health.

OBJECTIVES

B.1 Enhance organizational development strategies that strengthen BCHD's team while upholding industry standards and best practices.

B.2 Position BCHD as an employer of choice and sustain its competitiveness in the job market.

B.3 Advance community health by connecting individuals to volunteer service that's purposeful for the individual, strategic to the organization and impactful to the community.

B.4 Serve as a leader, convener, and backbone organization by cultivating strategic partnerships and managing strong relationships to collaboratively address community health priorities.



GOAL C: AWARENESS

Further BCHD as a trusted and essential community institution.

OBJECTIVES

C.1 Demonstrate an ongoing commitment to transparency and good governance by actively participating in government and special district transparency efforts.

C.2 Strengthen community awareness and engagement.

C.3 Track and share BCHD's strategic goals, objectives, results and outcomes.



GOAL D: FINANCIALS, INFRASTRUCTURE & PHYSICAL ASSETS

Leverage resources to enhance services and improve efficiency.

OBJECTIVES

D.1 Annually evaluate and update BCHD's long-term financial outlook and risk assessment to strengthen the District's financial position.

D.2 Implement the Healthy Living Campus Master Plan, including addressing aging infrastructure in the 514 building and programs, services and other facilities.

D.3 Increase revenue-generating opportunities to support BCHD's operational and capital needs.

D.4 Continue to invest in innovation (e.g., sustainability, efficiency, technology) to protect and enhance District assets.

D.5 Prioritize safety through proactive risk management, emergency planning and hazard mitigation.

Beach Cities Health District
A Public Agency

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5 Year Facility Maintenance & Replacement Plan



A Public Agency

FACILITY MAINTENANCE & REPAIR PLAN

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- OVERVIEW
- LONGTERM PLANNING

514 N. PROSPECT AVE. REDONDO BEACH





OVERVIEW

514 N. Prospect, the original South Bay Hospital was constructed in 1958 and 1967. The building and systems were originally designed for a 24/7 hospital with a central plant that houses most of the primary mechanical and electrical equipment. The south wing of the building was remodeled for a large tenant (Silverado) in 2006. This tenant area has a separate heating and cooling system. The north wing however still uses the original hospital age heating and cooling systems. Main equipment includes chillers, boilers, cooling tower, pumps, fans/air handlers and emergency generators. Most of this main equipment is old and requires ongoing repairs and maintenance.

Main Approved Venders/Maintenance Contracts:

- HVAC (Air & Cooling) – ACCO
- Steam (Boilers) – Powerhouse
- Landscape – Bennet
- Roofing – Howard
- Plumbing - Brea/OC
- Electrical – Electric Company Inc.
- Fire Alarm – HCI
- Controls, Doors, Turbines Lighting, (Others)

COMPLETED CAPITAL IMPROVEMENTS

- Supply Fan #3 at penthouse was replaced /rebuilt - $18,633
- Roof Repair at Fitness Center and Silverado - $24,000
- Cooling tower was refurbished with new interior components. $93,000
- Phased Paving / parking repairs – slurry and striping upgrades - $37,468
- Large Project - Domestic hot water tank/heater was replaced with a new energy efficient system. The old tank was decommissioned but will remain in place. $90,152

IN PROCESS/SHORT TERM PLANNING

- Chiller #1 electrical system replaced - $4,800.
- Cooling Tower pump repaired, actuator and bearings replaced - $7,278

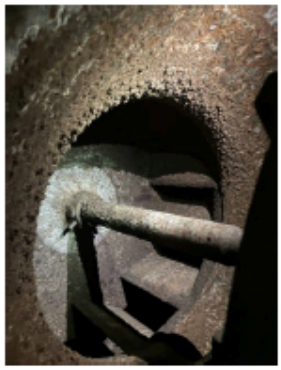
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FACILITY MAINTENANCE & REPAIR PLAN

1 YEAR FORECAST/RISKS $178,500

- Primary Cooling Equipment – Keeping cooling tower, chillers and pumps operational $33,700
- Boilers/Heating Equipment – Repair Boiler #2 and other items as needed at center plant $27,400
- Roofing Repairs – Keeping ahead of water intrusion issues and extending life of existing roof $33,500
- Air System/ Fans – Maintain all primary air handlers, fan motors, power controllers $13,000
- Plumbing Equipment and Piping – Repairing old piping and sump pumps $16,000

PHOTOS



Supply Fan #3 – To be replaced





New domestic water tank proposed (vs old one)



Old Piping to be replaced



Emergency Repairs to Chiller #2



Fence Repairs at Hillside

Beach Cities Health District
514 Building Life Span Cost Study
Repair & Maintenance Log

514 BUILDING - 1 YEAR MAINTENANCE AND REPLACEMENT PLAN

Item	Age	Size/Capacity	Potential Replacement Cost	Planned 2026-2027 Cost
Heating/Boilers				**$27,400**
B-1 Boiler 1	10 Years	4300 MBU	$200,000	$2,200
B-2 Boiler 2	5 Years	4300 MBU	$200,000	$10,000
B-3 Boiler 3	5 Years	800 MBU	$200,000	$2,200
B-4 Medium Pressure Steam Generator (Surgery Center)			$200,000	$5,000
Main Condensate Pumps			$60,000	$5,000
Small Equipment, Piping & Misc Accessories			$10,000	$1,500
Steam / Condensate piping			$10,000	$1,500
Cooling System				**$33,700**
CT-1 Cooling Tower 1	24 years	800 Tons	$400,000	$10,000
CH-1 Chiller #1	12 Years		$500,000	$5,000
CH-2 Chiller #2 (Primary)	4 Years		$500,000	$5,000
CWP-1 Condenser Water Pump			$32,000	$1,200
CHWP-1 Chilled Water Pump			$40,000	$10,000
Cooling System Piping & Valves			$300,000	$2,500
Emergency Generators				**$13,000**
Emergency Generator			$450,000	$8,000
Fuel Supply System			$500,000	$5,000
Air System /Supply Fans				**$13,000**
AHU/Supply Fan #1			$220,000	$1,500

Beach Cities Health District

514 Building Life Span Cost Study

Repair & Maintenance Log

514 BUILDING - 1 YEAR MAINTENANCE AND REPLACEMENT PLAN

Item	Age	Size/Capacity	Potential Replacement Cost	Planned 2026-2027 Cost
AHU/Supply Fan #2			$220,000	$1,500
AHU/Supply Fan #3			$220,000	$2,500
AHU/Supply Fan #5			$220,000	$2,500
AHU/Supply Fan #8			$220,000	$3,000
Misc fan motors				$0
Make-up Air Fans				$1,000
Exhaust Fans				$1,000
Domestic Water /Plumbing				**$16,000**
Domestic Hot Water Heater/Tank			$100,000	$0
Hot water Turbines (Silverado)			$300,000	$1,000
Sump Pumps / Misc Equip			$50,000	$5,000
Plumbing Fixtures		200 EA	$240,000	$0
Piping			$1,500,000	$10,000
Electrical Equipment				**$14,000**
Variable Frequency Drives				$6,000.00
Motor Control Centers				$5,000.00
Switch / Breakers				$3,000.00
Fire Alarm & Sprinklers Systems				**$4,700**
Outdated Fire Alarm Devices (Building wide)			$500,000	$0.00

Beach Cities Health District
514 Building Life Span Cost Study
Repair & Maintenance Log

514 BUILDING - 1 YEAR MAINTENANCE AND REPLACEMENT PLAN

Item	Age	Size/Capacity	Potential Replacement Cost	Planned 2026-2027 Cost
Fire Sprinklers			$850,000	$2,000.00
Fire Extinguishers		50 EA	$25,000	$2,700.00
Elevators				**$3,200**
Elevator #1			$600,000	$800.00
Elevator #2			$600,000	$800.00
Elevator #3			$600,000	$800.00
Elevator #4			$600,000	$800.00
Lighting				**$2,500**
Light Fixtures			$850,000	$2,500.00
Flooring				**$2,500**
Floor Coving (Interior Common Areas)			N/A	$2,500.00
Windows, Doors & Hardware				**$6,000**
Doors and Hardware			N/A	$2,000.00
Windows		Cleaning	N/A	$0.00
Elevator Smoke Door /Fire Door			$50,000	$4,000.00
Roofing				**$33,500**
Replace/ Repair Roofing		54,013 SF	$1,620,390	$30,000.00
Water Damage repairs				$3,500.00

Beach Cities Health District
514 Building Life Span Cost Study
Repair & Maintenance Log

514 BUILDING - 1 YEAR MAINTENANCE AND REPLACEMENT PLAN

Item	Age	Size/Capacity	Potential Replacement Cost	Planned 2026-2027 Cost
Parking				**$9,000**
Parking Structure Concrete/Striping			N/A	$6,000.00
Surfacing Parking Asphalt/Striping			$300,000	$3,000.00
Landscaping & Irrigation				**N/A**
Planting / Trees			N/A	N/A
Irrigations System			N/A	N/A
TOTALS			$13,487,390	$178,500
NEW EQUIPMENT + Hot Water Heater/Tank, + Pressure Reducing Value				
COOLING TOWER				
NET REPAIR COSTS				

Live Well. Health Matters.

FACILITY MAINTENANCE & REPAIR PLAN

IN PROCESS/SHORT TERM PLANNING

- Parking – Slurry/Striping Improvements
- Ductwork Cleaning
- Casework/Restroom Vanity Repairs
- Fencing Repairs
- Old Kitchen equipment removals

5 YEAR FORECAST / RISKS - $1,192,900

- Air Conditioning Units (2-3 ea) - extensive repairs or replacements $132,000
- Mechanical system – ductwork, vents and control system repairs $148,900
- Perimeter Fence and grounds – Will likely require paint and repairs - $75,000
- Roofing – Replace existing roofing - $421,500
- Interior repairs - $100,000

PHOTOS





New hot water heaters



Typical Rooftop AC Unit



Waterproofing repairs at exterior wall

Beach Cities Health District
Adventuerplex Property - 1701 Marine Ave., Manhattan Beach
Repair & Maintenance Log

Date	05/05/26	Date
1st Floor	12,880	1st Floor
2nd Floor	5,700	2nd Floor
Total	18,580	Total

ADVENTUERPLEX - 5 YEAR MAINTENANCE, REPAIRS AND REPLACEMENT PLAN

Photos	Item	Age	Size/Capacity	Potential Replacement Cost	LIFE - Normal	LIFE - Remaining	Replacement Year	Planned 2026-2027	Planned 2027-2028	Planned 2028-2029	Planned 2029-2030	Planned 2030-2031	5 YEAR TOTALS
	Air Conditioning Units			**$485,000**				**$18,000**	**$88,000**	**$0**	**$0**	**$26,000**	**$132,000**
	AC-1 Sport Court	New	7000 CFM / 20 TNS	$105,000	15	10	2036	$0	$0	$0	$0	$0	
	AC-2 Multi-Purpose	New	1200 CFM / 4 TNS	$24,000	15	10	2036	$0	$0	$0	$0	$0	
	AC-3 Lobby	Old	4,400 CFM / 10 TNS	$88,000	15	3	2031	$0	$88,000	$0	$0	$0	
	AC-4 Party Room	Old	900 CFM / 3 TNS	$18,000	15	5	2031	$18,000	$0	$0	$0	$0	
	AC-5 Adventure Room	Medium	3,300 CFM / 10 TNS	$66,000	15	7	2033	$0	$0	$0	$0	$0	
	AC-6 Kitchen	Medium	1,700 CFM / 5 TNS	$34,000	15	7	2033	$0	$0	$0	$0	$0	

Beach Cities Health District
Adventuerplex Property - 1701 Marine Ave., Manhattan Beach
Repair & Maintenance Log

Date	05/05/26	Date
1st Floor	12,880	1st Floor
2nd Floor	5,700	2nd Floor
Total	18,580	Total

ADVENTUERPLEX - 5 YEAR MAINTENANCE, REPAIRS AND REPLACEMENT PLAN

Photos	Item	Age	Size/Capacity	Potential Replacement Cost	LIFE - Normal	LIFE - Remaining	Replacement Year	Planned 2026-2027	Planned 2027-2028	Planned 2028-2029	Planned 2029-2030	Planned 2030-2031	5 YEAR TOTALS
	AC-7 Offices	Old	2,800 CFM / 7 TNS	$56,000	15	5	2031	$0	$0	$0	$0	$0	
	AC-8 Multipurpose 2	New	1,900 CFM / 6 TNS	$38,000	15	10	2036	$0	$0	$0	$0	$0	
	AC-9 Class Room	Medium	1,300 CFM / 4 TNS	$26,000	15	7	2033	$0	$0	$0	$0	$26,000	
	AC-10 Common Area	New	1,500 CFM / 4 TNS	$30,000	15	10	2036	$0	$0	$0	$0	$0	
	**Exhaust Fans**			$15,600				$0.00	$2,400.00	$0.00	$1,200.00	$0.00	$3,600
	EF-1		400 CFM	$2,400	15	5	2,031	$0	$2,400	$0	$0	$0	
	EF-2		200 CFM	$1,200	15	5	2,031	$0	$0	$0	$1,200	$0	
	EF-3		1,400 CFM	$8,400	15	10	2,036	$0	$0	$0	$0	$0	
	HEF -1 Kitchen Fan		600 CFM	$3,600	15	10	2,036	$0	$0	$0	$0	$0	
	HVAC System							$10,000	$13,400.00	$10,000.00	$60,000.00	$5,500.00	$98,900
	Duct Repairs and cleaning							$0	$2,400	$0	$50,000	$0	

each Cities Health District
.dventuerplex Property - 1701 Marine Ave., Manhattan Beach
:epair & Maintenance Log

Date	05/05/26	Date
1st Floor	12,880	1st Floor
2nd Floor	5,700	2nd Floor
Total	18,580	Total

ADVENTUERPLEX - 5 YEAR MAINTENANCE, REPAIRS AND REPLACEMENT PLAN

Photos	Item	Age	Size/Capacity	Potential Replacement Cost	LIFE - Normal	LIFE - Remaining	Replacement Year	Planned 2026-2027	Planned 2027-2028	Planned 2028-2029	Planned 2029-2030	Planned 2030-2031	5 YEAR TOTALS
	Diffusers & Vents							$5,000	$6,000	$5,000	$5,000	$500	
	Controls System Repairs							$3,000	$3,000	$3,000	$3,000	$3,000	
	Mechanical Piping Repairs							$2,000	$2,000	$2,000	$2,000	$2,000	
	**Plumbing**			**$403,750**				**$14,100**	**$14,100**	**$19,100**	**$19,100**	**$19,100**	**$85,500**
	Heat Pump Hot Water Heat												
	Tank 1	New		$25,000	15	10	2036	$0	$0	$0	$0	$0	
	Tank 2	New		$25,000	15	10	2036	$0	$0	$0	$0	$0	
	Sewage Ejector Lift Station (Site)			$50,000				$4,500	$4,500	$4,500	$4,500	$4,500	
	Plumbing Fixtures		50 EA	$60,000				$4,600	$4,600	$4,600	$4,600	$4,600	
	Piping		3,250 LF	$243,750				$5,000	$5,000	$10,000	$10,000	$10,000	
	Fire Alarm & Sprinklers Syste			**$191,400**				**$7,500**	**$8,500**	**$9,000**	**$12,500**	**$12,500**	**$50,000**
	Fire Alarm Devices (Outdated)			$74,320				$4,500	$4,500	$5,000	$6,500	$6,500	
	Fire Sprinklers			$111,480				$2,000	$3,000	$3,000	$5,000	$5,000	
	Fire Extinguishers		8 EA	$5,600				$1,000	$1,000	$1,000	$1,000	$1,000	
	**Elevators**			**$240,000**				**$5,000**	**$5,000**	**$5,000**	**$5,000**	**$5,000**	**$25,000**
	Elevator #1			$240,000				$5,000	$5,000	$5,000	$5,000	$5,000	
	Electrical							**$2,000**	**$5,000**	**$3,000**	**$6,000**	**$7,000**	**$23,000**
	Electrical Equipment, breakers, panel, misc							$2,000	$5,000	$3,000	$6,000	$7,000	
	Lighting			**$222,960**				**$0**	**$2,500**	**$3,500**	**$3,500**	**$5,000**	**$14,500**

Beach Cities Health District
Adventuerplex Property - 1701 Marine Ave., Manhattan Beach
Repair & Maintenance Log

Date	05/05/26	Date
1st Floor	12,880	1st Floor
2nd Floor	5,700	2nd Floor
Total	18,580	Total

ADVENTUERPLEX - 5 YEAR MAINTENANCE, REPAIRS AND REPLACEMENT PLAN

Photos	Item	Age	Size/Capacity	Potential Replacement Cost	LIFE - Normal	LIFE - Remaining	Replacement Year	Planned 2026-2027	Planned 2027-2028	Planned 2028-2029	Planned 2029-2030	Planned 2030-2031	5 YEAR TOTALS
	Light Fixtures & Controls			$222,960				$0	$2,500	$3,500	$3,500	$5,000	
	**Casework & Equipment Repa**							**$55,000**	**$12,000**	**$28,000**	**$15,000**	**$47,000**	**$157,000**
	Casework/Millwork Repairs							$50,000	$5,000	$20,000	$10,000	$40,000	
	Equipment & Building Accessories Replacements							$5,000	$7,000	$8,000	$5,000	$7,000	
	Flooring			**$111,480**				**$3,000**	**$3,000**	**$4,000**	**$4,000**	**$5,000**	**$19,000**
	Floor Covering Repairs			$111,480				$3,000	$3,000	$4,000	$4,000	$5,000	
	Doors & Hardware			**$60,000**				**$4,000**	**$4,000**	**$4,000**	**$4,000**	**$4,000**	**$20,000**
	Doors and Hardware		30 EA	$60,000				$4,000	$4,000	$4,000	$4,000	$4,000	
	**Roofing**			**$416,000**				**$1,500**	**$4,000**	**$450,000**	**$0**	**$0**	**$455,500**
	Replace/ Repair Roofing		13,000 SF	$416,000				$1,500	$4,000	$450,000	$0	$0	
	Wall Repairs/Painting			**$92,900**				**$4,000**	**$3,000**	**$4,500**	**$2,300**	**$2,000**	**$15,800**
	Repair paint damaged walls		18,580 SF	$92,900				$4,000	$3,000	$4,500	$2,300	$2,000	
	**Parking**			**$75,600**				**$5,600**	**$0**	**$0**	**$0**	**$6,000**	**$11,600**
	Slurry / Striping		14,000 SF	$5,600				$5,600	$0	$0	$0	$6,000	
	New Asphalt paving		14,000 SF	$70,000				$0	$0	$0	$0	$0	
	Permeable Pavers(Alternate)		14,000 SF	$252,000									
	Landscaping & Irrigation			**$210,000**				**$1,000**	**$33,000**	**$4,000**	**$4,000**	**$33,000**	**$75,000**
	Planting / Trees /Play Surfacing		10,000 SF	$5,000				$0	$2,000	$2,000	$2,000	$2,000	

Beach Cities Health District
Adventuerplex Property - 1701 Marine Ave., Manhattan Beach
Repair & Maintenance Log

Date	05/05/26	Date
1st Floor	12,880	1st Floor
2nd Floor	5,700	2nd Floor
Total	18,580	Total

ADVENTUERPLEX - 5 YEAR MAINTENANCE, REPAIRS AND REPLACEMENT PLAN

Photos	Item	Age	Size/Capacity	Potential Replacement Cost	LIFE - Normal	LIFE - Remaining	Replacement Year	Planned 2026-2027	Planned 2027-2028	Planned 2028-2029	Planned 2029-2030	Planned 2030-2031	5 YEAR TOTALS
	Irrigation System			$5,000				$1,000	$1,000	$2,000	$2,000	$1,000	
	Perimeter Fence			$200,000				$0	$30,000	$0	$0	$30,000	
	TOTALS			**$2,524,690**				**$130,700**	**$197,900**	**$544,100**	**$136,600**	**$177,100**	**$1,186,400**
	Maintenance items							**$35,000**	**$35,000**	**$35,000**	**$35,000**	**$35,000**	**$175,000**
	Building Capital Items							**$95,700**	**$162,900**	**$509,100**	**$101,600**	**$142,100**	**$1,011,400**
										(NEW ROOF)			

Live Well. Health Matters.

FACILITY MAINTENANCE & REPAIR PLAN

510 N. PROSPECT, REDONDO BEACH





OVERVIEW

510 N. Prospect was construction to be a medical office building to support the main 514 Hospital. Initial wing was built in 1975 followed by a 2nd wing in 1978 (51,400 SF overall). The mechanical equipment includes 5 large Air Package Units that supply both heating and cooling to the zones. The units vary in age from new (4- years) to old (15+ years). Equipment also includes exhaust fans, water heaters/tanks, pneumatic controls compressor and electrical equipment. These is no central emergency power or central fire alarm system. Current medical specialty tenants also have their dedicated equipment on the roof.

Action Plan & Approved Venders/Maintenance Contracts:

Overall Maintenance Management Provide by Building Owner / CDRE

RECENT CAPITAL IMPROVEMENTS/REPAIRS

Funded by Building Owner, managed by CDRE

*PACE TI Project & Fitness Center Relocation Project scope includes a few new HVAC and Plumbing equipment items (AC Units, Water Heaters, Fans) resulting in some reduced maintenance costs over the next 5 years

IN PROCESS/SHORT TERM PLANNING

- Replace Older Air Conditioning Unit #5
- Replace domestic water heater (s)
- Replace domestic water circulation pump (s)

FORECAST / RISKS LONG TERM - $863,200

- Replace/repair Air Conditioning Units #3 & #4 based on age of the units - $400,500
- Replace existing pneumatic controls air compressor - $30,000
- Architectural Repairs – finishes, walls and glazing – $70,000
- Plumbing Equipment and Piping repairs - $104,700
- Elevator repairs and code upgrades - $130,000

Live Well. Health Matters.

FACILITY MAINTENANCE & REPAIR PLAN

PHOTOS / RISKS LONG TERM



AC Unit #5



Hot Water Heater



Air Compressor for Pneumatic Controls



Roof top AC unit to serve BCHD Fitness Center

DATE: 05/05/26

Beach Cities Health District
510 Building Maintenance Masterplan
Future Shell Core Improvements

Top Floor Area	19,783 SF
Main Floor Area	16,050 SF
Basement Floor Area	15,403 SF
TOTAL	51,236 SF

510 PROSPECT BUILDING - 5 YEAR MAINTENANCE, REPAIRS AND REPLACEMENT PLAN

Item	Age	Size/ Capacity	Potential Replacement Cost	Description	LIFE - Normal	LIFE - Remaining	Replacement Year	Planned 2026-2027 Replace/Repair Costs	Planned 2027-2028 Replace/Repair Costs	Planned 2028-2029 Replace/Repair Costs	Planned 2029-2030 Replace/Repair Costs	Planned 2030-2031 Replace/Repair Costs	5 YEAR TOTOLS
Main AC Package Units (Roof Top)		*Assumed /TBD										DISTRICT	
AC-1 Roof Mounted Package Unit (Heating & cooling)	4 Years +/-	10000 CFM	$150,000		15	11	2037	$0	$0	$0	$0	$0	**$0**
AC-2 Roof Mounted Package Unit (cooling)	4 Years +/-	14000 CFM	$210,000		15	11	2037	$0	$0	$0	$0	$0	**$0**
AC-3 Roof Mounted Package Unit (Variable Volume Heating & Cooling)	10 Years +/-	20,000 CFM	$300,000		15	5	2031	$0	$50,000	$0	$0	$25,000	**$75,000**
AC-4 Roof Mounted Package Unit (cooling)	12 Years +/-	12000 CFM	$180,000		15	3	2029	$2,000	$3,000	$0	$0	$168,000	**$173,000**
AC-5 Roof Mounted Package Unit (cooling)	15 Years +/-	10000 CFM	$150,000		15	1	2027	$2,500	$150,000	$0	$0	$0	**$152,500**
TAC-1 Tenant Suite AC Units	10 years +/-			Tenant Purchased				Tenant Purchased	Tenant Purchased	Tenant Purchased	Tenant Purchased	Tenant Purchased	**$0**
TAC-2 Tenant Suite AC Units	Mixed							Tenant Purchased	Tenant Purchased	Tenant Purchased	Tenant Purchased	Tenant Purchased	**$0**
Exhaust Fans													
Main Wing EF-1 - Roof mounted exhaust fan model 18 FA-4B	10 Years	4,000 CFM	$4,000		15	5	2031	$4,000	$0	$0	$0	$0	**$4,000**
NORTH WING EF-1 - Roof mounted exhaust fan	10 Years	4,000 CFM	$4,000		15	5	2031	$0	$0	$4,000	$0	$0	**$4,000**
NORTH WING EF-3 - Roof mounted exhaust fan	10 Years	4,000 CFM	$4,000		15	5	2031	$0	$0	$0	$0	$4,000	**$4,000**

510 PROSPECT BUILDING - 5 YEAR MAINTENANCE, REPAIRS AND REPLACEMENT PLAN

Item	Age	Size/ Capacity	Potential Replacement Cost	Description	LIFE - Normal	LIFE - Remaining	Replacement Year	Planned 2026-2027 Replace/Repair Costs	Planned 2027-2028 Replace/Repair Costs	Planned 2028-2029 Replace/Repair Costs	Planned 2029-2030 Replace/Repair Costs	Planned 2030-2031 Replace/Repair Costs
Pneumatic Control Equipment	5 years		$307,416		12	7	2033	$5,000	$5,000	$10,000	$5,000	$5,000
Plumbing Equipment			$307,416									
HHW-1 Hot Water Heater	10 years	100 GALLON			15	5	2031	$0	$0	$0	$90,000	N/A
HHW-2 Hot Water Heater	10 years	100 GALLON			15	5	2031	$0	$0	$0	$0	$0
Circulation Pumps	5 years	5 HP			15	5	2031	$4,200	$0	$4,500	$0	$6,000
Electrical			$768,540									
Main Switchgear (Replace Breakers)	25 years				30	10	2036	$5,000	$5,000	$5,000	$5,000	$5,000
Emergency Generator / UPS	Tenant							Tenant Equipment	Tenant Equipment	Tenant Equipment	Tenant Equipment	Tenant Equipment
Light Fixtures (Corridors)	5 years							TI work	$3,000	$3,000	$3,000	$3,000
Fire Alarm												
Main Panels & Devices	None											
Fire Sprinklers												
Fire sprinkler system (Repairs as needed)	30 years		$307,416	Fully operational wet sprinkler system				$5,000	$5,000	$5,000	$5,000	$5,000
MEP Systems												
Misc Repairs				Other Improvements				$6,000	$6,000	$7,000	$8,000	$8,000
Elevators (2 Ea) - 3 stop			$570,000									

DATE:

Top Floor Area	
Main Floor Area	
Basement Floor Area	
TOTAL	

Beach Cities Health District
510 Building Maintenance Masterplan
Future Shell Core Improvements

510 PROSPECT BUILDING - 5 YEAR MAINTENANCE, REPAIRS AND REPLACEMENT PLAN

Item	Age	Size/ Capacity	Potential Replacement Cost	Description	LIFE - Normal	LIFE - Remaining	Replacement Year	Planned 2026-2027 Replace/Repair Costs	Planned 2027-2028 Replace/Repair Costs	Planned 2028-2029 Replace/Repair Costs	Planned 2029-2030 Replace/Repair Costs	Planned 2030-2031 Replace/Repair Costs
Building												
Roof (upper) - 15,300 SDF	5 years +/-	15,300 SF	$450,000	Built-Up Roof				$0	$0	$0	$3,000	$3,000
Roof (lower) - 3,000 SF	10 years +/-	3,000 SF	$90,000	Gravel Ballast				$0	$0	$0	$6,000	$7,000
Façade/Glazing (Repairs)	35 years +/-	Façade,Glazing SF	$500,000					$5,000	$5,000	$5,000	$5,000	$10,000
Finishes (Flooring) - Corridors / Lobbies	5 years	TI Scope	$200,000					TI work	$5,000	$5,000	$5,000	$5,000
Equipment/Specialties		alties,Equipment SF	$100,000					$0	$5,000	$5,000	$5,000	$5,000
Potential Upgrades												
Seismic / structural upgrade *Volentary	In process			Potential Code Upgrade Needed				w/ TI Project	TBD	TBD	TBD	TBD
Fire/Life Safety Upgrades - Fire Alarm				Potential Code Upgrade Needed				TBD	TBD	TBD	TBD	TBD
ADA/Accessibility Upgrades				Meets Current Codes				TBD	TBD	TBD	TBD	TBD
Energy Upgrades				Potential Code Upgrade Needed (Façade/Controls)				TBD	TBD	TBD	TBD	TBD
TOTAL COST			**$4,602,788**					**$38,700**	**$247,000**	**$103,500**	**$180,000**	**$294,000**

FACILITY MAINTENANCE & REPAIR PLAN

1272 BERYL ST. ALLCOVE BEACH CITIES



OVERVIEW

1272 Berly St. will be completed in 2Q-2027 will be a health wellness care facility for youth. Functions within the 9,400 SF facility include office, conference, chats, gathering space and medical and mental health treatment spaces. The mechanical equipment includes two rooftop cooling and heating units (Trane WHK180 6,000 CFM) that include cooling compressor, heating coil and supply fans. Other equipment includes exhaust fans, water heaters/tanks, state of the art control systems and electrical equipment. The roof will also include photovoltaic panels (1,420 SF) to provide building with green power.

Action Plan & Approved Venders/Maintenance Contracts: In 2027 implement a facility maintenance program=ram for new facility to maintenance capital investment

IN PROCESS/SHORT TERM PLANNING

Action Plan & Approved Venders/Maintenance Contracts: In 2027 implement a facility maintenance progre=ram for new facility to maintenance capital investment

FORECAST / RISKS LONG TERM - $150,000

- Minimal amount of repair and maintenance costs are expected in the next 5 Years.
- New energy efficient equipment and systems should only need regular maintenance and servicing
- Manufacturers' warranties range from 1 to 5 years.
- As-Builts, Equipment Cut sheets, Operation Manuals, etc. will be provided to BCHD at completion date.
- Building includes a two stop elevator – Maintenance contract will be needed with manufacturer after in year.
- Site will include a irrigation system / native plants, trees that will need to be serviced and maintained

FACILITY MAINTENANCE & REPAIR PLAN

PHOTOS / LONG TERM MAINTENANCE REQUIREMENTS



Trane WHK80 Rooftop Unit. (Cooling and Heating)



AO Smith 50 GAL Hot Water Heater



Rooftop Photovoltaic Panels (1,420 sf) and solar power supply system accessories



Austrian Willows Trees



Moonshine Yarrow



Desert Museum Palo Verde Trees

FACILITY MAINTENANCE & REPAIR PLAN

VENICE FAMILY CLINIC, 2114 ARTESIA BLVD, REDONDO BEACH





OVERVIEW

Building maintained by Tenant

RECENT CAPITAL IMPROVEMENTS/REPAIRS

BCHD invested in exterior improvements to building completed March 2021

IN PROCESS/SHORT TERM PLANNING

None planned

FORECAST / RISKS LONG TERM

Action Plan: Work with Tenant on long-term maintenance of building equipment and systems to maintain performance of key systems

LEAP AND BOUND ACADEMY, 601 S PACIFIC COAST HWY, REDONDO BEACH





OVERVIEW

Building maintained by Tenant

RECENT CAPITAL IMPROVEMENTS/REPAIRS

BCHD invested in exterior improvements to building in Oct 2019 to March 2021

IN PROCESS/SHORT TERM PLANNING

None planned

FORECAST / RISKS LONG TERM

Action Plan: Work with Tenant on long term maintenance of building and building equipment and systems to maintain performance of key systems.

FACILITY MAINTENANCE & REPAIR PLAN

SUNRISE OF HERMOSA BEACH, 1837 PACIFIC COAST HWY, HERMOSA BEACH





OVERVIEW

Beach Cities District is an 80% Limited Partner of the Sunrise Senior Living facility and operation. The tenant is fully responsible for maintaining the Premise for the Partnership.

RECENT CAPITAL IMPROVEMENTS/REPAIRS

The Partnership invested in exterior Solar project improvements completed March 2025.

IN PROCESS/SHORT TERM PLANNING

None planned

FORECAST / RISKS LONG TERM

Action Plan: BCHD is not involved in the ongoing maintenance or repairs of this facility.

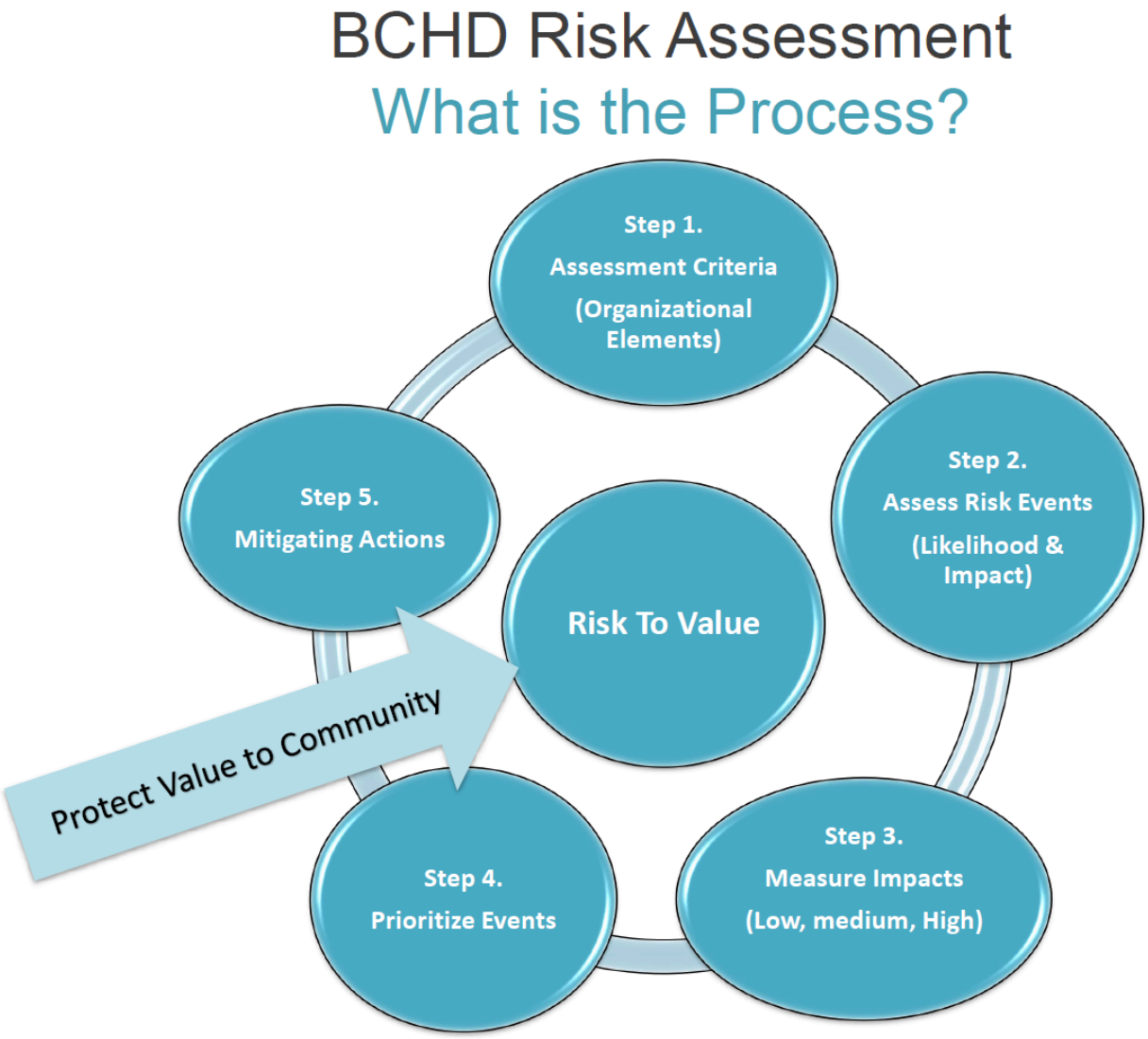


BCHD Risk Assessment

Updated November 19, 2025
November 12, 2019

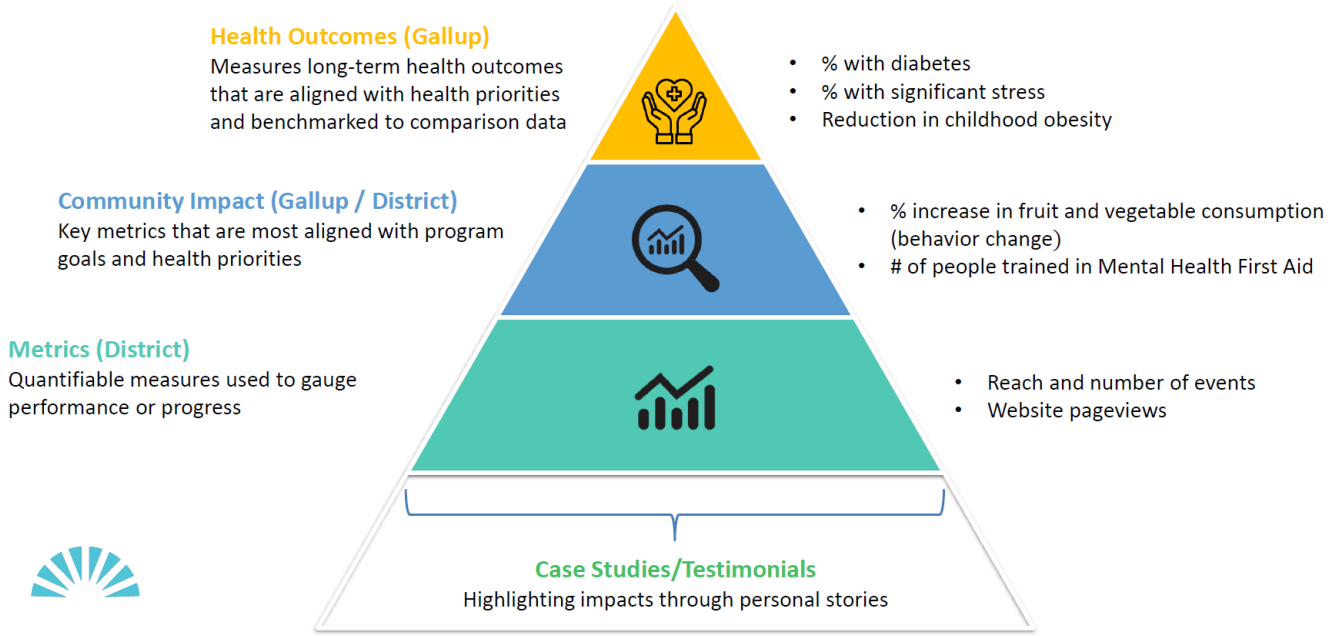
BCHD Risk Assessment
Understand Why Organizations Have Risks

Mission & Vision: Tells us Why an Organization has to Take Risks	
WHY	MISSION: Fill Unmet Preventive Health Needs in the Community
WHAT	VISION: A Healthy Beach Community – BCHD Health Priorities
HOW	Property Taxes, Return from Long-Term Assets, Donations and Grants
VALUE	$2.93 (293%) Return on each $1.00 Property Taxes Received $21M in Savings in Healthcare Costs (2010 – 2018 measured by Gallup)


BCHD Risk Assessment
What is the Process?
Step 1.
Assessment Criteria
(Organizational Elements)
Step 2.
Assess Risk Events
(Likelihood & Impact)
Step 3.
Measure Impacts
(Low, medium, High)
Step 4.
Prioritize Events
Step 5.
Mitigating Actions
Risk To Value
Protect Value to Community

Value is Measured by Dollars, Key Performance Indicators, Health Metrics & Outcomes

$2.93 In Community Investment / $1.00 Property Tax Received



BCHD Risk Assessment

Step 1: Assessment Criteria (Elements, Events)



BCHD Risk Assessment

Healthcare Districts & Industry Tenets

Public	Financial	Transparency & Oversight	Mission & Need
Communicate Value Articulate Vision/ Mission	Market Research Risk Assessment (Likelihood & Impact)	Measurable Outcomes Public Engagement	Prioritize Community Health Identify Healthcare Needs

BCHD Risk Assessment

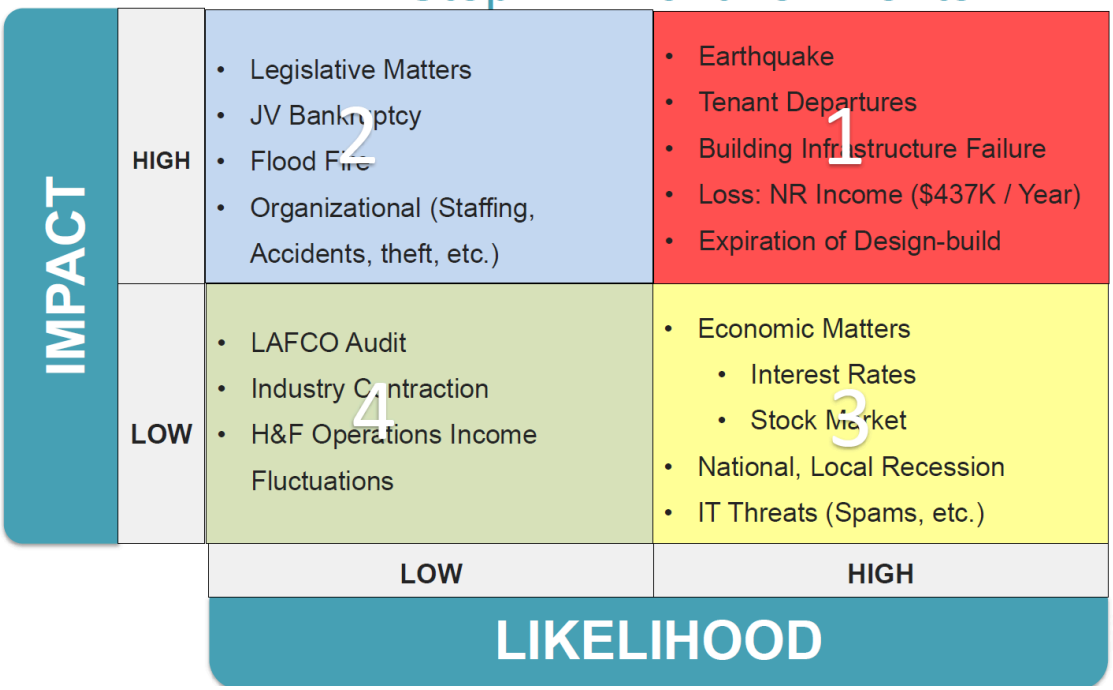
Step 2 & 3. Assessing/Measure the Risk Events

IMPACT		LOW	HIGH
	HIGH	• Earthquake • Health Pandemic • Legislative Matters • JV Bankruptcy • Flood & Fire • Organizational (Staffing, Accidents, etc.)	• Tenant Departures • Building Infrastructure Failure • Loss of Large Grants • Expiration of Design-build • Reduction in Value (2019 $3.50, 2026 $2.93)
	LOW	• LAFCO Audit • Industry Contraction • H&F Operations Income Fluctuations	• Economic Matters • Interest Rates • Stock Market • National, Local Recession • IT Threats (Spams, etc.)

LIKELIHOOD

BCHD Risk Assessment

Step 4. Prioritize Events



BCHD Risk Assessment

2019 Impacted Risks Update

Red = Has Occurred
Blue = Partially Affected
Italic = District's Operations Emergency Plan

- *Earthquake*
- *Pandemic*
- *Cyber*
- Tenant Departure
- Building Infrastructure Failure
- Loss: NR $437K / Year
- Loss of Programs & Services

HIGH IMPACTS	COMMUNITY IMPLICATIONS (123,000 Residents)
1. Loss of Life 2. Loss of Substantial Income	• *Reduce Support & Overhead* • Programs & Services Free to the Community (~ 30,000 residents) • Close Adult Service /BZP ($600,000) • Senior Health Fund (Shift to Insurance) ($400,000) ◦ Medical Equipment ◦ Taxi Rides ◦ Caregiving assistance • Realign Service School Grants ($723,000) • Eliminated City Partnerships ($167,000) • Eliminated Non-Profit Grants ($161,000)

BCHD Risk Assessment
Existential Risks – In 2026

- *Earthquake*
- *Pandemic*
- *Cyber*
- Loss of Grant Support
- Building Infrastructure Failure
- Unfinished Capital Projects
- Abandoned 514 N. Prospect Building

* HIGH IMPACTS	COMMUNITY IMPLICATIONS (123,000 Residents)
1. Loss of Life	• Reduce Support & Overhead • Supporting Programs & Services Free to the Community (~ 30,000 residents) • Close Adult Service /BZP ($600,000) • Elderly Losing Assistance ($400,000) • Medical Equipment • Taxi Rides • Human Interaction • Loss of Youth Mental Health Services ($1.5 Million)
2. Loss of Substantial Income	

*) November 12, 2019 Finance Committee Meeting – The lists of "High Impacts" and "Implications" are meant for illustration and are not exhaustive lists. There will be many other impacts like, injuries, infrastructure damage, etc.

BCHD Risk Assessment
Existential Risks

- Earthquake
- Tenant Departure
- Building Infrastructu Failure
- Loss: NR $437K / Y
- Expiration of Design-Build

BACK TO REVIEW OF MISSION, VISION PRINCIPLES:

BCHD Serves As Many As Possible in the Highest Area of Need

- School Grants ($723,000)
- Remove City Partnerships ($167,000)
- Remove Non-Profit Grants ($161,000)

*) November 12, 2019 Finance Committee Meeting – The lists of "High Impacts" and "Implications" are meant for illustration and are not exhaustive lists. There will be many other impacts like, injuries, infrastructure damage, etc.

BCHD Risk Assessment

Step 4: Mitigating Activities for High Probability / Impact

4.A. Use Strengths to Meet Mission:

- Community Support
- Optimize Use of High Valued Land
- Sunrise Joint Venture Financial Model
- Long-Term Ground Leases
- Diversified Income Stream (Fees, Insurance, Grants, etc.)

BCHD Risk Assessment

Step 4: Mitigating Activities for High Probability / Impact

4.B – What are the Opportunities:

- Community Need for Gathering Places
- High Valued Land Available
- Interest Rates are Low but Changing
- Need for Residential Care for the Elderly
- Mental Health Grants Opportunties


HEALTHY LIVING CAMPUS VISION
The Healthy Living Campus project is a unique opportunity for our community to chart the future of health by purposefully building an intergenerational, vibrant, research-driven campus where people can learn and engage in healthy behaviors, form meaningful connections and be well…
for many generations to come.
Beach Cities Health District
COMMUNITY WELLNESS PAVILION

FINANCE & BUDGET POLICIES



bchd.org

Financial Policies



Policy	Policy Title	Date Approved
2200	Strategic Plan	11/20/2019
6100	Financial Operations	11/15/2023
6110	Investment Policy	04/22/2026
6120	Budget Preparation	11/15/2023
6130	Principal Preservation	04/23/2025
6140	Disbursement of Funds	11/15/2023
6170	Fund Balance	11/15/2023

Strategic Plan

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POLICY TITLE: STRATEGIC PLAN
POLICY NUMBER: 2200

COMMITTEE APPROVAL DATE: 09/30/2019 **WRITTEN/REVISED BY:** T. BAKALY
BOARD APPROVAL DATE: 11/20/2019 **SUPERSEDES:** 07/22/2015

POLICY:

2200 It is the policy of the Beach Cities Health District ("District") to be responsible to the beach cities community for promoting health and wellness. The Board of Directors has established a Strategic Planning Committee to promote a strategic plan of action, to improve decision making, to enhance organizational responsiveness, to improve performance, and to strengthen the organization.

GUIDELINES:

2200.1 The Strategic Planning Committee will design the process for long-range and strategic planning and recommend it to the Board for approval. Upon approval by the Board, the Committee will direct staff in the planning process and report to the Board throughout the year as needed.

2200.2 The full Board of Directors will meet at least annually to assess, review, and update its strategic plan. This may take the form of a retreat, workshop, special meeting or part of a regularly scheduled meeting, as appropriate.

Financial Operations

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POLICY TITLE: FINANCIAL OPERATIONS
POLICY NUMBER: 6100

COMMITTEE APPROVAL DATE: 11/15/2023 **WRITTEN/REVISED BY**: M. SUUA
BOARD APPROVAL DATE: 11/15/2023 **SUPERSEDES:** 03/23/2016

POLICY:

6100 It is the policy of the Beach Cities Health District ('District") to comply fully with the financial statutes of the State of California as they relate to Healthcare Districts.

6100.1 The ultimate responsibility for the District's financial position and direction rests with the Board of Directors. Issues such as strategic planning, investment guidelines, funding of projects, major purchases or expenditures and operating budget are to be authorized at the Board level.

6100.2 The Board has established a Finance Committee to provide advice and insight to the Board of Directors, Board Treasurer and District staff. The Treasurer chairs the Committee, with an additional Board member as second chair. The Committee is comprised of six (6) to eight (8) community members and two (2) youth representatives.

6100.3 The Chief Executive Officer shall be given the authority and responsibility for conducting the District's business within the framework of the Board's policies and governance. The Chief Executive Officer shall be held accountable to the Board for the financial performance of the District.

6100.4 The Chief Executive Officer shall have the authority to approve unbudgeted expenditures as set forth in an annual Budget Resolution or as otherwise approved by the Board.

Investment Policy

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POLICY TITLE: INVESTMENT POLICY
POLICY NUMBER: 6110

COMMITTEE APPROVAL DATE: 03/16/2026 **WRITTEN/REVISED BY:** M. SUUA
BOARD APPROVAL DATE: 04/22/2026 **SUPERSEDES:** 03/26/2025

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1.Policy

It is the policy of the Beach Cities Health District ("District") to provide guidelines for the prudent investment of District funds and to maximize the efficiency of the District's cash management. The ultimate goal is to enhance the economic status of the District consistent with the prudent protection of the District's investments. This investment policy has been prepared in conformance with all pertinent existing laws of the State of California including California Government Code Sections 53600, *et seq*.

2. Scope

This policy covers all funds and investment activities of the District except for (1) the proceeds of bond issues, which are invested in accordance with provisions of their specific bond indentures, and (2) funds invested in retirement or deferred compensation plans. All funds covered by this policy are defined and accounted for in the District's audited annual Basic Financial Statements Report. Further, any new funds created shall be covered by this policy unless specifically excluded by District management and the Board of Directors. Investments for the District (the "portfolio") will be made on a pooled basis including the General Fund, Special Revenue Fund, and any funds subsequently created.

3. Prudent Investor Standard

3.1 The District operates its investment portfolio under the Prudent Investor Standard (California Government Code Section 53600.3) which states, that "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person in a like capacity and familiar with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District."

3.2 This standard shall be applied in the context of managing the overall portfolio. Investment officers, acting in accordance with written procedures and this investment policy and exercising the above standard of diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.Investment Objectives

4.1 When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds:

4.1.1 The primary objective is to safeguard the principal of the funds.

4.1.2 The secondary objective is to meet the liquidity needs of the District.

4.1.3 The third objective is to achieve a reasonable market rate of return on invested funds.

4.2 It is the policy of the District to invest public funds in a manner to obtain the highest yield obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

4.2.1 Safety of Principal

Safety of the principal is the foremost objective of the District. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they arise from securities defaults, institution default, broker-dealer default, or erosion of market value of securities. The District shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks. Credit Risk is the risk of loss due to the failure of a security issuer or backer. Interest Rate Risk is the risk that the market value of the District's portfolio will fall due to an increase in general interest rates.

4.2.1.1 Credit risk will be mitigated by:

4.2.1.1.1 Limiting investments to only the most creditworthy types of securities;

4.2.1.1.2 Pre-qualifying the financial institutions with which the District will do business; and

4.2.1.1.3 Diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the District.

4.2.1.2 Interest rate risk will be mitigated by:

4.2.1.2.1 Structuring the District's portfolio so that securities mature to meet the District's cash requirements for ongoing obligations, thereby reducing the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and

4.2.1.2.2 Investing a portion of the portfolio in shorter-term securities.

4.2.2 Liquidity

Availability of sufficient cash to pay for current expenditures shall be maintained in money market funds, local government investment pools that offer daily liquidity, repurchase agreements, or short-term securities that can easily be converted into cash because they have secondary markets. The cash management system of the District shall be designed to accurately monitor and forecast expenditures and revenues to ensure the investment of monies to the fullest extent possible.

4.2.3 Rates of Return

Yield on investments shall be considered only after the basic requirements of safety and liquidity have been met. The investment portfolio shall be designed to attain a market average rate of return throughout economic cycles, taking into account the District's risk constraints, the composition and cash flow characteristics of the portfolio, and applicable laws.

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5. Delegation of Authority

Authority to manage District's investment program is derived from the California Government Code Section 53600 *et. seq*. The Board of Directors (the "Board") is responsible for the management of the portfolio and shall approve the systems of controls that regulate the activities of internal staff and external investment advisors. The Board hereby delegates responsibility to invest or reinvest the funds of the District or to sell or exchange securities so purchased, to the Chief Executive Officer (or the "CEO") who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in the absence of the CEO. Such procedures shall authorize the CEO and/or the CFO to execute investment transactions or to delegate day-to-day investment decision making and execution authority to an investment advisor. The rights and responsibilities delegated to an investment advisor must be in a written agreement. The investment advisor shall make all investment decisions and transactions in accordance with California Government Code and District policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Chief Executive Officer and approved by the Board of Directors.

6. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Employees and investment officers shall disclose any material financial interest in financial institutions that conduct business with this District, and they shall further disclose any large personal financial / investment positions that could be related to the performance of the District's portfolio. Employees and officers shall subordinate their personal investment preferences to those of the District, particularly with regard to the timing of transactions and shall avoid transactions that might impair public confidence. Further, in compliance with SB 827 and California Government Code Section 53238.2, current officials with investment responsibilities shall complete fiscal and financial training by January 1, 2028, with refresher training at least once biennially thereafter.

7. Authorized Financial Dealers and Institutions

The CFO will establish and maintain a list of the financial institutions and broker/dealers authorized to provide investment and depository services to the District, will perform an annual review of the financial condition and registrations of the qualified institutions, and will require annual audited financial statements to be on file for each approved institution. The District shall annually send a copy of their current Investment Policy to all financial institutions and broker/dealers approved to do business with the District. Receipt of the Investment Policy including confirmation that it has been received and reviewed by the person(s) handling the District's account, shall be acknowledged in writing within thirty (30) days.

7.1 Depositories

7.1.1 In selecting depositories, the creditworthiness of institutions shall be

considered, and the CFO shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history. Qualifications and minimum requirements for depositories will be established by the CFO, approved by the Board of Directors, and provided to any institution seeking to conduct business with the District. Banks and Savings and Loan Associations seeking to establish eligibility as a depository for the District's Collateralized Certificate of Deposits shall annually submit an audited financial statement which will be reviewed by the CFO for compliance with the District's financial criteria.

7.1.2 Any institution meeting the District's required criteria will be eligible for placement of public deposits by the District, subject to approval by the Chief Executive Officer. Un-audited quarterly financial data shall be reviewed for all institutions on the District's approved list. Any institution falling below the District's established minimum criteria shall be removed from the approved list, no new deposits may be placed with that institution, and all funds remaining shall be withdrawn as the deposits mature.

7.2 Brokers and Dealers

To become a broker or dealer qualified to do business with the District, a firm must respond to the District's "Broker Dealer Questionnaire" and submit related documents relative to eligibility. Required documents include a current audited financial statement, proof of state registration, proof of FINRA registration, and a certification that the firm has received and reviewed the District's Investment Policy and agrees to offer the District only those securities that are authorized by the Investment Policy. The CFO may establish any additional criteria deemed appropriate to evaluate and approve any financial services provider. The selection process for broker-dealers shall be open to both "primary dealers" and "secondary/regional dealers" that qualify under Securities and Exchange Commission Rule 15c3-1 (Uniform Net Capital Rule), and the provider's representative must be experienced in institutional trading practices and familiar with the California Government Code as it relates to investments by a public entity.
If a third party investment advisor is authorized to conduct investment transactions on the District's behalf, the investment advisor may use its own list of approved issuers, broker/dealers and financial institutions. The investment advisor's approved list must be made available to the District upon request.

8. Authorized and Suitable Investments

8.1 The District is provided with a broad spectrum of eligible investments under California Government Code Section 53600 *et seq*. The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. If a type of investment is added to California Government Code 53600, it will not be added to the District's Authorized Investment List until this policy is amended and approved by the Chief Executive Officer and the Board of Directors. If a type of investment permitted by the District should be removed from California Government Code 53600, it will be deemed concurrently removed from the

District's Authorized Investment List, but existing holdings may be held until they mature if it is in the best interest of the District and recommended by the CFO and approved by the Board of Directors.

Credit criteria listed in this Policy refers to the credit rating of the issuing organization at the time the security is purchased. The District may from time to time be invested in a security whose rating is downgraded. In the event a rating drops below the minimum allowed by this Policy, the CFO will review recommend an appropriate plan of action to the CEO and Board no less frequently than quarterly. If the District has an Investment Advisor, the Investment Advisor will notify the CFO and recommend a plan of action. Percentage limits refer to the percentage at the time the security is purchased.

8.1.1 Within the context of these limitations, the following investments are authorized. No more than 5 percent of the portfolio may be invested in any one non-governmental issuer regardless of sector. This limitation does not apply to the following types of securities: U.S. Treasury securities, U.S. Government Agency securities, obligations of the International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter-American Development Bank, money market funds, and government investment pools.

PERMITTED INVESTMENTS/ DEPOSITS	SECTOR LIMITS	MINIMUM CREDIT REQUIREMENTS*	MATURITY LIMITS**
Government Investment Pools • LAIF (Local Agency Investment Fund) California State Treasurer's Office • Shares issued by a JPA (LGIP)	• Maximum permitted by State Treasurer • No maximum limit	• No limit • No limit	• N/A • N/A
Securities of the U.S. Government, including: (1) U.S. Treasury and (2) U.S. Government Agency securities	• No % limit • No % limit	• No limit • No limit	• 5 years • 5 years
Registered state warrants or treasury notes or bonds of the state of California	• No % limit	• No limit	• 5 years
Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California	• No % limit	• No limit	• 5 years
Bonds, notes, warrants, or other evidences of indebtedness of any of the other 49 United States in addition to California	• No % limit	• No limit	• 5 years
Bankers' acceptances	• 20%	• "A-1"	• 180 days
Commercial paper	• 25%	• "A-1" or higher *or* has debt other than commercial paper that is rated "A" or higher	• 397 days
Negotiable certificates of deposit	• 30%	• "A-1" / "A"	• 5 years
Time certificates of deposit	• 50%	• No limit	• 2 years

Repurchase Agreements	• 20% with Master Repurchase Agreement	• N/A	• 90 days
Medium-term notes	• 30%	• "A"	• 5 years
Money market funds	• 20%	• "AAA" or higher by at least two NRSROs[1] *or* must meet the Advisor Requirements • (See section (m) on page 11.)	• N/A
Money market account/ passbook savings / demand deposits	• No % limit	• N/A	• N/A
Asset-backed securities*	• 20%	• "AA"	• 5 years
Obligations of the International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter-American Development Bank	• 30%	• "AA"	• 5 years

* Minimum credit requirements refer to the credit rating category without regard to "+", "-", or 1, 2, 3 modifiers. The minimum required credit rating category includes the equivalent ratings from any NRSRO.

** For purposes of compliance with this policy, an investment's term or remaining maturity shall be measured from the settlement date to final maturity

*** Due to the complexity of these securities, asset-backed securities may only be purchased on the District's behalf by a registered investment advisor. The investment advisor must independently review and approve each asset-backed security to be purchased in the District's portfolio. The percentage limits for this investment type do not apply to securities issued or guaranteed by the U.S. Government or a federal agency.

8.1.2 One of the purposes of this Investment Policy is to define which investments are permitted. If a type of security is not specifically authorized by this policy, it is not a permitted investment.

8.2 The following descriptions of authorized investments are included here to assist in the administration of this policy.

8.2.1 Local Agency Investment Fund (LAIF)
The Local Agency Investment Fund (LAIF) is a special fund in the California State Treasury created and governed pursuant to Government Code Sections16429.1 *et seq*. This law permits the District with the consent of the Board of Directors, to remit money not required for the District's immediate need, to the State Treasurer for deposit in this special fund for the purpose of investment. Funds may be withdrawn on one same day notice if notice is given by 10 a.m. The fees charged by LAIF are limited by statute (Legal Authority – Government Code Section 16429.1)

8.2.2 Shares Issued by a JPA (LGIP)
Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive. (Legal Authority – Government Code Section 53601 (p))

[1] An NRSRO is defined as a "Nationally Recognized Statistical Rating Organization".

Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

8.2.2.1 The adviser is registered or exempt from registration with the Securities and Exchange Commission.

8.2.2.2 The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) Government Code Section 53601, inclusive.

8.2.2.3 The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

8.2.3 Securities of the U.S. Government including U.S. Treasury and U.S. Government Agencies and Instrumentalities

These obligations can be classified either as "Treasuries" or "Agencies."

Treasury securities ("Treasuries") are obligations of the United States Treasury backed by the "full faith and credit" of the federal government and can be of three types: bills, notes, and bonds. (Legal Authority- Government Code Sections 53601(b))

The District can invest in federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. The maximum investment maturity is restricted to 5 years. (Legal Authority – Government Code Sections 53601 (f))

8.2.4 Registered State warrants or Treasury Notes or Bonds of the State of California

These include bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. The maximum investment maturity is restricted to 5 years. (Legal Authority – Government Code Sections 53601 (c).

8.2.5 Bonds, Notes, Warrants, or Other Evidences of Indebtedness of Any Local Agency within the State of California

These include bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a California local agency, or by a department, board, agency or authority of such a local agency. The maximum investment maturity is restricted to 5 years. (Legal Authority-Government Code Sections 53601 (d)).

8.2.6 Bonds, Notes, Warrants, or Other Evidences of Indebtedness of an of the

other 49 United States in addition to California. These include bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. The maximum investment maturity is restricted to 5 years. (Legal Authority – Government Code Sections 53601 (d))

8.2.7 Bankers Acceptances

The District may invest in bankers' acceptances, which are bills of exchange or time drafts that are drawn on and accepted by a commercial bank. To be eligible for investment by the District, bankers' acceptances must carry a minimum rating of "A" or "A-1" by a nationally recognized statistical rating organization ("NRSRO"). The maximum investment maturity will be restricted to 180 days. Purchases of bankers' acceptances shall not exceed 20 percent of the portfolio. (Legal Authority-Government Code Sections 53601 (g).

8.2.8 Commercial Paper

Commercial paper is issued by leading industrial and financial firms to raise working capital. The District shall only buy commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating by an NRSRO. Eligible paper shall also be further limited to issuing corporations that meet all of the following conditions in either paragraph 8.2.8.1 or paragraph 8.2.8.2:

8.2.8.1 The entity meets the following criteria: (i) is organized and operating within the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars ($500,000,000), and (iii) has debt other than commercial paper, is any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

8.2.8.2 The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and (iii) has commercial paper that is rated in a rating category of "A-1" or higher, or the equivalent, by an NRSRO.

Purchases of eligible commercial paper shall not exceed 397 days to maturity. Purchases of commercial paper shall not exceed 25 percent of the portfolio. (Legal Authority – Government Code Section 53601 (h))

8.2.9 Negotiable Certificates of Deposit

The District may invest in negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union or by a federally licensed or state-licensed branch of a foreign bank. Eligible investments shall be rated in a rating category of "A" or "A-1" or its equivalent or better by an NRSRO. The maximum investment maturity is restricted to 5 years. Purchases of negotiable Certificates of Deposit shall not exceed 30 percent of the portfolio. (Legal Authority – Government Code Section 53601 (i).

No deposits shall be made at any time in negotiable CDs issued by a state or federal credit union if a member of the District's Board or staff serves on the board of directors or any committee appointed by the board of directors of the credit union.

8.2.10 Time Certificates of Deposit

The District may invest in non-negotiable, FDIC-insured, and collateralized certificates of deposits ("CDs") in a state or national bank, savings association or federal association, federal or state credit union in the State of California. In accordance with California Government Code Section 53635.2, to be eligible to receive District deposits, a financial institution must have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California communities. A written depository contract is required with all institutions that hold District deposits. Deposits larger than the current level of FDIC insurance must be collateralized by securities with a market value of at least 110 percent of all uninsured deposits with the institution. Acceptable collateral is governed by California Government Code Section 53651. Real estate mortgages are not considered acceptable collateral by the District, even though they are permitted in Government Code Section 53651(m). All banks are required to provide the District with a statement of pooled collateral. This report will state that they are meeting the 110 percent collateral rule (Government Code Section 53652(a)), a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool.

No deposits shall be made at any time in CDs issued by a state or federal credit union if a member of the District's Board or staff serves on the board of directors or any committee appointed by the board of directors of the credit union. In accordance with Government Code Section 53638, any deposit shall not exceed that total shareholder's equity of any depository bank, nor shall the deposit exceed the total net worth of any institution. Maximum maturity is restricted to 2 years. Purchases of time certificates of deposit shall not exceed 50 percent of the portfolio.

8.2.11 Repurchase Agreements

The District may invest in overnight and term repurchase agreements with Primary Dealers of the Federal Reserve Bank of New York rated in a rating category of "A" or its equivalent or better by an NRSRO with which the District has entered into Master Repurchase Agreement. This agreement will be modeled after the Public Securities Associations Master Repurchase Agreement. The maximum maturity will be restricted to 90 days. Purchases of repurchase agreements shall not exceed 20 percent of the portfolio. (Legal Authority—Government Code Section 53601(j))

All collateral used to secure this type of transaction is to be delivered to a third party prior to release of funds. The third party will have an account in the name of the Beach Cities Health District. The market value of securities used as collateral

for repurchase agreements shall be monitored on a daily basis and will not be permitted to fall below a minimum of 102 percent of the value of the repurchase agreement Collateral shall not have maturities in excess of 5 years The right of substitution will be granted, provided that permissible collateral is maintained.

In order to conform with provisions of the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be securities that are direct obligations of and guaranteed by the United States Government and Agency securities as permitted under this policy. The District will maintain a first perfected security interest in the securities subject to the repurchase agreement and shall have a contractual right to liquidation of purchased securities upon the bankruptcy, insolvency or other default of the counter party.

8.2.12 Medium Term Notes

Medium-term notes are obligations of a domestic corporation or depository institution. The maximum investment maturity is restricted to 5 years. Eligible investments shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not exceed 30 percent of the portfolio. (Legal Authority-Government Code Sections 53601(k)).

8.2.13 Money Market Funds

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, *et seq*.) and that invest in securities and obligations defined as permitted investments for local agencies as described in subsections (a) through (k), inclusive, and (m) through (q), inclusive, of Government Code Section 53601 *et seq*.

To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two NRSROs or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds and with assets under management in excess of $500,000,000. Purchases of money market funds shall not exceed 20 percent of the portfolio. (Legal Authority – Government Code Section 53601 (l))

8.2.14 Money Market Accounts / Passbook Savings / Demand Deposits

These are authorized by Government Code Section 53637 and must be insured by the FDIC or collateralized as required by California Government Code. (Legal Authority – Government Code Section 53637)

8.2.15 Asset-Backed Securities

This category includes mortgage passthrough securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-

backed certificates, consumer receivable passthrough certificates, or consumer receivable-backed bonds. For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in section 6.110.10.3 above, the following limitations apply:

8.2.15.1 Securities eligible for investment shall be rated in a rating category of "AA" or its equivalent or better by at least one NRSRO and have a maximum remaining maturity of five years or less.

8.2.15.2 Purchases of asset-backed securities shall not exceed 20 percent of the portfolio.

8.2.15.3 Further, the asset-backed securities described in this sub-section may only be purchased on the District's behalf by a registered investment advisor. The investment advisor must independently review and approve each asset-backed security to be purchased in the District's portfolio.

(Legal Authority – Government Code Section 53601 (o))

8.2.16 Obligations of the International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter- American Development Bank

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter- American Development Bank (IADB), which are eligible for purchase and sale within the United States. Investments shall be rated "AA", its equivalent, or better by at least one NRSRO. The maximum investment maturity is restricted to 5 years. Purchases of these types of obligations may not exceed 30 percent of the portfolio. (Legal Authority – Government Code Section 53601 (q))

9. Investment Pools

A thorough investigation of any investment pool, money market or mutual fund is required prior to investing and on a continual basis. The investigation will, at a minimum, obtain the following information:

9.1 A description of interest calculations and how it is distributed, and how gains and losses are distributed.

9.2 A description of how securities are safeguarded (including the settlement process) and how often the securities are marked to market and how often an audit is conducted.

9.3 A description of who may invest in the program, how often, what size deposits and withdrawals are permitted.

9.4 A schedule for receiving statements and portfolio listings.

9.5 Does the pool/fund maintain a reserve or retain earnings, or is all income after expenses distributed to participants?

9.6 A fee schedule that discloses when and how fees are assessed.

9.7 Determining if the pool or fund is eligible for bond proceeds and/or will it accept such proceeds.

The purpose of this investigation is to determine the suitability of a pool or fund and evaluate the risk of placing funds with that pool or fund.

10. Collateralization

Repurchase Agreements shall be collateralized in accordance with terms specified in the Master Repurchase Agreement. The valuation of collateral securing a Repurchase Agreement will be verified and monitored on a daily basis to ensure a minimum of 102% of the value of the transaction being held by the District's depository agent. All collateral used to secure this type of transaction is to be delivered to a third party prior to release of funds. The third party will have an account in the name of the Beach Cities Health District.

11. Safekeeping and Custody

All deliverable securities owned by the District shall be held in safekeeping by a third party bank trust department acting as agent for the District under the terms of a custody agreement executed by the bank and the District. **All deliverable securities will be received and delivered using standard delivery versus payment (DVP) procedures**. The third party bank trustee agreement must comply with Section 53608 of the California Government Code. No outside broker/dealer or advisor may have access to District funds, accounts, or investments and any transfer of funds must be approved by the Chief Executive Officer or his/her designee.

12. Diversification and Risk

The District recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. To minimize the District's exposure to these types of risk, the portfolio should be diversified among several types of institutions, instruments, and maturities. The Finance Director shall minimize default risk by prudently selecting only instruments and institutions, which at the time of placement have been evaluated for their financial viability and compliance with this policy. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. Risk shall also be managed by subscribing to a portfolio management philosophy that helps to control market and interest rate risk by matching investments with cash flow requirements. In the event of a default by a specific issuer, the Finance Director shall evaluate the liquidation of securities having comparable credit risks. Diversification strategies shall be established and reviewed quarterly by the Chief Executive Officer.

13. Maximum Maturities

Every effort will be made to match investment maturities to cash flow needs. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. The maximum average duration of the District's portfolio may not exceed 3 years. Unless matched to a specific requirement and approved by the Board of Directors, no investment may be made with a maturity greater than 5 years.

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14. Review of Investment Portfolio

The Chief Executive Officer and/or CFO will review this Beach Cities Health District Investment Policy annually and present the Investment Policy and any recommended changes to the Finance Committee. The Finance Committee will review the staff's recommendations and present the Investment Policy and the Committee's recommendations to the Board of Directors.

15. Internal Control and Review. Investment policy compliance and adoption

15.1 the Chief Executive Officer (or the "CEO") shall establish written procedures for the operation of the investment program consistent with this investment policy to ensure that the assets of the District are protected from loss, theft, fraud or misuse. Which the Board of Directors of the District shall consider at a public meeting. Any change in the policy shall also be considered by the Board of Directors of the District at a public meeting.

15.2 The external auditors shall review annually the investments and general activities associated with the investment program to ensure compliance with this Investment Policy. This review will provide internal control by assuring compliance with policies and procedures established by this Investment Policy.

16. Performance Standards

The investment portfolio will be managed in accordance with the standards established within this Investment Policy and should obtain a market rate of return throughout budgetary and economic cycles, taking into account the District's investment risk constraints, cash flow needs, and maturities of the investments. The basis to determine whether market yields are being achieved shall be the total return of the portfolio. The Bank of America Merrill Lynch 1-5 Year U.S. Government/Corporate AAA- A Index is the benchmark that will be compared to the portfolio's sector composition, maturity structure, current investment strategy, and total return. The CFO will periodically review the District's portfolio performance against the benchmark.

17. Reporting

The Chief Executive Officer or his/her designee will submit to the Board of Directors a monthly report of investment transactions and a quarterly investment report, which will be submitted within 30 days of the end of each calendar quarter. This report shall include all items listed in Section 53646(b) of the Government Code:

17.1 A list of individual securities held at the end of the reporting period.
17.2 Market value, book value, par value, cost basis, and maturity date of all investments.
17.3 Dollar weighted yield to maturity of the District's investments.
17.4 Statement of compliance of the District's Investment Policy with California Government Code Section 53601 et seq.
17.5 Statement as to ability to meet all scheduled expenditure requirements for

the next six months.

18 Appendix: Glossary of Investment Terms

Because the Investment Policy of the Beach Cities Health District is available to the public, related terminology is included as a part of this policy.

Bankers' Acceptance - A high-quality, short-term money market instrument used to finance international trade. There has never been an instance of a failure to pay a banker's acceptance in full at its maturity date.

Bond - A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker - Someone who brings buyers and sellers together and is compensated for his/her service.

Certificate of Deposit - A deposit of funds for a specified period of time that earns interest at a specified rate. Commonly known as "CDs." Maturities range from a few weeks to several years. Interest rates are set by the competitive market place.

Collateral - Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper - Short-term, negotiable unsecured promissory notes of corporations.

Custodian - A bank or other financial institution that keeps custody of stock certificates and other assets.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Diversification - Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently $250,000) per account.

Interest Rate Risk - The risk associated with declines or rises in interest rates that cause an investment in a fixed-income security to increase or decrease in value.

Investment Company Act of 1940 - Federal legislation which sets the standards by

which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Liquidity - An asset that can easily and rapidly be converted into cash without significant loss of value.

Local Agency Investment Fund (LAIF) - A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Money Market Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos, and federal funds).

Negotiable Certificate of Deposit - A large denomination certificate of deposit which can be sold in the open market prior to maturity.

Note - A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Par Value - The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in $1,000 increments per bond.

Portfolio - Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

Primary Dealer - A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Principal - The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prudent Investor Standard - A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent

person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - A transaction where the seller agrees to buy back from the buyer the securities at an agreed upon price on demand or at a specified date.

Risk - Degree of uncertainty of return on an asset.

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Safekeeping Service - Offers storage and protection of assets; provided by an institution serving as an agent.

Secondary Market - A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission (SEC) - The federal regulatory agency responsible for supervising and regulating the securities industry.

Settlement Date - The date on which a trade is cleared by delivery of securities against funds.

Shares issued by a JPA (LGIP) - A pooled investment vehicle sponsored by a local Agency or a group of local agencies for use by other local agencies.

Time Certificate of Deposit - A non-negotiable certificate of deposit that cannot besold prior to maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio.

Treasury Bills (also known as **T-bills)** - U.S. Treasury Bills, which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks (3-month, 6-month, 1-year); sold in minimum amounts of $10,000 in multiples of $5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

Treasury Bonds (also known as **T-bonds**) - U.S. Treasury long-term obligations, direct obligations of the U.S. Government, generally mature in 10 years or more.

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U.S. Government Agencies - The term used to describe the instruments issued by various U.S. Government Agencies most of which are secured only by the credit worthiness of the particular Agency.

U.S. Treasury Obligations - Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. **Bills** are short-term obligations that mature in 1 year or less and are sold on the basis of a rate of discount. **Notes** are obligations that mature between 1 year and 10 years. **Bonds** are long-term obligations that generally mature in 10 years or more.

Yield - The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity - The rate of income return on an investment minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Budget Preparation

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POLICY TITLE: BUDGET PREPARATION
POLICY NUMBER: 6120

COMMITTEE APPROVAL DATE: 11/15/2023 **WRITTEN/REVISED BY**: M.SUUA
BOARD APPROVAL DATE: 11/15/2023 **SUPERSEDES:** 06/24/2020

POLICY:

6120 It is the policy of the Beach Cities Health District's ("District") Board of Directors to maintain Board-level oversight of District expenditures through budgetary controls.

6120.1 It is the policy of the District to have a balanced operating budget, where District revenues pays for District operating expenditures on an annual basis, unless special considerations are acknowledged and approved by the District's Board.

6120.2 It is the policy of the District's Board of Directors, in making decisions affecting the District's long-term fiscal health, to make every effort to consider the District's financial reserves, the effect of inflation, and foreseeable future budgetary activity when reviewing budgets and approving expenditures to have a balanced operating budget.

Guidelines:

6120.3 An annual budget proposal shall be prepared by department heads, with the process directed and coordinated by the Chief Finance Officer (CFO), subject to the approval of the Chief Executive Officer (CEO). While the CEO has discretionary approval authority of expenditures by resolution, monthly controls and financial reporting are to be put in place giving each department head responsibility for controlling expenditures for their own department.

6120.4 The District begins the budget preparation by holding a Strategic Planning meeting open to the public, in accordance with the Brown Act.

6120.5 Prior to review by the Board of Directors, the Board's Finance Committee shall meet with the CEO, CFO and department heads to review and discuss the annual budget proposal, in a meeting open to the public, in accordance with the Brown Act.

6120.6 The proposed annual budget as recommended by the Finance Committee shall be reviewed by the Board at one of its meetings during the last quarter of every year prior to the Fiscal year commencing July 1st, unless otherwise scheduled by the Board, also in a meeting open to the public, in accordance with the Brown Act.

6120.7 The proposed annual budget, as amended by the Board during its review, shall be adopted by Board Resolution during the last quarter of every year prior to the Fiscal year commencing July 1st, unless otherwise scheduled by the Board, in a meeting open to the public, in accordance with the Brown Act.

Principal Preservation

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POLICY TITLE: PRINCIPAL PRESERVATION
POLICY NUMBER: **6130**

COMMITTEE APPROVAL DATE: 04/07/2025 **WRITTEN/REVISED BY:** M. SUUA
BOARD APPROVAL DATE: 04/23/2025 **SUPERSEDES:** 11/15/202023

Policy:

6130 It is the policy of the Board of Directors of the Beach Cities Health District ("District") to establish guidelines that will ensure that the District maintains an Operating Reserve Balance generated from rent proceeds, taxes and investment income in an amount sufficient to provide sources of funding for operating the District Services focused on preventive health-related services and programs provided to the three beach cities, including the publicly-owned health facilities known as the Center for Health & Fitness and Adventure Plex. In addition, for prudent long-term management of District assets, it is further the policy of the Board of Directors to maintain a Committed Fund Balance to be used for continued capital investments in the District.

6130.1 In order to accomplish these objectives, the following guidelines shall be implemented.

Guidelines:

6130.2 Protection of Purchasing Power:

6130.2.1 Each year, during the budget process for the next fiscal year, staff shall provide the Board of Directors projected revenues and recommended funding levels for grants and programs. The Board is designating fifty percent (50%) of actual operating expenditures updated annually in the final audited Fund Financial Statements for an Operating Reserve. $2M will be available from the 115 Trust Account and the remaining will be added to the Unrestricted Reserve

6130.2.2 The remaining District available fund balance shall be designated Committed Fund Balance to be used for prudent long-term protection of District assets to insure continued return on investments.

6130.3 Profits from Sale of Property & Other Unidentified Sources:

In the event the District receives income from outside sources relating to the sale of District property and/or equipment; refunds; repayment of loans; etc., it shall be allocated to the Committed Fund Balance.

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6130.4 Replenishment of Committed Fund Balance for Extraordinary Services:

In the event the District has a need to use Committed Fund Balance to provide extraordinary services including, but not limited to, such items as construction, purchase of property and/or equipment, damages not covered by insurance, emergency funding for grantees, and health emergency, the Board of Directors shall have the discretion at the time of approving the funding of the project/service(s) of determining whether the Committed Fund Balance shall be repaid. The Board shall also determine whether the repayment will include an interest factor and over what period the reserve shall be repaid.

Disbursement of Funds

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POLICY TITLE: DISBURSEMENT OF FUNDS
POLICY NUMBER: 6140

COMMITTEE APPROVAL DATE: 11/15/2023 **WRITTEN/REVISED BY**: M.SUUA
BOARD APPROVAL DATE: 11/15/2023 **SUPERSEDES:** 03/23/2016

POLICY:

6140 It is the policy of the Beach Cities Health District's Board of Directors to prudently disburse funds of the Beach Cities Health District ("District") in order to maintain Board-level oversight.

6140.1 The objective is to maintain Board-level oversight of financial transactions and require Board signatures only on checks for infrequent and high dollar disbursements.

6140.2 It is intended that this policy cover all accounts and disbursement activities of the District.

GUIDELINES:

6140.3 Authorized signers on District bank accounts are designated board members, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). In the absence of the CEO, either the Chief Health Operations & Communications Officer or the Chief Programs Officer are authorized signers on District bank accounts. In the absence of CFO, the Controller is an authorized signer on District bank accounts.

6140.4 Checks and Automated Clearing House (ACH) transfers over $10,000 are to have 2 signatures; checks and ACH transfers over $50,000 are to have 3 signatures unless pre-approved ongoing payments (e.g., ADP portal and CalPERS).

6140.5 Checks payable to a check signer are to be signed by others.

Fund Balance

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POLICY TITLE: FUND BALANCE
POLICY NUMBER: 6170

COMMITTEE APPROVAL DATE: 11/15/2023 **WRITTEN/REVISED BY**: M.SUUA
BOARD APPROVAL DATE: 11/15/2023 **SUPERSEDES:** 03/23/2016

POLICY:

6170.1 It is the policy of the Beach Cities Health District ("District") to comply with Governmental Accounting Standards Board (GASB) Statement No. 54 to provide protection for the District "against unforeseen financial circumstances such as revenue shortfalls and unanticipated expenditures.

6170.1.1 GASB mandates that this hierarchy of expending fund balance be reported in new categories, using the new definitions, and be formally adopted by the District's governing body.

6170.1.2 GASB requires that the Board of Directors clarify what limitations on the use of fund balance it wishes to direct and which are delegated to staff.

6170.2 It is the policy of the District to establish the guidelines for reporting unrestricted fund balance in the General Fund financial statements.

6170.2.1 Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the District against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures.

6170.3 It is the policy of the District's Board of Directors to authorize and direct the Chief Financial Officer (CFO) to prepare financial reports which accurately categorize fund balance as per GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

SCOPE:

6170.4 It is intended that this policy cover fund balance of the District. Fund balance is the difference between assets and liabilities reported in a government fund.

6170.4.1 There are five separate components of fund balance, each of which identifies the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent:

6170.4.1.1 Nonspendable fund balance (inherently nonspendable)
6170.4.1.2 Restricted fund balance (externally enforceable limitations on use)
6170.4.1.3 Committed fund balance (self-imposed limitations on use)

6170.4.1.4 Assigned fund balance (limitation resulting from intended use)
6170.4.1.5 Unassigned fund balance (residual net resources)

GUIDELINES:

6170.5 Non-spendable Fund Balance includes amounts not in spendable form by definition, such as inventory, prepaid expenditures or receivables.

6170.6 Restricted Fund Balance includes amounts constrained for a specific purpose by external parties, such as debt service.

6170.7 Committed Fund Balance includes amounts constrained by a government itself, using its highest level of decision-making authority.

6170.7.1 The Board of Directors, as the District's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a resolution by the Board of Directors or a budget appropriation approved in an open public meeting.

6170.7.1.1 These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use through the same type of formal action taken to establish the commitment.

6170.7.1.2 Board action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

6170.8 Assigned Fund Balance includes general fund amounts constrained by a governing board or by an official who has been delegated authority to assign amounts.

6170.8.1 Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance.

6170.8.2 This policy hereby delegates the authority to assign amounts to be used for specific purposes to the Chief Executive Officer (CEO) for the purpose of reporting these amounts in the annual financial statements.

6170.9 Unassigned Fund Balance includes amounts remaining after the above components are assigned. These are residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories.

6170.10 Hierarchy of Spending Fund Balance.

6170.10.1 When an expenditure is incurred for which both restricted and unrestricted fund balance is available, restricted fund balance will be spent first.

6170.10.2 When an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, committed amounts are to be spent first, followed by assigned amounts and then unassigned amounts.

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Definitions of the Components of Fund Balance

Non-Spendable Fund Balance:

Petty Cash: The portion of fund balance that represents the asset amount of petty cash, held by a given fund.

Prepaid Expenditures: The portion of fund balance that represents the asset amount of prepaid expenditures held by a given fund.

Notes Receivable: The portion of fund balance that represents the asset amount of notes receivable held by a given fund.

Loans Receivable: The portion of fund balance that represents the asset amount of loans receivable held by a given fund.

Restricted Fund Balance:

Investment In Limited Partnerships Receivable: The portion of fund balance that represents the asset amount of investments in limited partnerships held by a given fund.

Restricted Fund Balance: The portion of fund balance that is in any non-general fund governmental fund that is restricted under the Restricted Fund Balance definition as prescribed by Governmental Accounting Standards Board Statement No. 54 and not otherwise defined in this category above.

Committed Fund Balance:

Capital Projects: The portion of fund balance that has been appropriated for specified capital projects and remains unspent.

Committed Fund Balance: The portion of fund balance that is in any non-general fund governmental fund that is committed under the Committed Fund Balance definition as prescribed by Governmental Accounting Standards Board Statement No. 54 and not otherwise defined in this category above.

Assigned Fund Balance:

Assigned Fund Balance: The portion of fund balance that is in any non-general fund governmental fund that is assigned under the Assigned Fund Balance definition as prescribed by Governmental Accounting Standards Board Statement No. 54.

Unassigned Fund Balance:

Prior Year Available Fund Balance: The portion of fund balance that is brought forward from the prior fiscal year and is available for appropriation to fund current fiscal year activities.

Fund Balance: Any portion of General Fund balance that does not fall under any of the fund balance definitions presented above.

BUDGET PROCESS & TIMELINE



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BUDGET TIMELINE AND PROCESS

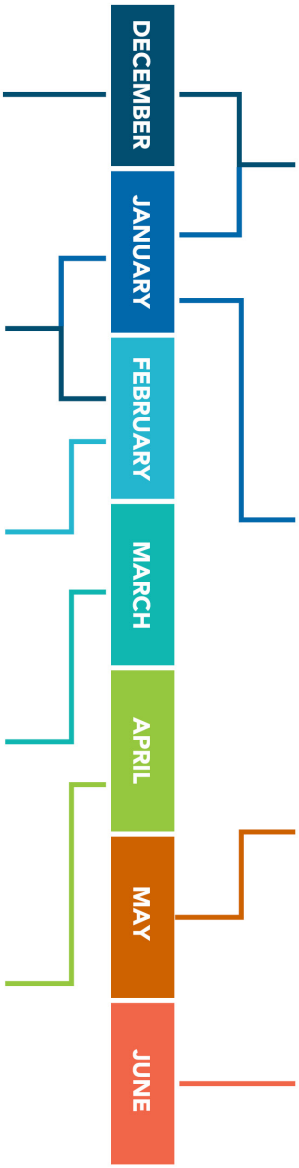
December. The budget preparation begins each year when Finance reviews the prior year's timeline, guidelines, and spreadsheets, then requests feedback from the departments on the prior year process. Department directors provide insight on how the Finance Department can better serve their areas for the upcoming year. Finance then schedules a Q&A including a budget training session, if applicable.

January/February. Leadership team meets to review the Strategic Planning Half-day feedback, ideas, and priorities, then formulates the feedback into potential actionable programs, services or projects for the new budget year.

February. Budget instructions and revised spreadsheets are released. Capital project requests are due in February/March, followed by initial revenue projections. Once initial expense projections are submitted from the directors, the initial consolidation can be assembled.

March. Each department's budget is reviewed with the Chief Finance Officer in early March. The CEO is then given a first look of the consolidation in mid-March, and a period of review and adjustments follows from then until April.

April. Successive iterations of review and corrections continue while seeking to balance the budget and maximize services, allocating all available resources.



December/January. Per Policy 6120.4: Budget Preparation – The District begins the budget preparation by holding an open-to-the-public Strategic Planning meeting, subject to the Brown Act.

Beach Cities Health District holds a Strategic Planning Half-day meeting with all Company- wide staff, board of directors, community committee members and attending members of the public. The group reviews current priorities and provides recommendations/updates on budget priority for the upcoming fiscal year.

January. The current year's mid-year financials are completed for the six months of activity ending December. This is a half-way mark that provides a simple and convenient comparison to the actual financial performance to estimate the current fiscal year-end results and build the start of a new budget. Multiplying the current actual activity by two gives a rudimentary starting point.

May. Finance Committee, comprised of two board of director members, several appointed community members, and a treasurer from one of the three beach cities, reviews the proposed budget prior to releasing it to the board of directors. The District board of directors is given the recommended budget at the May board meeting.

June. The District board of directors is formally presented the final budget at the board meeting for final approval.

Amendments:

All amendments to change the total budget by greater than $10,000 happen at board-level.

First, staff brings any recommended amendments) to the Finance Committee (unless an emergency exists) for review and recommendations, then it is presented to the board for review and approval. The amendment is either approved, approved with changes, or disapproved.

The District's auditors review amendments to the budget year to ensure compliance to District policy and annual budget resolution.

BUDGET ACCOUNTING BASIS & COST ALLOCATION



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Budget Accounting Basis

BCHD's budget and financial reporting is prepared using the Government Fund Accounting Basis. Governmental fund financial statements are reported using the current financial resources measurement focus and the Modified Accrual Basis of Accounting, consistent with best practices for governmental entities, the governmental accounting standards board (GASB), and generally accepted governmental accounting standards (GAGAS).

Revenues are budgeted based on when they are both measurable and available. Revenues are considered available when they are collectible within the fiscal year budget. The government considers revenues to be available if the revenue was earned before the end of the fiscal year and collected within 60 days of the end of the current fiscal period.

Capital investment expenditures are defined as construction in progress (CIP), building improvements, Furniture, Fixture and Equipment (FF&E) or Information Technology investments that have a useful life exceeding one year and cost more than $5,000. This represents a conservative approach to capitalizing assets and replacing only infrastructure elements that cannot be deferred.

The Budget Accounting Basis is the same as used in the financial reporting for the District's audited fund financial statements. As required by governmental Accounting Standards Board (GASB), the District also reports the actual audited financial statements on a full accrual basis in accordance with GAAP (Generally Accepted Accounting Principles) with a "Reconciliation of the Balance sheet of Governmental Funds to the Statement of Net Position" and a "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities".

Budgeted Allocated Costs (Cost Accounting)

BCHD budgets and tracks costs for its support and operational functions, such as the Human Resources and Community Services departments. Most costs within each department are recorded as direct costs, while others are allocated.

Cost allocations are determined based on FTE, although all expenses continue to be tracked financially at the department level. For detailed cost information, please refer to the Program Budget.

Additionally, BCHD utilizes internal workforce resources across various functions. As a result, payroll expenses are allocated as needed to support operational requirements across departments.
While management of each function is accountable for its specific budget, the District manages only the general fund, and all costs are controlled on a consolidated basis, and there is no need for further allocations.

GLOSSARY OF BUDGET TERMS



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Glossary

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

ACFR: Annual Comprehensive Financial Report - A detailed report of an organization's financial activities and performance over the fiscal year.

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Appropriation: A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes.

Assets: Items owned by an organization that have economic value, such as cash, investments, property, and equipment.

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent nonrecurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Betterments (Special Assessments): Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the

betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from the community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Capital Assets: All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful live extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Flow: The movement of money into or out of an organization, showing its liquidity and ability to meet financial obligations.

Cash Management: The process of monitoring the ebb and flow of money in and out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short-term borrowing and investment of idle cash.

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Classification of Real Property: Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified their real property, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by private property owners.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

Compliance: Adherence to relevant laws, regulations, and internal policies governing financial reporting and operations.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery — direct, indirect, and capital costs — are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus", or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as businesses include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the community that is subject to local taxation.

Equity: The residual interest in the assets of an organization after deducting liabilities, representing the owners' stake in the business.

Estimated Receipts: A term that typically refers to anticipated local revenues, often based on the previous year's receipts and represents funding sources necessary to support a community's annual budget. (See Local Receipts)

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Financial Statements: Reports summarizing an organization's financial activities and position, including the balance sheet, income statement, and cash flow statement.

Fiscal Year: The 12-month period for which an organization plans the use of its funds, typically not the same as the calendar year.

Fixed Assets: Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated, such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating a float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

GAAP: Generally Accepted Accounting Principles — Standard accounting principles, standards, and procedures that companies use to compile their financial statements.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria regarding the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, roads, sewers, etc. It also requires the presentation of a narrative statement of the government's financial performance, trends and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity accounts for and reports other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of current service.

General Fund: The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Internal Controls: Policies and procedures implemented by an organization to ensure the reliability of financial reporting and compliance with laws and regulations, aiming to prevent fraud and errors.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Liabilities: Debts or obligations owed by an organization, including loans, accounts payable, and accrued expenses.

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the state or counties to municipalities and school districts.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

Net Income: The difference between an organization's revenues and expenses, representing its profit or loss for a specific period.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as “personal services,” “expenses,” or “capital outlay.”

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Performance Budget: A budget that stresses output both in terms of economy and efficiency.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Proprietary Funds: Funds used to record the financial transactions of governmental entities when they engage in activities that are intended to recover the cost of providing goods or services to the general public on a user-fee basis.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve Fund: An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Revenues: Inflows of resources or other enhancements of assets of an organization, usually from sales of goods or services.

Revenue Anticipation Note (RAN): A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

Sale of Real Estate Fund: A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, $14.80 per $1,000 of assessed valuation of taxable real and personal property.

Tax Title Foreclosure: The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as

directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn to other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves, and they are not available for disbursement.)

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

ACRONYMS


bchd.org
Creating a healthy beach community.
allcove.org
allcove
covefest

Live Well. Health Matters.

Glossary of Acronyms

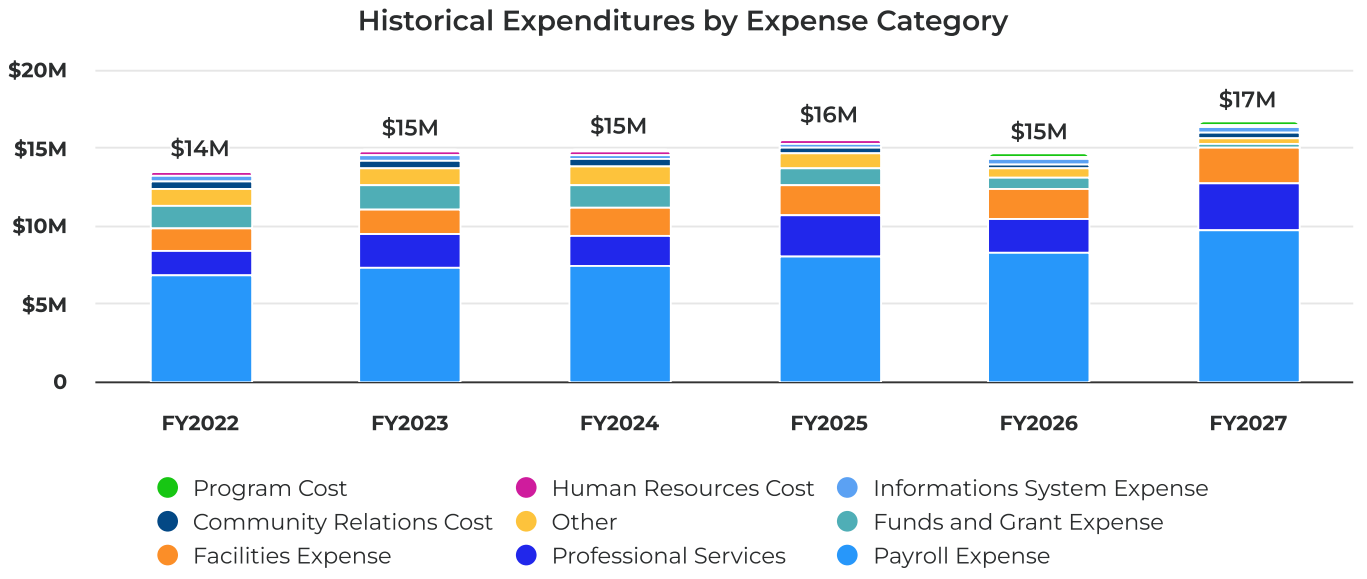
The Operating Budget of the Beach Cities Health District is available to the public; the related terminology below is provided to clarify references throughout the budget documents.

ACFR - Annual Comprehensive Financial Report
ACHD - Assn. of California Healthcare Districts
APLEX - AdventurePlex
BCHD - Beach Cities Health District
BEN - Benefit
BIPOC- Black, Indigenous, and People of Color
BOD - Board of Directors
BOE - Building Operating Expenses
CalPERs - California Public Employees' Retirement Sys.
Capex - Capital Expenditures
CARES - Coronavirus Aid, Relief, & Economic Security
CBRE - Coldwell Banker Richard Ellis
CCS - Community Care Services
CDC - Centers for Disease Control & Prevention
CEO - Chief Executive Officer
COGS - Cost of Goods Sold
CHF - Center for Health and Fitness
CIP - Capital Improvement Project
CIP - Construction in Progress
CUP - Conditional Use Permit
CUPCCAA - CA Uniform Construction Cost Acctg Comm
DFC - Drug Free Communities
DOC - District Operations Center
EHS - Environmental, Health and Safety
EIR - Environmental Impact Report
EMS - Emergency Management System
FASB - Financial Accounting Standards Board
FEMA - Federal Emergency Management Agency
FT - Full Time
FTE - Full Time Equivalents
FY - Fiscal Year
G&A - General and Administrative
GAAP - Generally Accepted Accounting Principles
GASB - Government Accounting Standards Board
HB - Hermosa Beach
H&F - Health and Fitness
HBCSD - Hermosa Beach City School District
HHS - Health and Human Services
HIPAA - Health Insurance Portability & Accountability
HLC - Healthy Living Campus
IS - Information Systems
IT - Information Technology
JDP - Juvenile Diversion Program
LACFD - Los Angeles County Fire Department
LAIF - Local Agency Investment Fund
LAX - Los Angeles International Airport
LGBTQ- Lesbian, Gay, Bisexual, Transgender, Questioning
MB - Manhattan Beach
MBUSD - Manhattan Beach Unified School District
MIS - Management of Information Systems
NIMS - National Incident Management System
NR - Notes Receivable
NRSRO - Nationally Recognized Statistical Rating Org.
OPEB - Other Post-employment Benefits
OSHA - Occupational Safety and Health Act
PACE - Program of All-inclusive Care for the Elderly
PBB - Priority Based Budget Process
PERS - Public Employee Retirement System
PT - Part Time
POC - Prospect One Corporation
RB - Redondo Beach
RBUSD - Redondo Beach Unified School District
RCFE - Residential Care for the Elderly
RFP/RFQ - Request for Proposal / Quote
ROI - Required Infrastructure Investments
TUPE - Tobacco Use Prevention Education
Var. - Variance
WBS - Well-Being Services
WW - Work Well
YTD - Year to Date

Budget by Department



Expenditures by Expense Category



Expenditures by Expense Category

Category	FY 2026 Adopted	FY 2027 Budgeted	FY 2026 Adopted vs. FY 2027 Budgeted (% Change)
Payroll Expense	$8,214,052.16	$9,744,671.72	18.63%
Program Cost	$167,850.08	$184,109.27	9.69%
Human Resources Cost	$178,019.62	$214,534.73	20.51%
Informations System Expense	$306,602.00	$279,844.79	-8.73%
Community Relations Cost	$294,699.25	$333,782.22	13.26%
Facilities Expense	$2,017,083.92	$2,278,757.36	12.97%
Professional Services	$2,158,191.38	$2,954,716.86	36.91%
Other	$555,192.77	$383,730.74	-30.88%
Funds and Grant Expense	$715,862.00	$299,000.00	-58.23%
Total Expenditures	**$14,607,553.18**	**$16,673,147.69**	**14.14%**

Work Well

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Other Revenue	11,000	600	10,400
Total Revenue-Government	**11,000**	**600**	**10,400**
Total Revenue	**11,000**	**600**	**10,400**
EXPENSES			
Salaries - Reg FT	223,782	208,545	15,237
Salaries - Reg PT	2,339	1,367	972
Salaries - Instructor (non-benefit)	0	0	0
Cafeteria Plan Contribution	20,070	18,836	1,234
Payroll Taxes	17,293	16,056	1,237
LTD Insurance	716	716	0
Pension Plan Contribution	33,457	32,090	1,367
Total Payroll Expenses	**297,651**	**277,609**	**20,042**
Office Supplies	200	200	0
Program Supplies	1,000	1,000	0
Total Program Costs	**1,200**	**1,200**	**0**
Employee Retention & Recognition	72	0	72
Employee Wellness	13,500	13,500	0
Insurance - Worker's Comp	2,380	2,092	288
Total Human Resources Expenses	**15,955**	**15,592**	**363**
Outside Services	18,900	2,700	16,200
Total Professional Services Expenses	**18,900**	**2,700**	**16,200**
Total Expense	**333,708**	**297,101**	**36,607**
Cash Income (Loss) Before Cap Ex	**(322,708)**	**(296,501)**	**(26,207)**

Community Services

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Other Revenue	310,776	56,888	253,888
Total Revenue Government	**310,776**	**56,888**	**253,888**
Total Revenue	**310,776**	**56,888**	**253,888**
EXPENSES			
Salaries - Reg FT	590,628	455,896	134,732
Salaries - Reg PT	158,522	141,141	17,381
Salaries - Instructor (non-benefit)	21,487	20,124	1,363
Cafeteria Plan Contribution	89,283	71,941	17,342
Payroll Taxes	58,939	47,216	11,723
LTD Insurance	2,276	1,936	340
Pension Plan Contribution	119,867	99,723	20,144
Total Payroll Expenses	**1,041,005**	**837,967**	**203,038**
Office Supplies	400	400	0
Program Supplies	300	300	0
Total Program Costs	**700**	**700**	**0**
Employee Retention & Recognition	192	300	(108)
Education & Training Seminars	1,700	1,700	0
Insurance - Worker's Comp	8,279	6,320	1,959
Employee Travel/Parking	1,502	1,502	0
Total Human Resources Expenses	**11,673**	**9,829**	**1,844**
IT Software Expense	21,500	21,500	0
Total Information Systems Expenses	**21,500**	**21,500**	**0**
Dues & Memberships	250	250	0
Postage	206	206	0
Printing	300	300	0
Total Community Relations	**896**	**756**	**140**
Outside Services	12,000	8,140	3,860
Total Professional Services Expenses	**12,000**	**8,140**	**3,860**

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Health Fund - Seniors	289,000	320,000	(31,000)
Total Funds & Grants Expenses	**289,000**	**320,000**	**(31,000)**
Total Expense	**1,376,773**	**1,198,896**	**177,877**
Cash Income (Loss) Before Cap Ex	**(1,065,995)**	**(1,142,008)**	**76,013**

Community Services Block Grant

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Other Revenue	95,724	0	95,724
Total Revenue Government	**95,724**	**0**	**95,724**
Total Revenue	**95,724**	**0**	**95,724**
EXPENSES			
Salaries - Reg FT	75,867	0	75,867
Salaries - Reg PT	0	0	0
Cafeteria Plan Contribution	9,331	0	9,331
Payroll Taxes	5,801	0	5,801
LTD Insurance	257	0	257
Pension Plan Contribution	11,010	0	11,010
Total Payroll Expenses	**102,258**	**0**	**102,258**
Insurance - Worker's Comp	833	0	833
Total Human Resources Expenses	**833**	**0**	**833**
Total Expense	**103,091**	**0**	**103,091**
Cash Income (Loss) Before Cap Ex	**(7,367)**	**0**	**(7,367)**

LifeSpans Service Administration

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
EXPENSES			
Salaries - Reg FT	18,747	17,145	1,602
Cafeteria Plan Contribution	2,274	2,132	142
Payroll Taxes	1,424	1,312	112
LTD Insurance	27	27	0
Pension Plan Contribution	3,696	3,466	230
Total Payroll Expenses	**26,175**	**24,084**	**2,091**
Consumables (food used as supplies)	0	600	(600)
Office Supplies	0	200	(200)
Program Supplies	0	3,000	(3,000)
Total Program Costs	**0**	**3,800**	**(3,800)**
Employee Retention & Recognition	36	0	36
Insurance - Worker's Comp	99	86	13
Employee Travel/Parking	0	250	(250)
Total Human Resources Expenses	**137**	**336**	**(199)**
Community Outreach	0	500	(500)
Meetings	175	975	(800)
Printing	0	4,700	(4,700)
Total Community Relations	**175**	**6,175**	**(6,000)**
Outside Services	42,000	47,300	(5,300)
Outside Service-Research	0	140,000	(140,000)
Total Professional Services Expenses	**42,000**	**187,300**	**(145,300)**
Total Expense	**68,487**	**221,691**	**(153,204)**
Cash Income (Loss) Before Cap Ex	**(68,487)**	**(221,691)**	**153,204**

Well Being Services

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
EXPENSES			
Salaries - Reg FT	224,365	215,243	9,122
Cafeteria Plan Contribution	42,797	51,183	(8,386)
Payroll Taxes	17,153	16,469	684
LTD Insurance	716	716	0
Pension Plan Contribution	33,534	33,093	441
Total Payroll Expenses	**318,576**	**316,714**	**1,862**
Consumables (food used as supplies)	1,800	1,200	600
Office Supplies	3,450	3,250	200
Program Supplies	23,725	22,725	1,000
Total Program Costs	**28,975**	**27,175**	**1,800**
Employee Retention & Recognition	408	228	180
Education & Training Seminars	0	1,600	(1,600)
Insurance - Worker's Comp	2,352	2,079	273
Uniforms	1,500	2,500	(1,000)
Employee Travel/Parking	1,300	5,300	(4,000)
Total Human Resources Expenses	**6,061**	**12,207**	**(6,146)**
Community Outreach	2,900	4,000	(1,100)
Dues & Memberships	0	500	(500)
Meetings	3,800	5,000	(1,200)
Printing	7,200	3,250	3,950
Promotional Items/Materials	1,500	2,000	(500)
Total Community Relations	**15,900**	**15,250**	**650**
Equipment/Furniture < $5,000	500	500	0
Total Facilities Expenses	**500**	**500**	**0**
Outside Services	6,800	1,500	5,300
Total Professional Services Expenses	**6,800**	**1,500**	**5,300**
Grants	0	385,862	(385,862)
Total Funds & Grants Expenses	**0**	**385,862**	**(385,862)**

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Total Expense	**376,811**	**759,203**	**(382,392)**
Cash Income (Loss) Before Cap Ex	**(376,811)**	**(759,203)**	**382,392**

Drug Free Community Grant

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Other Revenue	125,000	125,000	0
Total Revenue Government	**125,000**	**125,000**	**0**
Total Revenue	**125,000**	**125,000**	**0**
EXPENSES			
Salaries - Reg FT	94,195	87,476	6,719
Cafeteria Plan Contribution	13,286	12,468	818
Payroll Taxes	7,203	6,693	510
LTD Insurance	312	312	0
Pension Plan Contribution	13,412	13,086	326
Total Payroll Expenses	**128,410**	**120,027**	**8,383**
Education & Training Seminars	0	0	0
Insurance - Worker's Comp	1,029	910	119
Total Human Resources Expenses	**1,029**	**910**	**119**
Dues & Memberships	0	0	0
Meetings	0	0	0
Printing	0	0	0
Total Community Relations	**0**	**0**	**0**
Outside Services	0	4,158	(4,158)
Total Professional Services Expenses	**0**	**4,158**	**(4,158)**
Total Expense	**129,438**	**125,099**	**4,339**
Cash Income (Loss) Before Cap Ex	**(4,438)**	**(99)**	**(4,339)**

Opiod Grant

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Other Revenue	20,000	30,000	(10,000)
Total Revenue Government	**20,000**	**30,000**	**(10,000)**
Total Revenue	**20,000**	**30,000**	**(10,000)**
EXPENSES			
Meetings	0	0	0
Printing	0	0	0
Total Community Relations	**0**	**0**	**0**
Outside Services	0	0	0
Total Professional Services Expenses	**0**	**0**	**0**
Total Expense	**0**	**0**	**0**
Cash Income (Loss) Before Cap Ex	**20,000**	**30,000**	**(10,000)**

allcove-Youth Wellness Grant

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Donations	0	0	0
Other Revenue	1,701,600	979,563	722,037
Total Revenue Government	**1,701,600**	**979,563**	**722,037**
Total Revenue	**1,701,600**	**979,563**	**722,037**
EXPENSES			
Salaries - Reg FT	890,722	611,233	279,489
Salaries - Reg PT	0	0	0
Cafeteria Plan Contribution	119,392	90,205	29,187
Payroll Taxes	68,120	46,760	21,360
LTD Insurance	3,002	2,249	753
Pension Plan Contribution	137,468	99,252	38,216
Total Payroll Expenses	**1,218,704**	**849,691**	**369,013**
Consumables (food used as supplies)	12,000	12,000	0
Office Supplies	2,520	2,520	0
Program Supplies	11,600	7,200	4,400
Janitorial Supplies	3,600	3,600	0
Total Program Costs	**29,720**	**25,320**	**4,400**
Employee Retention & Recognition	296	300	(4)
Education & Training Seminars	3,600	2,004	1,596
Insurance - Worker's Comp	9,801	6,493	3,308
Uniforms	3,412	2,412	1,000
Employee Travel/Parking	20,000	7,500	12,500
Total Human Resources Expenses	**37,110**	**18,709**	**18,401**
IT Software Expense	14,073	14,073	0
Total Information Systems Expenses	**14,073**	**14,073**	**0**
Community Outreach	6,600	5,000	1,600
Dues & Memberships	500	0	500
Meetings	7,000	5,000	2,000

Income Statement
Youth Wellness Grant
June 30, 2027

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Postage	156	156	0
Printing	4,750	4,000	750
Promotional Items/Materials	4,500	4,000	500
Subscriptions	540	540	0
Total Community Relations	**24,046**	**18,696**	**5,350**
Equipment/Furniture < $5,000	6,000	6,000	0
Equipment/Lease	0	0	0
Equipment/General Maintenance & Repair	1,200	1,200	0
Janitorial Services	31,020	31,020	0
Total Facilities Expenses	**38,220**	**38,220**	**0**
Legal Services	0	0	0
Outside Services	474,845	490,120	(15,275)
Service Contracts	9,000	0	9,000
Total Professional Services Expenses	**483,845**	**490,120**	**(6,275)**
Debt Services	277,506	0	277,506
Insurance - General	33,792	5,350	28,442
Total Other Expenses	**311,298**	**5,350**	**305,948**
Total Expense	**2,157,020**	**1,460,178**	**696,842**
Cash Income (Loss) Before Cap Ex	**(455,420)**	**(480,621)**	**25,201**

Blue Zones Project

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
EXPENSES			
Salaries - Reg FT	59,269	53,652	5,617
Salaries - Reg PT	0	805	(805)
Cafeteria Plan Contribution	5,018	4,707	311
Payroll Taxes	4,535	4,163	372
LTD Insurance	153	153	0
Pension Plan Contribution	8,426	8,028	398
Total Payroll Expenses	**77,397**	**71,508**	**5,889**
Consumables (food used as supplies)	0	0	0
Office Supplies	0	0	0
Program Supplies	1,200	1,200	0
Total Program Costs	**1,200**	**1,200**	**0**
Education & Training Seminars	0	500	(500)
Insurance - Worker's Comp	489	441	48
Employee Travel/Parking	250	250	0
Total Human Resources Expenses	**739**	**1,191**	**(452)**
Dues & Memberships	0	300	(300)
Meetings	876	876	0
Postage	50	50	0
Printing	750	750	0
Total Community Relations	**1,676**	**1,976**	**(300)**
Outside Services	89,956	92,250	(2,294)
Total Professional Services Expenses	**89,956**	**92,250**	**(2,294)**
Total Expense	**170,964**	**168,123**	**2,841**
Cash Income (Loss) Before Cap Ex	**(170,964)**	**(168,123)**	**(2,841)**

Personal Training

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
One-time Visits & Consults	494,802	424,416	70,386
Total Revenue User Fees	**494,802**	**424,416**	**70,386**
Total Revenue	**494,802**	**424,416**	**70,386**
EXPENSES			
Salaries - Reg FT	28,545	24,713	3,832
Salaries - Reg PT	439,007	319,420	119,587
Salaries - Instructor (non-benefit)	1,166	204	962
Cafeteria Plan Contribution	35,547	28,565	6,982
Payroll Taxes	35,857	26,345	9,512
LTD Insurance	1,272	1,095	177
Pension Plan Contribution	61,629	48,728	12,901
Total Payroll Expenses	**603,019**	**449,070**	**153,949**
Gym/Locker Room Supplies	10,392	9,840	552
Program Supplies	1,176	1,404	(228)
Janitorial Supplies	612	228	384
Total Program Costs	**12,180**	**11,460**	**720**
Education & Training Seminars	780	780	0
Insurance - Worker's Comp	5,856	4,394	1,462
Recruitment	60	252	(192)
Uniforms	180	180	0
Total Human Resources Expenses	**6,877**	**5,605**	**1,272**
IT Software Expense	7,560	7,200	360
Total Information Systems Expenses	**7,560**	**7,200**	**360**
Postage	0	312	(312)
Printing	36	708	(672)
Subscriptions	528	648	(120)
Total Community Relations	**552**	**1,668**	**(1,116)**
Building Maintenance & Repair	336	1,200	(864)
Equipment/Furniture < $5,000	1,116	96	1,020

Income Statement
CHF Personal Training
June 30, 2027

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Equipment/Lease	1,020	0	1,020
Equipment/General Maintenance & Repair	1,728	0	1,728
Janitorial Services	26,100	26,100	0
Total Facilities Expenses	**30,300**	**27,396**	**2,904**
Banking Services	14,484	0	14,484
Outside Services - H&F	624	0	624
Service Contracts	1,536	1,332	204
Total Professional Services Expenses	**16,644**	**1,332**	**15,312**
Total Expense	**677,139**	**503,737**	**173,402**
Cash Income (Loss) Before Cap Ex	**(182,341)**	**(79,321)**	**(103,020)**

Pilates

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Classes & Group	73,969	75,759	(1,790)
CHF Membership	60,852	45,344	15,508
One-time Visits & Consults	106,934	98,824	8,110
Total Revenue User Fees	**241,755**	**219,927**	**21,828**
Total Revenue	**241,755**	**219,927**	**21,828**
EXPENSES			
Salaries - Reg FT	19,032	16,472	2,560
Salaries - Reg PT	93,877	84,940	8,937
Salaries - Instructor (non-benefit)	53,841	18,472	35,369
Cafeteria Plan Contribution	13,170	11,333	1,837
Payroll Taxes	12,755	9,169	3,586
LTD Insurance	363	329	34
Pension Plan Contribution	17,374	16,033	1,341
Total Payroll Expenses	**210,407**	**156,752**	**53,655**
Gym/Locker Room Supplies	10,392	9,840	552
Program Supplies	1,176	1,404	(228)
Janitorial Supplies	612	228	384
Total Program Costs	**12,180**	**11,460**	**720**
Education & Training Seminars	0	780	(780)
Insurance - Worker's Comp	1,893	1,273	620
Recruitment	60	252	(192)
Uniforms	180	180	0
Total Human Resources Expenses	**2,136**	**2,481**	**(345)**
IT Software Expense	7,560	7,200	360
Total Information Systems Expenses	**7,560**	**7,200**	**360**
Printing	36	708	(672)
Subscriptions	528	648	(120)
Total Community Relations	**552**	**1,356**	**(804)**
Building Maintenance & Repair	336	1,200	(864)

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Equipment/Furniture < $5,000	1,116	96	1,020
Equipment/Lease	1,020	0	1,020
Equipment/General Maintenance & Repair	2,052	1,320	732
Janitorial Services	26,100	26,100	0
Total Facilities Expenses	**30,624**	**28,728**	**1,896**
Banking Services	6,432	0	6,432
Outside Services - H&F	624	0	624
Service Contracts	1,536	1,332	204
Total Professional Services Expenses	**8,592**	**1,332**	**7,260**
Total Expense	**272,060**	**209,316**	**62,744**
Cash Income (Loss) Before Cap Ex	**(30,310)**	**10,611**	**(40,921)**

Yoga

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Classes & Group	13,292	8,056	5,236
CHF Membership	60,852	45,344	15,508
One-time Visits & Consults	218	497	(279)
Total Revenue User Fees	**74,357**	**53,897**	**20,460**
Total Revenue	**74,357**	**53,897**	**20,460**
EXPENSES			
Salaries - Reg FT	9,515	8,241	1,274
Salaries - Reg PT	8,593	0	8,593
Salaries - Instructor (non-benefit)	15,124	19,766	(4,642)
Cafeteria Plan Contribution	1,095	1,028	67
Payroll Taxes	2,544	2,139	405
LTD Insurance	27	27	0
Pension Plan Contribution	3,119	2,834	285
Total Payroll Expenses	**40,022**	**34,040**	**5,982**
Gym/Locker Room Supplies	10,392	9,840	552
Program Supplies	1,176	1,404	(228)
Janitorial Supplies	612	228	384
Total Program Costs	**12,180**	**11,460**	**720**
Education & Training Seminars	0	780	(780)
Insurance - Worker's Comp	374	306	68
Recruitment	60	252	(192)
Uniforms	180	180	0
Total Human Resources Expenses	**616**	**1,517**	**(901)**
IT Software Expense	7,560	7,200	360
Total Information Systems Expenses	**7,560**	**7,200**	**360**
Printing	36	708	(672)
Subscriptions	528	648	(120)
Total Community Relations	**552**	**1,356**	**(804)**
Building Maintenance & Repair	336	1,200	(864)

Income Statement
CHF Yoga
June 30, 2027

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Equipment/Furniture < $5,000	1,116	96	1,020
Equipment/Lease	1,020	0	1,020
Equipment/General Maintenance & Repair	1,728	0	1,728
Janitorial Services	26,100	26,100	0
Total Facilities Expenses	**30,300**	**27,396**	**2,904**
Banking Services	1,584	0	1,584
Outside Services - H&F	624	0	624
Service Contracts	1,536	1,332	204
Total Professional Services Expenses	**3,744**	**1,332**	**2,412**
Total Expense	**94,982**	**84,314**	**10,668**
Cash Income (Loss) Before Cap Ex	**(20,630)**	**(30,417)**	**9,787**

Fee Based Services

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Classes & Group	27,936	3,265	24,671
CHF Membership	1,338	3,195	(1,857)
One-time Visits & Consults	108,258	74,425	33,833
Total Revenue User Fees	**137,532**	**80,885**	**56,647**
Total Revenue	**137,532**	**80,885**	**56,647**
EXPENSES			
Salaries - Reg FT	9,515	8,241	1,274
Salaries - Reg PT	2,190	2,012	178
Cafeteria Plan Contribution	1,380	1,288	92
Payroll Taxes	899	781	118
LTD Insurance	38	38	0
Pension Plan Contribution	2,193	1,972	221
Total Payroll Expenses	**16,207**	**14,324**	**1,883**
Gym/Locker Room Supplies	10,392	9,840	552
Program Supplies	1,404	996	408
Janitorial Supplies	612	228	384
Total Program Costs	**12,408**	**11,064**	**1,344**
Insurance - Worker's Comp	123	108	15
Uniforms	180	180	0
Total Human Resources Expenses	**303**	**288**	**15**
IT Software Expense	7,560	7,200	360
Total Information Systems Expenses	**7,560**	**7,200**	**360**
Printing	36	708	(672)
Subscriptions	528	0	528
Total Community Relations	**552**	**708**	**(156)**
Building Maintenance & Repair	336	1,200	(864)
Equipment/Furniture < $5,000	1,116	96	1,020
Equipment/Lease	1,020	0	1,020
Janitorial Services	26,100	26,100	0

CHF Fee Based

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Total Facilities Expenses	28,584	27,396	1,188
Banking Services	2,676	0	2,676
Laundry Services	5,496	4,308	1,188
Outside Services - H&F	71,664	29,760	41,904
Service Contracts	1,536	1,332	204
Total Professional Services Expenses	81,372	35,412	45,960
Total Expense	146,986	96,399	50,587
Cash Income (Loss) Before Cap Ex	(9,454)	(15,514)	6,060

APLEX Operations

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
One-time Visits & Consults	55,444	68,614	(13,170)
Toddler Town Revenues	31,076	25,641	5,435
Retail	0	2,652	(2,652)
Balances Due on Account	0	0	0
Facility Rental	56,760	39,805	16,955
Total Revenue User Fees	**143,280**	**136,712**	**6,568**
Total Revenue	**143,280**	**136,712**	**6,568**
EXPENSES			
Salaries - Reg FT	113,803	105,756	8,047
Salaries - Reg PT	185,507	114,884	70,623
Cafeteria Plan Contribution	16,929	15,887	1,042
Payroll Taxes	22,884	16,879	6,005
LTD Insurance	271	272	(1)
Pension Plan Contribution	26,856	25,419	1,437
Total Payroll Expenses	**366,249**	**279,094**	**87,155**
Office Supplies	161	156	5
Program Supplies	906	912	(6)
Janitorial Supplies	2,631	2,628	3
Total Program Costs	**3,698**	**3,696**	**2**
Employee Retention & Recognition	0	95	(95)
Insurance - Worker's Comp	5,165	3,381	1,784
Recruitment	0	0	0
Uniforms	593	324	269
CSI Over/Short Deposit	0	0	0
Total Human Resources Expenses	**5,758**	**3,802**	**1,956**
IT Software Expense	5,250	5,256	(6)
Total Information Systems Expenses	**5,250**	**5,256**	**(6)**
Postage	118	120	(2)
Printing	768	768	0

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Total Community Relations	**886**	**888**	**(2)**

Income Statement
APLEX Operations
June 30, 2027

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Building Maintenance & Repair	32,014	2,016	29,998
Equipment/Furniture < $5,000	7,600	2,604	4,996
Equipment/Lease	585	588	(3)
Equipment/General Maintenance & Repair	1,868	1,872	(4)
Landscape Maintenance	2,226	2,232	(6)
Electricity	15,714	15,708	6
Gas	190	192	(2)
Waste Removal	1,341	1,344	(3)
Janitorial Services	15,252	13,344	1,908
Total Facilities Expenses	**76,790**	**39,876**	**36,914**
Banking Services	0	0	0
Outside Services - H&F	0	0	0
Service Contracts	6,983	6,984	(1)
Taxes & Licensing	64	60	4
Total Professional Services Expenses	**7,047**	**7,044**	**3**
Insurance - General	33,359	34,793	(1,434)
Total Other Expenses	**33,359**	**34,793**	**(1,434)**
Total Expense	**499,036**	**374,448**	**124,588**
Cash Income (Loss) Before Cap Ex	**(355,756)**	**(237,736)**	**(118,020)**

APLEX Programs

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
One-time Visits & Consults	4,800	5,117	(317)
Total Revenue User Fees	**4,800**	**5,117**	**(317)**
Total Revenue	**4,800**	**5,117**	**(317)**
EXPENSES			
Salaries - Reg PT	4,340	3,570	770
Payroll Taxes	333	270	63
Pension Plan Contribution	184	0	184
Total Payroll Expenses	**4,855**	**3,840**	**1,015**
Office Supplies	161	156	5
Program Supplies	0	0	0
Janitorial Supplies	2,631	2,628	3
Total Program Costs	**2,792**	**2,796**	**(4)**
Education & Training Seminars	3,000	3,000	0
Insurance - Worker's Comp	109	94	15
Uniforms	593	324	269
Total Human Resources Expenses	**3,702**	**3,418**	**284**
IT Software Expense	0	0	0
Total Information Systems Expenses	**0**	**0**	**0**
Printing	768	768	0
Total Community Relations	**768**	**768**	**0**
Building Maintenance & Repair	2,013	2,016	(3)
Equipment/Furniture < $5,000	7,000	5,400	1,600
Equipment/Lease	585	588	(3)
Equipment/General Maintenance & Repair	5,883	3,636	2,247
Landscape Maintenance	2,226	2,232	(6)
Electricity	15,714	15,708	6
Gas	190	192	(2)
Waste Removal	1,341	1,344	(3)
Janitorial Services	15,252	13,344	1,908

APLEX Programs

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Total Facilities Expenses	50,204	44,436	5,768
Outside Services	0	0	0
Service Contracts	6,983	6,984	(1)
Taxes & Licensing	630	60	570
Total Professional Services Expenses	7,613	7,044	569
Total Expense	69,934	62,302	7,632
Cash Income (Loss) Before Cap Ex	(65,134)	(57,192)	(7,942)

APLEX Events

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
One-time Visits & Consults	148,426	157,729	(9,303)
Total Revenue User Fees	**148,426**	**157,729**	**(9,303)**
Total Revenue	**148,426**	**157,729**	**(9,303)**
EXPENSES			
Salaries - Reg FT	23,553	21,213	2,340
Salaries - Reg PT	16,035	22,684	(6,649)
Cafeteria Plan Contribution	3,291	3,093	198
Payroll Taxes	3,028	3,358	(330)
LTD Insurance	90	91	(1)
Pension Plan Contribution	3,944	3,397	547
Total Payroll Expenses	**49,936**	**53,836**	**(3,900)**
Cafe Supplies - cost of good sold - food	0	0	0
Office Supplies	161	156	5
Program Supplies	0	0	0
Janitorial Supplies	2,631	2,628	3
Total Program Costs	**2,792**	**2,796**	**(4)**
Insurance - Worker's Comp	677	835	(158)
Uniforms	593	324	269
Total Human Resources Expenses	**1,270**	**1,160**	**110**
IT Software Expense	5,250	5,256	(6)
Total Information Systems Expenses	**5,250**	**5,256**	**(6)**
Postage	118	120	(2)
Printing	768	768	0
Total Community Relations	**886**	**888**	**(2)**
Building Maintenance & Repair	2,013	2,016	(3)
Equipment/Furniture < $5,000	0	2,604	(2,604)
Equipment/Lease	585	588	(3)
Equipment/General Maintenance & Repair	1,868	1,872	(4)
Landscape Maintenance	2,226	2,232	(6)

Income Statement
APLEX Events
June 30, 2027

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Electricity	15,714	15,708	6
Gas	190	192	(2)
Waste Removal	1,341	1,344	(3)
Janitorial Services	15,252	13,344	1,908
Total Facilities Expenses	**39,189**	**39,876**	**(687)**
Banking Services	10,000	6,300	3,700
Service Contracts	6,983	6,984	(1)
Taxes & Licensing	630	60	570
Total Professional Services Expenses	**17,613**	**13,344**	**4,269**
Total Expense	**116,938**	**117,145**	**(207)**
Cash Income (Loss) Before Cap Ex	**31,488**	**40,584**	**(9,096)**

APLEX Camps

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Camp Revenue	585,900	715,587	(129,687)
Total Revenue User Fees	**585,900**	**715,587**	**(129,687)**
Total Revenue	**585,900**	**715,587**	**(129,687)**
EXPENSES			
Salaries - Reg FT	31,396	28,276	3,120
Salaries - Reg PT	210,589	200,279	10,310
Cafeteria Plan Contribution	4,393	4,120	273
Payroll Taxes	18,513	14,046	4,467
LTD Insurance	118	119	(1)
Pension Plan Contribution	6,406	12,177	(5,771)
Total Payroll Expenses	**271,414**	**259,025**	**12,389**
COGS - Cost of Goods Sold - non-food	0	0	0
Cafe Supplies - cost of good sold - food	5,800	5,796	4
Office Supplies	161	156	5
Program Supplies	3,281	3,276	5
Janitorial Supplies	2,631	2,628	3
Total Program Costs	**11,874**	**11,868**	**6**
Employee Retention & Recognition	0	0	0
Insurance - Worker's Comp	5,172	4,459	713
Uniforms	593	324	269
Total Human Resources Expenses	**5,765**	**4,784**	**981**
IT Software Expense	7,584	7,584	0
Total Information Systems Expenses	**7,584**	**7,584**	**0**
Dues & Memberships	2,745	2,748	(3)
Printing	768	768	0
Total Community Relations	**3,513**	**3,516**	**(3)**
Building Maintenance & Repair	2,013	2,016	(3)
Equipment/Furniture < $5,000	2,600	2,604	(4)

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Equipment/Lease	585	588	(3)

Income Statement
APLEX Camps
June 30, 2027

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Equipment/General Maintenance & Repair	1,868	1,872	(4)
Landscape Maintenance	2,226	2,232	(6)
Electricity	15,714	15,708	6
Gas	190	192	(2)
Waste Removal	1,341	1,344	(3)
Janitorial Services	15,252	13,344	1,908
Total Facilities Expenses	**41,788**	**39,876**	**1,912**
Banking Services	25,382	21,221	4,161
Outside Services - H&F	0	6,756	(6,756)
Service Contracts	6,983	6,984	(1)
Taxes & Licensing	630	624	6
Total Professional Services Expenses	**32,995**	**35,584**	**(2,589)**
Total Expense	**374,934**	**362,236**	**12,698**
Cash Income (Loss) Before Cap Ex	**210,966**	**353,351**	**(142,385)**

Information Systems

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
EXPENSES			
Salaries - Reg FT	159,079	137,656	21,423
Cafeteria Plan Contribution	14,835	13,923	912
Payroll Taxes	11,387	10,531	856
LTD Insurance	363	364	(1)
Pension Plan Contribution	21,640	20,587	1,053
Total Payroll Expenses	207,301	183,051	24,250
Employee Retention & Recognition	38	36	2
Insurance - Worker's Comp	1,176	1,040	136
Total Human Resources Expenses	1,214	1,079	135
IT/ Hardware/Electronics	996	1,000	(4)
IT Repair & Maint Parts	1,500	1,500	0
IT Software Expense	146,371	184,937	(38,566)
Total Information Systems Expenses	148,870	187,437	(38,567)
Meetings	0	0	0
Total Community Relations	0	0	0
Equipment/Furniture < $5,000	0	0	0
Telephone	101,940	100,936	1,004
Total Facilities Expenses	101,940	100,936	1,004
Outside Services	128,760	123,000	5,760
Service Contracts	24,312	21,300	3,012
Total Professional Services Expenses	153,072	144,300	8,772
Insurance - General	13,487	11,340	2,147
Total Other Expenses	13,487	11,340	2,147
Total Expense	625,882	628,143	(2,261)
Cash Income (Loss) Before Cap Ex	(625,882)	(628,143)	2,261

Volunteers

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Donations	10,000	10,000	0
Total Revenue Government	**10,000**	**10,000**	**0**
Total Revenue	**10,000**	**10,000**	**0**
EXPENSES			
Salaries - Reg FT	173,213	158,511	14,702
Salaries - Reg PT	45,411	31,705	13,706
Cafeteria Plan Contribution	23,478	22,033	1,445
Payroll Taxes	16,729	14,548	2,181
LTD Insurance	467	468	(1)
Pension Plan Contribution	35,588	32,024	3,564
Total Payroll Expenses	**294,884**	**259,291**	**35,593**
Office Supplies	0	0	0
Program Supplies	2,425	2,425	0
Total Program Costs	**2,425**	**2,425**	**0**
Employee Retention & Recognition	72	120	(48)
Education & Training Seminars	2,000	0	2,000
Insurance - Worker's Comp	2,203	1,949	254
Recruitment	9,996	7,450	2,546
Uniforms	2,000	2,000	0
Employee Travel/Parking	600	600	0
Total Human Resources Expenses	**16,877**	**12,113**	**4,764**
IT Software Expense	1,920	1,920	0
Total Information Systems Expenses	**1,920**	**1,920**	**0**
Dues & Memberships	525	435	90
Management of Volunteers	12,500	12,500	0
Postage	100	100	0
Printing	300	300	0
Promotional Items/Materials	0	0	0
Total Community Relations	**13,425**	**13,335**	**90**

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Legal Services	500	500	0
Outside Services	20,000	0	20,000
Total Professional Services Expenses	**20,500**	**500**	**20,000**
Insurance - General	1,361	1,760	(399)
Total Other Expenses	**1,361**	**1,760**	**(399)**
Holiday Assistance	10,000	10,000	0
Total Funds & Grants Expenses	**10,000**	**10,000**	**0**
Total Expense	**361,392**	**301,345**	**60,047**
Cash Income (Loss) Before Cap Ex	**(351,392)**	**(291,345)**	**(60,047)**

Health Promotions

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
EXPENSES			
Salaries - Reg FT	547,367	491,125	56,242
Salaries - Reg PT	77,560	60,320	17,240
Cafeteria Plan Contribution	87,121	79,951	7,170
Payroll Taxes	46,000	41,442	4,558
LTD Insurance	1,269	1,211	58
Pension Plan Contribution	95,881	87,382	8,499
Total Payroll Expenses	**855,207**	**761,431**	**93,776**
Consumables (food used as supplies)	1,400	1,400	0
Office Supplies	400	400	0
Program Supplies	3,750	3,750	0
Total Program Costs	**5,550**	**5,550**	**0**
Employee Retention & Recognition	270	264	6
Insurance - Worker's Comp	5,158	4,375	783
Total Human Resources Expenses	**5,425**	**4,639**	**786**
IT Software Expense	4,800	4,800	0
Total Information Systems Expenses	**4,800**	**4,800**	**0**
Advertising	54,000	54,000	0
Community Outreach	29,050	29,050	0
Internet / Intranet / Website	32,580	32,580	0
Dues & Memberships	1,750	1,750	0

Health Promotions

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Meetings	500	0	500
Printing	35,276	45,450	(10,174)
Promotional Items/Materials	17,062	17,062	0
Subscriptions	800	800	0
Total Community Relations	**171,018**	**180,692**	**(9,674)**
Outside Services	93,600	86,601	6,999
Total Professional Services Expenses	**93,600**	**86,601**	**6,999**
Total Expense	**1,135,598**	**1,043,716**	**91,882**
Cash Income (Loss) Before Cap Ex	**(1,135,598)**	**(1,043,716)**	**(91,882)**

Partnerships and Innovation

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
EXPENSES			
Salaries - Reg FT	582,973	526,656	56,317
Cafeteria Plan Contribution	77,090	72,332	4,758
Payroll Taxes	44,601	40,288	4,313
LTD Insurance	1,574	1,573	1
Pension Plan Contribution	85,085	80,325	4,760
Total Payroll Expenses	**791,323**	**721,186**	**70,137**
Office Supplies	500	0	500
Program Supplies	500	0	500
Total Program Costs	**1,000**	**0**	**1,000**
Employee Retention & Recognition	300	300	0
Education & Training Seminars	1,300	800	500
Insurance - Worker's Comp	5,144	4,545	599
Employee Travel/Parking	2,000	2,000	0
Total Human Resources Expenses	**8,744**	**7,644**	**1,100**
Community Outreach	7,000	1,000	6,000
Meetings	2,000	0	2,000
Postage	500	0	500
Subscriptions	2,500	1,668	832
Total Community Relations	**12,000**	**2,668**	**9,332**
Outside Services	71,280	71,280	0
Total Professional Services Expenses	**71,280**	**71,280**	**0**
Total Expense	**884,349**	**802,779**	**81,570**
Cash Income (Loss) Before Cap Ex	**(884,349)**	**(802,779)**	**(81,570)**

Human Resources

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
EXPENSES			
Salaries - Reg FT	328,057	294,827	33,230
Salaries - Reg PT	62,663	56,900	5,763
Cafeteria Plan Contribution	48,531	45,540	2,991
Payroll Taxes	29,889	26,909	2,980
LTD Insurance	962	961	1
Pension Plan Contribution	63,028	58,425	4,603
Employee Instant award exp	5,000	2,500	2,500
Total Payroll Expenses	**538,137**	**486,062**	**52,075**
Office Supplies	200	200	0
Total Program Costs	**200**	**200**	**0**
Employee Retention & Recognition	120	120	0
Employee Wellness	27,800	30,400	(2,600)
ADP Payroll Processing Fees	3,000	3,300	(300)
Education & Training Seminars	1,015	1,400	(385)
Insurance - Worker's Comp	3,136	2,772	364
Recruitment	1,775	630	1,145
Tuition Reimbursement	12,890	7,000	5,890
Employee Travel/Parking	100	100	0
Total Human Resources Expenses	**49,836**	**45,713**	**4,123**
Dues & Memberships	4,800	2,100	2,700
Educational Materials	250	250	0
Meetings	1,400	400	1,000
Postage	100	100	0
Printing	200	200	0
Subscriptions	150	150	0
Total Community Relations	**6,900**	**3,200**	**3,700**
Legal Services	7,000	7,000	0

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Outside Services	0	1,000	(1,000)

Human Resources

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Total Professional Services Expenses	7,000	8,000	(1,000)
Total Expense	602,072	543,177	58,895
Cash Income (Loss) Before Cap Ex	(602,072)	(543,177)	(58,895)

Finance

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Property Tax	5,694,000	5,456,000	238,000
Interest	660,060	183,900	476,160
Limited Partnership	2,725,000	2,093,133	631,867
Other Revenue	0	0	0
Total Revenue Government	**9,079,060**	**7,733,033**	**1,346,027**
Total Revenue	**9,079,060**	**7,733,033**	**1,346,027**
EXPENSES			
Salaries - Reg FT	385,502	350,052	35,450
Salaries - Reg PT	85,629	71,163	14,466
Cafeteria Plan Contribution	87,890	98,174	(10,284)
Payroll Taxes	34,671	32,225	2,446
LTD Insurance	1,197	1,196	1
Pension Plan Contribution	65,844	62,991	2,853
Total Payroll Expenses	**660,738**	**615,810**	**44,928**
Office Supplies	3,240	3,240	0
Total Program Costs	**3,240**	**3,240**	**0**
Employee Retention & Recognition	225	225	0
Education & Training Seminars	5,350	2,352	2,998
Insurance - Worker's Comp	3,922	3,462	460
Recruitment	500	500	0
Employee Travel/Parking	750	750	0
Total Human Resources Expenses	**10,747**	**7,289**	**3,458**
IT Software Expense	27,820	19,100	8,720
Total Information Systems Expenses	**27,820**	**19,100**	**8,720**
Dues & Memberships	3,500	3,000	500
Meetings	1,100	600	500
Postage	1,600	1,600	0
Printing	1,000	1,000	0
Total Community Relations	**7,200**	**6,200**	**1,000**

Finance

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Equipment/Furniture < $5,000	1,600	1,600	0
Total Facilities Expenses	**1,600**	**1,600**	**0**
Accounting Services	40,000	40,000	0
Banking Services	18,000	24,000	(6,000)
Outside Services	32,100	32,100	0
Taxes & Licensing	6,500	6,000	500
Total Professional Services Expenses	**96,600**	**102,100**	**(5,500)**
Interest Expense	21,600	21,600	0
Total Other Expenses	**21,600**	**21,600**	**0**
Total Expense	**829,542**	**776,937**	**52,605**
Cash Income (Loss) Before Cap Ex	**8,249,518**	**6,956,096**	**1,293,422**

Executive

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
EXPENSES			
Salaries - Reg FT	448,968	375,232	73,736
Cafeteria Plan Contribution	30,278	28,417	1,861
Payroll Taxes	26,110	19,994	6,116
LTD Insurance	598	599	(1)
Pension Plan Contribution	96,016	85,756	10,260
Total Payroll Expenses	601,971	509,994	91,977
Office Supplies	300	298	2
Other Supplies	0	0	0
Total Program Costs	300	298	2
Employee Retention & Recognition	1,035	1,424	(389)
Education & Training Seminars	800	800	0
Insurance - Worker's Comp	1,960	1,733	227
Employee Travel/Parking	800	800	0
Total Human Resources Expenses	4,595	4,759	(164)
Community Outreach	500	500	0
Dues & Memberships	1,500	1,500	0
Meetings	500	500	0
Total Community Relations	2,500	2,500	0
Legal Services	197,978	138,000	59,978
Total Professional Services Expenses	197,978	138,000	59,978
Insurance - General	112,311	117,311	(5,000)
Total Other Expenses	112,311	117,311	(5,000)
Total Expense	919,658	772,864	146,794
Cash Income (Loss) Before Cap Ex	(919,658)	(772,864)	(146,794)

Board of Directors

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
EXPENSES			
Cafeteria Plan Contribution	56,203	46,554	9,649
Total Payroll Expenses	**56,203**	**46,554**	**9,649**
Other Supplies	0	0	0
Total Program Costs	**0**	**0**	**0**
Education & Training Seminars	1,600	2,400	(800)
Employee Travel/Parking	1,600	1,600	0
Total Human Resources Expenses	**3,200**	**4,000**	**(800)**
Community Outreach	1,000	1,000	0
Dues & Memberships	25,000	15,000	10,000
Meetings	9,000	9,000	0
Total Community Relations	**35,000**	**25,000**	**10,000**
Equipment/Furniture < $5,000	0	0	0
Total Facilities Expenses	**0**	**0**	**0**
Election Services	375,000	0	375,000
Outside Services	0	0	0
Total Professional Services Expenses	**375,000**	**0**	**375,000**
Total Expense	**469,403**	**75,554**	**393,849**
Cash Income (Loss) Before Cap Ex	**(469,403)**	**(75,554)**	**(393,849)**

Prospect Parking

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Lease	200,004	200,004	0
Interest	0	0	0
Total Revenue Government	**200,004**	**200,004**	**0**
Total Revenue	**200,004**	**200,004**	**0**
EXPENSES			
Building Maintenance & Repair	10,297	10,297	0
Landscape Maintenance	87,900	89,692	(1,792)
Electricity	20,400	18,000	2,400
Total Facilities Expenses	**118,597**	**117,989**	**608**
Outside Services - Property	0	0	0
Service Contracts	0	5,180	(5,180)
Total Professional Services Expenses	**0**	**5,180**	**(5,180)**
Prospect South Bay	60,000	78,000	(18,000)
Debt Services	0	0	0
Interest Expense	0	0	0
Insurance - General	80,240	43,216	37,024
Total Other Expenses	**140,240**	**121,216**	**19,024**
Total Expense	**258,837**	**244,385**	**14,452**
Cash Income (Loss) Before Cap Ex	**(58,845)**	**(44,382)**	**(14,463)**

Campus

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Lease	2,083,593	3,126,167	(1,042,574)
Total Revenue Government	**2,083,593**	**3,126,167**	**(1,042,574)**
Total Revenue	**2,083,593**	**3,126,167**	**(1,042,574)**
EXPENSES			
Salaries - Reg FT	52,714	48,088	4,626
Cafeteria Plan Contribution	4,825	4,525	300
Payroll Taxes	3,444	3,680	(236)
LTD Insurance	77	77	0
Pension Plan Contribution	6,562	7,188	(626)
Total Payroll Expenses	**67,617**	**63,568**	**4,049**
Janitorial Supplies	6,000	6,000	0
Total Program Costs	**6,000**	**6,000**	**0**
Insurance - Worker's Comp	245	217	28
Total Human Resources Expenses	**245**	**217**	**28**
Building Maintenance & Repair	154,020	191,020	(37,000)
Equipment/Furniture < $5,000	6,000	12,000	(6,000)
Equipment/General Maintenance & Repair	136,172	141,516	(5,344)
Electricity	460,800	460,800	0
Gas	204,000	204,000	0
Water	138,300	162,300	(24,000)
Waste Removal	30,708	30,000	708
Telephone	7,200	7,200	0
Janitorial Services	121,794	118,824	2,970
Total Facilities Expenses	**1,258,994**	**1,327,660**	**(68,666)**
Banking Services	300	300	0
Outside Services	41,320	31,320	10,000
Outside Services - Property	108,000	105,000	3,000

	Budget FY 2026	Budget FY 2025	Budget Last Yr Difference VS 25-26 Budget
Engineering/Maintenance Services	468,570	479,036	(10,466)
Service Contracts	5,352	18,300	(12,948)
Taxes & Licensing	10,230	10,230	0
Total Professional Services Expenses	**633,760**	**644,186**	**(10,426)**
Insurance - General	20,986	201,598	(180,612)
Total Other Expenses	**20,986**	**201,598**	**(180,612)**
Total Expense	**1,987,606**	**2,243,229**	**(255,623)**
Cash Income (Loss) Before Cap Ex	**95,982**	**882,938**	**(786,956)**