



A G E N D A

SEQUOIA HEALTHCARE DISTRICT REGULAR BOARD OF DIRECTORS MEETING 4:30 PM, Wednesday, June 7, 2023 Conference Room, 525 Veterans Boulevard Redwood City, CA 94063

This meeting will be held in person at 525 Veteran’s Boulevard in Redwood City with access available via Zoom teleconference. To join the meeting from your cellphone dial [\(669\) 900-9128](tel:6699009128) and enter meeting ID: [880 2916 0541](https://us02web.zoom.us/j/88029160541) or join from a computer to <https://us02web.zoom.us/j/88029160541>. Additional information regarding the meeting can be located at our website: www.seqhd.org

1. Call To Order And Roll Call
2. Public Comment On Non-Agenda Items*
- ACTION 3. Consent Calendar - President Shefren
 - a. Approve April 4, 2023 Regular Meeting Minutes
 - b. Accept March And April 2023 Financial Statements
4. New Business
 - ACTION a. Presentation Of Draft Audit 2022-23 - Mr. Nash, Richardson and Company, LLP 4:40-5:00
 - ACTION b. Consider Grant Request From Peninsula Volunteers Of Up To \$60,000 For Transportation Program (7/1/2023-6/30/2024) - Ms. Wachob 5:00-5:10
 - ACTION c. Consider Grant Request Of \$200,000 From SMC Health Foundation For New 3D Mammography Technology - Mr. Jurow 5:10-5:25
 - ACTION d. Report On Healthy Schools Initiative Year-End Outcomes - Ms. Wasson 5:25-5:50
 - ACTION e. Consider Approval Of School Health Budget For 2023-2024 For Up To \$4,922,515 - Ms. Wasson 5:50-6:05
- 10 Minute BREAK**
- ACTION f. Consider Grant Committee Recommendations For 2023-2024 Community Grants Totaling \$4,146,000 - Ms. Bratton 6:15-6:30
- ACTION g. Consider Faro Food Grant Request For \$50,000 (Matched by Dignity Health) - Ms. Bratton 6:30-6:35
- ACTION h. Consider Funding Request Of Up To \$410,000 For Oral Health Access Learning Collaborative Pilot Program - CEO Kurtzman & Dir. Griffin 6:35-6:50
- ACTION i. Consider Adoption Of District Proposed Budget FY 2023-24- CEO Kurtzman 6:50-7:00
- ACTION j. Approve Resolution 23-01 Authorizing Periodic Transfer Of Checking Account Funds To Schwab Investment Accounts With Finance Committee Oversight 7:00-7:05
- k. Discussion Regarding Non-Profit Service Partners Needing Office Space - Dir. Martinez 7:05-7:15
- ACTION L. Director Requests For Future Agenda Items Per Board Policy 8.3 - President Nayfack
5. CEO/Staff Reports:
 - a. CEO Report And Staff Reports- Kurtzman, Bratton, Garcia 7:15-7:30
- ACTION 6. Adjourn
The Next Regular Meeting Of The Board Of Directors Of Sequoia Healthcare District is Scheduled For 4:30 PM, Wednesday, August 2, 2023, District Conference Room, 525 Veterans Blvd., Redwood City, CA 94063

Aaron Nayfack, MD
Board President

*Public comment will be taken for each agenda item prior to the board’s consideration on that item.

Any writings or documents provided to a majority of the Board of Directors regarding any item on this agenda will be made available for public inspection at the District office, 525 Veterans Blvd., Redwood City, CA, during normal business hours. Please telephone 650-421-2155 ext 201 to arrange an appointment.

If you are an individual with a disability and need an accommodation to participate in this meeting, please contact Sequoia Healthcare District at least 48-hours in advance at 650-421-2155 ext 201.

**MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
April 4, 2023
Conference Room, 525 Veterans Boulevard
Redwood City, CA 94063**

Directors Present

Director Fong
Director Griffin
Director Martinez via Zoom
Director Nayfack
Director Shefren

Directors Excused

Also Present

Pamela Kurtzman, CEO
Mr. Hudak, Legal Counsel
Ms. Stamper, Recorder

1. Call to Order

President Nayfack called the meeting to order at 4:32PM. Roll call attendance was taken. A quorum was present.

2. Public Comment/Non-Agenda Items

President Nayfack asked if there was any public comment on non-agenda items. CEO Kurtzman introduced and welcomed Ann Wasson, our new Director of School Health, who will be starting April 10, 2023.

3. Consent Calendar

Motion: to approve the consent calendar.

By: Director Shefren

Seconded by: Director Griffin

CEO Kurtzman noted that the minutes need to be corrected as Peter Shih is from San Mateo County Health. Directors Shefren and Griffin accepted a change to motion.

Amended: to approve the February 1, 2023 minutes with the correction of Peter Shih from San Mateo County Health.

Vote: Ayes - Fong, Griffin, Martinez, Nayfack, Shefren

Nos --

Abstain --

Absent --

Motion Passed: 5-0

**4.a. Consider Grant Request From Ravenswood Family Health Center
For \$1,000,000 Each Year For Two Years (July 2023-June 2025)**

President Nayfack asked if there was public comment on this agenda item. There was none.

Gralyn Jacques introduced himself as the new CEO of Ravenswood Family Health Network. Their current grant for \$1M per year for 2 years is ending June 2023. Ravenswood would like to request a new 2-year grant covering FY23-24 and FY24-25 for \$1M each year to fund continuity of service in medical, dental and behavioral health services.

Motion: To approve a grant for Ravenswood Family Health Center for \$1,000,000 each year for two years.

By: Director Shefren

DRAFT

Seconded by: Director Fong

Vote: Ayes - Fong, Griffin, Martinez, Nayfack, Shefren

Nos --

Abstain --

Absent --

Motion Passed: 5-0

**4.b. Consider Grant Request From Sonrisas Dental Health
For \$586,330 In FY24 And \$617,710 In FY25, (Total = \$1,204,040)**

President Nayfack asked if there was public comment on this agenda item. There was none.

Tracey Fetcher, CEO of Sonrisas Dental Health discussed their impact on the dental needs in the community. They will be adding a Saturday dentist and hygienist exclusively for Denti-cal patients, are proposing to expand targeted school screenings and expanding services in the community. Ms. Fetcher requested funding for FY23-24 and FY24-25 to support clinic operations, oral health education and screenings, and senior dental programs.

Motion: To approve a two-year grant for Sonrisas Dental Health of up to \$586,330 for FY24 and \$617,710 for FY25.

By: Director Shefren

Seconded by: Director Griffin

Vote: Ayes - Fong, Griffin, Martinez, Nayfack, Shefren

Nos --

Abstain --

Absent --

Motion Passed: 5-0

Sonrisas will be hosting an event at Dominico Winery, May 9, 2023 from 6pm to 8pm.

**4.c. Consider Grant Request From SMMC NFO Dental Clinic
For \$320,000 Over Two Years**

President Nayfack asked if there was public comment on this agenda item. There was none.

San Mateo Medical Center North Fair Oaks Dental Clinic is experiencing larger numbers of patients requiring services. Due to the demand being greater than current capacity, their waitlist for dental services is growing. They have noted an increase in the number of pregnant clients and are experiencing staffing shortages. Direction Shefren and Nayfack recommended advocating with the San Mateo Board of Supervisors for an increase in funding so the District is not covering another county agencies funding gap.

Motion: To approve a two-year grant of \$160,000 each year to SMMC NFO Dental Clinic for oral health services to District residents.

By: Director Shefren

Seconded by: Director Griffin

Vote: Ayes - Fong, Griffin, Martinez, Nayfack, Shefren

Nos --

Abstain --

Absent --

Motion Passed: 5-0

DRAFT

**4.d. Consider Grant Request From San Mateo County Health
For \$450,000 To Be Dispersed Over A Five-Year Period
To Support A Dental Clinic At New Navigation Center**

President Nayfack asked if there was public comment on this agenda item. There was none.

The Navigation Center will contain many services for clients within their location. They would like to offer dental services which will be on-demand and meet the needs of their clients without long wait times. They are requesting \$450K over 5 years to support the dental clinic that will be housed in the navigation center. CEO Kurtzman suggested funding could come from the settlement combined funds with Dignity Health.

Motion: To approve a grant of up to \$450,000 over 5 years to the SMC Health Navigation Center to oral health services to District residents.

By: Director Shefren

Seconded by: Director Fong

Vote: Ayes - Fong, Griffin, Martinez, Nayfack, Shefren

Nos --

Abstain --

Absent --

Motion Passed: 5-0

4.e. Presentation Of District Proposed FY 2023-24 Draft Budget

CEO Kurtzman presented the first draft of the proposed FY2023-2024 budget.

**4.f. Discussion Regarding Replacement Of Outdated AED Units
Previously Placed In Schools And Community Settings**

The Board discussed the growing need to fund replacement of expired AED units in the community. Many units will be exceeding their warranty and need to be replaced over the next 3 years. Board members discussed ideas regarding providing AED's to schools and 50/50 cost sharing. Board members would like an approximate number of units that will need to be replaced over the next 3 years, the costs and the CEO's recommendation.

**4.g. Approve Amendment to Policy 14.5 Of The Board Policies And Procedures
To Allow Payment Or Reimbursement
Of Candidate Statement Of Qualifications By District**

Director Shefren discussed the process and cost of filing candidate statements and believes that the costs could be a barrier to candidacy.

New wording for Policy 14.5 as stated in the Board packet:

“The cost of each candidate’s Statement of Qualifications for publication in the Sample Ballot & Official Voter Information Pamphlet or equivalent shall be paid directly by the District to the County Elections Office or reimbursement to the candidates. This policy shall be effective as of the 2024 general election.”

Motion: To approve 14.5 as stated in the packet to amend Policy 14.5 of the Board Policies and Procedures to allow payment or reimbursement of Candidate Statement of Qualifications by the District.

By: Director Shefren

Seconded by: Director Nayfack

Vote: Ayes - Fong, Griffin, Martinez, Nayfack, Shefren

Nos --

Abstain --

Absent --

Motion Passed: 5-0

**4.h. Consider Creation Of An Ad-Hoc Finance Committee
And Appointment Of Committee Members By Board President**

President Nayfack discussed the need for a finance sub-committee of the Board that would review the District finances, fund transfers, work with the CEO on the budget, and make recommendations to the Board. The committee will define their specific purpose and report it to the board.

Motion: To create an ad-hoc finance committee of the Board.

By: Director Nayfack

Seconded by: Director Griffin

Vote: Ayes - Fong, Griffin, Martinez, Nayfack, Shefren

Nos --

Abstain --

Absent --

Motion Passed: 5-0

President Nayfack appointed Directors Shefen and Fong to the Finance Committee.

4.i. Director Requests for Future Agenda Items per Board Policy 8.3

President Nayfack asked Board members for their requests for future agenda items. There was none.

5. CEO/Staff Reports

The audit is nearing completion and should be presented at the June Meeting.

We are migrating management of the hospital pension plan from Dignity Health to Sequoia Healthcare District. Heidi is working with Dignity Health on the transition.

We are working with a new software program "Asana" to help us track progress on the Strategic Plan.

ACHD will hold its annual conference in Lake Tahoe September 14-15, 2023.

Advocacy worked to get an agreement to get the Michelson Pool reopened. The pool will reopen after repairs are completed, with the financial assistance of Sequoia Healthcare District, Peninsula Healthcare District and the County.

Ms. Bratton reports that she has two new grant committee members, and she will be sending out completed grant applications for scoring the week of April 10th.

Care Solace has submitted reports on 7 school districts.

San Mateo County Office of Education reports that the Narcan distribution program has 100% participation in all 8 school districts.

The Joint Holiday food grants with Dignity health was a success. All providers appreciated the extra funding during the holidays and recipients were very appreciative of the fresh foods and eggs.

6. Adjourn

DRAFT

Motion: To adjourn the meeting at 7:35PM.

By: Director Shefren

Seconded by: Director Nayfack

All in favor

Motion Passed

The next regular meeting of the Board of Directors of Sequoia Healthcare District is scheduled for 4:30 PM, Wednesday, June 7, 2023, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Kim Griffin, R.N.
Secretary

Sequoia Healthcare District
Balance Sheet - by Month
As of April 30, 2023

	Jul 31, 22	Aug 31, 22	Sep 30, 22	Oct 31, 22	Nov 30, 22	Dec 31, 22	Jan 31, 23	Feb 28, 23	Mar 31, 23	Apr 30, 23
ASSETS										
Current Assets										
Checking/Savings										
10150-0 · Cash (WF-MMA)	4,560,254.26	3,760,286.41	2,960,312.50	2,960,337.64	2,960,449.57	2,960,701.01	2,960,952.48	2,961,179.63	2,961,431.14	2,961,674.55
10200-0 · Cash (WF)	10,594,492.76	602,719.55	837,230.53	709,206.50	1,853,608.86	9,227,442.42	7,582,899.49	7,256,394.01	7,653,972.40	10,855,181.48
10250-0 · Cash from Investments	314,916.70	314,916.70	314,916.70	314,916.70	314,916.70	314,916.70	314,916.70	314,916.70	314,916.70	314,916.70
10300-5 · Cash Equivalents	10,845,529.78	10,720,290.78	10,528,442.78	10,519,989.78	10,624,308.78	10,622,046.78	10,741,534.78	10,660,563.78	10,822,489.78	10,855,248.78
10350-0 · Schwab Operating Funds Acct#739	10,196,614.01	20,065,809.01	19,882,772.01	19,891,471.01	20,077,973.01	20,076,890.01	20,304,578.01	20,152,101.01	20,423,960.01	20,465,935.01
10490 · HFSA funding & deductions										
10490-1 · HSA Savings Fund	0.00	0.00	0.00	0.00	0.00	0.00	467.79	2,029.41	4,447.26	5,012.50
10490-2 · HFSA Pretax Deduction	0.00	0.00	0.00	0.00	0.00	0.00	-534.60	-1,069.20	-1,871.10	-2,405.70
Total 10490 · HFSA funding & deductions	0.00	0.00	0.00	0.00	0.00	0.00	-66.81	960.21	2,576.16	2,606.80
Total Checking/Savings	36,511,807.51	35,464,022.45	34,523,674.52	34,395,921.63	35,831,256.92	43,201,996.92	41,904,814.65	41,346,115.34	42,179,346.19	45,455,563.32
Other Current Assets										
10400-0 · Pension Assets-Vanguard	72,994,801.00	72,994,801.00	72,994,801.00	72,994,801.00	72,994,801.00	72,994,801.00	72,994,801.00	72,994,801.00	72,994,801.00	72,994,801.00
10500-9 · Pension Contribution Rcvble	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00
10502-0 · Prepaid Grants	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00
Total Other Current Assets	97,409,573.00	97,409,573.00	97,409,573.00	97,409,573.00	97,409,573.00	97,409,573.00	97,409,573.00	97,409,573.00	97,409,573.00	97,409,573.00
Total Current Assets	133,921,380.51	132,873,595.45	131,933,247.52	131,805,494.63	133,240,829.92	140,611,569.92	139,314,387.65	138,755,688.34	139,588,919.19	142,865,136.32
Fixed Assets										
12100-6 · Land	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00	138,927.00
12200-6 · Land Improvements	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05	144,158.05
12300-1 · Improvements-Classroom	83,410.44	83,410.44	83,410.44	83,410.44	83,410.44	83,410.44	83,410.44	83,410.44	83,410.44	83,410.44
12300-6 · Buildings	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30
12300-8 · Building Improvements	547,329.57	547,329.57	547,329.57	547,329.57	547,329.57	547,329.57	547,329.57	547,329.57	547,329.57	547,329.57
12300-9 · Tenant Improvements	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29
12400-6 · Equipment	76,222.26	76,222.26	76,222.26	76,222.26	76,222.26	76,222.26	76,222.26	76,222.26	76,222.26	76,222.26
12400-7 · Furniture	28,259.91	28,259.91	28,259.91	28,259.91	28,259.91	28,259.91	28,259.91	28,259.91	28,259.91	28,259.91
12500-6 · Accumulated Depreciation	-2,169,663.47	-2,173,538.30	-2,177,413.13	-2,181,287.96	-2,185,162.79	-2,189,037.62	-2,192,912.45	-2,196,787.28	-2,200,662.11	-2,204,536.94
Total Fixed Assets	313,139.35	309,264.52	305,389.69	301,514.86	297,640.03	293,765.20	289,890.37	286,015.54	282,140.71	278,265.88
TOTAL ASSETS	134,234,519.86	133,182,859.97	132,238,637.21	132,107,009.49	133,538,469.95	140,905,335.12	139,604,278.02	139,041,703.88	139,871,059.90	143,143,402.20
LIABILITIES & EQUITY										
Liabilities										
Current Liabilities										
Accounts Payable										
20000 · Accounts Payable	19,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Accounts Payable	19,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Current Liabilities										
20001-0 · Deposit Payable	3,565.00	3,565.00	3,565.00	3,565.00	3,565.00	3,565.00	3,565.00	3,565.00	3,565.00	3,565.00
20100-0 · Grants Payable	2,034,000.00	2,034,000.00	2,034,000.00	2,034,000.00	2,034,000.00	2,034,000.00	68,000.00	68,000.00	18,000.00	18,000.00
20200-0 · HSI Grants Payable	1,281,330.11	603,479.05	206,566.71	206,566.71	206,566.71	206,566.71	206,566.71	206,566.71	206,566.71	206,566.71
Total Other Current Liabilities	3,318,895.11	2,641,044.05	2,244,131.71	2,244,131.71	2,244,131.71	2,244,131.71	278,131.71	278,131.71	228,131.71	228,131.71
Total Current Liabilities	3,337,895.11	2,641,044.05	2,244,131.71	2,244,131.71	2,244,131.71	2,244,131.71	278,131.71	278,131.71	228,131.71	228,131.71
Long Term Liabilities										
22000-1 · Pension Contribution Payable	11,885,736.00	11,885,736.00	11,885,736.00	11,885,736.00	11,885,736.00	11,885,736.00	11,885,736.00	11,885,736.00	11,885,736.00	11,885,736.00
25000-0 · Deferred inflows from pension	12,029,036.00	12,029,036.00	12,029,036.00	12,029,036.00	12,029,036.00	12,029,036.00	12,029,036.00	12,029,036.00	12,029,036.00	12,029,036.00
Total Long Term Liabilities	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00	23,914,772.00
Total Liabilities	27,252,667.11	26,555,816.05	26,158,903.71	26,158,903.71	26,158,903.71	26,158,903.71	24,192,903.71	24,192,903.71	24,142,903.71	24,142,903.71
Equity										
32000 · Retained Earnings	45,009,244.77	45,009,244.77	45,009,244.77	45,009,244.77	45,009,244.77	45,009,244.77	45,009,244.77	45,009,244.77	45,009,244.77	45,009,244.77
39004-1 · Invested in Capital Assets	406,444.00	406,444.00	406,444.00	406,444.00	406,444.00	406,444.00	406,444.00	406,444.00	406,444.00	406,444.00
39004-3 · Fiduciary Fund Balance	62,291,104.00	62,291,104.00	62,291,104.00	62,291,104.00	62,291,104.00	62,291,104.00	62,291,104.00	62,291,104.00	62,291,104.00	62,291,104.00
Net Income	-724,940.02	-1,079,748.85	-1,627,059.27	-1,758,686.99	-327,226.53	7,039,638.64	7,704,581.54	7,142,007.40	8,021,363.42	11,293,705.72
Total Equity	106,981,852.75	106,627,043.92	106,079,733.50	105,948,105.78	107,379,566.24	114,746,431.41	115,411,374.31	114,848,800.17	115,728,156.19	119,000,498.49

Sequoia Healthcare District
Balance Sheet - by Month
As of April 30, 2023

	Jul 31, 22	Aug 31, 22	Sep 30, 22	Oct 31, 22	Nov 30, 22	Dec 31, 22	Jan 31, 23	Feb 28, 23	Mar 31, 23	Apr 30, 23
TOTAL LIABILITIES & EQUITY	<u>134,234,519.86</u>	<u>133,182,859.97</u>	<u>132,238,637.21</u>	<u>132,107,009.49</u>	<u>133,538,469.95</u>	<u>140,905,335.12</u>	<u>139,604,278.02</u>	<u>139,041,703.88</u>	<u>139,871,059.90</u>	<u>143,143,402.20</u>

Sequoia Healthcare District
Profit & Loss - by Month
July 2022 through April 2023

	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	TOTAL
Ordinary Income/Expense											
Income											
40300 · Rental Income	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	8,000.00
40400 · Tax Revenue	96,281.24	0.00	55,638.49	525,131.10	790,120.17	7,632,307.59	1,432,069.05	45,496.28	845,056.23	4,223,333.32	15,645,433.47
40500 · Investment Income	206,982.00	-256,044.00	-374,885.00	246.00	290,821.00	-3,345.00	347,176.00	-233,448.00	433,785.00	74,734.00	486,022.00
40600 · Interest Income	155.23	55.10	37.89	33.99	196.25	658.40	1,102.82	876.62	875.82	1,025.69	5,017.81
40800 · 2021 Dignity Settlement Agrmt	0.00	0.00	0.00	0.00	510,000.00	0.00	0.00	0.00	0.00	0.00	510,000.00
40900-0 · Pension Income	0.00	0.00	0.00	0.00	0.00	0.00	2,200,000.00	0.00	0.00	0.00	2,200,000.00
Total Income	304,218.47	-255,188.90	-318,408.62	526,211.09	1,591,937.42	7,630,420.99	3,981,147.87	-186,275.10	1,280,517.05	4,299,893.01	18,854,473.28
Gross Profit	304,218.47	-255,188.90	-318,408.62	526,211.09	1,591,937.42	7,630,420.99	3,981,147.87	-186,275.10	1,280,517.05	4,299,893.01	18,854,473.28
Expense											
60100-1 · Admin. Expense	4,233.15	1,898.25	6,592.54	3,032.28	539.85	7,498.93	3,611.19	8,939.68	2,809.43	1,931.94	41,087.24
60101-1 · Administration Payroll	7,157.83	23,859.32	35,788.98	24,643.24	24,307.27	24,307.26	26,365.07	26,612.92	39,900.62	25,518.75	258,461.26
60300-1 · Board Health Insurance	2,114.02	-2,114.02	0.00	0.00	0.00	0.00	0.00	2,421.42	1,210.71	847.50	4,479.63
60300-2 · Employee Health Insurance	7,770.05	8,671.69	8,069.00	6,988.59	8,138.04	3,434.52	8,112.37	8,396.48	6,940.43	7,688.50	74,209.67
60350 · Employee Retirement Benefit	1,302.37	2,273.10	3,409.65	1,804.70	1,792.20	1,792.20	1,831.55	1,844.68	2,767.04	922.34	19,739.83
60400-1 · Investment Fees	0.00	0.00	0.00	9,607.16	0.00	0.00	10,714.76	0.00	0.00	10,869.60	31,191.52
60500-1 · Office Supplies/Equip Maint	634.12	906.68	1,025.82	425.25	0.00	1,797.91	182.42	212.35	271.21	406.14	5,861.90
60600-1 · Purchase Services	1,350.00	0.00	0.00	2,500.00	0.00	600.00	0.00	0.00	0.00	700.00	5,150.00
60610-1 · Accounting fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00	0.00	0.00	1,200.00
60700-1 · Board Expense	0.00	2,350.00	1,729.33	0.00	0.00	489.41	0.00	0.00	0.00	155.57	4,724.31
60700-2 · Association/Membership Dues	0.00	8,111.00	225.00	0.00	0.00	0.00	0.00	0.00	27,615.00	0.00	35,951.00
60725-1 · Communications	0.00	-5,000.00	0.00	0.00	0.00	56,327.22	0.00	0.00	14.13	0.00	51,341.35
60750-1 · Public Relations	3,853.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,853.00
60750-2 · Web Site/IT	2,705.53	6,436.53	3,745.16	2,905.53	2,992.96	3,903.53	5,105.53	2,905.53	3,505.53	2,905.53	37,111.36
60775-1 · Pension Plan	0.00	0.00	0.00	0.00	0.00	0.00	2,200,000.00	0.00	0.00	0.00	2,200,000.00
60800-1 · Insurance	39,413.41	0.00	1,543.00	-600.50	0.00	0.00	0.00	0.00	0.00	-600.50	39,755.41
60806-1 · LAFCO fees	12,215.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,215.00
60810-1 · Legal Fees	0.00	810.00	630.00	-4,841.75	1,305.00	3,347.50	2,250.00	0.00	2,660.00	1,125.00	7,285.75
60815-1 · Bank Fees	0.00	0.00	0.00	0.00	0.00	0.00	30.00	0.00	0.00	0.00	30.00
65200-1 · Maintenance	2,319.30	1,388.98	1,190.00	3,239.53	815.00	1,867.00	4,405.00	1,685.00	1,755.91	2,090.00	20,755.72
65400-1 · Utilities	2,423.49	1,968.02	2,506.70	1,881.21	1,186.87	3,099.85	2,277.48	1,582.59	2,605.23	744.22	20,275.66
65450-1 · Property Insurance	5,656.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,656.58
65500-1 · Depreciation Expense	3,874.83	3,874.83	3,874.83	3,874.83	3,874.83	3,874.83	3,874.83	3,874.83	3,874.83	3,874.83	38,748.30
70200-1 · Grant Admin Expenses	11.50	0.00	0.00	0.00	31,460.00	119.88	0.00	1,323.19	268.43	651.84	33,834.84
70201-1 · Grant Admin Payroll	4,597.71	15,045.14	22,567.70	15,045.15	15,045.16	20,009.65	15,728.37	15,573.79	23,360.57	14,840.91	161,814.15
70350-1 · Samaritan House	0.00	0.00	0.00	325,900.00	0.00	0.00	325,900.00	0.00	0.00	325,900.00	977,700.00
70400-1 · Other Grants	0.00	300.00	5,000.00	0.00	0.00	0.00	3,300.00	0.00	500.00	0.00	9,100.00
70550-1 · San Mateo Medical Center-Dental	0.00	0.00	0.00	160,000.00	0.00	0.00	0.00	0.00	0.00	0.00	160,000.00
70560-1 · Ravenswood Family Health Center	500,000.00	0.00	0.00	0.00	0.00	0.00	500,000.00	0.00	0.00	0.00	1,000,000.00
70565-1 · LifeMoves LVN (Maple S shelter)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	127,500.00	0.00	0.00	127,500.00
70566-1 · Pen Volunteers LYFT program	0.00	1,947.28	1,809.63	1,834.27	15,026.81	920.24	2,717.45	16,616.37	2,089.47	2,888.47	45,849.99
70567-1 · BGCP Psychotherapist	46,585.00	0.00	0.00	0.00	0.00	0.00	0.00	46,585.00	0.00	0.00	93,170.00
70568-1 · Sonrisas	0.00	0.00	0.00	82,756.00	0.00	0.00	0.00	97,526.00	0.00	0.00	180,282.00
70569-1 · First 5 SMC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	156,982.31	156,982.31
70594-0 · Future Impact Funds	0.00	0.00	0.00	0.00	45,000.00	0.00	0.00	2,500.00	6,250.00	0.00	53,750.00
70595-0 · Covid-19 Emergency Funds	-5,000.00	0.00	0.00	0.00	0.00	-5,000.00	0.00	0.00	-5,000.00	0.00	-15,000.00
70706-1 · Sequoia Safe (+HeartSafe)	39,130.00	1,750.03	810.49	-48.84	0.00	0.00	0.00	0.00	0.00	11,275.14	52,916.82
70707-1 · Sequoia Strong	0.00	711.86	2,404.63	1.03	0.00	4,784.95	7,732.03	36.19	0.00	0.00	15,670.69
70707-2 · Sequoia Strong Payroll	1,982.41	6,608.04	9,912.07	6,608.05	6,608.04	6,608.06	6,712.41	6,621.10	9,912.11	6,423.93	67,996.22
70800-1 · School Health Expense	75.00	0.00	186.46	0.00	0.00	4.90	944.25	0.00	26.12	272.32	1,509.05
70801-1 · School Health Payroll	4,754.19	15,777.20	23,665.80	10,283.08	2,384.93	3,626.07	2,364.26	2,341.92	3,512.88	5,296.25	74,006.58

Sequoia Healthcare District
Profit & Loss - by Month
 July 2022 through April 2023

	<u>Jul 22</u>	<u>Aug 22</u>	<u>Sep 22</u>	<u>Oct 22</u>	<u>Nov 22</u>	<u>Dec 22</u>	<u>Jan 23</u>	<u>Feb 23</u>	<u>Mar 23</u>	<u>Apr 23</u>	<u>TOTAL</u>
70802-1 · School Health Grants	340,000.00	2,046.00	92,215.01	0.00	0.00	120,141.91	182,046.00	0.00	264,311.38	443,840.12	1,444,600.42
Total Expense	1,029,158.49	99,619.93	228,901.80	657,838.81	160,476.96	263,555.82	3,316,204.97	376,299.04	401,161.03	1,027,550.71	7,560,767.56
Net Ordinary Income	-724,940.02	-354,808.83	-547,310.42	-131,627.72	1,431,460.46	7,366,865.17	664,942.90	-562,574.14	879,356.02	3,272,342.30	11,293,705.72
Net Income	<u><u>-724,940.02</u></u>	<u><u>-354,808.83</u></u>	<u><u>-547,310.42</u></u>	<u><u>-131,627.72</u></u>	<u><u>1,431,460.46</u></u>	<u><u>7,366,865.17</u></u>	<u><u>664,942.90</u></u>	<u><u>-562,574.14</u></u>	<u><u>879,356.02</u></u>	<u><u>3,272,342.30</u></u>	<u><u>11,293,705.72</u></u>

**Month to Month Budget
March - April 2023**

Income	March	March	April	April	10 Month	10 Month	12 Month
	Budget	Actual	Budget	Actual	(July - April) Total Budget	(July - April) Total Actual	(July - June) Total Budget
Rental Income	800.00	800.00	800.00	800.00	8,000.00	8,000.00	9,600.00
Tax Revenue	720,000.00	845,056.23	3,700,000.00	4,223,333.32	12,350,000.00	15,645,433.47	14,000,000.00
Investment Income	7,000.00	433,785.00	7,000.00	74,734.00	70,000.00	486,022.00	80,000.00
Interest Income	55.00	875.82	55.00	1,025.69	690.00	5,017.81	800.00
2021 Dignity Settlement Agrmt	0.00	0.00	0.00	0.00	510,000.00	510,000.00	510,000.00
Pension Income	0.00	0.00	0.00	0.00	2,200,000.00	2,200,000.00	2,200,000.00
Total Income	727,855.00	1,280,517.05	3,707,855.00	4,299,893.01	15,138,690.00	18,854,473.28	16,800,400.00
Expenses							
Admin. Expense	5,000.00	2,809.43	5,000.00	1,931.94	42,000.00	41,087.24	46,000.00
Admin. Payroll	35,000.00	39,900.62	32,000.00	25,518.75	307,500.00	258,461.26	372,500.00
Board Health Insurance	1,700.00	1,210.71	1,700.00	847.50	16,600.00	4,479.63	20,000.00
Employee Health Insurance	11,000.00	6,940.43	11,000.00	7,688.50	100,000.00	74,209.67	120,000.00
Employee Retirement Benefit	2,400.00	2,767.04	2,400.00	922.34	23,546.00	19,739.83	28,000.00
Investment Fees	0.00	0.00	7,700.00	10,869.60	22,900.00	31,191.52	30,400.00
Office Supplies/Equip Maint	750.00	271.21	750.00	406.14	7,500.00	5,861.90	9,000.00
Purchased Services	10,000.00	0.00	2,200.00	700.00	100,000.00	5,150.00	100,000.00
Accounting fees	13,000.00	0.00	0.00	0.00	43,000.00	1,200.00	48,000.00
Board Expense	1,000.00	0.00	1,000.00	155.57	13,000.00	4,724.31	15,000.00
Associations/Membership	0.00	27,615.00	0.00	0.00	38,000.00	35,951.00	38,000.00
Communications	0.00	14.13	0.00	0.00	45,700.00	51,341.35	45,700.00
Public Relations	0.00	0.00	0.00	0.00	4,300.00	3,853.00	4,300.00
Web Site/IT	3,000.00	3,505.53	3,000.00	2,905.53	44,000.00	37,111.36	52,000.00
Pension Plan Expense	0.00	0.00	0.00	0.00	2,200,000.00	2,200,000.00	2,200,000.00
Insurance/D&O/Liability/WC	0.00	0.00	0.00	(600.50)	40,000.00	39,755.41	40,000.00
Election fees	0.00	0.00	0.00	0.00	250,000.00	0.00	250,000.00
LAFCO fees	0.00	0.00	0.00	0.00	15,450.00	12,215.00	15,450.00
Legal Fees	4,000.00	2,660.00	4,000.00	1,125.00	42,000.00	7,285.75	50,000.00
Bank Fees	0.00	0.00	0.00	0.00	100.00	30.00	100.00
Maintenance	2,000.00	1,755.91	2,000.00	2,090.00	21,000.00	20,755.72	25,000.00
Utilities	2,000.00	2,605.23	2,000.00	744.22	21,000.00	20,275.66	25,000.00
Property Insurance	0.00	0.00	0.00	0.00	3,900.00	5,656.58	3,900.00
Depreciation	3,916.00	3,874.83	3,916.00	3,874.83	39,168.00	38,748.30	47,000.00
Grant Admin Expenses	100.00	268.43	100.00	651.84	29,800.00	33,834.84	30,000.00
Grant Admin Payroll	16,000.00	23,360.57	22,000.00	14,840.91	158,000.00	161,814.15	190,000.00
Samaritan House Grant	0.00	0.00	316,887.50	325,900.00	950,662.50	977,700.00	1,267,550.00
Other Grants	1,000.00	500.00	1,000.00	0.00	8,500.00	9,100.00	10,000.00
San Mateo Medical Ctr. Dental Clin	0.00	0.00	0.00	0.00	160,000.00	160,000.00	160,000.00
Ravenswood Family Health Ctr	0.00	0.00	0.00	0.00	1,000,000.00	1,000,000.00	1,000,000.00
LifeMoves LVN	0.00	0.00	0.00	0.00	127,500.00	127,500.00	127,500.00
Pen Volunteers LYFT program	5,000.00	2,089.47	5,000.00	2,888.47	50,000.00	45,849.99	60,000.00
BGCP Psychotherapist	0.00	0.00	0.00	0.00	93,170.00	93,170.00	93,170.00
Sonrisas	0.00	0.00	89,275.00	0.00	267,825.00	180,282.00	357,100.00
First 5 SMC	0.00	0.00	0.00	156,982.31	198,415.00	156,982.31	396,830.00
Future Impact Funds	30,000.00	6,250.00	31,900.00	0.00	277,900.00	53,750.00	277,900.00
Covid-19 Emergency Funds	0.00	(5,000.00)	0.00	0.00	0.00	(15,000.00)	0.00
Community Grants Program	0.00	0.00	0.00	0.00	0.00	0.00	4,050,000.00
Sequoia Smart	4,100.00	0.00	4,100.00	0.00	41,800.00	0.00	50,000.00
Sequoia Safe (+HeartSafe)	12,500.00	0.00	12,500.00	11,275.14	125,000.00	52,916.82	150,000.00
Sequoia Strong Program	11,200.00	9,912.11	14,800.00	6,423.93	122,800.00	83,666.91	145,000.00
School Health Program	191,925.00	267,850.38	574,575.00	449,408.69	2,766,150.00	1,520,116.05	4,850,000.00
Total Expenses	366,591.00	401,161.03	1,150,803.50	1,027,550.71	9,818,186.50	7,560,767.56	16,800,400.00
Net	361,264.00	879,356.02	2,557,051.50	3,272,342.30	5,320,503.50	11,293,705.72	0.00

DISCUSSION DRAFT

SEQUOIA HEALTHCARE DISTRICT

Audited Financial Statements and
Compliance Report

June 30, 2022

SEQUOIA HEALTHCARE DISTRICT
 AUDITED FINANCIAL STATEMENTS AND
 COMPLIANCE REPORTS

June 30, 2022

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550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sequoia Healthcare District
Redwood City, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Sequoia Healthcare District (the District) as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the June 30, 2022 financial statements have been restated to correct certain misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

To the Board of Directors
Sequoia Healthcare District

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures and changes in fund balance - budget and

To the Board of Directors
Sequoia Healthcare District

actual – General Fund, the schedule of proportionate share of the net pension liability, schedule of contributions to the pension plan, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The schedule of revenues, expenses and changes in fund net position – budget and actual – proprietary fund and schedule of revenues, expenses, and changes in net position – budget and actual – all funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financials statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2023 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

_____, 2023

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 19,104,015		\$ 19,104,015
Investments	20,954,005		20,954,005
Interest receivable	105,577		105,577
Interest receivable - Dignity Health settlement	140,577		140,577
Interest receivable - Dignity Health settlement	96,281		96,281
Dignity Health settlement receivable	7,415,067		7,415,067
Dignity Health pension reimbursement	23,974,259		23,974,259
Capital assets - non depreciable		\$ 138,927	138,927
Capital assets - depreciable, net		156,375	156,375
TOTAL ASSETS	<u>71,789,781</u>	<u>295,302</u>	<u>72,085,083</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	3,550,905		3,550,905
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,550,905</u>		<u>3,550,905</u>
LIABILITIES			
Accounts payable and other liabilities	87,948		87,948
Grants payable	2,141,435		2,141,435
Deposits payable		3,565	3,565
Noncurrent liabilities:			
Compensated absences - due within one year	39,423		39,423
Compensated absences - due in more than one year	22,652		22,652
Net pension liability	27,525,164		27,525,164
TOTAL LIABILITIES	<u>29,816,622</u>	<u>3,565</u>	<u>29,820,187</u>
NET POSITION			
Investment in capital assets		291,737	291,737
Unrestricted	45,524,064		45,524,064
TOTAL NET POSITION	<u>\$ 45,524,064</u>	<u>\$ 291,737</u>	<u>\$ 45,815,801</u>

The accompanying notes are an integral part of these financial statements.

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Community Healthcare Services:						
Grants to community non-profit organizations	\$ 12,152,281			\$ (12,152,281)		\$ (12,152,281)
Grant administration	437,053			(437,053)		(437,053)
Grant administration, compensated absences	62,075			(62,075)		(62,075)
Insurance	146,341			(146,341)		(146,341)
Investment and banking fees	30,160			(30,160)		(30,160)
Legal	168,085			(168,085)		(168,085)
Office supplies and maintenance	3,953			(3,953)		(3,953)
Pension expense	1,500,000		\$ 1,500,000			
Public relations	104,040			(104,040)		(104,040)
TOTAL GOVERNMENTAL ACTIVITIES	14,603,988		1,500,000	(13,103,988)		(13,103,988)
Business-Type Activities:						
Leasing	182,602	\$ 20,900			\$ (161,702)	(161,702)
TOTAL BUSINESS-TYPE ACTIVITIES	182,602	20,900			(161,702)	(161,702)
TOTAL PRIMARY GOVERNMENT	\$ 14,786,590	\$ 20,900	\$ 1,500,000	(13,103,988)	(161,702)	(13,265,690)
General Revenues:						
Property taxes				15,922,391		15,922,391
Interest and investment earnings (loss)				(512,526)		(512,526)
Intergovernmental revenues				678,202		678,202
Settlement agreement revenue				9,415,067		9,415,067
Other revenues				1,221,604		1,221,604
Internal transfers				(93,493)	93,493	
SUBTOTAL GENERAL REVENUE				26,631,245	93,493	26,724,738
CHANGE IN NET POSITION				13,527,257	(68,209)	13,459,048
Net position at beginning of year, as previously reported				28,746,807	359,946	29,106,753
Restatement				3,250,000		3,250,000
Net position at beginning of year, as restated				31,996,807	359,946	32,356,753
NET POSITION AT END OF YEAR				\$ 45,524,064	\$ 291,737	\$ 45,815,801

The accompanying notes are an integral part of these financial statements.

SEQUOIA HEALTHCARE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2022

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 19,104,015
Investments	20,954,005
Interest receivable	105,577
Interest receivable - Dignity Health settlement	140,577
Due from other governments	96,281
Dignity Health settlement receivable	7,415,067
TOTAL ASSETS	\$ 47,815,522
LIABILITIES	
Accounts payable	\$ 87,948
Grants payable	2,141,435
TOTAL LIABILITIES	2,229,383
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	7,555,644
TOTAL DEFERRED INFLOWS OF RESOURCES	7,555,644
FUND BALANCE	
Unassigned	38,030,495
TOTAL FUND BALANCE	38,030,495
TOTAL LIABILITIES AND FUND BALANCE	\$ 47,815,522
Amounts reported for governmental activities in the statement of net position:	
Total fund balance - governmental funds	\$ 38,030,495
Deferred outflows of resources on the pension plan are not reported in governmental funds.	3,550,905
Reimbursement receivable from Dignity Health for the pension plan.	23,974,259
Compensated absences, which are not due and payable in the current period, are not reported in the General Fund.	(62,075)
Long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental fund.	7,555,644
Net pension liability, deferred outflows and deferred inflows of resources related to the pension plan are not reported in governmental funds.	(27,525,164)
Total net position - Governmental Activities	\$ 45,524,064

The accompanying notes are an integral part of these financial statements.

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN
FUND BALANCE - GOVERNMENTAL FUND

For the Year Ended June 30, 2022

	<u>General Fund</u>
REVENUES	
Tax revenue	\$ 15,922,391
Investment income (loss)	(654,481)
Intergovernmental revenue	678,202
Interest income	1,378
Pension reimbursement	1,500,000
Settlement agreement revenue	2,000,000
Other revenue	1,221,604
TOTAL REVENUES	<u>20,669,094</u>
EXPENDITURES	
Community Healthcare Services	
Administrative services	437,053
Grant expenses	7,437,363
Other grants	4,714,918
Insurance	146,341
Investment and banking fees	30,160
Legal	168,085
Office supplies and maintenance	3,953
Pension contribution	1,500,000
Public relations	104,040
TOTAL EXPENDITURES	<u>14,541,913</u>
EXCESS (DEFECIENCY) OF REVENUES OVER EXPENDITURES	6,127,181
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(93,493)</u>
NET CHANGE IN FUND BALANCE	6,033,688
Fund balance at beginning of year, as previously reported	28,746,807
Restatement	3,250,000
Fund balance at beginning of year, as restated	<u>31,996,807</u>
FUND BALANCE AT END OF YEAR	<u>\$ 38,030,495</u>
Total net change in fund balance - Governmental Funds	\$ 6,033,688
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental fund. This amount is the change in unavailable revenue.	7,555,644
Compensated absences expense is not recognized in the governmental funds, but is recognized in the government-wide statements	<u>(62,075)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 13,527,257</u>

The accompanying notes are an integral part of these financial statements.

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUND

June 30, 2022

	<u>Business-Type Activities - Leasing Fund</u>
ASSETS	
Noncurrent assets:	
Capital assets - non depreciable	\$ 138,927
Capital assets - depreciable - net	<u>156,375</u>
TOTAL ASSETS	<u>295,302</u>
 LIABILITIES	
Noncurrent liabilities	
Deposit payable	<u>3,565</u>
 NET POSITION	
Investment in capital assets	<u>291,737</u>
TOTAL NET POSITION	<u><u>\$ 291,737</u></u>

The accompanying notes are an integral part of these financial statements

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUND

For the Year Ended June 30, 2022

	Business-Type Activities - <u>Leasing Fund</u>
OPERATING REVENUES	
Rental income	<u>\$ 20,900</u>
OPERATING EXPENSES	
Administrative service:	26,366
Depreciation	68,209
Insurance	3,827
Maintenance and supplies	50,539
Utilities	33,661
TOTAL OPERATING EXPENSES	<u>182,602</u>
OPERATING LOSS BEFORE TRANSFER	(161,702)
Transfers in	<u>93,493</u>
CHANGE IN NET POSITION	(68,209)
Net position at beginning of year:	<u>359,946</u>
NET POSITION AT END OF YEAR	<u>\$ 291,737</u>

The accompanying notes are an integral part of these financial statements

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND

For the Year Ended June 30, 2022

	<u>Business-Type Activities - Leasing Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from tenants as rent	\$ 20,900
Cash paid to suppliers	<u>(114,393)</u>
NET CASH USED FOR OPERATING ACTIVITIES	(93,493)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from the General Fund	<u>93,493</u>
NET CASH PROVIDED FROM NONCAPITAL FINANCING ACTIVITIES	<u>93,493</u>
Net increase in cash and cash equivalents:	
Cash and cash equivalents at beginning of year	<u> </u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ -</u>
Reconciliation of net income (loss) from operations to net cash used for operating activities	
Net loss from operations	\$ (161,702)
Depreciation	<u>68,209</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (93,493)</u>

The accompanying notes are an integral part of these financial statements

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND

June 30, 2022

	<u>Pension Trust Fund</u>
ASSETS	
Money market fund	\$ 146,787
Mutual funds	51,482,973
Investment in insurance company separate account	<u>3,862,533</u>
	TOTAL ASSETS <u>55,492,293</u>
NET POSITION	
Restricted for pensions	<u>55,492,293</u>
	TOTAL NET POSITION <u><u>\$ 55,492,293</u></u>

The accompanying notes are an integral part of these financial statements:

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 For the Year Ended June 30, 2022

	<u>Pension Trust Fund</u>
Additions	
Contributions - employee	\$ 1,500,000
Investment earnings	<u>(11,075,492)</u>
TOTAL ADDITIONS	<u>(9,575,492)</u>
Deductions	
Benefit payments	7,782,208
Administrative expenses	<u>144,808</u>
TOTAL DEDUCTIONS	<u>7,927,016</u>
CHANGE IN NET POSITION	(17,502,508)
Net position at beginning of year	<u>72,994,801</u>
NET POSITION AT END OF YEAR	<u><u>\$ 55,492,293</u></u>

The accompanying notes are an integral part of these financial statements.

SEQUOIA HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Sequoia Healthcare District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

Reporting Entity: Sequoia Healthcare District (District), formerly known as Sequoia Hospital District (the Hospital), was established in 1947 in accordance with the provisions of the Health and Safety Code of the State of California. The District is a governmental entity legally constituted as a special district under California law, and is located in Redwood City, California.

The District's primary mission as adopted by the Board is to improve the quality of life for District residents enhancing access to healthcare services and by supporting and encouraging programs and activities designed to achieve health, wellness, and disease prevention.

Basis of Presentation - Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall District. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Fiduciary Funds are excluded from the government-wide financial statements.

The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Basis of Presentation - Fund Financial Statements: Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental Funds: All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting, when applicable.

Proprietary Funds: Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

Fiduciary Funds: Fiduciary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Fund Financial Statements: The District's major governmental and proprietary funds are identified and presented separately in the fund financial statements. Major funds are defined as funds that have either assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the combined totals of governmental and proprietary funds. The General Fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

The District reported the following major funds in the accompanying financial statements:

General Fund: The general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Fund: The Leasing Enterprise Fund accounts for the operation, maintenance and capital improvement projects for the building which are funded by rental income.

Fiduciary Fund: The Pension Trust Fund is used to account for the assets held by the District under a trust agreement to make payments for pension benefits.

Government-Wide Financial Statements: The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the District and for each governmental function. The government-wide statements exclude fiduciary activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Fund Financial Statements: Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The District has no non-major funds.

Governmental Funds: All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Proprietary Funds: Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

Fiduciary Funds: Fiduciary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Cash and Cash Equivalents: The District's cash and cash equivalents are defined as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments: Investments held at June 30, 2022 are stated at fair value.

Prepaid Items: Certain payments to vendors and certain grants reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. Prepaid costs of governmental funds are offset by a nonspendable portion of fund balance to indicate they do not represent resources available for future appropriation.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Dignity Health Pension Reimbursement Receivable: As discussed in Note 6, Dignity Health agreed to reimburse the District for all costs related to the retirement plan of former District employees when it purchased a hospital from the District. Consequently, a receivable from Dignity Health was reported for the unfunded liability less deferred outflows of resources of the plan of \$23,974,259 at June 30, 2022.

Capital Assets and Depreciation: The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed as incurred. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. Donated capital assets are recorded at the acquisition value. The valuation basis for capital assets is historical cost, or where historical cost is not available, at estimated historical cost based on replacement cost.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

	<u>Lives of Assets (in years)</u>
Land and Building Improvements	15-20
Equipment and Furniture	3-5
Leasehold Improvements	Life of Lease
Improvements to Common Areas	3-5

Grants Payable: The District's grants program provides funding to local community and school-based programs that promote the District's mission to enhance the lives and health of District residents. The program is organized into community-based and school-based funding categories. Grants are recognized as expenditures in the year all eligibility requirements are met. The community-based grants are generally paid semi-annually and are approved in June for the following fiscal year or years. The portion of the grant for the fiscal year is recognized as an expenditure and grants payable at year-end, regardless of whether spent by the recipient. School-based grants are managed on a cost-reimbursement basis and are recognized after a signed grant agreement is in place and the recipient has incurred qualifying expenditures.

Compensated Absences: The District provides paid time off (PTO) to full-time and part-time employees that is eligible to be used for vacations and up to three consecutive days off for illness, injury or for the employee to receive medical care, treatment or diagnosis. PTO is payable upon termination of employment. PTO accrues beginning the first day of the month following the beginning of employment with the District and is accrued at 6.45 to 9.53 hours per pay period for full-time employees and 3.22 to 4.77 hours per pay period for part-time employees, depending on the length of service, up to a maximum of 320 hours. Employees may request up to 100 hours be cashed out at the approval of the Chief Executive Officer.

The District also offers Extended Sick Leave (ESL) to cover illnesses exceeding three consecutive work days beginning on the 90th day of employment. Employees accrue 2.40 ESL hours per pay period up to a maximum of 120 hours. ESL hours are not payable upon the termination of employees; therefore, ESL hours are not accrued as part of the compensated absences liability. The General fund is used to liquidate

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

compensated absences.

Leases: The District has a policy to recognize lease assets and liabilities for leases with an initial term of greater than one year and a present value greater than the District's capital asset recognition threshold. The District currently does not have any leases that meet this definition.

Pension Plan: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's retirement plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the plan's administrators. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then.

In addition to liabilities, the Statement of Net Position (or the Balance Sheet) reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position (or fund balance) that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for its pension activities.

Fund Balance: In the fund financial statements, the governmental fund reports unassigned balances.

Nonspendable Funds: Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance is reported the balance of prepaid items reported on the balance sheet.

Unassigned Funds: Unassigned fund balance is the residual classification of the District's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes. The District's reserve policy establishes an emergency reserve fund of \$5 million, which is considered a designation of unassigned fund balance under GASB 54.

Net Position: The government-wide financial statements report net position. Net position is categorized as the investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets: This category groups all capital assets into one component of net position. The outstanding balance of debt and accounts payable that are attributable to the acquisition, construction, or improvement of the assets reduces the balance in this category. The District had no outstanding debt.

Restricted Net Position: This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The District had no restricted net position.

Unrestricted Net Position: This category represents net position of the District not restricted for any project or other purpose.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

Property Tax Revenue: The District has the authority to collect taxes on property within its political subdivision. Taxes are received from the County of San Mateo, which has responsibility for their collection. Secured property taxes attach as an enforceable lien on property as of January 1 and are levied July 1. Taxes are payable in two installments due November 1 (delinquent on December 10) and February 1 (delinquent on April 10). Unsecured property taxes are payable in one installment on or before August 31. The County of San Mateo bills and collects the taxes for the District. Tax revenues are recognized by the District when received within the availability period.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

New Pronouncements: In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the lease guidance, unless specifically excluded in this Statement. The District implemented this statement during the year ended June 30, 2022. There was no effect on beginning fund balance and net position due to the implementation of this Statement because the District has no leases payable and the leases receivable are less than one year in life and did not meet the recognition criteria of this Statement.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This Statement 1) defines the term SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs to a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. This statement is effective for fiscal years beginning after June 15, 2022.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections, an Amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for each type of accounting change, including changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity, and error corrections. This Statement requires changes in accounting principles and error corrections to be reported retroactively by restating prior periods; requires changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period; and requires changes in accounting estimates to be reported

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of new pronouncements in absence of specific transition provisions in the new pronouncement. This Statement also requires the aggregate amount of adjustments to and restatements of beginning net position, fund balance or fund net position, as applicable, to be displayed by reporting unit in the financial statements. Furthermore, this Statement requires information presented in required supplementary information or supplementary information to be restated for error corrections, if practicable, but not for changes in accounting principles. The provisions of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

The District is currently analyzing the impact of the required implementation of these new statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2022 were as follows:

Governmental Activities	\$	40,058,020
Fiduciary Fund		<u>55,492,293</u>
Total	\$	<u>95,550,313</u>
Cash in banks	\$	19,104,015
Investments:		
Money market funds		146,787
Mutual funds		53,184,904
Investment in insurance company separate account		3,862,533
Certificates of deposit		380,701
U.S. treasuries		13,927,675
U.S. agencies		196,773
Corporate bonds		<u>4,746,925</u>
Total investments		<u>76,446,298</u>
Total bank deposits and investments	\$	<u>95,550,313</u>

The investment in insurance company separate account is a Pension Trust Fund asset. It is described as

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

an open-end, commingled real estate account available to retirement plans by the sponsor, Principal Life Insurance Company.

Policies and Practices: The District invests in individual investments. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

The District is in compliance with the Board approved Investment Policy and California Government Code requirements.

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit.) The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agencies' deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. As of June 30, 2022, the District's deposits with financial institutions that were covered by FDIC insurance totaled \$326,167 and \$19,054,544 were collateralized as described above.

Investment Policy: Limitations as they relate to interest rate risk and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local agency bonds, notes, warrants	5 Years	None	None
Registered state bonds, notes, warrants	5 Years	None	None
U. S. Treasury obligations	5 Years	None	None
U.S. agency securities	5 Years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	15%	10%
Negotiable certificates of deposits	5 Years	30%	None
Repurchase agreements	1 year	None	None
Reverse purchase agreements	92 days	20% of base	None
Medium-term notes	5 years	30%	None
Mutual funds	N/A	20%	10%
Money market mutual funds	N/A	20%	10%
Mortgage pass-through securities	5 years	20%	None
County pooled investment funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$65M
Joint powers authority pools	N/A	None	None

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Segmented Time Distribution: Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the District's investments by maturity:

Investment Type	Total	Investment Maturities in Months				Not Stated
		12 Months or Less	13-36 Months	37-60 Months	61 Months or More	
Governmental Activities:						
Mutual funds	\$ 1,701,931	\$ 1,701,931				
Certificates of deposit	380,701		\$ 380,701			
U.S. treasuries	13,927,675	1,999,040	7,718,595	\$ 4,210,040		
U.S. agencies	196,773	196,773				
Corporate bonds	4,746,925	648,205	3,222,158	584,779	\$ 291,783	
	<u>20,954,005</u>	<u>4,545,949</u>	<u>11,321,454</u>	<u>4,794,819</u>	<u>291,783</u>	
Pension Trust Fund:						
Money market fund	\$ 146,787	\$ 146,787				
Mutual funds	51,482,973	51,482,973				
Insurance separate account	3,862,533					\$ 3,862,533
	<u>55,492,293</u>	<u>51,629,760</u>				<u>3,862,533</u>
Total	<u>\$ 76,446,298</u>	<u>\$ 56,175,709</u>	<u>\$ 11,321,454</u>	<u>\$ 4,794,819</u>	<u>\$ 291,783</u>	<u>\$ 3,862,533</u>

Credit Risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the rating as of year-end for each investment type:

	Lower of Moody's or S&P Rating as of Year End							Total	
	Aaa/AAA	Aa1/AA+	Aa2/AA Aa3/AA-	A1/A+	A2/A	A3/A-	Baa1/BBB+		Baa2/BBB
U.S. treasuries			\$ 13,927,675						\$ 13,927,675
U.S. agencies		\$ 196,773							196,773
Corporate bonds	\$ 293,416		700,447	\$ 291,783	\$ 943,103	\$ 949,814	\$ 935,369	\$ 632,993	4,746,925
Total	<u>\$ 293,416</u>	<u>\$ 196,773</u>	<u>\$ 14,628,122</u>	<u>\$ 291,783</u>	<u>\$ 943,103</u>	<u>\$ 949,814</u>	<u>\$ 935,369</u>	<u>\$ 632,993</u>	<u>18,871,373</u>
Not rated:									
Money market funds									146,787
Mutual funds									53,184,904
Insurance company separate account									3,862,533
Certificates of deposit									380,701
Total investments									<u>\$ 76,446,298</u>

Concentration of Credit Risk: The investment in the insurance company separate account by the Pension Trust Fund represents a concentration in one issuer greater than 5% of total investments.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurement: The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

	Fair Value Measurements Using		
	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total	Total	Total	Total
Investments by fair value level:			
Money market funds	\$ 146,787	\$ 146,787	
Mutual funds	53,184,904	53,184,904	
Certificates of deposit	380,701	380,701	
U.S. treasuries	13,927,675	13,927,675	
U.S. agencies	196,773	196,773	
Corporate bonds	4,746,925	4,746,925	
Total investments by fair value level	<u>72,583,765</u>	<u>\$ -</u>	<u>\$ -</u>
Measured at net asset value:			
Insurance company separate account	<u>3,862,533</u>		
Total	<u>\$76,446,298</u>		

NOTE 3 – RISK MANAGEMENT

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruptions; errors and omissions; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. There were no changes in insurance coverage and settled claims have not exceeded this commercial coverage in any of the three preceding years.

SEQUOIA HEALTHCARE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 3 – RISK MANAGEMENT (Continued)

Coverage is provided as follows:

Company Name	Type of Coverage	Limits	Deductible
BETA Healthcare Group	General Liability	\$ 5,000,000	\$ 10,000
BETA Healthcare Group	D & O Liability	5,000,000	10,000-50000
BETA Healthcare Group	Auto and Physical Damage	5,000,000	1,000
Alliant Insurance Services, Inc.	Property	100,000,000	1,000-50,000
State Compensation Insurance Fund	Workers' Compensation	2,000,000	None

NOTE 4 – CAPITAL ASSETS

Activity in capital assets for the year ended June 30, 2022 was as follows:

	Balance at June 30, 2021	Additions	Retirements	Reclassifications	Balance at June 30, 2022
Capital asset not being depreciated					
Land	\$ 138,927				\$ 138,927
Capital assets, being depreciated					
Land improvements	227,568				227,568
Buildings and improvements	1,796,712				1,796,712
Tenant improvements	215,113				215,113
Equipment	76,222				76,222
Furniture	28,260				28,260
Total capital assets, being depreciated	2,343,875				2,343,875
Less accumulated depreciation					
Land improvements	(96,944)	\$ (36,003)		\$ (24,885)	(157,832)
Buildings and improvements	(1,682,050)	(30,685)			(1,712,735)
Tenant improvements	(229,729)			14,616	(215,113)
Equipment	(82,308)	(1,521)		10,269	(73,560)
Furniture	(28,260)				(28,260)
Total accumulated depreciation	(2,119,291)	(68,209)			(2,187,500)
Total capital assets being depreciated, net	224,584	(68,209)			156,375
Capital assets, net	\$ 363,511	\$ (68,209)	\$ -	\$ -	\$ 295,302

NOTE 5 – LONG-TERM LIABILITY

The following is a summary of long-term liabilities activity for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Repayments	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
Compensated absences	\$ -	\$ 62,075	\$ -	\$ 62,075	\$ 39,423	\$ 22,652

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 6 – PENSION PLANS AND DEFERRED COMPENSATION PLAN

The District maintains two pension plans and a deferred compensation plan. One pension plan titled the Sequoia Healthcare District Employee Pension Plan is a single-employer defined benefit plan offered to District employees prior to September 30, 1996 when the Development Agreement with Catholic Healthcare West, Inc. was approved as described in the Plan Description section below. A second active pension plan called the Sequoia Healthcare District 401(k) Profit Sharing Plan and Trust (the 401(k) Plan) is a defined contribution plan formed under Internal Revenue Code (IRC) section 401(k). The District also has a suspended IRC Section 457(b) deferred compensation plan (the 457 Plan) titled the Master Deferred Compensation Plan.

Section 401k Plan: The 401(k) plan is a single-employer defined contribution pension plan available to all hourly and salaried employees after 250 hours of service during the first three months of employment. The 401(k) Plan is administered by the District. Benefit terms are established and may be amended by the Board of Directors. Employees are allowed to voluntarily contribute to the plan up to IRC limits. The District is required to make 100% safe harbor matching contributions up to the first three percent of participant contributions and 50% of the next two percent of participant contributions, for a maximum contribution of 4%, for employees with at least 1,000 hours of service during a plan year. The District is also allowed to make discretionary contributions to the 401(k) Plan. Employees vest immediately in their own contributions and safe harbor contributions and are subject to a grading vesting schedule for discretionary contributions of 25% after one year of service, 50% after two years of service and 100% after three years of service. Employer and participant contributions to the plan were \$75,757 and \$26,237, respectively, during the year ended June 30, 2022.

Section 457(b) Plan: The Master Deferred Compensation Plan (the Plan) was a single employer deferred compensation plan available to all employees beginning in on the first day of the month following the start of employment with the District until it was suspended on September 30, 1996, when the Development Agreement with Catholic Healthcare West, Inc. was signed. The Plan allowed covered employees to voluntarily contribute a portion of their pre-tax earnings to the plan up to the limits specified in the IRC. The District matched contributions to the Plan up to three and one-half percent of the employee's first five percent of contributions. The contributions are fully vested when made by the participant and the District. No employee or employer contributions were made to the Plan during the year ended June 30, 2022.

The Sequoia Healthcare District Employee Pension Plan

Plan Description: The Sequoia Healthcare District Employee Pension Plan (Plan), adopted on January 1, 1959, as amended is a single-employer defined benefit plan that covered the District's hospital employees. In 1996 the District sold its hospital to Catholic Healthcare West, Inc. (now Dignity Health) and all employees of the District employed by the hospital became employees of Dignity Health and therefore effective October 1, 1996, all benefit accruals under the plan were suspended indefinitely, provided however that vesting services credit will be paid for participants who are vested. Benefits are distributed to participants when they retire in accordance with the terms of the plan. Dignity Health's agreement with the District is to reimburse the District for all costs related to the pension plan. Because the plan is a governmental pension plan it could not be transferred to Dignity Health. The District remains contingently liable for funding of the plan in the event of default by Dignity Health. Benefits are administered by Vanguard Retirement Services. The plan has been closed to new entrants since October 1, 1996. Currently the plan has 938 participants with 694 retirees currently receiving benefits and 244 not receiving benefits.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 6 – PENSION PLANS AND DEFERRED COMPENSATION PLAN (Continued)

Benefits Provided: The plan provides service retirement to plan members who were public employees of the District prior to October 1, 1996. Benefits are based on years of credited service, equal to one year of full-time employment salary. Members with ten years of total service are eligible for benefits in retirement. The normal retirement age is 65; however, members are eligible to retire at age 55 with statutorily reduced benefits.

The Plan provisions and benefits in effect at June 30, 2022, are summarized as follows:

Benefit formula	2% at 65
Benefit vesting schedule	10 Year Service
Benefit payments	Monthly for Life
Retirement age	55-65
Monthly benefits, as a percent of eligible compensation	2.00%
Required employee contribution amount	None
Required employer contribution amount	Actuarially Determined

Contributions: Funding of contributions for the Plan are determined annually on an actuarial basis as of January 1 by an actuary. The actuarially determined amount is the estimated amount necessary to finance the costs of benefits earned by employees during the service years, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the full amount and there are no required employee contributions. For the year ended June 30, 2022, contributions recognized as part of pension expense were \$1,500,000.

Net Pension Liability: The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of January 1, 2022 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions: The total pension liabilities in the January 1, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	January 1, 2022
Measurement date	June 30, 2022
Actuarial cost method	Projected Unit Credit (all plan benefits frozen)
Actuarial assumptions:	
Discount rate	5.75%
Investment rate of return	5.75%
Inflation	2.75%
Mortality	Latest CalPERS experience study
Mortality improvements	Scale MP-2021
Post retirement benefit increase	None

Discount Rate: The discount rate used to measure the total pension liability was changed from 6.75% to 5.75% in the January 1, 2022 valuation. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, the actuary stress tested the plan. Based on the testing, it

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 6 – PENSION PLANS AND DEFERRED COMPENSATION PLAN (Continued)

Was determined that the Plan would not run out of assets. Therefore, the current 5.75% discount rate is adequate, and the use of a municipal bond rate is not necessary.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, the actuary took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term and the long-term using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Long-Term Asset Allocation	Geometric Rates of Return (a)
Broad US Equity	28.0%	4.29%
Broad International Equities	26.0%	4.67%
Fixed Income	33.0%	0.78%
Real Estate	5.0%	4.06%
TIPS	8.0%	-0.08%
Total	100.00%	

(a) An expected inflation of 2.5% was used.

Changes in Assumptions: The lump sum election for deferred participants was changed from 50% to 30%. The mortality improvement scale was also updated to Scale MP-2021 at June 30, 2022.

Changes in the Net Pension Liability: The changes in the net pension liability for the Plan were:

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 6 – PENSION PLANS AND DEFERRED COMPENSATION PLAN (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2021	\$ 84,911,512	\$ 73,025,776	\$ 11,885,736
Changes in the year:			
Service cost			
Interest on the total pension liability	4,658,674		4,658,674
Differences between actual and expected experience	833,202		833,202
Changes in assumptions	427,252		427,252
Changes in benefit terms			
Contributions - employer		1,500,000	(1,500,000)
Contributions - employee			
Net investment income		(11,075,492)	11,075,492
Administrative expenses		(144,808)	144,808
Benefit payments	(7,782,208)	(7,782,208)	
Net changes	(1,863,080)	(17,502,508)	15,639,428
Balance at June 30, 2022	<u>\$ 83,048,432</u>	<u>\$ 55,523,268</u>	<u>\$ 27,525,164</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the District, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Current Discount		
	1% Decrease 4.75%	Rate 5.75%	1% Increase 6.75%
Net Pension Liability	\$ 34,264,972	\$ 27,525,164	\$ 21,667,585

Pension Expense and Deferred Inflows and Outflows of Resources: For the year ended June 30, 2022, the District recognized pension expense of \$1,559,487. At June 30, 2022, the District reported deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	\$ 3,550,905	
Total	<u>\$ 3,550,905</u>	<u>\$ -</u>

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 6 – PENSION PLANS AND DEFERRED COMPENSATION PLANS (Continued)

The amounts reported as deferred inflows and/or outflows of resources will be recognized as reimbursable pension expense as follows:

Year Ended June 30	
2023	\$ 111,759
2024	(27,902)
2025	449,110
2026	<u>3,017,938</u>
	<u>\$ 3,550,905</u>

Pension Plan’s Fiduciary Net Position: The Plan's Fiduciary Net Position is reported on these financial statements in the pension trust fund of the District.

NOTE 7 – SETTLEMENT AGREEMENT WITH DIGNITY HEALTH

Pursuant to the Development Agreement executed on December 7, 2007 with Catholic Healthcare West (now known as Dignity Health), the District was entitled to an economic return on its contribution which equaled 50% of annual Sequoia Hospital Operating Earnings Before Interest Expense, Depreciation and Amortization (EBIDA) exceeding an aggregate 9.3% annual Operating EBIDA Margin (the Return Formula) through December 7, 2047.

In November 2021, the District and Dignity Health settled a dispute over the Return Formula where, in place of the Return Formula, the District received a one-time payment of \$2,000,000 from Dignity Health and will receive \$510,000 per year on or before December 1 through December 1, 2047. The amount is allowed to be used at the District’s discretion in alignment with the District’s strategic plan to support under-served or unmet healthcare needs in the community served by the District. The long-term receivable was discounted at the Wall Street Journal Prime Rate of 3.25% at the settlement date, resulting in the District recognizing a long-term settlement receivable as follows:

Year Ended June 30	Principal	Interest	Total
2023	\$ 269,010	\$ 240,990	\$ 269,010
2024	277,753	232,247	277,753
2025	286,780	223,220	286,780
2026	296,101	213,900	296,101
2027	305,724	204,276	305,724
2028-2032	1,684,277	865,723	1,684,277
2033-2037	1,976,350	573,650	1,976,350
2038-2042	<u>2,319,071</u>	<u>230,929</u>	<u>2,319,071</u>
	<u>\$ 7,415,066</u>	<u>\$ 2,784,935</u>	<u>\$ 7,415,066</u>

SEQUOIA HEALTHCARE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2022

NOTE 7 – SETTLEMENT AGREEMENT WITH DIGNITY HEALTH (Continued)

In addition to the amount reported as a long-term receivable, the settlement agreement requires Dignity Health to deposit \$510,000 per year on or before December 1 each year through December 1, 2041 into a joint bank account to be used in the community through collaborative efforts of a joint committee established between the District and Sequoia Hospital.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Legal Contingency: The District is a party to claims and lawsuits arising in the normal course of business. The District's management does not believe that the ultimate liability, if any, arising from these claims will have a material adverse impact on the financial position of the District.

Grant Contingency: The District received a grant from the State of California that is subject to compliance audits of the expenditures claimed under the grant agreement. The amount of expenditures, if any, which may be disallowed cannot be determined although the District does not expect such amounts, if any, to be material to the financial statements.

Concentration: The District receives a significant majority of its revenue from property tax revenues. A reduction of property tax revenue available to the District would have a significant impact on its operations.

NOTE 10 – RELATED PARTY TRANSACTION

A Director of the District is the Executive Director of Redwood City Police Activities League (PAL), an organization that received a \$57,000 grant from the District during the year ended June 30, 2022. Due to the economic interest that the Board member has in PAL, Board members who do not have economic interest in PAL approved the grant.

NOTE 11 – RESTATEMENTS

During the year ended June 30, 2022, the District discovered that a grant recorded as prepaid expense at June 30, 2020 was inadvertently not reversed into expenditures/expenses on June 30, 2021. In addition, the District accrued community grants for the year ended June 30, 2022 as grants payable at June 30, 2021. Due to the correction of these errors, fund balance in the General Fund and net position in the government-wide statement of activities increased by \$3,250,000 at July 1, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

SEQUOIA HEALTHCARE DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Tax revenue	\$ 14,000,000	\$ 14,000,000	\$ 15,922,391	\$ 1,922,391
Investment income (loss)	180,000	180,000	(654,481)	(834,481)
Intergovernmental revenue			678,202	678,202
Interest income	3,000	3,000	1,378	(1,622)
Pension income	1,500,000	1,500,000	1,500,000	
Settlement agreement revenue			2,000,000	2,000,000
Other revenue			1,221,604	1,221,604
TOTAL REVENUES	15,683,000	15,683,000	20,669,094	4,986,094
EXPENDITURES				
Administration services	929,200	929,200	889,632	39,568
Pension plan expense	1,500,000	1,500,000	1,500,000	
Grants	8,134,595	8,134,595	7,437,363	697,232
Program expenses	4,990,355	4,990,355	4,714,918	275,437
TOTAL EXPENDITURES	15,554,150	15,554,150	14,541,913	1,012,237
EXCESS (DEFECIENCY) OF REVENUES OVER EXPENDITURES	128,850	128,850	6,127,181	5,998,331
OTHER FINANCING SOURCES (USES)				
Transfer out			(93,493)	(93,493)
NET CHANGE IN FUND BALANCE	128,850	128,850	6,033,688	5,904,838
Fund balance at beginning of year	28,746,807	28,746,807	28,746,807	
- as previously reported				
Restatement			3,250,000	
Fund balance at beginning of year - as restated	28,746,807	28,746,807	31,996,807	
FUND BALANCE AT END OF YEAR	\$ 28,875,657	\$ 28,875,657	\$ 38,030,495	\$ 5,904,838

See note to required supplementary information.

SEQUOIA HEALTHCARE DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on the total pension liability	4,658,674	5,146,186	5,359,332	5,456,742	5,752,000	5,794,000	5,597,000	5,633,000
Differences between expected and actual experience	833,202		1,022,548		(55,000)		(378,000)	
Changes in assumptions	427,252	4,296,329	1,125,508		(1,016,000)		4,532,000	
Changes in benefit terms			(1,115,722)					
Benefit payments	(7,782,208)	(7,406,165)	(7,013,077)	(6,808,169)	(6,387,000)	(6,414,000)	(6,238,000)	(6,035,000)
Net change in total pension liability	(1,863,080)	2,036,350	(621,411)	(1,351,427)	(1,706,000)	(620,000)	3,513,000	(402,000)
Total pension liability - beginning	84,911,512	82,875,162	83,496,573	84,848,000	86,554,000	87,174,000	83,661,000	84,063,000
Total pension liability - ending (a)	<u>\$ 83,048,432</u>	<u>\$ 84,911,512</u>	<u>\$ 82,875,162</u>	<u>\$ 83,496,573</u>	<u>\$ 84,848,000</u>	<u>\$ 86,554,000</u>	<u>\$ 87,174,000</u>	<u>\$ 83,661,000</u>
Plan fiduciary net position:								
Contributions - employer	\$ 1,500,000	\$ 1,500,000	\$ 2,700,000	\$ 2,700,000	\$ 3,800,000	\$ 3,800,000	\$ 2,600,000	\$ 2,600,000
Net investment income	(11,075,492)	16,694,529	6,285,010	2,773,074	5,789,000	7,188,000	(83,000)	487,000
Administrative expenses	(144,808)	(84,667)	(136,928)	(114,000)	(95,000)	(88,000)	(108,000)	(92,000)
Benefit payments	(7,782,208)	(7,406,165)	(7,013,077)	(6,238,000)	(6,387,000)	(6,414,000)	(6,238,000)	(6,035,000)
Net change in plan fiduciary net position	(17,502,508)	10,703,697	1,835,005	(878,926)	3,107,000	4,486,000	(3,829,000)	(3,040,000)
Plan fiduciary net position - beginning	73,025,776	62,322,079	60,487,074	61,366,000	58,259,000	53,773,000	57,602,000	60,642,000
Plan fiduciary net position - ending (b)	<u>\$ 55,523,268</u>	<u>\$ 73,025,776</u>	<u>\$ 62,322,079</u>	<u>\$ 60,487,074</u>	<u>\$ 61,366,000</u>	<u>\$ 58,259,000</u>	<u>\$ 53,773,000</u>	<u>\$ 57,602,000</u>
Net pension liability - ending (a)-(b)	<u>\$ 27,525,164</u>	<u>\$ 11,885,736</u>	<u>\$ 20,553,083</u>	<u>\$ 23,009,499</u>	<u>\$ 23,482,000</u>	<u>\$ 28,295,000</u>	<u>\$ 33,401,000</u>	<u>\$ 26,059,000</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>66.86%</u>	<u>86.00%</u>	<u>75.20%</u>	<u>72.44%</u>	<u>72.32%</u>	<u>67.31%</u>	<u>61.68%</u>	<u>68.85%</u>
Covered-employee payroll - measurement period	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
Net pension liability as percentage of covered-employee payroll	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
Notes to schedule:								
Measurement period - fiscal year ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Omitted Years: GASB Statement No. 68 was Implemented During the Year Ended June 30, 2015. No information was Available Prior to this Date. Future years will be reported prospectively as they become available.

See notes to required supplementary information.

SEQUOIA HEALTHCARE DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2022

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN
Last 10 Years

	2022	2021	2020	2019	2018	2017	2016	2015
Contactually required contribution (actuarially determined)	\$ 3,000,000	\$ 1,500,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 3,800,000	\$ 2,600,000	\$ 2,600,000
Contributions in relation to the actuarially determined contributions	(1,500,000)	(1,500,000)	(2,700,000)	(2,700,000)	(2,700,000)	(3,800,000)	(2,600,000)	(2,600,000)
Contribution deficiency (excess)	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll - employer's fiscal year	None	None	None	None	None	None	None	None
Contributions as a percentage of covered payroll	None	None	None	None	None	None	None	None
Notes to schedule:								
Reporting valuation date: January 1	2022	2021	2020	2019	2018	2017	2016	2015
Reporting measurement date: June 30	2022	2021	2020	2019	2018	2017	2016	2015

Change in benefit terms: There were no changes to benefit terms.

Methods and assumptions used to determine contribution rates:

Actuarial method	Projected unit credit (all plan benefits frozen)							
Amortized method	Level dollar amount							
Remaining amortization period	9 years	10 years	11 years	12 years	13 years	14 years	15 years	16 years
Asset valuation method	Market value of assets							
Salary increases	Not applicable (all inactive participants)							
Investment rate of return and discount rate used to compute contribution rates	6.50%	6.50%	6.50%	6.70%	Not available	Not available	Not available	Not available
Mortality	1				GAM94 Basic Tables			

1 - The latest CalPERS experience study was used for mortality beginning in the 2022 valuation.

Omitted Years: GASB Statement No. 68 was Implemented During the Year Ended June 30, 2015. No information was Available Prior to this Date. Future years will be reported prospectively as they become available.

SEQUOIA HEALTHCARE DISTRICT

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2022

Budgetary Accounting

The District Board of Directors establishes budgets for the General Fund. Budgetary control is legally maintained at the fund level for the General Fund. The budget includes appropriations (budgeted expenditures) on a line-item basis and the means of financing them (budgeted revenues).

The District fiscal year is from July 1 through June 30 of the next calendar year and the budget is adopted on a basis consistent with generally accepted accounting principles which is the modified accrual basis of accounting for the General Fund.

SUPPLEMENTARY INFORMATION

SEQUOIA HEALTHCARE DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL – PROPRIETARY FUND

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Rental income	\$ 35,800	\$ 35,800	\$ 20,900	\$ (14,900)
OPERATING EXPENSES				
Administration services	28,000	28,000	26,366	1,634
Depreciation	47,000	47,000	68,209	(21,209)
Insurance	2,650	2,650	3,827	(1,177)
Maintenance and supplies	62,000	62,000	50,539	11,461
Utilities	25,000	25,000	33,661	(8,661)
TOTAL EXPENSES	<u>164,650</u>	<u>164,650</u>	<u>182,602</u>	<u>(17,952)</u>
OPERATING LOSS BEFORE TRANSFER	(128,850)	(128,850)	(161,702)	(32,852)
Transfer in			<u>93,493</u>	<u>93,493</u>
CHANGE IN NET POSITION	(128,850)	(128,850)	(68,209)	60,641
Net position at beginning of year	<u>359,946</u>	<u>359,946</u>	<u>359,946</u>	
NET POSITION AT END OF YEAR	<u>\$ 231,096</u>	<u>\$ 231,096</u>	<u>\$ 291,737</u>	<u>\$ 60,641</u>

SEQUOIA HEALTHCARE DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
BUDGET AND ACTUAL – ALL FUNDS

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Rental income	\$ 35,800	\$ 35,800	\$ 20,900	\$ (14,900)
Tax revenue	14,000,000	14,000,000	15,922,391	1,922,391
Investment income (loss)	180,000	180,000	(513,904)	(693,904)
Intergovernmental revenue			678,202	678,202
Interest income	3,000	3,000	1,378	(1,622)
Pension income	1,500,000	1,500,000	1,500,000	
Settlement agreement revenue			9,415,067	9,415,067
Other revenue			1,221,604	1,221,604
TOTAL REVENUES	15,718,800	15,718,800	28,245,638	12,526,838
EXPENSES				
Administrative services	768,200	768,200	827,779	(59,579)
Pension plan expenses	1,500,000	1,500,000	1,500,000	
Grants	8,134,595	8,134,595	7,437,363	697,232
Program expenses	4,990,355	4,990,355	4,714,918	275,437
Depreciation	47,000	47,000	68,209	(21,209)
Insurance	180,650	180,650	150,168	30,482
Maintenance and supplies	73,000	73,000	54,492	18,508
Utilities	25,000	25,000	33,661	(8,661)
TOTAL EXPENSES	15,718,800	15,718,800	14,786,590	932,210
CHANGE IN NET POSITION			13,459,048	13,459,048
Net position at beginning of year				
- as previously reported	29,106,753	29,106,753	29,106,753	
Restatement			3,250,000	
Net position at beginning of year - as restated	<u>29,106,753</u>	<u>29,106,753</u>	<u>32,356,753</u>	
NET POSITION AT END OF YEAR	<u>\$ 29,106,753</u>	<u>\$ 29,106,753</u>	<u>\$ 45,815,801</u>	<u>\$ 13,459,048</u>

REPORT ON INTERNAL CONTROL AND COMPLIANCE

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Sequoia Healthcare District
Redwood City, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sequoia Healthcare District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

To the Board of Directors
Sequoia Healthcare District

contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

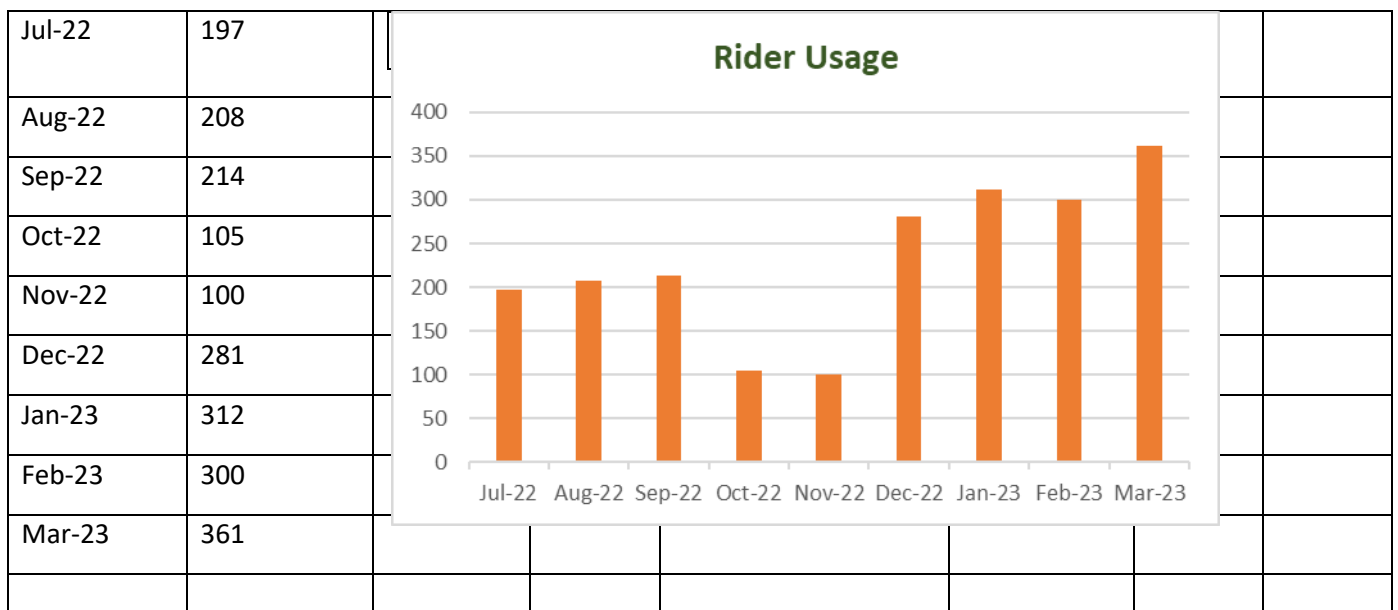
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

_____, 2023



Peninsula Volunteers Transportation Program 2023-2024 Funding Request

Peninsula Volunteers Inc. (PVI) respectfully requests funding in the amount of \$60,000 from the Sequoia Healthcare District to help support the continued operation of the Senior Transportation Program for the 2023-2024 fiscal year. Due to the success in receiving grants from municipal and county agencies as well as private foundations, the PVI current funding request from SHD is significantly less than previous years.



Ridership has been on an upward trajectory, with a 54% increase from July to March. This trend is expected to continue through the next fiscal year. Moreover, there has been a rise in the number of new, unique riders - 35.



Requested Funding Amounts

\$30,000 of the requested funding would pay for approximately 2630 rides (@\$15.30 average - \$5.00 rider fee = \$10.30 cost per ride= \$27,000) during the next fiscal cycle + 10% admin. fee (\$3,000)

\$30,000 would fund the part time administrative coordinator position (as well a portion of the billing specialist and program manager positions.)

- Part-time Transportation Coordinator - \$18,500.00
- Billing Specialist (independent contractor working exclusively for the transportation program) - \$3,450.00
- Program Manager (working 3/4 time for the transportation program) – \$8,050.00

Program Updates

There have been suggestions from our rider base to expand destinations to include social visits to loved one and friends as well as banks.

PVI thanks the SHD Board for consideration of this request.



San Mateo County Health Foundation (SMCHF) is requesting Sequoia Healthcare District to donate \$200,000 towards 3D mammography technology at the San Mateo Medical Center (SMMC).

Our latest initiative is to raise much needed funds to upgrade the hospital's two mammography machines from 2D to 3D technology. The estimated cost is \$700,000. Additionally, we are raising \$970,000 for a mobile mammography van to reach patients at all SMMC clinics. Any additional funds from the 3D mammography fundraiser will go towards the mobile van.

SMCHF's mission is to promote and champion the health and well-being of all residents of our community, regardless of ability to pay - primarily through supporting excellence and innovation in the County's hospital and clinic system.

SMCHF is a private 501(c)(3) non-profit charitable foundation with its own independent board of directors that provides community leadership and governance. In 1989 a group of dedicated community members, Congresswoman Anna Eshoo, Linda Gregory, Margaret Taylor and Evelyn Stanton, came together to support public health services financially in San Mateo County, and in doing so established the San Mateo County Health Foundation.

The Foundation has provided funds to purchase much needed equipment and furnishings, support programs and launch unique services to San Mateo County's safety net hospital and clinics, all with the goal that no community resident is turned away based on his or her ability to pay.

Since its inception, Foundation monies have provided indispensable support for vital, often unique, health care services and programs in our county public health care system. In the thirty-four years of our existence, we've raised over \$15 million to benefit the health of San Mateo County's most vulnerable populations.

The Foundation handles all nonfederal grant funding for SMMC's hospital and its clinics because they do not have a team who can research grants, gather requirements, and manage the application and reporting process. The Foundation turns over 100% of all restricted grants to the item funded. No overhead or percentage is taken out. We not only exist to help expedite and organize grants for SMMC, but we also help patients and our community with resources they cannot afford, or the government cannot or will not help with. We provide direct care and services through our Caring Hands in Health financial aid program for basic necessities like groceries, medical needs, emergency housing assistance, and we step in when there is a gap in their insurance benefits. We partner with The Samaritan House on our food box program, LifeMoves for homeless transition costs, Puente, ALAS, and many other county programs.

The county is providing resources for over 77,000 patients to live a healthy life. The costs to run this are increasing, and they are higher than ever. The county gives \$59M annually to the Medical Center for general operations. They have authorized the Medical Center to spend over \$100M on Epic implementation in the next three years, and they have contributed over \$10M to the effort. They also supported the new administrative wings at the hospital to meet seismic requirements with a project cost of over \$200M for the Admin and Link buildings. They support smaller initiatives such as the upcoming CT replacement project for \$8M and \$5M for MRI.

Unlike the big budgets at Stanford and Sutter, the county's budget to run the public hospital is the minimum required to do so. The current mammography machines at SMMC have outdated technology, and at the very least it performs at a minimum. Our goal is to help the Medical Center get gold standard equipment like at the big-budgeted hospitals; and our hope is that with funding from Sequoia and other organizations, and a match from the Foundation, county, and Medical Center, we are able to help our underserved patients get the care they deserve.

Submitted by John Jurow

Signature: *John Jurow*

Date: 5/30/2023

John Jurow, CEO
San Mateo County Health Foundation
O:650-573-2655
C:650-333-5634
www.SMCHF.org

4d. Report On Healthy Schools Initiative Year-End Outcomes

The staff looks forward to providing the healthy school initiative year-end report which will include a slide presentation and guest speakers from our school wellness teams.



Draft Budget Narrative 2023-24

Overview:

The Sequoia Healthcare District and the Healthy Schools Initiative Team provide essential support for our school communities. As our educational system continues to respond to the mental health crisis, greatly aggravated by Covid-19, the HSI team will take a deep look at the WSCC framework that has guided this program for the past ten years. Hence, goals for the upcoming year will include continued investment in the ongoing, established programs as well as exploration of new, innovative approaches to wellness.

Youth mental health continues as a top priority along with renewed focus on school staff and family health and wellness. Prevention practices continue to be the best use of public health dollars and an effective strategy to address such concerns as suicide, substance misuse, and certain diseases. Specific intervention practices will provide students with school-based counseling, enhancing their ability to remain in school and advance to the next level.

The overall budget request for FY 2023-24 is \$4,992,515, which is a \$103,775 (2.15%) increase from 2022-23.

Key Goals for 2023-24

- Continue to provide leadership and training opportunities for the Wellness Leads/School Nurses to ensure best practices and appropriate resource expansion.
- Review WCCC model and district Wellness Policies; refresh implementation strategies to align with current school culture and wellness needs.
- Conduct semi-annual check-ins with HSI grantees to ensure service delivery matches school expectation.
- Collaborate with San Mateo County Office of Education, San Mateo County Health, and San Mateo County Behavioral Health to ensure alignment with State educational requirements and prevention/early intervention efforts.
- Continue to utilize the Multi-Tiered Systems of Support (MTSS) model, prioritizing Tier One and Tier Two support with an equity lens.
- Research SEL models, health education curriculum and create a resource library.
- Continue to nurture networks and partnerships in the mental/behavioral health sector.

Total HSI Budget Requested

2023-24	2022-23	Difference
\$4,922,515	\$4,818,740	+\$103,775

Direct Funding to School Districts

2023-24	2022-23	Difference
\$3,072,773	\$3,005,675	+\$67,098

Direct Funding to School Districts supports key health and wellness staff directly employed by school districts, as well as the subcontractors engaged to provide essential parent education and mental health services for each school district.

The proposed 2023-24 Direct Funding budget represents 62% of the 2023-24 Total HSI Budget. The \$67,098 increase in the Total HSI Budget is attributable to a 4% COLA factored into direct staff costs and higher subcontractor rates.

Program Management and Contract Support

2023-24	2022-23	Difference
\$183,000	\$186,000	(\$3,000)

The Program Management and Contract Support category includes one SHD employee, the Director of School Health, and one contractor to support the HSI team. The \$3,000 savings is due to eliminating the transitional support by Jenny Bratton and services of one subcontractor.

Strategic Partners and Special Programs

2023-24	2022-23	Difference
\$952,742	\$930,565	+\$22,177

The Strategic Partners are organizations which have proven year after year to be reliable and dedicated partners. Included in this category are Health Connected (which provides Teen Talk/Puberty Talk for SUHSD, BRSSD, and LLESD) and PE+ (which provides physical education programming for the RCSD.) PE+ leadership successfully raised additional funding this year to supplement the budget necessary to run the RCSD program. The \$22,177 funding increase is due to: PE+ (+\$22,247), Health Connected (increased cost and addition of LLESD +\$40,450), and StarVista returning to Grants category (-\$42,500) for FY 2023-24.)

The Special Programs are: Care Solace to assist parents/caregivers/teachers/students in locating a behavioral health provider or service; Mini-grants to support student-inspired,

teacher-supported projects related to the WSCC model; and SHD School Nurse Scholarship Program for three nurses to attain a School Nurse Credential in 2023-24. The Special Programs funding request remains the same.

HSI Grants

2023-24	2022-23	Difference
\$536,500	\$350,000	\$186,500

Twenty-two HSI Grant applications are recommended for Board approval. Grant support totals \$536,500, which is \$186,500 above the current year. The increase is due to StarVista returning to the Grants category (+\$42,500), 6 additional grant requests (+\$140,000), and increased agency costs (+\$29,000), expenses which are offset by less funding going to United Through Education (-\$25,000). The school grants program continues to have high emphasis on mental and behavioral health.

Other Program Expenses

2023-24	2022-23	Difference
\$177,500	\$346,500	(\$169,000)

The Other Program Expenses category includes Tier 1 and Tier 2 Mental Health Support, substance use prevention efforts, bi-lingual parent forums/videography, and resiliency trainings. This category also includes funding for supplies, conferences, staff training and development, promotional materials and discretionary funds. Savings have been realized by eliminating the Covid-19 Supplemental stipends (\$140,000) and the DEI training funds (\$60,000) as support is no longer need in these two areas. Also, reducing funds in the line items related to supplies (\$1,000) and Substance Use Prevention funds (\$10,000) has created \$169,000 savings in the Other Program Expenses Category.

HEALTHY SCHOOLS INITIATIVE / 2023-24

Total Recommendation for HSI Grants: \$536,500

*** 22 Grant requests; 3 new & 3 former programs**

Social Emotional Health: \$358,500

Organization	Program Description	Previous Amount	Ask	Recommended Amount
Acknowledge Alliance	Resiliency Consultation Services - Social Emotional Learning curriculum provides direct services to students at RCSD's North Star	\$25,000	\$30,000	\$30,000
Adolescent Counseling Services	On-Campus counseling program - mental health assessments, depression screenings, ongoing individual therapy, supportive services, and education for youth, staff and parents/caregivers at SUHSD, LLESD & Holy Family School	\$50,000	\$50,000	\$50,000
Center for Wellness and Achievement in Education	Meditation Boost programs for ditech Academy Charter	\$40,000	\$50,000	\$40,000
Friends for Youth	School-based Mentoring Initiative to ensure all students have the positive support of a community mentor at SUHSD and RCSD	\$40,000	\$50,000	\$45,000
Mission Be	Mindfulness Education programs for 10 th and 11 th grade students, teachers, parents/caregivers at SUHSD	\$25,000	\$50,000	\$31,000
San Carlos Charter Learning Center	School Counseling and Psychological services provided by a staff member for identified students	\$25,000	\$50,000	\$25,000
StarVista	School-based Counseling Services for all middle students at MPCSD (Hillview)	\$20,000	\$25,000	\$25,000
StarVista	School-based Counseling Services - students at SUHSD (M-A), Charter (Everest High) and RCSD (Arbor Bay)	\$42,500	\$53,500	\$42,500

HEALTHY SCHOOLS INITIATIVE / 2023-24

StarVista	Crisis Intervention and Suicide Prevention education for students along with parent and educator versions also available	\$20,000	\$20,000	\$20,000
Summit Prep Charter High School	Training, education, and counseling services to support student mental health	\$20,000 in 2021	\$30,000	\$20,000
YMCA	Project Cornerstone addresses SEL (improve school climate and create caring communities) for students at LLESD, MPCSD, and RCSD	\$10,000	\$10,000	\$10,000
Youth Community Service	Youth leadership health and wellness component for SUHSD students	New	\$50,000	\$20,000

Health Services / Physical Activity / Parent Engagement: \$55,000

Organization	Program Description	Previous Amount	Ask	Recommended Amount
Jasper Ridge Farm	Horse Buddies - Equine therapy and fitness programs for special needs youth attending RCSD and SUHSD	\$10,000	\$15,000	\$15,000
Siena Youth Center of St. Francis Center	Outdoor Education and Physical Fitness Program for Holy Family School in North Fair Oaks	\$25,000	\$35,000	\$25,000
San Carlos Charter Learning Center	Vision and audio screenings Medication and IEP follow-up for SCSD	\$10,000	\$10,000	\$10,000
United Through Education	Familias Unidas - Parent Engagement Virtual Workshops for RCSD	\$30,000	\$45,000	\$5,000

HEALTHY SCHOOLS INITIATIVE / 2023-24

Food / Nutrition / Outdoor Education: \$73,000

Organization	Program Description	Previous Amount	Ask	Recommended Amount
Adelante Selby Garden Program	RCSD garden program teaches nutrition and ties into social emotional learning	\$10,000	\$13,000	\$13,000
Sager Family Farm	Big Buzz About Bees curriculum MPCSD and RCSD	\$10,000	\$50,000	\$10,000
Each Green Corner	Food Systems Educators for Living SCSD Campus Program	\$15,000 in 2021	\$50,000	\$25,000
UC Extension	Supporting Nutrition Education in Redwood City School District	New	\$50,000	\$25,000

ATOD: \$50,000

Organization	Program Description	Previous Amount	Ask	Recommended Amount
El Centro de Libertad/The Freedom Center	Prevention and Early Identification education for RCSD	\$25,000 in 2021	\$50,000	\$25,000
StarVista	Insights – Alternative to Suspension programming in SUHSD schools	New	\$50,000	\$25,000



Projected Budget Summary - 2023-24

School Districts	Recommendations 2023-24	Allocation 2022-23	Difference	Comments
San Carlos	\$732,040	\$706,000	\$26,040	<i>Includes 4% COLA/portion of salary and/or up to 33% of benefits</i>
Redwood City	\$808,100	\$769,865	\$38,235	<i>Includes 4% COLA/portion of salary and/or up to 33% of benefits</i>
Belmont-Redwood Shores	\$683,614	\$709,000	(\$25,386)	<i>Includes 4% COLA/portion of salary and/or up to 33% of benefits</i>
Sequoia Union	\$536,832	\$520,800	\$16,032	<i>Includes 4% COLA/portion of salary and/or up to 33% of benefits</i>
Woodside	\$56,784	\$54,600	\$2,184	<i>Includes 4% COLA</i>
Portola Valley	\$60,580	\$58,080	\$2,500	<i>Includes 4% COLA</i>
Las Lomitas	\$98,384	\$94,600	\$3,784	<i>Includes 4% COLA</i>
Menlo Park City	\$96,439	\$92,730	\$3,709	<i>Includes 4% COLA</i>
Total to Schools	\$3,072,773	\$3,005,675	\$67,098	
Program Management and Contract Support				
Program Director Salary (1.0 FTE)	\$163,000	\$146,000	\$17,000	<i>Transition to new director, 7% raise</i>
Program Coordinator (.20 FTE)	\$0	\$10,000	(\$10,000)	<i>J. Bratton-Transition</i>
Program Support Contractor	\$20,000	\$20,000	\$0	<i>Jo-Ann Byrne Sockolov</i>
Dietitian	\$0	\$10,000	(\$10,000)	<i>Julie Engberg</i>
Total Program Management	\$183,000	\$186,000	(\$3,000)	
Strategic Partners and Special Programs				
PE+ for RCSD	\$698,327	\$674,100	\$24,227	<i>RCSD</i>
StarVista on-site counseling services	\$0	\$42,500	(\$42,500)	<i>Moved back to Grants category</i>
Health Connected	\$140,450	\$100,000	\$40,450	<i>SUHSD, BRSSD and LLSD</i>
Care Solace	\$90,965	\$90,965	\$0	<i>Year 3 of 3</i>
School Mini-grants	\$8,000	\$8,000	\$0	<i>Special program</i>
School Nurse Credentialing Scholarships	\$15,000	\$15,000	\$0	<i>Special program - 3 nurses</i>
Total Strategic Partner and Special Programs	\$952,742	\$930,565	\$22,177	
Grants to Non-Profits				
Total Grants to Non-Profits	\$536,500	\$350,000	\$186,500	<i>See attached</i>

Other Expenses				
Promotional materials, supplies, printing	\$1,500	\$2,500	(\$1,000)	
Meetings, conferences, professional development	\$7,000	\$7,000	\$0	<i>HSI team support</i>
Discretionary Funds	\$10,000	\$10,000	\$0	
Covid Supplemental Stipends	\$0	\$140,000	(\$140,000)	<i>Direct stipends to Covid leads</i>
Parent Ed/Videography for community ed events	\$15,000	\$15,000	\$0	
Parent English/Spanish Forums	\$25,000	\$25,000	\$0	<i>Parent educational/support group</i>
Substance Use Prevention	\$15,000	\$25,000	(\$10,000)	<i>San Mateo County/RWC partnership</i>
Resiliency training—educator community	\$20,000	\$2,000	\$18,000	<i>New School wellness - staff</i>
DEI/Trauma work	\$0	\$60,000	(\$60,000)	<i>CircleUp/Matt Reddam</i>
Tier One Mental Health Support	\$60,000	\$60,000	\$0	
Tier Two Mental Health Support	\$24,000	\$0	\$24,000	
Total Other	\$177,500	\$346,500	(\$169,000)	
Grand Total	\$4,922,515	\$4,818,740	\$103,775	

2023-24 Caring Community Grants Committee Recommendations

Presented to SHD Board of Directors

June 7, 2023

I. Introduction:

This report summarizes the recommendations by the 2023-24 Caring Community grants committee to fund 66 grants totaling \$4.146 million (refer to appended list)

AREAS OF FUNDING	2020-21 Amount	2021-22 Amount	2022-23 Recommended	2023-24
Alcohol, Tobacco & Other Drugs	\$245,000	\$325,000	\$295,000	\$295,000
Clinical/Medical Services	\$185,000	\$205,000	\$287,000	\$215,000
Behavioral Support Services	\$913,000	\$1,040,000	\$1,105,000	\$1,030,000
Health Literacy: Youth & Adults	\$577,000	\$653,000	\$826,000	\$901,000
Healthy Literacy: Seniors	\$572,000	\$632,000	\$607,000	\$590,000
Food Security & Nutrition	\$508,000	\$895,000	\$930,000	\$790,000
NEW grants				\$325,000
Total	\$3,000,000	\$3,750,000	\$4,050,000	\$4,146,000

II. New Grantees

The grants committee is recommending funding 9 new grants. Of the nine, 3 of them are new grantees and 6 of them are grantees we have funded in the past or are currently funding.

Organization	Program & description	Grant Amount
Belmont Rotary	Medical Equipment Loaning Program (MELP): The mission of the MELP is to loan durable medical equipment at no cost to individuals who cannot afford or otherwise have access to it. The equipment distributed includes walkers, wheelchairs, canes, Hoya lifts, shower seats, etc.	\$25,000
Boys and Girls Club of the Peninsula	Triple Play: As the area’s largest under-resourced youth extended learning time organization, BGCP works with parents, community partners and schools to serve 4,500 low-income K-12th grade students in East Palo Alto, the North Fair Oaks neighborhoods of Redwood City, eastern Menlo Park and San Mateo.	\$60,000
Catholic Charities	Community Case Management: Catholic Charities will provide Community Case Management as a means for improving clients' health and promoting wellness and autonomy. Through Case Management, clients will receive in-home visits, comprehensive assessments, service planning and implementation, monitoring and follow-up, and discharge planning as clients accomplish care plan goals.	\$40,000

Children's Health Council	Affordable and Accessible Young Adult Therapy for ages 18-25: CHC's Young Adult Therapy program is for individuals ages 18-25 seeking help for anxiety, depression, suicidality/self-harm, trauma, issues related to developmental stage, such as identity exploration, relationship challenges, acclimating to college life or the workforce, and independent living. The treatment structure will follow a short-term therapy model.	\$25,000
EI Concilio of San Mateo County (ECSMC)	Health and Wellness Case Management: ECSMC provides direct service to low-income families and individuals that lack knowledge on accessing services and resources availability to them. Clients get connected to our program through our ambassadors who conduct community outreach and canvassing in hard-to-reach communities in Redwood City and North Fair Oaks. Ambassadors refer clients who need further assistance and support to our Case Workers who then meet 1:1 with clients.	\$35,000
Family Connections	Family Connections: Family Connections' early childhood education incorporates free parent participation preschools for children from birth to age 5. For the youngest learners (families with children ages 0-2), the developmental curriculum supports healthy development and attachment with parents, while preschool aged (families with children ages 3-5) programming ensures every child can be a successful learner when they begin Kindergarten.	\$35,000
San Mateo Police Activities League	Promoting Healthy Futures: San Mateo PAL is devoted to supporting at-risk and underserved children and families with activities to improve their physical health and socio-emotional well-being, and prevent them from engaging in or continuing to engage in unhealthy or risky behaviors. All programs are open to everyone and provided at no cost or a small fee depending on what families can afford.	\$40,000
Upward Scholars	Healthy Scholars: Upward Scholars requests funding for two mental health interventions for adult immigrant community college students: 1) PLÁTICA ENTRE FAMILIA: a bilingual drop-in group; and 2) PLATIQUITAS: one-on-one and small group sessions. These sessions are available for people of all beliefs and backgrounds and are offered in Spanish, English, or Spanish/English bilingual.	\$10,000
Whole Health for Youth (WHY)	WHY Mental Health Services for Parents and Staff: The Whole Health for Youth (WHY) Collaborative, a vibrant network of local organizations (Friends for Youth, One Life Counseling, Redwood City PAL, Siena Youth Center) supporting mental health and wellness, strives to improve mental health by providing accessible wellness programs, education, and resources to youth and those who support them.	\$55,000
		\$325,000

III. Conclusion

As in previous years, each committee member conducted a blind scoring of their applications at the LOI stage and Full App stage. The blind scores are tallied via computer software and averaged. At the Full App stage, the cut-off score for approval was 40 out of 50. This does not mean that a score of less than 40 automatically receives a denial: Scores earning below a 40 often merited a robust discussion. These discussions determined which ones would be recommended for funding and their amounts. Various factors such as viability, scalability, cost, number of residents served, program delivery models, impact all help to inform a final decision.

As expected, 2023-24 Grants Committee worked judiciously and conscientiously to assure that all scoring was completed by their deadline of early May. They met in-person in mid-May and brought their respective expertise to the table. Formal thanks extend to: Community members Rafael Avendaño, Tricia Coffey, Harvey Kaplan, Ruth West, Ann-Marie Silvestri, and last, but not least, SHD Directors Ivan Martinez and William Fong.

IV. Next Steps

The grants committee will be assigned scoring of the 2022-23 CC final grant reports that are due at the end of the month. The scores will be tallied and averaged; those with less than passable scores will be flagged for site visits and follow-up.

In anticipation of the 2024 CC grants cycle, Jenny will be recruiting another set of half-dozen grant committee members as part of the efforts to diversify the grants committee and to also reduce the amount of reading and scoring required from current members who are straddling multiple grant cycles. This will be one of the key and final steps of transitioning fully to a 2-year grant cycle. Each committee will be responsible for tracking a grant over their 2-year cycle: The current committee will remain with the 2023-25 cohort while a new committee will be responsible for the 2024-26 cohort.

Some ideas on the table for future discussion, following Jenny's attendance at the Versaic conference, is further aligning some of our grant philosophy and procedures with current trends, which include: unrestricted funding, automatic renewable grants, and trust-based philanthropy. Of course, this is all keeping in mind a strict adherence to current board policy and legislation around grant-giving.

V. Additional funding requests

The following requests are in addition to the CC grants funding recommendation:

- PJCC's Pink Power (\$18,000)
- Pink Ribbon Good (\$25,000)

We are proposing renewing funding PJCC's Pink Power program at an award amount *up to* \$18,000 and a new partner Pink Ribbon Good at an award amount *up to* \$25,000. The reason they are not included with the above CC grants program is because we have decided to pull them outside our grants program to better align with our grant protocols. These two grant awards will operate by a reimbursement system where we are invoiced at the mid-year and end-year for the number of SHD clients they serve. This places them in a different grant category than the traditional CC grants where the grants program provides the grant award up front. A separate grant agreement for each of these awards will spell out the conditions of reimbursement.

Pink Ribbon Good (PRG) (www.pinkribbongood.org) provides meals and rides to SHD clients who are affected by breast and gynecological cancers. PRG plans on providing on average 344 Meals per month (at \$9.50 per meal) and offering 42 Rides (at \$34.58 per ride) to SHD residents. They partner with Fresh N Lean for meals because the meals use organically-sourced ingredients; all gluten-free, never frozen, and nothing artificial. For the rideshare piece, they partner with Uber Health. Through their concierge service, PRG can schedule rides on behalf of clients going to/from any oncology appointments or treatments and through Uber Vouchers, PRG can provide clients who are already comfortable using the Uber app the ability to schedule their own rides, paid for by PRG, to approved healthcare locations throughout the Bay Area. As a back-up, PRG uses Lyft Concierge in areas with limited to no Uber availability.

2023-24 Caring Community Full App Discussion and Decision			
	Organization	Program	Recommend
New (2023-24)	Belmont Rotary	Medical Equipment Loaning Program	\$25,000
	Boys and Girls Club of the Peninsula	Triple Play	\$60,000
	Catholic Charities	Community Case Management	\$40,000
	Children's Health Council	Affordable and Accessible Young Adult Therapy	\$25,000
	El Concilio	Health and Wellness Case Management	\$35,000
	Family Connections	Family Connections	\$35,000
	San Mateo Police Activities League	Promoting Healthy Futures	\$40,000
	Upward Scholars	Healthy Scholars	\$10,000
	Whole Health for Youth	Mental Health Services	\$55,000
	New Programs Subtotal		\$325,000
Health: Youth/Adults (2023-25)	AbilityPath	Stroke and Brain Injury	\$20,000
	AbilityPath	Adult Day Program	\$80,000
	Adaptive Physical Education	Adaptive Physical Education	\$170,000
	CASA of SMC	CASA	\$65,000
	Edgewood	Healthy Generations 2.0	\$100,000
	Jasper Ridge	Wellness Buddies	\$20,000
	PARCA	Independent Living Skills	\$20,000
	Redwood City-PAL	PAL Healthy Lifestyles: Adult	\$50,000
	Redwood City-PAL	PAL Healthy Lifestyles: Youth	\$120,000
	Redwood City Together	Promoting Community Health w/Youth Promotores	\$35,000
	St. Francis Center	Siena Youth Center	\$80,000
	United Through Education	Resource Support	\$40,000
	Vista Center for the Blind and Visually Impaired	Vision Loss Rehabilitation Program	\$76,000
	WomenSV	Survivor Support Program	\$25,000
	Health: Youth/Adults Subtotal		\$901,000
Health: Seniors (2023-25)	Catholic Charities CYO of the Archdiocese of San Francisco	Catholic Charities Adult Day Services San Mateo County	\$85,000
	Foster City Villages	Building Community Wellness Together	\$30,000
	Jewish Family and Children's Services	Seniors At Home	\$70,000
	Ombudsman Services of San Mateo County, Inc.	Ombudsman Program	\$85,000
	Peninsula Family Services	Fair Oaks Center	\$75,000
	Peninsula Family Services	Senior Peer Counseling	\$45,000
	Peninsula Volunteers, Inc.	PVI Adult Day Services at Rosener House	\$120,000
	Rebuilding Together Peninsula	Safe At Home	\$50,000
	Villages of San Mateo County	Healthy Seniors At Home	\$30,000
	Health Seniors Subtotal		\$590,000
Food (2023-25)	City of San Carlos Adult Community Center	Senior Meal Program	\$50,000
	Peninsula Volunteers, Inc.(PVI)	Meals on Wheels	\$200,000
	Second Harvest of Silicon Valley	Food Assistance	\$200,000
	Second Harvest of Silicon Valley	Food Pharmacy	\$40,000
	St Vincent de Paul SMC	Safety Net Programs	\$100,000
	St. Anthony's Padua	Feeding the Needy	\$200,000
	Food Subtotal		\$790,000
	2023-24 Subtotal Ask		\$2,606,000

	Organization	Program	Current		
ATOD (2022-24)	Adolescent Counseling Services	Counseling and Substance Treatment for Youth (CSTY) Initiative	\$40,000		
	El Centro de Libertad	Adult Substance Abuse Intervention	\$75,000		
	El Centro de Libertad	Youth Substance Abuse Intervention	\$100,000		
	Latino Commission on Alcohol and Drug Abuse Services of SMC	Casa Aztlan Men's Recovery Home	\$60,000		
	Service League of San Mateo County	Women and Infants Wellness Solution-Hope House	\$20,000		
		ATOD Subtotal	\$295,000		
Clinical (2022-24)	Mission Hospice	Transitions Program	\$50,000		
	NCEFT - National Center for Equine Facilitated Therapy	NCEFT Financial Assistance Program (2022/2023)	\$15,000		
	NCEFT - National Center for Equine Facilitated Therapy	Equine-Assisted Programs for Children and Adults with Disabilities and Challenges (2022/2023)	\$50,000		
	Planned Parenthood Mar Monte	Reproductive Health Care at Redwood City Health Center	\$100,000		
	Clinical Subtotal	\$215,000			
Behavioral Supports (2022-24)	Adolescent Counseling Services	Outlet Program	\$65,000		
	Community Overcoming Relationship Abuse (CORA)	Family Centered Mental Health	\$130,000		
	CORA - Community Overcoming Relationship Abuse	Family Violence Prevention Strategies	\$90,000		
	Downtown Streets Team	Redwood City Downtown Streets Team "Mindful Connections"	\$75,000		
	Friends for Youth	1-to-1 Mentoring	\$75,000		
	Kara	Bereavement Support, Grief Education & Crisis Response for the Community	\$40,000		
	LifeMoves	Behavioral Health Services for Homeless Families and Individuals	\$140,000		
	One Life Counseling Center	Low-Fee Mental Health Counseling Program	\$125,000		
	One Life Counseling Center	Music and Memory Program	\$35,000		
	Peninsula Bridge	Mental Health Wellness Program	\$25,000		
	Planned Parenthood Mar Monte	Integrated Behavioral Health Care at Redwood City Health Center	\$80,000		
	San Mateo County Sheriff's Activities League	South County Wellness	\$25,000		
	StarVista	Daybreak	\$125,000		
	Behavioral Subtotal	\$1,030,000			
	2023-24 Committed CC funds	1,540,000			
	2023-24 Subtotal Ask	\$2,606,000			
	2023-24 Total CC Ask	\$4,146,000			

Joint Proposal with Dignity Sequoia Hospital to Renew the Faro Food Grants for 2023-24

Specific Ask: Sequoia Healthcare District would like to partner with Dignity Health Sequoia Hospital to help the community address food insecurity needs around the holidays. This popular holiday food grant will continue to address hunger and social isolation facing elderly and unhoused populations. District staff are seeking Board approval for \$50,000 which will be matched by Sequoia Hospital for a total \$100,000 in funding for the 2023 Faro Food Grants.

In light of the great impact and benefit this program offers to our community and how it has been so well-received and widely lauded, we would like to propose that we offer this joint grant program annually and release the application as early as late September or early October so that organizations have time to plan and implement this program leading up to the holiday season. A special thanks to Marie Violet at Dignity Health Sequoia Hospital for this partnership.

Ongoing Need:

To provide context of why food is still a critical need in our community: As of March 2023, a total of 30,960 San Mateo County residents are signed up to receive CalFresh (CalFresh is California's version of the federal Supplemental Nutrition Assistance Program, also known as SNAP). That's an increase of more than 8,000 recipients since the beginning of the pandemic in March 2020, according to the County's Human Services Agency.

Background: In the first year of the awards, the 2021 joint holiday food grant program awarded \$100,000 among five community partners. Those grants were for the expressed purpose of addressing shortage of food donations to Second Harvest and increasing food costs. The grants were used by these agencies to fund additional food purchases, meals distribution and delivery, grocery gift cards, and in one instance, a supplemental hire to coordinate food program at the agency. These grants directly benefited over 9,000 SHD residents.

In the second year, the 2022 joint holiday food grant program, dedicated in honor of outgoing Board Director Art Faro, awarded \$90,000 among 7 CBOs: Ecumenical Hunger Program, Karat School Project, Nuestra Casa, RCSD, Upward Scholars, Whole Health for Youth, and First Step Community Services. These food grants impacted over 6,000 SHD residents.

Procedure: In order to champion coordination among partners, food programs that demonstrate inter-agency collaboration and partnerships will be highly encouraged. The deadline and subsequent selection of the grantees and final decision will be made at the end of September. Funds will be distributed in October. These funds provided through the 2023 Faro Food Grant Program will be used by the recipient organizations throughout November of 2023 to April of 2024.

Sequoia Healthcare District

Oral Health Alternative Payment and Access Acceleration (OHAPAA) Learning Collaborative To Increase Access To Comprehensive Dental Services

I. Introduction

In 2023 Sequoia Healthcare District (SHD) and the Health Plan of San Mateo (HPSM) proposes to launch a pilot learning collaborative that would accelerate access for adult and pediatric dental care using innovative models. This project would be funded by SHD, in partnership with Dignity Health, and HPSM. The Oral Health Alternative Payment and Access Acceleration (OHAPAA) Collaborative intends to share the innovation, multi-specialty teamwork, and tools developed in this project which would officially begin on September 11, 2023- September 30, 2024.

The learning collaborative is based on the Institute for Healthcare Improvement (IHI)'s Breakthrough Series, which focuses on “creating a structure in which interested organizations can easily learn from each other and from recognized experts in topic areas where they want to make improvements.” In this case, public, private and professional entities in San Mateo County are coming together to learn how best to accelerate access to high quality dental care through innovative publicly funded medical-dental benefits, alternative payment models, innovative screening technology, and first-time provider enrollment with the Health Plan of San Mateo. The San Mateo Dental Society, private practice general dentists, and specialty dentists are key stakeholders and participants in the collaborative. All will share lessons learned and tactical, practical information from one another on planning and implementation of alternative payment models and innovative access to dental care initiatives.

By way of this learning collaborative, it is the intention of Sequoia Healthcare District to provide funding to enable a select number of District residents in need of comprehensive dental services to receive the treatment they need. It is also the intention of the collaborators to help address the critical shortage of private practice dentists that accept Denti-Cal and to strengthen relationships among our partners and private dentists and other community groups concerned about addressing oral health needs. An investment of \$1,000,000 is being proposed for this pilot, which will

provide comprehensive restorative dental care for approximately 350 District residents over a 12-month period.

II. Rational for Investing in Oral Health

In San Mateo County there are significant oral health disparities among its residents, with the burden of oral disease being particularly high among racial and ethnic minorities, those with lower income, with less education, and those without dental insurance. Recent data show that eight percent (8%) of San Mateo County residents lack any form of health insurance and roughly one-third of seniors (33%) lack coverage that pays for routine dental care. For those unable to access even basic dental care, the consequences can be dramatic. Studies have repeatedly documented connections between poor oral health and a variety of serious medical conditions, such as diabetes and heart disease. Other consequences of untreated decay include severe pain, infections, speech difficulties, tooth loss, missed workdays and more.

Medi-Cal, which is administered through the HPSM, is California's public health fee for service insurance program (California's Medicaid) that provides free or low-cost medical services for children and adults with limited economic resources. The Medi-Cal Program currently offers dental services (Denti-Cal) as one of the program's benefits, but in San Mateo County, many dentists in private practice refuse to accept Denti-Cal, citing that payments are too low relative to the high cost of operating a private dental clinic in the Bay area and the red tape burden, too high. The number of dentists serving Medi-Cal patients in the county has been steadily declining since 1998 and only 23 dentists serve this population, 6 of whom are currently accepting new patients to their waitlist. This severe lack of sufficient dental providers to care for people facing systemic barriers to oral health, is even more pronounced among people with unique access issues such as physical or developmental disabilities that many dentists either cannot or will not meet. Within SHD boundaries, County Dental Clinics provide most services to Medi-Cal beneficiaries. However, even there, patients still have significant barriers to receiving dental care due to difficulties obtaining appointments, long wait times for appointments, and long wait times at the clinics when at their appointments.

Private practice dentists are an important part of the oral health care system for those with private health insurance. However, many of our community members, particularly those facing economic insecurity, lack access to a private dentist. The strategy of the collaborative is to encourage more private practice dentists to participate in this collaborative, thereby providing a pathway toward a solution that would increase access to care for indigent patients who would otherwise go without care. This innovative model could have significant public health benefits, given the link between poor oral health and the range of chronic diseases that negatively

impact overall quality of life. The initial goal is to recruit 10 new Denti-Cal providers who will each commit to providing comprehensive restorative care to 10 District residents. Dentists will determine how many patients they are willing to serve each month and there will be an equitable assignment for all participating dentists. As the program progresses, the learnings will inform new recruitment and treatment goals and determine ongoing direction and decision making.

III. Funding Requirement

An investment of up to \$920,000 would provide comprehensive restorative dental care for approximately 350 District residents over a 12-month period. This is based on the novel payor model described below and an assumed average cost per patient visit of \$600-\$700, with an average of 3.5 visits per patient. In addition, each Kells AI screening costs \$200.

This proposal requests \$410,000 of the 2022-23 remaining settlement funds paid directly to SHD (\$100k went to fund Navigation Center). The other \$510,000 to come from the other 2022-23 Dignity settlement shared investment account.

IV. Novel Payor Model and Proposed Budget

The San Mateo County Dental Society will contract with HPSM to recruit dentists to the plan. The Health Plan will reimburse dentists at their usual reimbursement rate and Sequoia Healthcare District will provide an incentive payment of up to \$2,500 per patient upon completion of care. This amount has been determined to be reasonable and sufficient to help cover actual treatment costs and attractive enough for private dentists to participate. Specialty care dentists, however, may require additional resources, as this population may have more advanced dental needs that require more complex procedures.

Initially, HPSM intends to recruit 10 new dentists who will accept 10 new patients for a total of 100 District residents. Over time, we hope to increase the number of dentists participating in the plan to reach our goal of serving 350 residents.

<i>Dentist Incentive Pay upon completion of treatment</i>	<i>\$750,000</i>	<i>Notes \$2,500 per patient</i>
<i>Kells AI screening Per patient</i>	<i>\$70,000</i>	<i>(\$200 x 350) may have additional set up fees</i>
<i>Care coordination</i>	<i>\$25,000</i>	<i>Part time bilingual coordinator through Kells</i>
<i>Specialty Care</i>	<i>\$145,000 (difference)</i>	<i>Amount Unknown</i>

V. Innovative Screening Technology

Prior to a patient being assigned to a private dentist, they will receive an oral health screening by KELLS - an artificial intelligence (AI) enabled service that analyzes radiographic and photo scans to identify potential cavity and periodontal risks. The KELLS system automatically produces triage and prioritization based on screening results to inform the level of care needed and facilitate assignment of an appropriate type of dentist. The assigned dentist may use the screening results and may take additional x-rays to develop a treatment plan. KELLS technology will also provide a personalized report for each patient to educate on oral health literacy and empower follow-up visits to the dentist. It will be a valuable tool for gathering data to inform outcomes during program evaluation.

VI. *Patient assignment and treatment*

This exploratory model will accelerate access to care for patients of any of our four partner providers who are on a waitlist or unable to get an appointment.

- Patients will be referred by the dental home to the collaborative, which will screen and assign them to a private-practice general practitioner and/or specialist, based on a pre-determined set of criteria and level of care needed, as identified by the KELLS AI screening.
- Following its dental screening, KELLS provides personalized care coordination to connect patients to the appropriate dental providers to fulfill treatment needs. Their care coordinator will prioritize high risk patients and identify available providers to set up appointments and travel arrangements as needed by the patient. Detailed patient records including screening reports, raw X-rays, photos, and other relevant data, can be securely transferred to the treating dentist to facilitate the office visit. Multi-language support will be provided for English and Spanish.
- Once the patient receives the necessary comprehensive treatment, they return to their dental home, which may be our new Redwood City location for ongoing routine care.
- Non-profit and county partners include Ravenswood, Sonrisas, Samaritan House Clinic RWC, and SMMC Dental Clinic at North Fair Oaks.

VII. *Target Population and Number of People to be Served*

The program will enable access to timely comprehensive oral health services for approximately 350 economically disadvantaged District residents between September 2023 through September 2024. This population of patients are racially and ethnically diverse, including individuals who self-identify as Latinx (30%), Caucasian (31%), Asian (28%), and African American (1%) with 10% unknown. This population may have more advanced dental needs due to the lack of access to preventive care, as well as issues related to poverty, malnutrition, substance abuse, and mental health challenges and

may or may not have any dental benefits depending on the mix of patients needing to be seen.

Program Evaluation

A faculty of the learning collaborative will be developed and along with the teams, will amass knowledge in a “change packet” that outlines major findings, informs decision-making, identifies sustainable change programs or tools, assesses the effectiveness of the strategies and interventions, allocation of resources, captures efficiencies in health outcomes and service utilization. KELLS technology platform can be used to derive strong data-driven analytics and reporting on impact as the program progresses. Patient stories and provider stories may be developed. The insights gained will not only inform the OHAPAA Learning Collaborative but may also contribute to informing and improving broader population health and may serve as a powerful advocacy tool.

VIII. OHAPPA Learning Collaborative

Purpose- To develop a structure where public, private and professional entities in San Mateo County come together to learn how best to accelerate access to high quality dental care and share lessons learned, and practical information from one another on planning and implementation of alternative payment models and innovative access to dental care initiatives. Below is a growing list of the benefits of this proposal and the learnings the collaborative hopes to achieve:

- 1) Patient Care
 - Overall symptoms improvement
 - Improved health outcomes
 - Patient engagement
 - Patient education
 - Understanding all barriers to access
- 2) Population Health
 - Understand impact of treatment intervention on health status as influenced by social, economic, and physical environments, personal health practices, individual capacity
- 3) Provider Engagement
 - Rate testing
 - Provider challenges to treating population
- 4) Easing demands on FQHC’s
 - evaluate workflow
 - care coordination
- 5) AI driven screening
- 6) Evaluation of public/private partnerships

- work with Dental Society, HPSM, Special district

Faculty Purpose and Role

Typically, there is a faculty chair and key faculty. Faculty of the collaborative will be tasked with specific roles during the learning sessions and asked to facilitate learning and sharing amongst the teams.

- Faculty may also be asked to coach teams or provide some 1:1 support
- Assist in developing materials for the collaborative
- For the three in-person meetings, three person teams from each of the dental offices will participate and ask to prepare some material in advance
- * For the webinars (TBD), a wider or more narrow range of participants may be called

Learning sessions description:

Session 1- The clinics would gather with their teams and pre-work. Teams typically have a Team Lead (and main contact), a Clinical Champion (someone doing the work in medical and/or dental), A Medical Champion (medical leadership) and the Executive Sponsor (maybe the Dental a/o), and they don a team name during the collaborative. The faculty chair would introduce the collaborative, and set the tone (All Teach, All Learn). The teams would then introduce themselves and spend 20-30 minutes discussing their projects and success/challenges to date. Central themes, tools developed and used, and special emphasis on data would be gleaned from the process. The meeting would conclude with setting some of the dates, and the 1st webinar topic.

Session 2- A continuation of above, with special emphasis on metrics related to the grants and integration implementation. The teams would participate in this session, with multiple presentations.

Session 3 + Celebration- This last and shorter session allows the group to celebrate the success of the collaborative, with emphasis on sustainability, deliverables, and qualitative topics shared during the collaborative. Executive leadership invited for 1st hour.

Tentative Schedule:

Learning Session 1 (LS1)	Sept 11, 2023	8:30a-11:00a
Learning Session 2 (LS2)	Jan 12, 2024	8:00a-10:00a
Learning Session 3 + Celebration	Sept 11, 2024	8:30a-11:00a

Collaborative Webinars: (Time TBD on group vote)

- November 2023
- March 2024
- May 2024
- July 2024

IX. *Implementation Timeline (draft only- next 4 months)*

May 31, 2023

- Identify all needed resources
- Submit formal proposal and funding request for District Board packet to be voted on at special District Board meeting June 7th

June, 2023

- Refine LC charter and details.
- Circulate for additional input to stakeholders

July, 2023

- Develop formal MOU's/agreements working with District legal council
- Develop communications materials
- Refine operational specifics
- Develop specialist packages for APM- including patient packet
- Finalize contracts (HPSM, SHD, SMCDS)
- Design data plan

July, August, 2023

- Begin recruiting providers;
- Finalize faculty and LC plan

August, September 2023

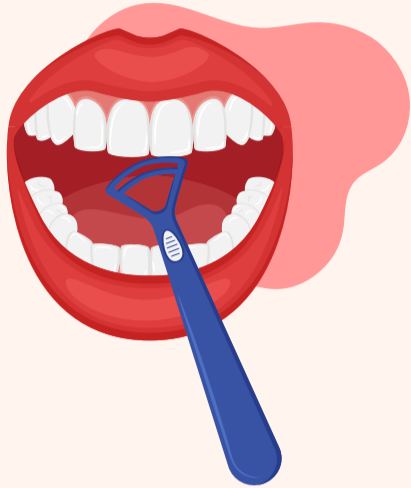
- Begin credentialing process
- Kells to begin screening; schedule screenings and begin the process of assigning patients
- Prep for kickoff
- Ensure specialist participation
- KICKOFF



Sequoia Healthcare District

Community Oral Health Investment: **\$1.724 Million** FY23-25

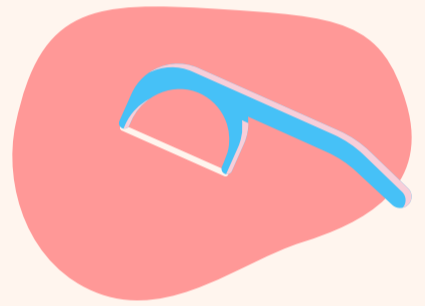
Sonrisas Dental Health **\$1.204 MILLION**



In 2022, Sonrisas provided 2617 visits to SHD residents and expects this number to grow with the addition of a Saturday dentist and hygienist. In FY24 and FY25, Sonrisas is estimating 2800 to 3000 patient visits for SHD residents. SHD has agreed to fund 100% of the uncompensated care for SHD residents, 800 students via school screenings, and the Senior Patient Navigation team serving 204 adults.

SMMC Fair Oaks Health Clinic **\$320,000**

This funding will add one dentist on the weekends to the Fair Oaks Health Clinic to increase dental care access for patients on the waitlist. The FOHC Comprehensive waitlist has 766 patients, of which 86% are SHD residents.



SMC Navigation Center Dental **\$200,000**



This five-year partnership (total \$450,000 funding across 5 years) will provide Uof P Dugoni School of Dentistry students/residents/fellows/interns an opportunity to participate in oral healthcare within an integrated, inter professional model of care, incorporating best practices in medicine and oral health for previously and currently homeless individuals seeking routine oral and general health care through the SMC Navigation Center.

Combined Medical and Dental Investment: **\$2.35 Million** FY23-24

Ravenswood Family Health Center **\$1 MILLION** Samaritan House Clinics **\$1.35 MILLION**



Both Ravenswood and Samaritan House provide both comprehensive medical and dental care to SHD residents. A portion of the committed \$2.35M investment for FY23-24 will help RFHN and Samaritan House enhance access to comprehensive oral health care by increasing the number of dental visits provided to unduplicated SHD patients.

Contact Us



"...putting our money where our mouth is..."



650-421-2155



PKURTZMAN@SEQHD.ORG



WWW.SEQHD.ORG



535 VETERANS BLVD.
REDWOOD CITY, CA 94063



Budget Overview for FY 2023-24

Final Draft for Board Approval

5/31/2023

Presented here is the final draft of the 2023-24 proposed budget for Board review. I made several revisions to our expenses from the draft version that I presented in April that are shown below. These adjustments were based on board and finance committee feedback and a change in anticipated tax revenue, grants and other expenses. The attached draft budget totals \$18,300,400 and represents my best estimate of what revenue and expenses will be next year as compared to the adopted budget and actuals for 2022-2023, along with such factors as anticipated economic conditions and potential program investment opportunities that have arisen or may arise.

REVENUE

Notable changes to our income over current fiscal year.

- Property tax increase from \$14M to \$15.5M based on past 3 years and current actuals. I was not able to confirm with County Comptroller's Office of anticipated 23-24 disbursements.

No changes in the following areas:

- Rental income will remain constant given timing of potential building construction.
- Difficult to predict how our investments will perform. Leaving at the conservative estimate of \$80K makes sense at this point
- Pension pass-through should remain \$2.2M
- Dignity Settlement funds paid directly to District will remain constant at \$510k

Total income including tax revenue and other sources: \$18,300,400

15,500,000 (property taxes)
+2,800,400 (other sources)

Our total EXPENSES including grants and programs is \$18,300,400, which aligns with our income, but changes in many areas, from our current fiscal year.

FY 2022-23	FY 2023-24	Difference +/- (explained)
Grants: \$7,800,050	Grants: \$9,533,778	+\$1,733,728 Several current grantees have asked for increased funding in 2023-24 plus anticipated new grants
Programs: \$5,195,000	Programs: \$5,097,515	-\$97,485 Dissolve Sequoia Strong Directory, move Luz to Community Engagement Officer- becomes admin expense
Admin/other non-personnel expenses: \$1,554,450	Admin/other non-personnel expenses: \$1,362,107	-\$192,343 Though new admin cost with Luz change, no election fees this year
Pension, building, capital improvements: \$2,300,900	Pension, building, capital improvements: \$2,307,900	+\$6,100 Prices for building maintenance, utilities, property insurance have all increased
Total \$18,300,400	Total= \$18,300,400	

EXPENSES

Notable changes to expenses:

- Staffing costs will always increase. This year I made increases in admin payroll and grants admin payroll for salary adjustments, potential salary increases and those associated increases (payroll tax, social security, etc). The fully loaded labor costs for admin and grants/admin personnel total \$678,500 as compared to our current fiscal year, which was budgeted at \$638,500, although the 2022-23 actuals are expected to land closer to \$606,000 by June's end.
- Our total administrative costs are projected to be \$1,382,107, compared with our current budget of \$1,554,450. The reduction in administrative expenses is primarily due to removing election fees of \$250,000 from the proposed budget.
- Sizable increase in Future Impact Funds FIF funds resulting from the increase in projected tax revenue (FIF support unforeseen or new programs that provide community benefit throughout the fiscal year).
- Significant increase in grants category of +\$1,734,000 allows us to invest the additional tax dollars in community

Nominal or no changes in the following areas:

- Pension, building, and capital improvements totals \$2,307,900, an increase of about \$6,000 due to inflationary increases.
- Relatively nominal (-\$97k) decrease in the program expense area

Recommendation

- Adopt the recommended final budget for 2023-24 Fiscal Year at our June 7, 2023 public meeting
- Post newly adopted budget on website

* Attachment

A. Budget Spreadsheet for FY23-24 including adopted FY 22-23 budget and assumptions.

Sequoia Healthcare District - DRAFT Budget FY2023-2024

		Approved Budget FY2022- 2023	Actual income/exp Jul2022-Apr2023	Anticipated year end 2023 totals	DRAFT Budget FY2023-2024	2023-24 Budget Assumptions
INCOME						
Rental Income	(1)	9,600	8,000.00	9,600	9,600	Current rental rate of \$800/month for One Life
Tax Revenue	(2)	14,000,000	15,645,433	16,645,433	15,500,000	*--In a regular year we would anticipate \$3.5M in April, \$1M in May and \$.5M in June
Investment Income	(3)	80,000	486,022	450,000	80,000	Investment income not always + in 2021
Interest Income	(4)	800	5,018	6,800	800	Currently receiving ~800/month
2021 Dignity Settlement Agrmt	(5)	510,000	510,000	510,000	510,000	Per agrmt, December receive \$510K +\$510K in joint SHD/Dignity grant account
Pension Income	(8)	2,200,000	2,200,000	2,200,000	2,200,000	*recommended contribution by Bartel Associates (name has changed to Foster & Foster)
Total Revenues		\$ 16,800,400	\$ 18,854,473	\$ 19,821,833	\$ 18,300,400	
EXPENSES						
Administrative Expenses						
Admin. Payroll and Expenses	(9)	418,500	299,549	368,293	418,500	Admin expense primarily covers 80% CEO salary, 100% Board Clerk/Office Manager salary, payroll service expenses, conference expenses, Exec.education/seminars
Grant Admin Payroll and Expenses	(10)	220,000	195,649	238,961	240,000	includes Versaic \$31.5K+misc exp. Represents 20% CEO Salary, 80% Dir. Grants salary (anticipated salary Mar-Jun=\$70,082, GA exp Mar-Jun minimal \$~2K)~Intend to hire PT grants admin \$38K-\$45K annual~
Board Health Insurance	(11)	20,000	4,480	6,538	15,600	\$1211 x 12 = \$14,532 minimum for next year. 2024 costs should increase.
Employee Health Insurance	(12)	120,000	74,210	100,617	120,000	Includes CalPERS health plan, Delta Dental/Vision, Standard Life insurance. Current exp rate based on 5 employees = \$10,259/month (includes empl. reimbursment). Mar-Jun=\$41,036. 2024 rates will be higher.
Employee Retirement Benefit	(13)	28,000	19,740	27,688	30,457	Currently ~1,166/paycycle. Mar-Jun=9 paycycles x 1166=\$10,494. Will increase as employees get salary increases to base pay next FY \$30,457 with 10% overall increase
Community Engagement Officer		-	-	-	87,000	Formerly S. Strong Coordinator/ Communications Specialist- transfer budget allocation from S. Strong
Investment Fees	(14)	30,400	31,192	42,000	45,000	Fremont Bank mgmt fee for Schwab accounts - now running \$10,715/quarter
Purchased Services	(15)	100,000	5,150	25,000	75,000	This would include such services as consultants, trainings, building assessments, we did not use in FY22-23 Last year's budget included an indepth review that did not happen due to staff shortages at Eide Baily. We will try again in 2023.
Accounting Fees	(16)	48,000	1,200	48,000	48,000	Audit fees expected to increase by 20% in 2023
Board Expense	(17)	15,000	4,724	4,760	15,000	Due to Pandemic Board did not attend in person conferences in 2020-2022 but anticipated will in 2023-2024
Association/Membership Fees	(18)	38,000	35,951	38,000	38,000	ACHD \$8.2K, RWC Together \$27K, SSI, NCG
Communications	(19)	50,000	55,194	55,194	60,000	Mostly annual report - price increased for printing and postage
Office Supplies/Equip Maint		9,000	5,862	7,000	9,000	
Web Site/IT	(20)	52,000	37,111	45,700	52,000	Regular web maint/IT ~\$3K/mo +Granicus software, server and video equipmt, GIS mapping, LocateMyDistrict, etc.
Insurance/D&O/Liability/WC/Auto		40,000	39,755	39,755	43,000	Beta, invoice in July, sends dividends Sept and May
Election Fees	(21)	250,000	-	-	-	
LAFCO Fees		15,450	12,215	12,215	15,450	Slight increase in cost over the years
Legal Fees	(22)	50,000	7,286	9,000	50,000	Post Dignity settlement
Bank Fees		100	30	30	100	
Total Administrative Expenses		\$ 1,504,450	\$ 829,297	\$ 1,068,750	\$ 1,362,107	
Pension Plan Expense	(23)	2,200,000	2,200,000	\$ 2,200,000	2,200,000	
Building Expenses						
Building Maintenance	(24)	25,000	20,756	\$ 25,000	27,000	Ranges between \$2000/mo to \$2400/mo
Utilities		25,000	20,276	\$ 25,000	27,000	Ranges between \$2000/mo to \$2400/mo
Insurance/Property		3,900	5,657	\$ 5,657	6,000	Alliant property insurance price increase expected in FY24
Depreciation		47,000	38,748	46,498	47,000	TDB- new amount expected after audit confirmed
Total Building Expenses		\$ 100,900.00	\$ 85,436.26	\$ 102,155	\$ 107,000.00	

Capital Improvements						
Building Improvement	(25)	-	-	0	-	Do not anticipate any renovations in FY23-24- any major remodel would come from reserves
Total Capital Improvements		-	-	0	-	
Grants						
Samaritan House Clinic Operations	(26)	1,267,550	977,700	1,303,600	1,353,649	**existing 3 FY grant approved 6/2021, expires 6/2024. FY22=\$1,335,550; FY23=\$1,303,600; FY24=\$1,353,649.
San Mateo Medical Center - Dental clinic	(27)	160,000	160,000	160,000	160,000	**new 2 FY grant approved 4/2023, ends 6/2025- FY24=\$160K, FY25=\$160K
Ravenswood Family Health Ctr	(28)	1,000,000	1,000,000	1,000,000	1,000,000	**new 2 FY grant approved 4/2023, ends 6/2025- FY24=\$1M, FY25=\$1M
Lifemoves LVN	(29)	127,500	127,500	127,500	136,500	**current grant expires 12/2023 (CY) (paid in January)- assuming renewal 2Y grant with COLA increase
Peninsula Volunteers Lyft Pilot	(30)	60,000	45,850	60,000	60,000	**current grant expires 6/2023 (rides + admin support- assuming renewal
BGCP Psychotherapist	(31)	93,170	93,170	93,170	99,700	**current grant expires 12/2024 (CY) - assuming renewal 2Y with COLA increase
Sonrisas - dental services	(32)	357,100	180,282	357,100	586,330	**new 2 FY grant approved 4/2023, ends 6/2025 - FY24=\$586,330, FY25=\$617,710
First 5 SMC	(33)	396,830	156,982	396,830	595,700	**new 2 FY grant approved 2/2023, ends 6/2025 - FY24=\$595,700, FY25=\$595,700
SM County Health Navigation Ctr Dental clinic					100,000	**new 5 FY grant approved 4/2023, ends 6/2028- FY24=\$100K, FY25=\$100K, FY26=\$100K, FY27=\$75K, FY28=\$75K
Dental Access Learning Collab		-	-	-	410,000	**anticipated new for 23-24 matched by Dignity shared settlement funds- Total collab investment = \$1M
SMC Health Foundation 3D Mammography					200,000	**anticipated new- breast imaging equipment update
Faro Food Grants					50,000	**anticipated new Joint Holiday Food Grant-matched by Dignity Health- total collab investment = \$100k
PJCC Pink Power		-	-	-	18,000	**anticipated new- cancer survivor fitness
Pink Ribbon Good		-	-	-	25,000	**anticipated new- cancer survivor nutrition and daily living supports
Other Grants	(34)	10,000	9,100	10,000	25,000	**small requests that come up over the year
Future Impact Funds	(35)	277,900	53,750	163,750	567,899	**FY23- supported food grants, mental health mapping, and RWC ACE program
Caring Community Grants	(37)	4,050,000	4,050,000	4,050,000	4,146,000	
Total Grants		7,800,050	\$ 6,854,334	\$ 7,721,950	9,533,778	
Program Expenses						
Sequoia Smart- health education	(38)	50,000	-	\$ -	50,000	Sequoia Smart - pilot new ideas for community health education
Sequoia Safe- CPR, disaster and safety training	(39)	150,000	52,917	\$ 43,000	75,000	Formerly HeartSafe- ViaHeart agrmt \$40K, CPR classes, misc- To expand offerings in disaster preparedness, CPR and community first Aid- Partnership with Red Cross
Sequoia Strong (S3)- fitness and strength	(41)	145,000	83,667	\$ 104,369	50,000	Sequoia Strong - pilot new ideas for community physical fitness- removed LG salary, moved to line #22, Community Engagement Officer
HSI- School Health Program	(40)	4,850,000	1,520,116	\$ 4,850,000	4,922,515	FY23 - HSI includes 20% Grants/Program Dir salary and 3 months of new SHI Director salary; Expecting invoices from school districts to pull final numbers in line with budget
Total Program Expenses		5,195,000	\$ 1,656,700	\$ 4,997,369	5,097,515	
Total Expenses		16,800,400	\$ 11,625,768	\$ 16,090,224	18,300,400	
Net Surplus/Loss		\$ -	\$ 7,228,706	\$ 3,731,609	\$ -	

RESOLUTION 23-01

RESOLUTION AUTHORIZING TRANSFER OF RESERVE FUNDS TO INVESTMENT ACCOUNTS WITH FINANCE COMMITTEE OVERSIGHT

WHEREAS, the Sequoia Healthcare District (the “District”) maintains cash reserves in various investment accounts; and,

WHEREAS, the District maintains a checking account at Wells Fargo Bank to provide funds for paying monthly expenses; and,

WHEREAS, the Wells Fargo checking account pays little or no interest on the District’s funds on deposit; and,

WHEREAS, the District maintains various investment accounts at Charles Schwab (the “Investment Accounts”) for cash reserves that achieve a higher rate of interest than the Wells Fargo account; and,

WHEREAS, it would be advantageous to the District to move reserve funds between the Wells Fargo checking account and the Investment Accounts to achieve the optimum rates of return; and,

WHEREAS, the District has appointed a Finance Committee to oversee certain aspects of the District’s financing and expenditures, including the use of the cash reserves;

NOW, THEREFORE, BE IT HEREBY RESOLVED that:

1. The Chief Executive Officer of the District (the “CEO”) shall have the power and authority to transfer funds between the Wells Fargo checking account and the Investment Accounts, subject to the oversight of the Finance Committee. In consultation with the District’s investment advisors at Signature Investment Advisors and Pettinelli Financial Planners (and their successors), the CEO shall estimate the amount of cash needed to cover each month’s expenses and shall transfer that amount, plus a reasonable cushion amount, from the Investment Accounts to the Wells Fargo checking account each month. Funds within the Wells Fargo checking account deemed to be in excess of the month’s expenses and cushion amount shall be transferred to the Investment Accounts.
2. Prior to transferring funds between accounts, the CEO shall provide a description of the proposed transfer, including estimated monthly expenses, to the members of the Finance Committee for review and approval by email. The proposed transfer shall be approved, modified, or denied within 48 hours. If a member of the Finance Committee is not available to respond within that time, the approval, modification, or denial of the remaining member shall be sufficient

authorization. The Finance Committee will notify the board of any actions taken since the last board meeting.

3. In the event that the District creates additional Investment Accounts at other institutions, the powers and duties described herein shall apply to such accounts.

4. This resolution and the transfers authorized by it shall not be construed to authorize the expenditure of District funds except as provided in the District's adopted budget or other Board action.

PASSED AND ADOPTED by the Board of Directors of Sequoia Healthcare District this 7th day of June, 2023, by the following vote.

AYES: _____
NOES: _____
ABSENT: _____

Kim Griffin
Secretary, Board of Directors

ATTEST:

Clerk, Board of Directors

4k. Discussion Regarding Non-Profit Service Partners Needing Office Space

Director Martinez will lead a discussion regarding the growing need for office space for non-profit service partners in our community.

Sequoia Healthcare District

CEO Report June 2023

Pamela Kurtzman

BUSINESS AND FINANCIAL UPDATE:

Financial Summary

- **Tax income-** Actuals at April's end were just over \$15.5M, which is \$3M more than expected at this time in the budget cycle and certainly more than at this time last year. By June, I expect to exceed our projections for the year by nearly \$2M, given that we normally receive large tax payments in May and June. This validates the need to increase our projections for the 23-24 budget.
- **Investment income-** Thankfully, we've begun to see improvements in our investment yield over the past quarter and are actually doing quite well compared to this time last year. In March we were up \$434k, but in April, only \$70k. This shows how volatile the markets still are, making it difficult to project the final year end gains. Either way, at this 10-month mark, we have a total gain of \$486k. This is about \$400k more than our 12-month budget of \$80k.
- **Finance Committee-** Finance committee met in May to review these investment outcomes, what is needed to cover expenses for next year, and the amount of cash left over in our checking accounts after all expenses are paid, Though the markets are unpredictable now, and there are rumors of a looming recession, it still makes sense to continue investing any uncommitted funds to these conservative accounts because they are more likely to yield something higher than what we get from the interest on our checking account (which is next to nothing). Therefore, we are setting up a process to periodically transfer any uncommitted dollars to these accounts while we continue to plan how best to invest them in community projects.
- **Expenses-** at February's end, total expenses are just over \$6M which is consistent with the past 2 year's 8-month actuals. Actuals relative to budget, are significantly lower for election and legal fees, school health payroll, and employee health insurance, and I expect they will remain under budget by June, considering we have not had a school health manager for much of this fiscal year, no need for additional legal fees, and election fees were minimal. The other actuals that are way under at this 8-month mark are for the bigger grants that have not been invoiced yet. I expect them to be close to budget by June's end. We have slightly higher than expected costs, for general admin, investment fees, and communications. Of these I expect we will remain a bit over budget with communications and admin expenses due to higher-than-expected postage and printing costs for the annual report and that for general administration, all costs have gone up substantially.
- **Audit-** Heidi has been exceptionally busy working to get the new auditors the information they are requesting. With the auditors being new to us, a lot more information is needed

for this first-time audit. They should have it wrapped up by the end of April and ready to produce the report in June.

- **Dignity Settlement Funds-** Sequoia Hospital president, Bill Graham, and I have identified an initial investment of part of this year's funds into the Navigation Center dental clinic, which the Board learned about at our February meeting and will bring to the April meeting for Board approval. Other investment areas for oral health access are being planned and we are exploring opportunities for impactful investments in mental health.
- **Pension Program-** Heidi now managing the Pension account. We have taken over the bank account for the program and have begun to pay invoices as they come in (using pension account funds). This was Mark's recommendation given that the District owns the plan. It's expected to have nominal impact on Heidi's time.
- **New accounting support-** With approval from the ad-hoc finance committee, we will engage Robert Merrit, CPA, to assist the District with its bookkeeping and accounting of the District's financials and records and will provide consultation on accounting when needed. Mr. Merrit has extensive knowledge of government accounting practices as well as legislative requirements for how government entities must record transactions. His engagement with us will provide an additional layer of protection of District assets and serve as a backup should Heidi need to be out for any reason. Let me now if you would like more information or to view our agreement with him. His scope of work will include, but not limited to the following support:
 - assist with the monthly and year-end closing of the District's books, including any necessary adjustments needed
 - prepare financial reports and schedules and may advise you about appropriate accounting principles and their application,
 - may propose standard, adjusting, or correcting journal entries to our financial statements.

ACHD

- As education chair and board member, I want to promote the Education Webinar Series: The next one, Effective Decision-Making and Communications for Alignment, Consistency, and Accountability, will take place June 20th- You may register here: <https://members.achd.org/educationcalendar/Details/webinar-series-effective-decision-making-and-communications-for-alignment-consistency-and-accountability-899426?sourceTypeld=Website>. Also check out past webinars, such as "Legislative Highlights recorded May 18th": <https://www.achd.org/previous-webinar-recordings>
- Reminding you to mark your calendar for the 2023 ACHD Annual Conference to be held September Sept. 14- 5th at the Palisades at Tahoe. Registration opens June 1!
- Also remember that the Education Committee is seeking your ideas on a variety of education-related topics for the annual conference. Please visit this link for more details <https://www.achd.org/achd-call-for-proposals>
- Help ACHD advocate on important legislation. Please visit ACHD's Call to Action webpage, for more information on bills and template letters or reach out to Jenny who participates in the advocacy committee.

OTHER UPDATES AND ACTIVITIES

Oral Health:

Dental Pilot And Clinic Progress

- At last, Director Griffin and I have finalized a plan for increasing access to oral health services for district residents who face significant barriers to care. After numerous discussions with partners, including HPSM, we have identified the most appropriate and sensible approach for recruiting and reimbursing private practice dentists who agree to treat indigent patients. Our proposal will also allow us to work with multiple stakeholders as part of a learning collaborative. We will present this plan to the Board at our June 7, 2023 meeting.
- I have identified Ravenswood Family Health Center as a potential operator for our conceptual brick and mortar dental clinic at 525 Veterans. We are in the early stages of discussions and are conducting various feasibility assessments. I've engaged Mark Hudak to provide legal guidance and help determine structural/relational processes and to develop a non-binding letter of intent to begin the planning and budgeting information necessary to bring forward for discussion among District Board.

Michelson Pool Update

- A committee consisting of PHD and SHD CEO and Board members, as well as a SMC Health representative, local political leaders, and pool advocates has been established and held their first strategic meeting in April. Janet Wagner had confirmed that the pool will reopen and promised to get back to the committee with figures for the cost of the pool repair and ongoing operations. I'm told that although Sutter agrees to reopen the pool, there has not been any clear movement in that direction. Sutter explained that it will take a long time to make the repairs. I will keep the board updated.

Strategic plan updates

- We are making great progress on our strategic plan. I will provide a comprehensive year-end report at our June meeting. In the meantime. Below are a few of our activities:
 - **Equity and Inclusion** - Board and staff completed DEI training, Schools have completed Circle up training, Jenny participated in BACHCA Town Hall on social health equity project to learn data and policy recommendations that impact health, attended Pride Center grand reopening
 - **Innovation** - Began exploring medical debt relief program (RIP), and Rx help, expanding PV transportation partnership with program to Senior care centers
 - **Collaboration** - Park and Rec class offerings pilot, partner on SMC and COE Asset Mapping, partnering with PAL for Health Fair, connecting a multitude of partners incl. Special Olympics to Riekes Center and PE+, transportation program with senior care centers, partner with SMC and PHD on several mental health initiatives and pool advocacy, and much more

- **Communications**- We now have a District Next Door Account, growing social media, monthly e newsletter, and we will work with board to provide updates to various city councils this year
- **Advocacy**- In working with ACHD and their advocacy committee, we have taken action to support a number of bills that would impact the health, safety, and well-being of our residents. This includes, but not limited to the following bills:
 - **AB 4** Covered California: expansion.
Would expand access to Covered California regardless of immigration status. Status:5/26/2023-In Senate.
 - **AB 33** Fentanyl Addiction and Overdose Prevention Task Force.
Establishes the Fentanyl Addiction and Overdose Prevention Task Force to combat the growing fentanyl crisis. Status: 5/26/2023-In Senate.
 - **AB 583** Birthing Justice for California Families Pilot Project.
Establishes the Birthing Justice for California Families Pilot Project to remove the financial barrier to accessing doula care. Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). May be acted upon Jan 2024)

COMMUNITY INVOLVEMENT

- **Redwood City Together** -Executive meeting and attend both Executive and Leadership committee meetings.
- Member of the **County Recovery Coordination Council**. These bi-weekly meetings are intended to inform, advise, and foster dialogue as the county develops its strategic plan to recover from the pandemic. My participation will help ensure that the District is informed and aligned with the larger recovery efforts to collaborate and leverage our resources.
- Participate in monthly meetings of the **County Covid Communications and Equity Workgroup**
- I continue to participate in discussions hosted by **Stanford Social Innovation** and in forums hosted by **County Health Policy and Planning**

Jenny Bratton
Staff Report June 2023

Activity Summary

I. Community Grants Program

- Details of the 2023-24 Caring Community grants recommendations are outlined in a separate report
- Attended the annual Benevity conference in San Diego (May 9-12) where I had a chance to explore ideas and best practices behind grant giving. I also had a chance to confer with the technical team to further discuss impending to our Versaic platform. These include:
 - Integrate DocuSign capabilities for Versaic-generated grant agreements- implementation slated for fall 2023; testing for spring 2024
 - Fully transition to 2-year grant cycle in 2024 with platform design integrations to further differentiate between 1-year and 2-year grants
 - Doubling the scoring accounts with the addition of a 2024 cycle grants committee

II. San Carlos pilot recap

In November, as a 'soft' rollout of the Sequoia Strong program, SHD sponsored two fitness classes at San Carlos Parks & Rec as a pilot: In-Person Balance and Brains and Virtual Chair Yoga. Balance and Brains is an innovative combination of specific activities designed to improve memory, reasoning, conceptualization, language, problem-solving, and balance skills. Virtual Chair Yoga combines twists, hip stretches, forward bends and mild backbends designed to improve muscle tone, better breathing habits, reduced stress, better sleep, and a sense of well-being. We chose these two classes as we wanted classes that engage older adults to help assist them in their strength and mobility in both mind and body.

The San Carlos Parks & Rec is thrilled to report that every class SHD sponsored saw an increased participation from the previous years (a quick slideshow will accompany this portion of the report). At a mere \$4,160 investment, the pilot proved to be a success. This pilot is a low-cost and low-entry with a high ROI on the health and well-being of our residents.

We plan to renew this program for fall 2023 in the same funding amount and hope to engage another park & rec in discussion to expand the program. The deadline to get into the fall print catalog is June.

III. Healthy Schools Initiative

- Supported the transition by assisting with HSI grant review and discussion. Will continue to assist in grant administration through the life cycle of the current HSI grants.
- Attended the following meetings and events as Ann's proxy:
 - Children's Health Council breakfast, May 3rd
 - Acknowledge Alliance dinner with Patrinia Redd, May 4th
 - South County Mental Health Collaborative meeting, May 19th
 - Friends For Youth gala, May 19th
 - Jasper Ridge Big Barn Bash, May 20th
 - May HSI Team meeting, May 23rd

IV. ACHD

- Reviewed “AB 885 (Luz Rivas) Public contracts: non-profit organizations” in committee at the Advocacy meeting April 20th:

The bill language is included following this document. In summary the bill would:

- Establish the California Nonprofit Fairness in Contracting Act and would define, among other terms, “covered contract” to mean a contract for goods or services by a state or local agency using state funds, including a grant made by a state or local agency using state funds.
- Require state or local agency to, among other things, establish a preference for covered contracts that last longer than one year when awarding a covered contract to a nonprofit, and would require those contracts to include a provision allowing for automatic cost of doing business increases.
- Require a covered contract to provide the full cost of delivering services and projects, including paying at least state minimum wage and allowing for compensation and employee benefit packages that support competitive salaries and annual cost of living increases, as specified. By imposing new contracting requirements on local agencies, the bill would impose a state-mandated local program.

Our committee’s discussion raised the point that this bill is incredibly broad and vague. The bill may have unintended consequences on existing healthcare district contracts with nonprofits.

- As an aside, I will review AB 2019 with staff to make sure we are in compliance: [Bill Text - AB-2019 Health care districts](#). (We are in compliance, but it doesn’t hurt to review as part of our standard practice.)
- June 6th Governance Committee meeting canceled
- Be sure to submit your nominations by July 15th: [ACHD Annual Awards 2023 | ACHD](#) (www.achd.org/achd-annual-awards-2023)!

V. Other

- Worked on health fair bingo sheet/raffle idea with Luz for health fair
- Attended Wisdom 2.0 Conference, April 27-29th

June Staff Report

Luz Garcia — Community Engagement Officer

Health & Harmony Festival Planning

- Designed the event save the date
 - Distributed them to community partners and community members
- Began working with PAL's communication team to create a complete marketing plan for the festival including deadlines, content and more.
- Planned and led event meetings with the core planning team to ensure event tracker deadlines continue to be met.

Newsletters

- Continuing to see great engagement through our newsletters (>50% opens)
- [April 2023](#)
 - SMC's first navigation center, HSI Spring 2023 newsletter launch, and World Café 2023
- [May 2023](#)
 - New website update, upcoming events & partner highlights

HSI

- Published the [HSI Spring 2023](#) newsletter. Help us spread the word by sharing widely with your networks. Thank you.
 - In this edition, we welcome our new Director of School Health and detail new programs and initiatives being taken in our local school districts.

Public Outreach

- *Social Media*
 - Continuing to grow our following and presence across both Instagram and Facebook
- In-Person Tabling Events
 - Sequoia Wellness Fair
 - Presented volunteer opportunities and community resources to hundreds of Sequoia students
 - Books and Bikes
 - Spoke to hundreds of families about our resource directory, CPR classes, and upcoming health festival
 - Mental Health Matters 2023
 - Joined StarVista and San Mateo PAL for a fun-packed day meant to bring mental health awareness in the community

- *Launched our new website!*
 - Worked with the Streamline team to officially launch our new website
 - Key features include ease of search functionality, event calendar, and much more.
- *Webinars*
 - Inspire Your Small Business Marketing with AI-Generated Content