



**Sequoia
Healthcare
District**

525 Veterans Blvd.
Redwood City, CA 94063
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www.seqhd.org

A G E N D A

**SEQUOIA HEALTHCARE DISTRICT
REGULAR BOARD OF DIRECTORS MEETING
4:30 PM, Wednesday, July 27, 2022
Conference Room, 525 Veterans Boulevard
Redwood City, CA 94063**

This meeting will be held via teleconference (per California AB 361). To join the meeting please dial in from your cellphone to [\(669\) 900-9128](tel:6699009128) and enter meeting ID: [872 3337 9181](tel:87233379181) or join from a computer to <https://us02web.zoom.us/j/87233379181>. 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 June 24, 2022 Special Meeting Minutes
 - b. Accept May And June 2022 Financial Statements
 - c. Approve Resolution 2022-05 To Authorize Remote Teleconferencing Meetings Of The Sequoia Healthcare District Legislative Bodies For The Period Of July 27 - August 27, 2022
- ACTION 4. New Business
 - a. Accept The District’s Annual Audit For The Period Ending June 30, 2021 As Prepared By Eide Bailly - Mr. Edelman, CPA 4:40-4:50
 - ACTION b. Appoint Director To Fill Vacant Board Of Directors Position (Board Policy 13) - Directors Nayfack And Martinez (Resolution 2022-06) 4:50-5:00
 - c. Review SIA Market Report - Mr. Pettinelli, Mr. Lin 5:00-5:10
 - ACTION d. Approve CEO To Transfer \$10M Of Future Program Investment Dollars From Checking Account To District Reserve Account - CEO Kurtzman 5:10-5:15
 - e. Community Caring Grants Year-End Outcomes - Ms. Bratton 5:15-5:30
 - ACTION f. Approve Changes to Employee Health Benefits - CEO Kurtzman 5:30-5:40
 - ACTION g. Director Requests For Future Agenda Items Per Board Policy 8.3 - President Shefren
5. CEO/Staff Reports:
 - a. CEO Report And Staff Reports- Ms. Kurtzman, Dr. Li, Ms. Bratton, Ms. Garcia 5:45-6:00
- ACTION 6. Adjourn
The Next Regular Meeting Of The Board Of Directors Of Sequoia Healthcare District Is Scheduled For 4:30 PM, Wednesday, October 5, 2022, District Conference Room, 525 Veterans Blvd., Redwood City, CA 94063

Jerry Shefren, 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 SPECIAL MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
June 24, 2022
Conference Room, 525 Veterans Boulevard
Redwood City, CA 94063**

<u>Directors Present</u>	<u>Directors Excused</u>	<u>Also Present</u>
Director Griffin Director Martinez Director Nayfack Director Shefren		Pamela Kurtzman, CEO Mr. Hudak, Legal Counsel Ms. Stamper, Recorder

1. Call to Order

Director Nayfack called the meeting to order at 5:08PM. Roll call attendance was taken. A quorum was present.

2. Public Comment/Non-Agenda Items

Director Nayfack asked if there was any public comment on non-agenda items. Director Nayfack and CEO Kurtzman commented on the supreme court decision to overturn Roe V. Wade and the new ruling declaring that state bans on concealed carry is unconstitutional. CEO Kurtzman announced that she will be on medical leave for up to 3 weeks as of July 6.

3. Consent Calendar

Motion: To approve consent calendar.

By: Director Griffin

Seconded by: Director Nayfack

Vote: Ayes -- Griffin, Martinez, Nayfack

Nos --

Abstain --

Absent -- Shefren

Motion Passed: 3-0-0-1

4.a. Approve Next 3-Year Strategic Plan July 1, 2022 - June 30, 2025

Director Shefren joined the meeting at 5:18pm

CEO Kurtzman reviewed the draft strategic plan and suggested the following updates:

- Strategic Goal Priority Area 1: Equity and Inclusion, under Objective 3, change third bullet point to read “Recruit representative committees (specifically, increase minority/diversity in CC Grants Committee)”
- Strategic Goal Priority Area 2: Innovate, under Objective 1, change fourth bullet point to read “Expand Lyft Program through innovative approaches to transportation access that are inexpensive. Explore additional transit options that help people access doctor visits, community centers, essential work, goods and services.”

- Strategic Goal Priority Area 2: Innovate, under Objective 2, change first bullet point to read “Partner with County to bring their “Mental Health First Aid” program to community members”, and change 5th bullet point to read “Continue collecting mental health data through partnerships with local school districts, SMCOE, Kognito, Early Alert, and Care Solace, and use the information to generate new ideas.”
- Strategic Goal Priority Area 4: Collaboration, under Objective 3, change first bullet point to read “At least annual presentations to City Councils and Board of Supervisors, informing them of District activities.”

Motion: To approve the strategic plan with corrections.

By: Director Shefren

Seconded by: Director Nayfack

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

Nos --

Abstain --

Absent --

Motion Passed: 4-0-0-0

4.b. Accept Revisions To The Employee Handbook

Director Martinez left the meeting during this presentation.

The employee handbook is outdated and needs to incorporate new state legislation. See packet for detailed list of changes.

CEO Kurtzman would like the inclusion of the new federal holiday “Juneteenth” to section 5.04.

There was discussion regarding disciplinary action and the complaint process. The Board decided to postpone voting on the Employee Manual until Mr. Hudak has a chance to draft wording for section 1.03 regarding the complaint reporting process, and section 8.03 regarding representation at disciplinary hearings and reporting to the Board.

4.c. Accept Revisions To Board Policies and Procedures Manual

Board members wanted clarification regarding updated wording on section 23.1.

Motion: To approve the changes to the Policies and Procedures manual, and have Mr. Hudak review the legal wording in section 23.1, and if there is clarification, bring it to the Board.

By: Director Nayfack

Seconded by: Director Shefren

Vote: Ayes -- Griffin, Nayfack, Shefren

Nos --

Abstain --

Absent -- Martinez

Motion Passed: 3-0-0-1

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

There were no requests for future agenda items.

5. Adjourn

DRAFT

Motion: To adjourn the meeting at 6:12 PM.

By: Director Nayfack

Seconded by: Director Griffin

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, August 3, 2022, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Aaron Nayfack, M.D.,
Secretary

1:19 PM

07/22/22

Accrual Basis

**Sequoia Healthcare District
Balance Sheet - by Month
As of June 30, 2022**

	Jul 31, 21	Aug 31, 21	Sep 30, 21	Oct 31, 21	Nov 30, 21	Dec 31, 21	Jan 31, 22	Feb 28, 22	Mar 31, 22	Apr 30, 22	May 31, 22	Jun 30, 22
ASSETS												
Current Assets												
Checking/Savings												
10150-0 · Cash (WF-MMA)	4,559,798.26	4,559,836.99	4,559,874.46	4,559,913.19	4,559,950.67	4,559,989.40	4,560,028.13	4,560,063.11	4,560,101.84	4,560,139.32	4,560,178.05	4,560,215.53
10200-0 · Cash (WF)	4,613,942.43	4,061,223.70	2,573,490.90	2,508,640.35	4,727,171.57	12,794,896.39	13,743,549.16	10,502,616.68	10,801,888.50	13,500,889.33	15,259,511.57	14,467,632.03
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	314,916.70	314,916.70
10300-5 · Cash Equivalents	11,106,989.18	11,106,432.18	11,098,049.18	11,067,954.18	11,075,083.78	11,071,414.78	10,998,160.78	10,994,938.78	10,873,713.78	10,771,904.78	10,828,108.78	10,735,255.78
10350-0 · Schwab Operating Funds Acct#739	10,417,881.01	10,418,460.01	10,413,429.01	10,393,485.01	10,396,788.01	10,394,779.01	10,348,333.01	10,343,641.01	10,240,956.01	10,118,776.01	10,181,910.01	10,099,906.01
Total Checking/Savings	31,013,527.58	30,460,869.58	28,959,760.25	28,844,909.43	31,073,910.73	39,135,996.28	39,964,987.78	36,716,176.28	36,791,576.83	39,266,626.14	41,144,625.11	40,177,926.05
Other Current Assets												
10400-0 · Pension Assets-Vanguard	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	62,291,104.00	62,291,104.00
10500-9 · Pension Contribution Rcvble	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00
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	500,000.00	500,000.00
Total Other Current Assets	87,170,035.00	87,170,035.00	87,170,035.00	87,170,035.00	87,170,035.00	87,170,035.00	87,170,035.00	87,170,035.00	87,170,035.00	87,170,035.00	87,170,035.00	87,170,035.00
Total Current Assets	118,183,562.58	117,630,904.58	116,129,795.25	116,014,944.43	118,243,945.73	126,306,031.28	127,135,022.78	123,886,211.28	123,961,611.83	126,436,661.14	128,314,660.11	127,347,961.05
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	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	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	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	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	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	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	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	28,259.91	28,259.91
12500-6 · Accumulated Depreciation	-2,123,165.51	-2,127,040.34	-2,130,915.17	-2,134,790.00	-2,138,664.83	-2,142,539.66	-2,146,414.49	-2,150,289.32	-2,154,164.15	-2,158,038.98	-2,161,913.81	-2,165,788.64
Total Fixed Assets	359,637.31	355,762.48	351,887.65	348,012.82	344,137.99	340,263.16	336,388.33	332,513.50	328,638.67	324,763.84	320,889.01	317,014.18
TOTAL ASSETS	118,543,199.89	117,986,667.06	116,481,682.90	116,362,957.25	118,588,083.72	126,646,294.44	127,471,411.11	124,218,724.78	124,290,250.50	126,761,424.98	128,635,549.12	127,664,975.23
LIABILITIES & EQUITY												
Liabilities												
Current Liabilities												
Accounts Payable												
20000 · Accounts Payable	62,102.35	964.16	1,881.04	2,876.72	153.50	0.00	2,831.53	2,831.53	0.00	0.00	2,983.32	773,130.13
Total Accounts Payable	62,102.35	964.16	1,881.04	2,876.72	153.50	0.00	2,831.53	2,831.53	0.00	0.00	2,983.32	773,130.13
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	3,565.00	3,565.00
20100-0 · Grants Payable	1,953,999.89	1,953,999.89	1,953,999.89	1,961,499.89	1,961,499.89	1,961,499.89	1,961,499.89	145,499.89	145,499.89	140,499.89	140,499.89	4,050,000.00
20200-0 · HSI Grants Payable	1,827,046.71	1,453,970.21	90,701.90	90,701.90	90,701.90	90,701.90	90,701.90	90,701.90	90,701.90	90,701.90	90,701.90	1,392,330.11
21900 · PPT Pension Payment PassThru	550.00	550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Current Liabilities	3,785,161.60	3,412,085.10	2,048,266.79	2,055,766.79	2,055,766.79	2,055,766.79	2,055,766.79	239,766.79	239,766.79	234,766.79	234,766.79	5,445,895.11
Total Current Liabilities	3,847,263.95	3,413,049.26	2,050,147.83	2,058,643.51	2,055,920.29	2,055,766.79	2,058,598.32	242,598.32	239,766.79	234,766.79	237,750.11	6,219,025.24
Long Term Liabilities												
22000-1 · Pension Contribution Payable	22,485,573.00	22,485,573.00	22,485,573.00	22,485,573.00	22,485,573.00	22,485,573.00	22,485,573.00	22,485,573.00	22,485,573.00	22,485,573.00	22,485,573.00	22,485,573.00
25000-0 · Deferred inflows from pension	1,893,358.00	1,893,358.00	1,893,358.00	1,893,358.00	1,893,358.00	1,893,358.00	1,893,358.00	1,893,358.00	1,893,358.00	1,893,358.00	1,893,358.00	1,893,358.00
Total Long Term Liabilities	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00	24,378,931.00
Total Liabilities	28,226,194.95	27,791,980.26	26,429,078.83	26,437,574.51	26,434,851.29	26,434,697.79	26,437,529.32	24,621,529.32	24,618,697.79	24,613,697.79	24,616,681.11	30,597,956.24
Equity												
32000 · Retained Earnings	29,870,258.94	29,870,258.94	29,870,258.94	29,870,258.94	29,870,258.94	29,870,258.94	29,870,258.94	29,870,258.94	29,870,258.94	29,870,258.94	29,870,258.94	30,087,460.73

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07/22/22

Accrual Basis

Sequoia Healthcare District
Balance Sheet - by Month
 As of June 30, 2022

	<u>Jul 31, 21</u>	<u>Aug 31, 21</u>	<u>Sep 30, 21</u>	<u>Oct 31, 21</u>	<u>Nov 30, 21</u>	<u>Dec 31, 21</u>	<u>Jan 31, 22</u>	<u>Feb 28, 22</u>	<u>Mar 31, 22</u>	<u>Apr 30, 22</u>	<u>May 31, 22</u>	<u>Jun 30, 22</u>
39004-1 · Invested in Capital Assets	516,195.00	516,195.00	516,195.00	516,195.00	516,195.00	516,195.00	516,195.00	516,195.00	516,195.00	516,195.00	516,195.00	516,195.00
39004-3 · Fiduciary Fund Balance	61,011,405.00	61,011,405.00	61,011,405.00	61,011,405.00	61,011,405.00	61,011,405.00	61,011,405.00	61,011,405.00	61,011,405.00	61,011,405.00	61,011,405.00	61,011,405.00
Net Income	-1,080,854.00	-1,203,172.14	-1,345,254.87	-1,472,476.20	755,373.49	8,813,737.71	9,636,022.85	8,199,336.52	8,273,693.77	10,749,868.25	12,621,009.07	5,451,958.26
Total Equity	90,317,004.94	90,194,686.80	90,052,604.07	89,925,382.74	92,153,232.43	100,211,596.65	101,033,881.79	99,597,195.46	99,671,552.71	102,147,727.19	104,018,868.01	97,067,018.99
TOTAL LIABILITIES & EQUITY	<u>118,543,199.89</u>	<u>117,986,667.06</u>	<u>116,481,682.90</u>	<u>116,362,957.25</u>	<u>118,588,083.72</u>	<u>126,646,294.44</u>	<u>127,471,411.11</u>	<u>124,218,724.78</u>	<u>124,290,250.50</u>	<u>126,761,424.98</u>	<u>128,635,549.12</u>	<u>127,664,975.23</u>

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07/22/22

Accrual Basis

**Sequoia Healthcare District
Profit & Loss - by Month
July 2021 through June 2022**

	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	TOTAL
Income													
40300 · Rental Income	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	-5,100.00	0.00	2,000.00	800.00	800.00	20,900.00
40400 · Tax Revenue	22,639.46	0.00	6,990.02	498,897.79	716,318.26	6,684,422.16	1,353,044.84	43,623.93	759,405.70	3,770,612.11	1,897,054.00	73,101.73	15,826,110.00
40500 · Investment Income	49,557.00	22.00	-13,414.00	-50,039.00	10,432.60	-5,678.00	-119,700.00	-7,914.00	-223,910.00	-223,989.00	119,338.00	-174,857.00	-640,151.40
40600 · Interest Income	100.13	78.74	71.54	67.87	64.77	120.10	146.90	133.68	132.09	142.78	156.79	162.55	1,377.94
40800 · 2021 Dignity Settlement Agrmt	0.00	0.00	0.00	0.00	2,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00
40820 · 2021 Return of CHI investment \$	0.00	0.00	0.00	0.00	0.00	1,004,400.00	0.00	0.00	0.00	0.00	0.00	0.00	1,004,400.00
40850 · 2021 Calif. Covid-19 Relief	0.00	0.00	0.00	0.00	0.00	678,202.00	0.00	0.00	0.00	0.00	0.00	0.00	678,202.00
40900-0 · Pension Income	0.00	0.00	0.00	0.00	0.00	1,500,000.00	0.00	0.00	0.00	0.00	0.00	0.00	1,500,000.00
Total Income	75,496.59	3,300.74	-3,152.44	452,126.66	2,730,015.63	9,864,666.26	1,236,691.74	30,743.61	535,627.79	3,548,765.89	2,017,348.79	-100,792.72	20,390,838.54
Gross Profit	75,496.59	3,300.74	-3,152.44	452,126.66	2,730,015.63	9,864,666.26	1,236,691.74	30,743.61	535,627.79	3,548,765.89	2,017,348.79	-100,792.72	20,390,838.54
Expense													
60100-1 · Admin. Expense	311.84	2,866.15	649.72	853.92	4,020.73	3,483.31	3,248.65	829.84	3,739.88	1,687.66	2,262.87	2,161.65	26,116.22
60101-1 · Administration Payroll	29,767.55	20,195.65	19,277.54	30,378.83	26,634.34	31,980.52	23,247.24	23,087.66	23,069.68	42,888.10	24,910.44	24,910.45	320,348.00
60300-1 · Board Health Insurance	1,871.68	1,871.68	1,871.68	306.64	1,871.68	1,871.68	549.02	2,114.02	2,114.02	2,114.02	-178.04	-178.04	16,200.04
60300-2 · Employee Health Insurance	6,168.98	6,168.98	6,168.98	3,721.58	6,175.48	6,175.48	6,103.93	4,857.51	6,457.05	5,683.81	6,529.36	4,499.18	68,710.32
60350 · Employee Retirement Benefit	1,625.62	1,664.75	869.44	3,758.88	1,999.19	1,373.35	2,024.76	2,024.76	2,024.76	3,509.64	2,196.36	2,023.16	25,094.67
60400-1 · Investment Fees	0.00	0.00	0.00	7,608.17	0.00	0.00	7,577.67	0.00	0.00	7,499.76	0.00	7,350.97	30,036.57
60500-1 · Office Supplies/Equip Maint	402.54	237.02	204.45	145.15	885.75	163.41	162.77	385.99	213.54	674.35	483.37	-5.53	3,952.81
60600-1 · Purchase Services	0.00	0.00	0.00	10,000.00	0.00	1,350.00	1,950.00	0.00	10,000.00	0.00	0.00	5,000.00	28,300.00
60610-1 · Accounting fees	0.00	0.00	0.00	0.00	0.00	2,516.00	0.00	0.00	0.00	0.00	0.00	0.00	2,516.00
60700-1 · Board Expense	925.00	1,193.15	430.80	0.00	-1,193.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,355.80
60700-2 · Association/Membership Dues	0.00	0.00	34,361.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34,661.00
60725-1 · Communications	0.00	0.00	0.00	750.00	44,156.48	2,000.00	0.00	0.00	1,719.38	0.00	0.00	0.00	48,625.86
60750-1 · Public Relations	0.00	0.00	513.98	500.00	225.00	0.00	292.50	0.00	0.00	1,208.54	0.00	0.00	2,740.02
60750-2 · Web Site/IT	2,711.53	2,911.53	6,211.53	7,640.94	3,372.78	7,932.91	3,411.53	3,280.53	2,705.53	2,905.53	3,778.83	5,811.06	52,674.23
60775-1 · Pension Plan	0.00	0.00	0.00	0.00	0.00	1,500,000.00	0.00	0.00	0.00	0.00	0.00	0.00	1,500,000.00
60800-1 · Insurance	36,573.00	0.00	0.00	-864.50	0.00	-101.00	0.00	0.00	0.00	-864.50	450.00	0.00	35,193.00
60806-1 · LAFCO fees	13,712.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,712.00
60810-1 · Legal Fees	0.00	18,592.93	25,123.50	48,731.90	25,846.41	21,292.17	1,183.00	3,905.00	5,107.00	1,030.00	4,345.00	12,745.00	167,901.91
60815-1 · Bank Fees	0.00	0.00	0.00	0.00	0.00	45.00	0.00	0.00	0.00	0.00	0.00	78.00	123.00
65200-1 · Maintenance	386.00	1,261.00	1,739.00	8,096.40	1,275.00	9,173.23	1,275.00	1,415.00	3,300.00	2,763.87	15,339.84	4,515.00	50,539.34
65400-1 · Utilities	1,684.48	2,156.21	2,666.71	2,132.42	1,479.22	10,578.38	2,459.59	1,829.89	2,220.46	2,033.67	1,738.64	2,681.08	33,660.75
65450-1 · Property Insurance	3,827.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,827.23
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	3,874.83	3,874.83	46,497.96
70200-1 · Grant Admin Expenses	0.00	1,757.07	75.00	0.00	26,363.00	0.00	477.00	0.00	4,281.52	206.00	0.00	55.13	33,214.72
70201-1 · Grant Admin Payroll	14,086.97	11,994.92	11,315.13	18,429.43	11,925.57	16,216.39	12,294.71	12,183.32	12,183.33	22,726.72	14,607.14	14,607.14	172,570.77
70350-1 · Samaritan House	0.00	0.00	0.00	384,887.50	0.00	0.00	316,887.50	0.00	0.00	316,887.50	0.00	316,887.50	1,335,550.00
70400-1 · Other Grants	0.00	0.00	0.00	0.00	1,200.00	5,000.00	950.68	0.00	0.00	0.00	0.00	1,216.95	8,367.63
70550-1 · San Mateo Medical Center	160,000.00	0.00	0.00	0.00	0.00	0.00	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	0.00	500,000.00	0.00	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	0.00	127,500.00	0.00	0.00	0.00	127,500.00
70566-1 · Pen Volunteers LYFT program	0.00	16,694.45	2,858.31	3,058.78	3,233.27	2,419.30	3,816.25	2,928.01	2,780.95	3,406.78	6,112.49	2,933.41	50,242.00
70567-1 · BGCP Psychotherapist	46,585.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	46,585.00	0.00	0.00	0.00	93,170.00
70568-1 · Sonrisas	0.00	0.00	0.00	0.00	60,000.00	0.00	0.00	60,000.00	0.00	0.00	0.00	120,000.00	240,000.00
70569-1 · First 5 SMC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	316,284.25	316,284.25
70594-0 · Future Impact Funds	0.00	0.00	0.00	0.00	0.00	50,000.00	0.00	0.00	0.00	50,564.35	0.00	0.00	100,564.35
70595-0 · Covid-19 Emergency Funds	196.02	12,120.00	120.00	10,120.00	25,119.00	120.00	120.00	0.00	0.00	0.00	0.00	0.00	47,915.02
70603-1 · Community Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,050,000.00	4,050,000.00
70700-1 · HeartSafe Program	3,861.25	701.25	1,022.50	357.00	404.58	673.41	-34.42	387.25	555.08	357.00	2,707.41	1,338.41	12,330.72
70701-1 · HeartSafe Payroll	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-68.84	0.00	0.00	-68.84
70702-1 · HeartSafe Training & Equipment	39,130.00	230.79	0.00	0.00	59.90	0.00	0.00	0.00	0.00	165.00	1,114.39	286.05	40,986.13
70800-1 · School Health Expense	0.00	0.00	1,000.00	5,619.99	761.67	10,889.86	1,656.28	14,422.28	1,335.00	55.03	7,787.48	31,958.87	75,486.46
70801-1 · School Health Payroll	12,605.68	12,713.14	12,458.18	19,324.68	20,398.50	18,757.82	14,365.34	14,229.03	14,229.00	21,965.50	14,725.84	14,725.84	190,498.55
70802-1 · School Health Grants	269,500.00	0.00	0.00	0.00	225,703.33	90,965.01	120.00	809,353.93	178,009.50	565,593.99	2,430.00	2,103,220.90	4,244,896.66
70900 · Sequoia Strong program	250.00	119.99	0.00	0.00	79.99	5.32	0.00	10.35	971.64	4,283.00	24,698.32	12,983.44	43,402.05

Sequoia Healthcare District
Profit & Loss - by Month
 July 2021 through June 2022

	<u>Jul 21</u>	<u>Aug 21</u>	<u>Sep 21</u>	<u>Oct 21</u>	<u>Nov 21</u>	<u>Dec 21</u>	<u>Jan 22</u>	<u>Feb 22</u>	<u>Mar 22</u>	<u>Apr 22</u>	<u>May 22</u>	<u>Jun 22</u>	<u>TOTAL</u>
70901 · Sequoia Strong Payroll	6,293.39	6,293.39	6,118.01	9,615.45	6,293.39	7,545.66	6,392.77	6,310.74	6,293.39	9,440.10	6,293.40	6,293.39	83,183.08
Total Expense	1,156,350.59	125,618.88	138,930.29	579,347.99	502,165.94	1,806,302.04	414,406.60	1,467,429.94	461,270.54	1,072,591.41	146,207.97	7,068,258.09	14,938,880.28
Net Income	<u>-1,080,854.00</u>	<u>-122,318.14</u>	<u>-142,082.73</u>	<u>-127,221.33</u>	<u>2,227,849.69</u>	<u>8,058,364.22</u>	<u>822,285.14</u>	<u>-1,436,686.33</u>	<u>74,357.25</u>	<u>2,476,174.48</u>	<u>1,871,140.82</u>	<u>-7,169,050.81</u>	<u>5,451,958.26</u>

Month to Month Budget
May - June 2022

	May Budget	May Actual	June Budget	June Actual	12 Month (July - June) Total Budget	12 Month (July - June) Total Actual
Income						
Rental Income	3,200.00	800.00	600.00	800.00	35,800.00	20,900.00
Tax Revenue	1,200,000.00	1,897,054.00	450,000.00	73,101.73	14,000,000.00	15,826,110.00
Investment Income	15,000.00	119,338.00	15,000.00	(174,857.00)	180,000.00	(640,151.40)
Interest Income	250.00	156.79	250.00	162.55	3,000.00	1,377.94
Pension Income	0.00	0.00	0.00	0.00	1,500,000.00	1,500,000.00
2021 Dignity Settlement Agrmt	0.00	0.00	0.00	0.00	0.00	2,000,000.00
2021 Children's Health Initiative	0.00	0.00	0.00	0.00	0.00	1,004,400.00
2021 Calif. Covid-19 Relief	0.00	0.00	0.00	0.00	0.00	678,202.00
Total Income	1,218,450.00	2,017,348.79	465,850.00	(100,792.72)	15,718,800.00	20,390,838.54
Expenses						
Admin. Expense	2,000.00	2,262.87	2,000.00	2,161.65	28,000.00	26,116.22
Admin. Payroll	20,000.00	24,910.44	20,000.00	24,910.45	270,000.00	320,348.00
Board Health Insurance	1,600.00	(178.04)	1,600.00	(178.04)	20,000.00	16,200.04
Employee Health Insurance	8,000.00	6,529.36	8,000.00	4,499.18	100,000.00	68,710.32
Employee Retirement Benefit	2,000.00	2,196.36	2,000.00	2,023.16	25,000.00	25,094.67
Investment Fees	0.00	0.00	7,500.00	7,350.97	30,000.00	30,036.57
Office Supplies/Equip Maint	900.00	483.37	900.00	(5.53)	11,000.00	3,952.81
Purchased Services	0.00	0.00	0.00	5,000.00	0.00	28,300.00
Accounting fees	5,000.00	0.00	0.00	0.00	40,000.00	2,516.00
Board Expense	1,000.00	0.00	1,000.00	0.00	15,000.00	1,355.80
Associations/Membership	0.00	0.00	0.00	0.00	41,000.00	34,661.00
Communications	1,000.00	0.00	1,000.00	0.00	38,000.00	48,625.86
Public Relations	150.00	0.00	150.00	0.00	2,000.00	2,740.02
Web Site/IT	4,000.00	3,778.83	4,000.00	5,811.06	52,000.00	52,674.23
Pension Plan Expense	0.00	0.00	0.00	0.00	1,500,000.00	1,500,000.00
Insurance/D&O/Liability/WC	0.00	450.00	0.00	0.00	33,000.00	35,193.00
Election fees	0.00	0.00	0.00	0.00	0.00	0.00
LAFCO fees	0.00	0.00	0.00	0.00	12,100.00	13,712.00
Legal Fees	20,000.00	4,345.00	20,000.00	12,745.00	240,000.00	167,901.91
Bank Fees	0.00	0.00	0.00	78.00	100.00	123.00
Maintenance	3,000.00	15,339.84	3,000.00	4,515.00	32,000.00	50,539.34
Utilities	2,000.00	1,738.64	2,000.00	2,681.08	25,000.00	33,660.75
Property Insurance	0.00	0.00	0.00	0.00	2,650.00	3,827.23
Depreciation	3,916.00	3,874.83	3,920.00	3,874.83	47,000.00	46,497.96
Grant Admin Expenses	400.00	0.00	400.00	55.13	30,000.00	33,214.72
Grant Admin Payroll	11,000.00	14,607.14	11,000.00	14,607.14	140,000.00	172,570.77
Samaritan House Grant	0.00	0.00	300,000.00	316,887.50	1,200,000.00	1,335,550.00
Other Grants	0.00	0.00	0.00	1,216.95	0.00	8,367.63
San Mateo Medical Ctr. Dental Cli	0.00	0.00	0.00	0.00	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
LifeMoves LVN	0.00	0.00	0.00	0.00	105,166.00	127,500.00
Pen Volunteers LYFT program	7,000.00	6,112.49	6,000.00	2,933.41	100,000.00	50,242.00
BGCP Psychotherapist	0.00	0.00	0.00	0.00	94,589.00	93,170.00
Sonrisas	0.00	0.00	60,000.00	120,000.00	240,000.00	240,000.00
First 5 SMC	0.00	0.00	198,420.00	316,284.25	396,840.00	316,284.25
Future Impact Funds	0.00	0.00	0.00	0.00	0.00	100,564.35
Covid-19 Emergency Funds	75,000.00	0.00	75,000.00	0.00	1,000,000.00	47,915.02
Community Grants Program	0.00	0.00	800,500.00	4,050,000.00	3,750,000.00	4,050,000.00
HeartSafe Program	1,500.00	3,821.80	1,500.00	1,624.46	75,000.00	53,248.01
School Health Program	142,000.00	24,943.32	641,860.00	2,149,905.61	4,770,355.00	4,510,881.67
Sequoia Strong Program	12,050.00	30,991.72	12,050.00	19,276.83	145,000.00	126,585.13
Total Expenses	323,516.00	146,207.97	2,183,800.00	7,068,258.09	15,770,800.00	14,938,880.28
Net	894,934.00	1,871,140.82	(1,717,950.00)	(7,169,050.81)	(52,000.00)	5,451,958.26

RESOLUTION NO. 2022-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SEQUOIA HEALTHCARE DISTRICT TO AUTHORIZE REMOTE TELECONFERENCING MEETINGS OF THE SEQUOIA HEALTHCARE DISTRICT LEGISLATIVE BODIES FOR THE PERIOD JULY 27-AUGUST 27, 2022

WHEREAS, the Sequoia Healthcare District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Sequoia Healthcare District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, Government Code section 54953(e), as provided in AB 361 and made effective on September 17, 2021, makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or that the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District, specifically, that the Governor of California has declared a state of emergency due to the imminent dangers of COVID-19; and the San Mateo County Health Officer has imposed measures for masking and social distancing in order to prevent the spread of COVID-19, including Order C19-12 issued on August 2, 2021;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF SEQUOIA HEALTHCARE DISTRICT DOES HEREBY FIND AND RESOLVE:

Section 1. Recitals. The Recitals set forth above are true and correct.

Section 2. Findings of State of Emergency. The Board finds and declares:

A. A state emergency has been proclaimed by the Governor of the State of California and now exists throughout the District, and

B. State officials and local officials, including the San Mateo County Health Officer, have imposed and/or recommended that measures be taken to promote social distancing and to require that masks be worn indoors regardless of vaccination status; and

C. As a result of the emergency, meeting in person would present imminent risks to the health and safety of members of the public and District staff.

Section 3. Remote Teleconference Meetings. As a consequence of the local emergency, the Board of Directors does hereby determine that the legislative bodies of Sequoia Healthcare District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953.

The Chief Executive Officer is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act, including noticing and provisions for public participation and public comment.

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective for 30 days from the date of adoption or until such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Sequoia Healthcare District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of Sequoia Healthcare District, this 28th day of July 27, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Gerald Shefren, MD
President, Board of Directors
SEQUOIA HEALTHCARE DISTRICT

Attest:

Aaron Nayfack, MD
Secretary of Said Board



June 28, 2022

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

We have audited the financial statements of Sequoia Healthcare District (District) as of and for the year ended June 30, 2021 and have issued our report thereon dated June 28, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 1, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimate of the net pension liability (NPL).

Management's estimate of the NPL is based on an actuarial valuation prepared in accordance with the methods prescribed in the relevant authoritative accounting literature. We evaluated the key factors and assumptions used to develop the NPL estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The passed adjustment was related to an overstatement of property tax revenues and related payables for the amount of \$83,810.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the governing board, and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California



Financial Statements
June 30, 2021

Sequoia Healthcare District

SEQUOIA HEALTHCARE DISTRICT

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JUNE 30, 2021

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Independent Auditor's Report

Board of Directors
Sequoia Healthcare District
Redwood City, California

Report on the Financial Statements

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 (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, general fund budgetary comparison information, schedule of changes in net pension liability and related ratios and schedule of contributions be presented to supplement the basic financial statements. Such information, 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 Proprietary Fund and all funds budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Proprietary Fund and all funds budgetary comparison information are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 financial statements or to 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 Proprietary Fund and all funds budgetary comparison information are 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 June 28, 2022, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California
June 28, 2022

SEQUOIA HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

INTRODUCTION

This report presents Management's analysis of Sequoia Healthcare District's (District) financial condition and activities as of and for the year ending June 30, 2020. Management's Discussion and Analysis (MDA) is intended to serve as an introduction to the District's basic financial statements.

This information should be read in conjunction with the District's audited financial statements.

The information in the MDA includes the following elements:

- Organization and Business
- Overview of Basic Financial Statements
- Financial Analysis
- Capital Assets
- Economic Factors and Future Plans
- Request for Information

ORGANIZATION AND BUSINESS

Sequoia Healthcare District is a governmental entity legally constituted as a special district under California law, and is located in Redwood City, California. The District identifies local healthcare needs and collaboratively develops solutions. District tax revenues are used for programs and activities designed to achieve health, wellness and disease prevention in southern San Mateo County. Communities in the District include Redwood City, San Carlos, Belmont, Woodside, Atherton, Portola Valley and parts of Menlo Park, San Mateo and Foster City.

FINANCIAL HIGHLIGHTS

- The government-wide total assets and deferred outflows of the District exceeded the total liabilities and deferred inflows by \$29.1 million (net position). There was an increase in cash and investments in the amount of \$15.0 million mainly due to investment appreciation in the pension trust fund.
- Net Position increased by \$2.2 million. The increase is due to an increase in the property tax collections in the current fiscal year.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The District's basic financial statements comprise the Government-wide Statement of Net Position and Statement of Activities; the Governmental Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance; and the Proprietary Fund Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position, and Statement of Cash Flows; the Fiduciary Fund Statement of Net Position and Changes in Net Position; and the Notes to Financial Statements.

SEQUOIA HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole.

Governmental Funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary Funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. In fact, the District's enterprise funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

SEQUOIA HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

THE DISTRICT AS A WHOLE

During the year, the District's net position increased by \$2.2 million. The net position includes \$28.7 million in unrestricted net position.

Tables 1 and 2 provide summarized Government-wide comparative information.

Table 1
Condensed Statement of Net Position
(in thousands)

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
Current and Other Assets	\$ 59,082	\$ 54,837	\$ -	\$ -
Capital Assets - Net	-	-	364	410
Total Assets	59,082	54,837	364	410
Liabilities	18,307	24,895	4	4
Deferred Inflows from Pension Activities	12,028	3,407	-	-
Invested in Capital Assets	-	-	360	406
Unrestricted	28,747	26,535	-	-
Total Net Position	\$ 28,747	\$ 26,535	\$ 360	\$ 406

Results of Operations

The following table shows changes in the District's net position for the year. The net position classifications are on the fund basis showing the Board Assignments.

SEQUOIA HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Table 2
Condensed Statement of Activities
(in thousands)

	Governmental Activities		Business-Type Activities	
	2021	2020	2021	2020
Revenues				
Lease Income	\$ -	\$ -	\$ 36	\$ 45
Tax	15,280	14,586	-	-
Investment	195	529	-	-
PPT Pension Payment PassThru	1,500	2,282	-	-
Total Revenues	16,975	17,397	36	45
Expenses				
Administrative	330	301	-	-
Pension	1,500	2,282	-	-
Property	-	-	115	137
Grant	12,342	9,231	-	-
Other	559	522	-	-
Total Expenses	14,730	12,336	115	137
Transfers	(33)	(47)	33	47
Change in Net Position	2,212	5,014	(46)	(45)
Net Position Beginning of Year	26,535	21,521	407	452
Net Position End of Year	\$ 28,747	\$ 26,535	\$ 361	\$ 407

The District's total revenues and support of \$17.0 million for the year and total expenses of \$14.8 million resulted in an increase of \$2.2 million.

The District's revenues and support are currently generated from three main categories: tax income (the District is apportioned a fraction of the 1 percent property Ad Valorem tax collected by the County of San Mateo), interest earned from investments, and a profit sharing arrangement with Sequoia Hospital. Revenues also include pension income of \$1.5 million, which is reimbursed by Dignity Health for funding of Sequoia Healthcare District's Employee Pension Plan. Note that an expense offset for the same amount is included on the expenses; therefore, pension activity has no bottom line impact.

The decrease in operational expenses is due to activity in each of the following expense categories:

- The pension expense decreased by \$.6 million as a result of the investment returns in the pension trust fund.
- Grants to non-profit and local government health agencies comprised the majority of the District's expenses for the year. The District supports various health programs and services aimed at improving the health and well-being of the local community. Of these, two grants represented significant funding to local entities. They include Samaritan House Free Medical Clinic and Ravenswood Family Health Center, each receiving close to \$1 million dollars. In addition, funds were set aside for ongoing special projects or urgent community health needs that surfaced over the year.

SEQUOIA HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report in the required supplementary section.

Significant revenues were related to our property taxes. Taxes were above the anticipated amounts by \$2,779,586 due to the increase in property values within the County of San Mateo.

CAPITAL ASSETS

During fiscal year 2021, there were no major capital additions.

ECONOMIC FACTORS AND FUTURE PLANS

The Sequoia Healthcare District will continue to obtain revenues from property tax and may also share income over expenses from Sequoia Hospital. As a result, we anticipate a steady stream of income that will allow us to provide a minimum of \$12.5 million a year in community support in the years ahead without having to significantly reduce current reserves.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and demonstrate the District's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact Sequoia Healthcare District, 525 Veterans Boulevard Redwood City, CA 94063.

SEQUOIA HEALTHCARE DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 12,776,413	\$ -	\$ 12,776,413
Investments	21,790,230	-	21,790,230
Prepaid Items	601,818	-	601,818
Dignity Health Pension Reimbursement	23,914,772	-	23,914,772
Capital Assets - Non Depreciable	-	138,927	138,927
Capital Assets - Depreciable, Net	-	224,584	224,584
Total Assets	<u>59,083,233</u>	<u>363,511</u>	<u>59,446,744</u>
Liabilities			
Accounts Payable	797,107	-	797,107
Grants Payable	5,624,547	-	5,624,547
Deposit Payable	-	3,565	3,565
Net Pension Liability	11,885,736	-	11,885,736
Total Liabilities	<u>18,307,390</u>	<u>3,565</u>	<u>18,310,955</u>
Deferred Inflows of Resources			
Deferred Inflows from Pension Activities	12,029,036	-	12,029,036
Net Position			
Net Investment in Capital Assets	-	359,946	359,946
Unrestricted	28,746,807	-	28,746,807
Total Net Position	<u>\$ 28,746,807</u>	<u>\$ 359,946</u>	<u>\$ 29,106,753</u>

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

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

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	\$ 12,341,735	\$ -	\$ -	\$ (12,341,735)	\$ -	\$ (12,341,735)
Grant Administration	329,587	-	-	(329,587)	-	(329,587)
Insurance	125,129	-	-	(125,129)	-	(125,129)
Investment and Banking Fees	23,683	-	-	(23,683)	-	(23,683)
Legal	319,954	-	-	(319,954)	-	(319,954)
Office Supplies and Maintenance	2,817	-	-	(2,817)	-	(2,817)
Pension Expense	1,500,000	-	1,500,000	-	-	-
Public Relations	87,505	-	-	(87,505)	-	(87,505)
Total Governmental Activities	14,730,410	-	1,500,000	(13,230,410)	-	(13,230,410)
Business-Type Activities:						
Leasing	115,037	35,800	-	-	(79,237)	(79,237)
Total Business-Type Activities	115,037	35,800	-	-	(79,237)	(79,237)
Total Primary Government	\$ 14,845,447	\$ 35,800	\$ 1,500,000	(13,230,410)	(79,237)	(13,309,647)
General Revenues:						
Property Taxes				15,279,586	-	15,279,586
Interest and Investment Earnings				195,422	-	195,422
Internal Transfers				(32,739)	32,739	-
Subtotal - General Revenue				15,442,269	32,739	15,475,008
Change in Net Position				2,211,859	(46,498)	2,165,361
Net Position - Beginning of Year				26,534,948	406,444	26,941,392
Net Position - End of Year				\$ 28,746,807	\$ 359,946	\$ 29,106,753

The accompanying notes are an integral part of these financial statements

SEQUOIA HEALTHCARE DISTRICT

GOVERNMENTAL FUND BALANCE SHEET JUNE 30, 2021

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 12,776,413
Investments	21,790,230
Prepaid Items	601,818
Total Assets	<u>\$ 35,168,461</u>
Liabilities	
Accounts Payable	\$ 797,107
Grants Payable	5,624,547
Total Liabilities	<u>6,421,654</u>
Fund Balance	
Assigned for Construction	4,300,000
Unassigned	24,446,807
Total Fund Balance	<u>28,746,807</u>
Total Liabilities and Fund Balance	<u>\$ 35,168,461</u>
Amounts Reported for Governmental Activities in the Statement of Net	
Total Fund Balance - Governmental Funds	\$ 28,746,807
Net pension liability, deferred outflows and deferred inflows related to pensions	(23,914,772)
Reimbursement receivable from Dignity Health for pensions	23,914,772
Total Net Position - Governmental Activities	<u>\$ 28,746,807</u>

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

SEQUOIA HEALTHCARE DISTRICT

**GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND
BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>
Revenues	
Tax Revenue	\$ 15,279,586
Investment Income	192,531
Interest Income	2,891
Pension Reimbursement	1,500,000
Total Revenues	<u>16,975,008</u>
Expenditures	
Community Healthcare Services	
Administrative Services	329,587
Grant Expenses	8,325,040
Insurance	125,129
Investment and Banking Fees	23,683
Legal	319,954
Office Supplies and Maintenance	2,817
Pension Contribution	1,500,000
Other Grants	4,016,695
Public Relations	87,505
Total Expenditures	<u>14,730,410</u>
Excess of Revenue Over Expenditures	2,244,598
Other Financing Sources (Uses)	
Transfers Out	(32,739)
Net Change in Fund Balance	<u>2,211,859</u>
Fund Balance - Beginning of Year	26,534,948
Fund Balance - End of Year	<u>\$ 28,746,807</u>

Total Net Change in Fund Balances - Governmental Funds **\$ 2,211,859**

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Pension expense is recognized on the government-wide financial statements but only current year's pension contributions are recognized on the governmental funds. -

The difference between the contributions and actual pension expense reimbursable by Dignity Health is recognized on the government-wide statement of activities. -

Change in Net Position of Governmental Activities **\$ 2,211,859**

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

SEQUOIA HEALTHCARE DISTRICT

**STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021**

	Business-Type Activities - Leasing Fund
Assets	
Noncurrent Assets:	
Capital Assets - Non Depreciable	\$ 138,927
Capital Assets - Depreciable, Net	224,584
Total Assets	<u>363,511</u>
Liabilities	
Noncurrent Liabilities:	
Deposits Payable	<u>3,565</u>
Net Position	
Net Investment in Capital Assets	359,946
Total Net Position	<u><u>\$ 359,946</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, 2021**

	Business-Type Activities - Leasing Fund
Operating Revenues	
Rental Income	\$ 35,800
Operating Expenses	
Administrative Services	21,914
Depreciation	46,498
Insurance	(1,563)
Maintenance and Supplies	30,674
Utilities	17,514
Total Operating Expenses	<u>115,037</u>
Operating Loss Before Transfers	(79,237)
Transfers In	<u>32,739</u>
Change in Net Position	(46,498)
Net Position - Beginning	<u>406,444</u>
Net Position - Ending	<u><u>\$ 359,946</u></u>

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

SEQUOIA HEALTHCARE DISTRICT

**STATEMENT OF FIDUCIARY NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Leasing Fund
Cash Flows from Operating Activities:	
Cash Received from Tenants as Rent	\$ 35,800
Cash Paid to Suppliers	(68,539)
Net Cash Used for Operating Activities	<u>(32,739)</u>
 Cash Flows from Noncapital Financing Activities	
Transfers from the General Fund	32,739
Net Cash Provided from Noncapital Financing Activities	<u>32,739</u>
 Net Increase in Cash and Cash Equivalents	-
 Cash and Cash Equivalents - Beginning of Year	<u>-</u>
 Cash and Cash Equivalents - End of Year	<u><u>\$ -</u></u>
 Reconciliation of Net Income to Net Cash Used In Operating Activities	
Loss from Operations	\$ (79,237)
Depreciation	46,498
Net Cash Used by Operating Activities	<u><u>\$ (32,739)</u></u>

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

SEQUOIA HEALTHCARE DISTRICT

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021**

	Pension Trust Fund
Assets	
Money Market Fund	\$ 95,776
Mutual Funds	72,899,025
Total Assets	<u>\$ 72,994,801</u>
Net Position Restricted for Pensions	<u>\$ 72,994,801</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, 2021**

	Pension Trust Fund
Additions	
Contributions - Employer	\$ 1,500,000
Investment Earnings	16,694,529
Total Investment Earnings	<u>16,694,529</u>
Total Additions	<u>18,194,529</u>
Deductions	
Benefit Payment	7,406,165
Administrative Expenses	84,667
Total Deductions	<u>7,490,832</u>
Change in Net Position	10,703,697
Net Position Restricted for Pensions	
Beginning of Year	62,291,104
End of Year	<u>\$ 72,994,801</u>

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

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

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

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

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 each segment of 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.

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.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 and current liabilities generally are included on the balance sheet. 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, when applicable.

Proprietary Funds Proprietary funds are accounted for using the flow of 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 flow of 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, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. 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.

In Addition, the District Reported a 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.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Basis of Accounting - Measurement Focus

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, and exclude fiduciary activity. 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.

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.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Proprietary Funds Proprietary funds are accounted for using the flow of 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 flow of 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 considered to be 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, 2021 are stated at fair value. Fair value is generally estimated based on quoted market prices at year-end.

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 not capitalized, but 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, 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</u>
Land and Building Improvements	15-20
Equipment and Furniture	3-5
Leasehold Improvements	Life of Lease
Improvements to Common Areas	3-5

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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. The District received approximately 82% in 2020 of its financial support from property taxes. 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.

Pensions

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.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

New Accounting Pronouncements

The District is currently analyzing its accounting practices to determine the potential impact of the following pronouncements, with implementation dates as amended by Statement No. 95:

In June 2017, the GASB issued Statement No. 87, *Leases*. GASB Statement No. 87 establishes a single model for lease accounting and requires reporting of certain lease assets, liabilities, and deferred inflows that currently are not reported. The new standard is effective for periods beginning after June 15, 2021. Application of this statement is effective for the District's year ending June 30, 2022.

NOTE 2 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Governmental Activities	\$ 34,566,643
Fiduciary Fund	72,994,801
Total Deposits and Investments	<u>\$ 107,561,444</u>

Deposits and investments as of June 30, 2021, consist of the following:

Cash on Hand and in Banks	\$ 12,776,413
Investments	21,790,230
Money Market Funds	95,776
Mutual Funds	72,899,025
Total Deposits and Investments	<u>\$ 107,561,444</u>

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 considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents consist principally of money market accounts and short term certificates of deposit.

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

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2020, the District's deposits with financial institutions were covered by FDIC up to \$309,708 and \$13,071,380 were collateralized as described above.

General Authorizations

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

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
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 Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase 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 FINANCIAL STATEMENTS

JUNE 30, 2021

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:

Governmental - Investment Type	Fair Value	12 Months or Less	13 - 24 Months	25 - 36 Months	37-48 Months	49-60 Months
Cash	\$ 5,412,240	\$ -	\$ 5,412,240	\$ -	\$ -	\$ -
Mutual Funds	1,441,838	1,441,838	-	-	-	-
Certificate of Deposit	1,470,388	1,056,331	-	-	414,057	-
U.S Treasuries	10,627,785	2,141,409	1,593,633	2,584,202	3,582,623	725,918
U.S Agencies	-	-	-	-	-	-
Corporate Bonds	2,837,979	669,073	1,023,620	1,035,006	110,280	-
Total	<u>\$ 21,790,230</u>	<u>\$ 5,308,651</u>	<u>\$ 2,617,253</u>	<u>\$ 3,619,208</u>	<u>\$ 4,106,960</u>	<u>\$ 725,918</u>
Pension - Investment Type						
Money Market Fund	\$ 95,776	\$ 95,776	\$ -	\$ -	\$ -	\$ -
Mutual Funds	72,899,025	72,899,025	-	-	-	-
Total	<u>\$ 72,994,801</u>	<u>\$ 72,994,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Fair Value Measurements

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.

Investment Type	Fair Value	Fair Value Investments Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash	\$ 5,412,240	-	\$ 5,412,240	-
Money Market Fund	1,441,838	-	1,441,838	-
Certificate of Deposit	1,470,388	-	1,470,388	-
U.S Treasuries	10,627,785	10,627,785	-	-
Corporate Bonds	2,837,979	-	2,837,979	-
Money Market Fund	95,776	-	95,776	-
Mutual Funds	72,899,025	-	72,899,025	-
Total	<u>\$ 94,785,031</u>	<u>\$ 10,627,785</u>	<u>\$ 84,157,246</u>	<u>\$ -</u>

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 actual rating as of the year-end for each investment type:

Investment Type	Fair Value	Not Rated Or Required To Be Rated	S&P Rating as of Year End			
			AAA	AA	A	BBB
Cash	\$ 5,412,240	\$ 5,412,240	\$ -	\$ -	\$ -	\$ -
Money Market Fund	1,441,838	1,441,838	-	-	-	-
Certificate of Deposit	1,470,388	1,470,388	-	-	-	-
U.S Treasuries	10,627,785	-	-	10,627,785	-	-
Corporate Bonds	2,837,979	-	70,792	571,076	1,275,606	920,505
Money Market Fund	95,776	95,776	-	-	-	-
Mutual Funds	72,899,025	72,899,025	-	-	-	-
Total	<u>\$ 94,785,031</u>	<u>\$ 81,319,267</u>	<u>\$ 70,792</u>	<u>\$ 11,198,861</u>	<u>\$ 1,275,606</u>	<u>\$ 920,505</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 coverages and settled claims have not exceeded this commercial coverage in any of the three preceding years.

Coverage is provided as follows:

Company Name	Type of Coverage	Limits
BETA Healthcare Group	Comprehensive Liability	\$ 5,000,000
BETA Healthcare Group	D & O Liability	5,000,000
Driver Alliant Insurance Services, Inc.	Property	1,000,000
State Compensation Insurance Fund	Workers' Compensation	1,000,000

SEQUOIA HEALTHCARE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 – CAPITAL ASSETS

Activity in capital assets for the year ended June 30, 2021 was as follows:

	Beginning Balance June 30, 2020	Current Year Additions	Current Year Deletions	Ending Balance June 30, 2021
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	<u>2,343,875</u>	<u>-</u>	<u>-</u>	<u>2,343,875</u>
Less Accumulated Depreciation				
Land Improvements	92,138	4,806	-	96,944
Buildings and Improvements	1,653,752	28,298	-	1,682,050
Tenant Improvements	222,421	7,308	-	229,729
Equipment	76,222	6,086	-	82,308
Furniture	28,260	-	-	28,260
Total Accumulated Depreciation	<u>2,072,793</u>	<u>46,498</u>	<u>-</u>	<u>2,119,291</u>
Capital Assets - Net	<u>\$ 410,009</u>	<u>\$ (46,498)</u>	<u>\$ -</u>	<u>\$ 363,511</u>

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – PENSION PLAN

Prior to October 1, 1996, the District maintained two pension plans, a defined contribution plan and a defined benefit plan. The defined contribution plan was formed under Internal Revenue Service code section 457(b) and is titled the Master Deferred Compensation Plan. The defined benefit plan is titled the Sequoia Healthcare District Employee Pension Plan.

Deferred Contribution Plan

The Master Deferred Compensation Plan allowed covered employees to contribute a portion of their pre-tax earnings to the plan. These contributions, deferrals and the earnings on these deferrals remain in the plan, and are not taxable to the participants until they are withdrawn. The assets of the plan are invested in group annuity contracts held by and in the name of a trust established for this purpose. The District was not required to make contributions to the plan and all contributions to the plan are made by the employees only.

The Sequoia Healthcare District Pension Plan

Plan Description

The Sequoia Healthcare District Employee Pension Plan (Plan), adopted on January 1, 1959, as amended is a defined benefit plan. In 1996 the District sold its hospital to Catholic Health West, Inc. and all employees of the District employed by the hospital became employees of Catholic Health West, Inc. 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. Catholic Health West, Inc'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 Catholic Health West, Inc. The District remains contingently liable for funding of the plan in the event of default by Catholic Health West, Inc. Benefits are administered by Vanguard Retirement Services. The plan is closed for new entrants. Currently the plan has 990 participants with 696 retirees currently receiving benefits and 294 not receiving benefits.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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 to retire. 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, 2021, are summarized as follows:

Benefit formula	2% at 65
Benefit vesting schedule	10 Years 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 contributions for the Plan is 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 employee required contributions. For the year ended June 30, 2021, contributions recognized as part of pension expense were \$2,700,000.

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, 2021, using an annual actuarial valuation as of January 1, 2020 rolled forward to June 30, 2021 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, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	January 1, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Projected Unit Credit (all plan benefits frozen)
Actuarial Assumptions	
Discount Rate	6.75%
Investment Rate of Return	6.75%
Mortality	GAM94 Basic Tables
Post Retirement Benefit Increase	None

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, the actuary stress tested plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, the Plan would not run out of assets. Therefore, the current 6.75% discount rate is adequate, and the use of the municipal bond rate calculation 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%	4.29%
Broad International Equities	26%	4.67%
Fixed Income	33%	0.78%
Real Estate	5%	4.06%
TIPS	8%	-0.08%
Total	100%	

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

SEQUOIA HEALTHCARE DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Plan are:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 82,875,162	\$ 62,322,079	\$ 20,553,083
Changes in the year:			
Service cost	-	-	-
Interest on the total pension liability	5,146,186	-	5,146,186
Differences between actual and expected experience	-	-	-
Changes in assumptions	4,296,329	-	4,296,329
Changes in benefit terms	-	-	-
Contribution - employer	-	1,500,000	(1,500,000)
Contribution - employee	-	-	-
Net investment income	-	16,694,529	(16,694,529)
Administrative expenses	-	(84,667)	84,667
Benefit payments	(7,406,165)	(7,406,165)	-
Net changes	2,036,350	10,703,697	(8,667,347)
Balance at June 30, 2021	\$ 84,911,512	\$ 73,025,776	\$ 11,885,736

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:

	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Net Pension Liability	\$ 18,359,396	\$ 11,885,736	\$ 6,257,865

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. These rates of return are net of administrative expenses:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	\$ -	\$ 12,029,036
Total	\$ -	\$ 12,029,036

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

The amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Inflows of Resources
2022	\$ 3,508,183
2023	2,906,181
2024	3,045,842
2025	2,568,830
	<u>\$ 12,029,036</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 6 – AMOUNTS DUE FROM CATHOLIC HEALTH WEST, INC.

As described above, the District is liable for pensions but seeks reimbursement for the unfunded liability through annual contributions made by Catholic Health West, Inc. to the District. The contributions from Catholic Health West, Inc. are designed to fully fund the pension liability. Therefore, the District recorded a receivable for the net amount resulting from recognizing the pension liability and related referrals in the amount of \$23,914,772 as of June 30, 2021.

NOTE 7 – RELATED PARTY TRANSACTIONS ECONOMIC RETURN

Pursuant to the Development Agreement executed on December 7, 2007 with Catholic Healthcare West (now known as Dignity Health), the District is entitled to an economic return on its contribution which equals 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). The District shall be entitled to an economic return pursuant to the Return Formula through December 7, 2047.

During the fiscal year ended June 30, 2021, the District did not receive any funds from Dignity Health based on the Return Formula Payable for fiscal year ended June 30, 2020.

Required Supplementary Information

SEQUOIA HEALTHCARE DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

	Budgetary Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Tax Revenue	\$ 12,500,000	\$ 12,500,000	\$ 15,279,586	\$ 2,779,586
Investment Income	250,000	250,000	192,531	(57,469)
Interest Income	8,500	8,500	2,891	(5,609)
Pension Income	3,000,000	3,000,000	1,500,000	(1,500,000)
Total Revenues	<u>15,758,500</u>	<u>15,758,500</u>	<u>16,975,008</u>	<u>1,216,508</u>
Expenditures				
Administration Expense	1,228,700	1,228,700	888,675	340,025
Pension Plan Expense	3,000,000	3,000,000	1,500,000	1,500,000
Grants	7,266,281	7,266,281	8,325,040	(1,058,759)
Program Expenses	4,641,604	4,641,604	4,016,695	624,909
Total Expenditures	<u>16,136,585</u>	<u>16,136,585</u>	<u>14,730,410</u>	<u>1,406,175</u>
Excess (Deficiency) of Revenues Over Expenditures	(378,085)	(378,085)	2,244,598	2,622,683
Other Financing Sources (Uses)				
Transfer to Proprietary Fund	-	-	(32,739)	(32,739)
Net Change In Fund Balances	(378,085)	(378,085)	2,211,859	2,589,944
Fund Balance - Beginning of Year	<u>26,534,948</u>	<u>26,534,948</u>	<u>26,534,948</u>	-
Fund Balance - End of Year	<u>\$ 26,156,863</u>	<u>\$ 26,156,863</u>	<u>\$ 28,746,807</u>	<u>\$ 2,589,944</u>

See note to required supplementary information.

SEQUOIA HEALTHCARE DISTRICT

GENERAL FUND - BUDGETARY COMPARISON SCHEDULE

Fiscal year	2021	2020	2019	2018	2017	2016	2015*
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Total Pension Liability							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	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	-	1,022,548	-	(55,000)	-	(378,000)	-
Changes in assumptions	4,296,329	1,125,508	-	(1,016,000)	-	4,532,000	-
Changes in benefits	-	(1,115,722)	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(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	2,036,350	(621,411)	(1,351,427)	(1,706,000)	(620,000)	3,513,000	(402,000)
Total pension liability - beginning	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	<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	\$ 2,700,000	\$ 2,700,000	\$ 3,800,000	\$ 3,800,000	\$ 2,600,000	\$ 2,600,000
Net decrease in fair value of investment	-	-	-	-	-	-	-
Net investment income	16,694,529	6,285,010	2,773,074	5,789,000	7,188,000	(83,000)	487,000
Benefit payments	(7,406,165)	(7,013,077)	(6,238,000)	(6,387,000)	(6,414,000)	(6,238,000)	(6,035,000)
Administrative expenses	(84,667)	(136,928)	(114,000)	(95,000)	(88,000)	(108,000)	(92,000)
Net change in plan fiduciary net position	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	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	<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	<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's fiduciary net position as a percentage of total pension liability	86.0%	75.2%	72.4%	72.3%	67.3%	61.7%	68.9%
Covered Payroll	None	None	None	None	None	None	None

* Information not available prior to the implementation of the pension standards in 2015.

See note to required supplementary information.

SEQUOIA HEALTHCARE DISTRICT

SCHEDULE OF CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>
Actuarially determined contribution	\$ 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 contribution	(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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee Payroll	None	None	None	None	None	None	None

* Information not available prior to the implementation of the pension standards in 2015.

SEQUOIA HEALTHCARE DISTRICT

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

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

**PROPRIETARY FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	Budgetary Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Operating Revenues				
Rental Income	\$ 46,300	\$ 46,300	\$ 35,800	\$ (10,500)
Operating Expenses				
Administrative Services	-	-	21,914	(21,914)
Depreciation	47,000	47,000	46,498	502
Insurance	2,250	2,250	(1,563)	3,813
Maintenance and Supplies	30,000	30,000	30,674	(674)
Utilities	25,000	25,000	17,514	7,486
Total Expenses	104,250	104,250	115,037	(10,787)
Operating Loss	(57,950)	(57,950)	(79,237)	(21,287)
Transfer from General Fund	-	-	32,739	32,739
Change in Net Position	(57,950)	(57,950)	(46,498)	11,452
Net Position - Beginning of Year	406,444	406,444	406,444	-
Net Position - End of Year	\$ 348,494	\$ 348,494	\$ 359,946	\$ 11,452

SEQUOIA HEALTHCARE DISTRICT

ALL FUNDS BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2021

	Budgetary Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Rental Income	\$ 46,300	\$ 46,300	\$ 35,800	\$ (10,500)
Tax Revenue	12,500,000	12,500,000	15,279,586	2,779,586
Investment Income	250,000	250,000	192,531	(57,469)
Interest Income	8,500	8,500	2,891	(5,609)
Pension Income	3,000,000	3,000,000	1,500,000	(1,500,000)
Total Revenues	<u>15,804,800</u>	<u>15,804,800</u>	<u>17,010,808</u>	<u>1,206,008</u>
Expenses				
Administration Expense	1,228,700	1,228,700	910,589	318,111
Pension Plan Expense	3,000,000	3,000,000	1,500,000	1,500,000
Grants	7,266,281	7,266,281	8,325,040	(1,058,759)
Program Expenses	4,641,604	4,641,604	4,016,695	624,909
Depreciation	47,000	47,000	46,498	502
Insurance	2,250	2,250	(1,563)	3,813
Maintenance and Supplies	30,000	30,000	30,674	(674)
Utilities	25,000	25,000	17,514	7,486
Total Expenditures	<u>16,240,835</u>	<u>16,240,835</u>	<u>14,845,447</u>	<u>1,395,388</u>
Excess (Deficiency) of Revenue Over Expenses	(436,035)	(436,035)	2,165,361	2,601,396
Net Position - Beginning of Year	<u>26,941,392</u>	<u>26,941,392</u>	<u>26,941,392</u>	<u>-</u>
Net Position - End of Year	<u>\$ 26,505,357</u>	<u>\$ 26,505,357</u>	<u>\$ 29,106,753</u>	<u>\$ 2,601,396</u>

Report on Internal Control and Compliance



Independent Auditor's 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*

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 Sequoia Healthcare District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 28, 2022.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 have not been identified.

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, 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Menlo Park, California
June 28, 2022

**SEQUOIA HEALTHCARE DISTRICT
County of San Mateo, State of California**

**RESOLUTION NO. 2022-06
RESOLUTION FILLING VACANCY IN OFFICE OF MEMBER,
BOARD OF DIRECTORS**

WHEREAS, there is a vacancy in the office of Member of Board of Directors of SEQUOIA HEALTHCARE DISTRICT caused by the resignation on June 1, 2022, of Director Arthur Faro, and Notice of such vacancy was duly posted in accordance with Government Code 1780 on June 2, 2022, and

WHEREAS, said Board in Open Session has interviewed various applicants for said vacancy and considered their respective qualifications,

NOW THEREFORE, the Board of Directors of SEQUOIA HEALTHCARE DISTRICT does hereby resolve, determine and order as follows:

1. That _____ is hereby appointed forthwith as Member of Board of Directors of SEQUOIA HEALTHCARE DISTRICT, for the unexpired term of Arthur Faro, expiring December 7, 2022.
2. Said _____ shall assume his position as said Board Member immediately upon taking the Oath of Office.

Passed and adopted by the Board of Directors of SEQUOIA HEALTHCARE DISTRICT this 27th day of July, 2022, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Gerald Shefren, M.D.
President, Board of Directors
SEQUOIA HEALTHCARE DISTRICT

Attest:

Aaron Nayfack, M.D.
Secretary of Said Board

SIGNATURE INVESTMENT ADVISORS



2121 AVENUE OF THE STARS
SUITE 1600
LOS ANGELES, CALIFORNIA 90067
TELEPHONE 310.712.2371
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FACSIMILE 310.300.1217

June 10th 2022

Sequoia Healthcare District
525 Veterans Blvd
Redwood City, CA 94063

RE: Mid-Year Review of Charles Schwab accounts managed by SIA

Dear Sequoia Healthcare District,

We thank you for the continued trust in Signature Investment Advisors and Pettinelli Financial Partners with Sequoia Health District's funds. Your net investment since into the two Charles Schwab brokerage accounts total to \$20,973,898. The current value as of June 9th 2022 is \$21,225,339.

The estimated annual income being generated from the investments is approximately \$415,000 per year.

2022 has proved to be a challenging year for bonds. Moreover, the limited scope of investment choices provided by the State of California has added to the difficulty. The Bloomberg US Aggregate Bond Index is down 9.91% for the year. While negative returns are never welcomed, we believe we have been very effective in managing the portfolio in this challenging environment of inflation and rising interest rates.

We have solidly outperformed the Bloomberg US Aggregate Bond Index. Year to date, the portfolio has produced a negative return of 2.35%, outperforming the index by four times. There were several keys to our success. First, we incorporated Treasury Bonds with inflation protection. Next, we allocated to investment grade corporate bonds with floating coupon rates, so that the interest rates on the bond would float upwards with increasing rates. Finally, we entered the year with a bias in shorter maturity bonds.

Furthermore, at the beginning of the year, we were presented an opportunity to add a significant amount of new cash to the portfolio. We respectfully declined at the time, citing that it would be better to remain in cash and wait, rather than invest in new fixed rate bonds in a rising rate environment.

However, that viewpoint has changed recently, as bonds have quickly adjusted to higher rates and now present an opportunity for significantly higher rates of future returns opposed to the interest rates in a savings account at the bank. The intent with new assets would be to invest in Floating Rate Treasury Notes where the interest rate on the bond would directly benefit from each of the projected rate hikes by the Federal Reserve, increasing in lockstep.

Best Regards,

Andrew Lin
Vice President, Relationship Management
Signature Investment Advisors

Approve CEO To Transfer \$10M Of Future Program Investment Dollars From Checking Account To District Reserve Account

Rational:

District policies ensure that there is an adequate system of internal control over cash management and investments and assures that financial decisions are made in real-time that maximize investment income when possible. In accordance with District bylaws, the CEO is responsible for advising the SHD Board of Directors on cash management and investment activities and may make financial recommendations to the Board of Directors as appropriate.

Background:

Each year, for the past several years, our operational account balance has exceeded the annual cash needed for general operating expenses, usually, due to receiving significantly higher than expected tax revenue. Although we budget each year based on prior year actuals, over time, we have accumulated more cash than we have been able to invest in quality public health programs. Aside from increased tax revenue (close to \$1.5M over expected last fiscal year alone), we received \$2,000,000 of Dignity settlement funds, a \$678,202 California Covid Relief Grant, and a refund of \$1,004,400 from Children's Health Initiative.

Covid had made it challenging to develop or invest in long-term public health strategies as many of our partners had to pause their programming and the health and economic outcome of the pandemic still remains uncertain.

Although this year we will provide upwards of \$12M to directly fund community health programs, we still have close to \$12M that has not yet been committed to particular projects or services. Several opportunities exist to invest these dollars that are outlined in our recently board-approved strategic plan. In the interim, as we explore and develop these opportunities, I recommend, and seek board approval, to transfer \$10M, from our checking accounts that yield very little cash dividends to our more lucrative, short-term investment accounts with Schwab, that we can easily liquidate to invest in community health needs when we are ready.

2021-22 Caring Community Grants Year-End Review

Presented to SHD Board of Directors

July 27, 2021

I. Introduction:

This report summarizes numeric outcomes of the 2021-22 Caring Community grants. The Caring Community grants program supported 59 grants totaling \$3.725 million, which was increased from the \$3 million granted among 56 in the previous 2020-21 grant cycle. (For additional context, the current 2022-23 cycle, SHD allocated \$4.05 million in funding.)

II. Scoring Process

Since the 2021-22 cycle was previously scored using a hybrid manual and online scoring process, we continued with that method of scoring for the end-year report. (The scoring for 2022-23 cycle, in contrast, was all online using the Versaic scoring module platform and will continue with the development of further scoring modules to complete the cycle.)

Similar to past years and the previous mid-year reports scored in December, the final reports were scored on a 35-point scale. Each report was read by at least two scorers and an average score was compiled (a complete list of scores can be provided upon request). As anticipated, the majority received favorable scores. Reports of less than 30-point average were flagged for further conversation.

III. CC Grant Outcomes and COVID-19 Impacts

In total, the 59 grantees served over 65,000 SHD residents. To be clear, there are most likely duplications between number of residents as it is not illogical to conclude vulnerable residents may be using multiple services across different service providers. The 2020 Census reports that there are close to a quarter of a million residents residing within the SHD boundaries) so our community partners are hypothetically serving *up to* a quarter of district residents.

Many grantees were still contending with the aftereffects and lingering challenges posed by the pandemic. A total of 31, which is more than 50% of the grantees met or exceeded their service numbers in terms of SHD residents served. This was in contrast to data collected in the previous 2020-21 year when only 17 grantees (30%) met and/or exceeded their proposed service targets while the remaining 39 grantees (70%) saw a reduction of clients served. In summary, this year's grantees reported an overall 'improved' outcome compared to the previous years. Still, close to half of the grantees fell short of their service outcomes due to

continued masking ordinances for the earlier part of the year, continued delivery of services over Zoom, and County/State orders that directly limited the number of clients that could be seen in a confined space when it came to residential programs or other senior programs such as adult day programs.

Please keep in mind that the number of clients served is only one measure out of many of programmatic success. Overall, our grantees served well over 65,000 residents which is well over double the 27,000 district residents reported in the 2020-21 cycle. This is also a huge jump from the 33,000 served in the 2019-20 grant cycle. These numbers go to show that the demand for the majority of these services have increased two-fold and demonstrates the increased utilization of such services.

Other lingering challenges stemming from the pandemic noted by grantees include: rising costs (labor, food, materials), staff hiring and retention, zoom fatigue, smaller revenue from fundraising, and a cautious return to in-person services. For these reasons and more, community members expressed their gratitude that SHD grant monies were available to them to bridge these gaps and allowed them to either continue or expand their services.

IV. New Grantees

Special attention and care is always taken in scoring the new grantees, as some programs are pilot programs, or the grants committee may not be familiar with a new program even as the organizations may be considered as longstanding partners. For this past cycle, there were ten new grantees. These 10 new grantees comprise 17% of the grants but attribute to only 10% of the funding. They also self-reported serving 2,872 SHD residents.

A brief snapshot of these grantees along with their service outcomes is outlined here:

Organization	Program & description	Grant Amount	SHD residents Served
AnewVista Community Services	Advance & Enhance Your Active Lifestyle Through Education & Resources: Provides tech classes and support for adults 65+.	\$25,000	900
Catholic Charities	Catholic Charities Adult San Mateo County Memory Café: Provides a welcoming, stigma-free social gathering where people living with dementia.	\$10,000	48
CORA- Community Overcoming Relationship Abuse	Family Violence Prevention Strategies: Focused on supporting children and youth impacted by domestic violence	\$80,000	40
Downtown Streets Team	Redwood City Downtown Streets Team: Engages homeless and residents through daily meaningful volunteer work cleaning up the streets.	\$75,000	83

Family Connections	Family Connections: Offers family support and connects families through home visits, child and family assessments/screenings, support groups for parents.	\$25,000	246
LifeMoves	LifeMoves Food Supplement and Nutritional Literacy Program: A new nutrition program at our Maple Street Shelter and our new Redwood City Safe Parking Program for specific high-need groups.	\$25,000	187
NCEFT (National Center for Equine Facilitated Therapy)	Equine-Assisted Programs for Children and Adults with Disabilities and Challenge: Offers an underserved and vulnerable population access to equine programs.	\$40,000	43
PARCA aka Partners and Advocates for Remarkable Children and Adults	Independent Living Skills and Community Living Options Program: Helps clients improve the quality of life for adults with developmental disabilities.	\$18,000	35
Peninsula Bridge	Mental Health Wellness Program: Through our partnership with Acknowledge Alliance, we provide bilingual, evidence-based, early intervention mental health services.	\$20,000	115
United through Education	Familias Unidas Community COVID Support: Provides information for critical resources available to community members for support with economic, food, shelter, and health during the COVID-19 pandemic.	\$75,000	1175
	TOTAL	\$393,000	2872

V. COVID-19 Loan Forgiveness

On top of the monies granted to grantees through SHD's Emergency Covid-19 grants program, SHD was also running a parallel Covid emergency loan program which provided an additional \$25,000 in Covid funding to seven of our grantees. To date, we have forgiven \$161,500 out of the \$175,000 in following loans:

Loans	Loan Forgiveness Amount	Repayment schedule
Jasper Ridge	\$10,000	\$5,000 in 3 payments from July 2022-December 2022
El Centro	\$25,000	
NCEFT	\$25,000	
Acknowledge Alliance	\$25,000	
Health Connected	\$25,000	
PJCC	\$12,500	\$12,500 repaid
CWAE	\$25,000	
	\$161,500	

VI. Versaic Update

We recently transitioned to another new Versaic customer representative as of July who will be handling our account and working to implement the scoring module of the mid-year and end-year reports for the 2022-23 cycle. Moving forward, we will be implementing the second phase of our 2-year grant cycles to transition all returning grantees to be in 2-year cohorts. A 1-year probationary cycle for all new grantees will continue. We will continue to increase efficiency and reduce redundancies in the system.

V. Special Thanks

A special thanks to the 2021-22 grant committee for their continued devotion to the task of scoring close to 60 reports: Michael Garb, Harvey Kaplan, Marie Violet, Ann-Marie Silvestri, Ruth West, Ivan Martinez, and Rafael Avendaño. We hope to continue the outstanding work of the grants committee, which will serve to pave the way for new additional members with a sharpened focus on DEI per our strategic plan in advance of the 2023-24 grants cycle.

Recommended Changes To Employee Health Benefits

Background:

The District currently provides an employee health benefit plan that is administered through Cal PERS. A good benefits package can make employees feel rewarded and appreciated for their work. Benefits also provide support to an employee's family, health, and financial future which can help attract and retain top talent.

Offering a full benefit package includes dental and vision options. To stay competitive in the marketplace it is imperative that you consider completing your health package by adding both dental and vision

Process:

The CEO worked with an HR specialist who compared Sequoia Healthcare District health benefits to 5 other health districts and the county of San Mateo. The HR contractor worked with her insurance broker to develop a spreadsheet that detailed 6 Delta Dental options and 3 vision options that best meet our needs.

Summary of recommended changes:

- 1) Increase District contribution of CalPERS health premium benefit by 15%
- 2) Add a dental and vision benefit
- 3) Add Health Savings Account (HSA)

1. Increase District contribution of CalPERS health premium benefit by 15%

The District provides an employee health benefit plan that is administered through CalPERS. The District generously covers 95% of a premium, up to a maximum of \$2,000. The current monthly cost to the District for all employees totals \$8,937. The rates for these plans have been steadily rising and in 2022, they took a large spike, increasing as much as 23%, depending on the plan an employee selected. This increase affects employees differently depending on whether the plan they selected is above the \$2K threshold. Below is a summary of how each employee is impacted by this change.

Current Plan Participants	Plan selected	2021 cost of monthly Health Coverage (\$)	2022 cost of monthly Health Coverage (\$)	% increase	Increase in monthly cost	2021 Quarterly employee cost (\$)	2022 Quarterly employee cost (\$)	Quarterly Increase in cost to employee (\$)
JB	6133- Pers Gold family 3+	1,473.37	1,823.20	23%	+349.86	220.98	273.48	+ 52.50
AF	6012- Pers Platinum 2	1,871.68	2,114.02	12%	+242.34	1,565.04	2,114.02	+ 727.02
PK	5333- Kaiser family 3+	2,115.46	2,228.36	5%	+112.90	646.38	2228.36	+ 338.70
KL	6013- Pers Platinum 3+	2,433.18	2,748.23	12%	+315.05	1,599.54	2,544.69	+ 945.15

(Note: Pers Gold and Platinum are CalPers “Blue Cross” plans)

To help employees afford these costs and minimize disruption to their and their families’ coverage, I recommend that the district increase its contribution by 15%, increasing the maximum contribution from \$2,000 to \$2,300 per employee. Each employee is still responsible for their 5% contribution.

If all employees chose plans where the premiums are above \$2,000, the maximum cost to the District would be an increase of \$1,500 per month, for a total maximum monthly cost of \$10,436 to cover 5 employees.

2. Add a dental and vision plan

Our HR contractor, along with her insurance broker, conducted a thorough analysis of available dental plans and provided a spreadsheet of the best dental options that meet the needs of our employees while considering the cost to the District. I concluded that the Delta 90% Ortho plan, a mid-level plan, meets our needs and has a competitive offering that includes some orthodonture for children. 90% is good, as most employees go through the \$2,000 max very quickly so it will feel like there is more longevity to the benefit. With this plan, preventive care is covered 100%.

The total added monthly cost to the District to cover 5 employees on this plan is \$774.67 minus 5% employee contribution.

All the vision plans are very inexpensive and go a long way to employee satisfaction. The vision plan, I recommend is Delta VSP Deluxe \$10/\$10 12/12/12 \$200/\$200 Choice. The added monthly cost to the District for this plan is \$126.97 minus 5% employee contribution.

The addition of dental and vision to our benefits package would cost the District \$856.56 monthly to cover our 5 employees

3. Add a Health Equity Health Savings Account (HSA)

A health Savings Account would allow our employees to set aside money on a pre-tax basis to pay for qualified medical expenses. These untaxed dollars can be used to pay for deductibles, copayments, coinsurance, and some other expenses, which may lower our staff's overall health care costs. HSA funds generally may not be used to pay premiums.

The cost to the District to add a Health Savings Account is \$0.

CalPERS 2022 Regional Health Premiums (Actives and Annuitants)

Effective Date: January 1, 2022

Region 1

Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yolo, Yuba

Basic Monthly Premiums (B)

Plan	Subscriber	Plan Code	Party Code	Party Rate	Subscriber & 1 Dependent	Plan Code	Party Code	Party Rate	Subscriber & 2+ Dependents	Plan Code	Party Code	Party Rate
Anthem Blue Cross Del Norte	\$1,057.01	504	1	1	\$2,114.02	504	2	2	\$2,748.23	504	3	3
Anthem Blue Cross Select	1,015.81	506	1	1	2,031.62	506	2	2	2,641.11	506	3	3
Anthem Blue Cross Traditional	1,304.00	509	1	1	2,608.00	509	2	2	3,390.40	509	3	3
Blue Shield Access+	1,116.01	525	1	1	2,232.02	525	2	2	2,901.63	525	3	3
Blue Shield Access+ EPO	1,116.01	524	1	1	2,232.02	524	2	2	2,901.63	524	3	3
Blue Shield Trio*	898.54	451	1	1	1,797.08	451	2	2	2,336.20	451	3	3
Health Net SmartCare	1,153.00	528	1	1	2,306.00	528	2	2	2,997.80	528	3	3
Kaiser Permanente	857.06	533	1	1	1,714.12	533	2	2	2,228.36	533	3	3
PERS Gold	701.23	613	1	1	1,402.46	613	2	2	1,823.20	613	3	3
PERS Platinum	1,057.01	601	1	1	2,114.02	601	2	2	2,748.23	601	3	3
Peace Officers Research Assoc of CA	799.00	592	1	1	1,725.00	592	2	2	2,219.00	592	3	3
UnitedHealthcare SignatureValue Alliance	1,020.28	576	1	1	2,040.56	576	2	2	2,652.73	576	3	3
Western Health Advantage	741.26	591	1	1	1,482.52	591	2	2	1,927.28	591	3	3

Supplement/Managed Medicare Monthly Premiums (M)

Plan	Subscriber	Plan Code	Party Code	Party Rate	Subscriber & 1 Dependent	Plan Code	Party Code	Party Rate	Subscriber & 2+ Dependents	Plan Code	Party Code	Party Rate
Anthem Blue Cross Select Medicare Preferred	\$360.19	455	1	4	\$720.38	455	2	5	\$1,080.57	455	3	6
Anthem Blue Cross Select Medicare Preferred with Dental/Vision ¹	360.19	459	1	4	720.38	459	2	5	1,080.57	459	3	6
Anthem Blue Cross Medicare Preferred	360.19	515	1	4	720.38	515	2	5	1,080.57	515	3	6
Anthem Blue Cross Medicare Preferred with Dental/Vision ¹	360.19	512	1	4	720.38	512	2	5	1,080.57	512	3	6
Blue Shield Medicare	353.11	011	1	4	706.22	011	2	5	1,059.33	011	3	6
Blue Shield Medicare with Dental/Vision ²	353.11	016	1	4	706.22	016	2	5	1,059.33	016	3	6
Kaiser Permanente Senior Advantage	302.53	536	1	4	605.06	536	2	5	907.59	536	3	6
Kaiser Permanente Senior Advantage with Dental ³	302.53	542	1	4	605.06	542	2	5	907.59	542	3	6
PERS Gold Medicare Supplement	377.41	616	1	4	754.82	616	2	5	1,132.23	616	3	6
PERS Platinum Medicare Supplement	381.94	605	1	4	763.88	605	2	5	1,145.82	605	3	6
Peace Officers Research Assoc of CA Medicare Supplement	461.00	595	1	4	919.00	595	2	5	1,471.00	595	3	6
UnitedHealthcare Medicare Advantage Edge	347.21	476	1	4	694.42	476	2	5	1,041.63	476	3	6
UnitedHealthcare Medicare Advantage	294.65	579	1	4	589.30	579	2	5	883.95	579	3	6
UnitedHealthcare Medicare Advantage with Dental/Vision ⁴	294.65	585	1	4	589.30	585	2	5	883.95	585	3	6
Western Health Advantage Medicare Advantage	314.94	035	1	4	629.88	035	2	5	944.82	035	3	6

*Blue Shield Trio is only available in El Dorado, Nevada, Placer, Sacramento, Santa Cruz, Stanislaus, and Yolo (partial county served)

¹Dental and Vision coverage is an additional \$38.00 per member per month premium. You will be billed directly for this amount.

²Dental and Vision coverage is an additional \$38.00 per member per month premium. You will be billed directly for this amount.

³Dental benefit is an additional \$15.05 per member per month premium. You will be billed directly for this amount.

⁴Dental and Vision coverage is an additional \$25.55 per member per month premium. You will be billed directly for this amount.

Jenny Bratton Staff Report July 27, 2022

Activity Summary

I. Healthy Schools Initiative Support

- Reconfigured some HSI grants and subcontractor into new Strategic Partners category

II. Communications

- Ongoing communication with Luz on potential content for 2021 Annual Report
- Coordinating August Disaster Prep Town Hall with Charlene Margot
- Kept track of communication thread to ensure that corrected redistricting maps were filed with the County and that we were in receipt of map files.
- Reached out to LocateMyDistrict vendor to update map on website and search tool function in advance of the November 2022 elections.

III. Community

- Compiled scoring for 2021-22 Caring Community final reports.
- Ongoing meetings with Versaic to fix issues as they arise in the system.
- Started conversations with parks & recreation departments on implementation of *Sequoia Smart, Safe & Strong* which will see us sponsoring selected health and wellness classes targeting seniors.

IV. ACHD

- Renewed membership on Advocacy Committee; next meeting July 21st
- Reapplied for 2022 Governance Committee; next meeting will convene after ACHD's annual meeting in September
- Signed up to attend ACHD's annual meeting in September

July Staff Report

Luz Garcia — Communications Specialist & Sequoia Strong Program Coordinator

Granicus

- Manually entered Board Meeting Agendas spanning from 2011-2022 to the new system and set up a template to streamline the process for future additions

Postings

- Placed the Board Vacancy Announcement across 3 unique channels for higher visibility

San Mateo Daily Journal Ads		Website	Instagram & Facebook Ads
-Monday, June 13	-Monday, June 27	Full website announcement: https://seqhd.org/board/	Instagram -983 reach -15 link clicks Facebook -296 reach -5 link clicks
-Tuesday June 14	-Tuesday, June 28		
-Wednesday, June 15	-Thursday, June 30		
-Weekend, 18-19	-Friday, July 8		
-Tuesday, June 21	-Monday, July 11		
-Wednesday, June 22	-Wednesday, July 13		
-Weekend, 25-26	-Thursday, July 14		

- Placed the Director of School Health Job Posting Across 3 target platforms & emailed the job information to key partners to help spread the word. Thank you, Karen, for providing a list of partners and their contact information.

LinkedIn	Thrive Alliance	EDJOIN
https://www.linkedin.com/jobs/view/3162021879	https://bit.ly/3v0P5vd	https://bit.ly/3INdCtD

Grants

- Created new 2022-23 Caring Community & HSI Grantee pages with program descriptions, award amounts and logos
 - Caring Community: <https://seqhd.org/2022-23-grants/>
 - HSI: <https://seqhd.org/hsi-2022-23-grants/>

HSI

- Redesigned and created templates for Sequoia HS, Woodside HS, & SUHSD's Campus Protocols A + B and Campus Resources to help teachers and staff recognize signs of distress and the proceeding steps to take

SHD Museum Exhibit

- The temporary exhibit showcasing our 75th anniversary ends soon in August. I encourage you to take a visit if you haven't done so already. A special thanks to Jenny for organizing the speaker panel event on Saturday, April 30th and Carmen and Dana for all their work and support with the exhibit.

Sequoia Strong

- Added Sequoia Strong partners contact information to Constant Contact for more efficient future communication
- Edited Sequoia Strong promotional materials including flyers, brochures, and social media content for upcoming community events:
 - July 30th Disaster Preparedness Day
 - August 11th Annual Inclusion Festival
- Continuing to research and test new search functions for the site

Marketing

- *Social Media*
 - Continuing to grow our following and presence across both Instagram and Facebook
 - Obtained admin access and established our company LinkedIn page
- *Website updates*
 - Updating announcements and events regularly
- *Webinars*
 - How to Tell Visually Impactful Stories with Data (Part II)
 - Learned how to use data visuals effectively to guide company agendas and determine audience needs
 - Human Connections & Digital Communications: Lessons for Scaling Program Support Confirmation
 - Learned how to determine opportunities with technology to help us better reach District residents

Karen Li—June-July 2022 Staff Report--Healthy Schools Initiative

July 27, 2022

2021-22 Review/Planning for 2022-23:

- **Budgets and Contracts:** 2021-2022 HSI Budget: \$4,770,000
Amount expended to date: \$4,523,236.67
2022-23 approved HSI budget: \$4,850,000
Finalizing MOUs for School Year 2022-23

- **Key Goals and Progress:**
 1. **Tier One Mental Health Supports**—a) partnering with San Mateo County on supporting the Multi-Tiered Systems of Support model (MTSS), b) completing Kognito trainings for staff by this October, c) providing Care Solace mental health services (just completed year 1 of 3) for school staff and their families, students and their families, d) launching a universal weekly screening tool, Early Alert, for Sequoia Union High School District school staff, Fall, 2022, e) revising/updating the Green Folder resources for parents and school staff.
 2. **ATOD prevention and early intervention**—supporting local efforts in education and prevention of under-age cannabis use, particularly as cannabis dispensaries open next school year. Co-leading the San Mateo County Tobacco Education School Workgroup. Planning a SMC Cannabis Education and Prevention Summit for Fall, 2022.
 3. **Community/Parent Outreach**—Continuing monthly Parent Forums in English and Spanish. Supporting videography of all events for equitable and convenient community access.
 4. **School Nurse support**—completed a successful School Nurse Mentor Pilot Program for three new school nurses, Spring, 2022, with the potential to serve as a state-wide model. Funded the School Nurse Academy course for interested school nurses. Led monthly South County School Nurse Collaboration meetings which will continue in 2022-23. Arranged for recognition of Covid Response Leads in school districts.
 5. **HSI Team professional development**—convening the team for two retreats per year to provide member support, discuss strategies, and share/gain new knowledge. Offering Caminar support for team members, Fall, 2022.
 6. **HSI work promotion**--Arranged HSI wellness lead presentations to SHD Board—April, 2022; Overseeing biannual HSI Newsletter distribution to school communities.
 7. **HSI Grants**—committee is reviewing final year-end reports. Introduced new category of HSI “Strategic Partners”: Health Connected, StarVista, and PE+ (supplements existing categories of grantees and subcontractors).
 7. **PE+** --Preparing for upcoming audit; communicating with Peninsula Community Center and Richardson CPA.
 8. **Transition**—Preparing for the transition to a new Director of School Health, Fall, 2022.