



A G E N D A

**SEQUOIA HEALTHCARE DISTRICT
REGULAR BOARD OF DIRECTORS MEETING
4:30 PM, Wednesday, April 6, 2022
Conference Room, 525 Veterans Boulevard
Redwood City, CA 94063**

Per California Executive Order N-1-22, this meeting will be held in-person at the location listed in the header. Additional information regarding the meeting can be located at our website: www.seqhd.org. The public is welcome to attend the meeting in person, or via Zoom teleconference by dialing in from (669) 900-9128 and entering meeting ID: [847 7634 2348](https://us02web.zoom.us/j/84776342348) or may join from a computer via <https://us02web.zoom.us/j/84776342348>.

- 1. Call To Order And Roll Call
- 2. Public Comment On Non-Agenda Items*
- ACTION 3. Consent Calendar - President Shefren
 - a. Approve February 2, 2022 Regular Meeting Minutes
 - b. Approve February 10, 2022 Special Board of Directors Study Session
 - c. Accept January And February 2022 Financial Statements
- 4. New Business
 - a. Presentation of Draft Annual Audit - Ahmad Gharaibeh 4:35-4:50
 - b. Actuarial Report On Sequoia Pension Program - Doug Pryor 4:50-5:00
 - ACTION c. Consider Grant Request From Belmont PD For \$30,750 To Replace Outdated AED Units - Lieutenant Clyde Hussey 5:00-5:10
 - ACTION d. Consider Grant Request From Redwood City PD For \$24,187 To Replace Outdated AED Units- Sergeant Angela McGibney 5:10-5:20
 - e. Report By Sonrisas On Final Grant Outcomes of Two-Year Grant - Tracey Fetcher and Nigel Taverner 5:20-5:30
 - ACTION f. Report On Healthy Schools Initiative Year-End Outcomes- Dr. Karen Li 5:30-6:00
 - ACTION g. Redistricting Update And Zone Map Selection For May 14th Submission Deadline- Ms. Bratton 6:00-6:15
 - ACTION h. Consider Staff Request Of Up To \$10,500 for Unbudgeted Building Repairs - Ms. Stamper 6:15-6:20
 - i. Presentation Of Draft Budget for FYE 2023 - Ms. Kurtzman 6:20-6:35
 - ACTION j. Approve Amendment to Employment Contract Of Chief Executive Officer Of Sequoia Healthcare District - President Shefren 6:35-6:40
 - ACTION k. 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 6:40-7:00
- ACTION 6. Adjourn

The Next Regular Meeting Of The Board Of Directors Of Sequoia Healthcare District Is Scheduled For 4:30 PM, Wednesday, June 1, 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.

In compliance with the Americans with Disabilities Act, if you require special accommodation to participate in this meeting, please contact Sequoia Healthcare District at least 48-hours prior to the meeting at 650-421-22155 ext. 201.

**MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
February 2, 2022
Conference Room, 525 Veterans Boulevard
Redwood City, CA 94063**

<u>Directors Present</u> Director Faro Director Griffin Director Nayfack Director Martinez Director Shefren	<u>Directors Excused</u>	<u>Also Present</u> Pamela Kurtzman, CEO Mr. Hudak, Legal Counsel Ms. Stamper, Recorder
Per Resolution 2022-01, this meeting was held via Zoom teleconference		
<u>1. Call to Order</u>		
President Shefren called the meeting to order at 4:30PM. Roll call attendance was taken. Directors Griffin, Nayfack, Martinez and Shefren were present. A quorum was present.		
<u>2. Public Comment/Non-Agenda Items</u>		
President Shefren asked if there was any public comment on non-agenda items. There was none.		
<u>3. Consent Calendar</u>		
Motion: To approve consent calendar By: Director Griffin Seconded by: Director Nayfack Vote: Ayes - Griffin, Martinez, Nayfack, Shefren Nos -- Abstain -- Absent -- Faro Motion Passed: 4-0-0-1		
<u>4.a. Approve Resolution 2022-02 To Authorize Remote Teleconferencing Meetings Of The Sequoia Healthcare District Legislative Bodies For The Period February 2 - March 2, 2022.</u>		
President Shefren asked if there was public comment on this agenda item. There was none.		
Motion: To approve resolution 2022-02 - to authorize remote teleconferencing meetings of the Sequoia Healthcare District Legislative Bodies for the period of February 2 - March 2, 2022. By: Director Nayfack Seconded by: Director Martinez Vote: Ayes - Griffin, Martinez, Nayfack, Shefren Nos -- Abstain -- Absent -- Faro Motion Passed: 4-0-0-1		

4.b. Annual State of the District

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

- CEO Kurtzman reflected on the challenges and triumphs of the past fiscal year. Among the triumphs she noted that programs are running efficiently and producing impactful outcomes. The District has a committed and talented staff to carry out our key objectives, a unified board to provide oversight and set direction, and the CEO retains strong financial oversight of the District finances. We have a robust community grants and school grants program that is supported by tax revenue that has been steadily increasing, and we are more visible in the community than we have ever been. However, the health and social challenges we were facing pre-Covid still exist. In fact, the pandemic has worsened these concerns; non-profits are overburdened and the shortage of a health supporting workforce is a significant and growing problem and although public support for programs impacting undocumented residents has been growing significantly more attention, views are divided. Long-term recovery will take years and measuring impact is difficult.

Director Faro joined the meeting during the presentation at 4:42 PM

4.c. Update and Discussion on Redistricting Maps

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

The census data shows a 13.4% deviation in population between current zones which requires the District to redraw the zone boundaries. Ms. Bratton presented multiple zone maps created with the help of Paul Mitchell, a demographer. Ms. Bratton is scheduled to present the draft maps for public input at the Foster City Rotary Club meeting on March 2nd.

4.d. Approve Resolution 2022-03 To Support Reopening Michelson Therapy Pool

President Shefren asked if there was any public comment on this agenda item. Michael Schroder of the non-profit, Warm Water Wellness, discussed the community's acute need for the reopening of the Michelson Therapy Pool facility.

Motion: To approve Resolution 2022-03 to support reopening Michelson Therapy Pool.

By: Director Shefren

Seconded by: Director Nayfack

Director Griffin requested an amendment to the motion to include "with the same open access hours that it had prior to January 2020," be added to the BE IT RESOLVED paragraph. The amendment was accepted by Directors Shefren and Nayfack.

Amended Motion: To approve Resolution 2022-03 to support reopening Michelson Therapy Pool with the addition of the wording "with the same open access hours that it had prior to January 2020".

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

Nos --

Abstain --

Absent --

Motion Passed: 5-0-0-0

DRAFT

4.e. Consider 2-Year Grant Renewal Request From BGCP of \$93,170 Per Year To Continue Funding Full-Time Bilingual Psychotherapist At Forest High School Center in Redwood City

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

The Boys and Girls Club of the Peninsula with the help of Acknowledge Alliance has been providing therapy to youth suffering from trauma. This past year the therapist saw 44 clients and has provided 985 hours of individual counseling, 59 hours of crisis intervention and consultation, 225 hours of staff consultation and professional development, and 211 hours of case management. 91% of services were provided virtually due to social distancing guidelines. Clients discuss issues ranging from depression and anxiety, to domestic violence, physical and sexual abuse, relationship issues, immigration issues, substance abuse and self harm. This grant request covers a portion of the total cost for a full-time therapist.

Motion: To approve a 2-Year Grant Renewal Request From BGCP of \$93,170 Per Year To Continue Funding a Full-Time Bilingual Psychotherapist At Forest High School Center in Redwood City.

By: Director Faro

Seconded by: Director Nayfack

Vote: Ayes - Faro, Griffin, Martinez, Nayfack, Shefren
Nos --
Abstain --
Absent --

Motion Passed: 5-0-0-0

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

President Shefren asked if any Director had an agenda item request. There was none.

5. CEO/Staff Reports

The Dental Society has moved out and One Life Counseling is eager to move in while the District explores long term ideas for the space. They will receive below market rent which is justified by their contribution of community services.

Board and Staff Strategic Planning study session will take place on Thursday, February 10th. The agenda will be sent out on Friday.

Sonrisas Oral Health is holding a meeting on Friday, February 11.

The District is sponsoring Town Hall meetings on The Parent Venture platform. The next meeting will discuss Heart Health and is scheduled for Wednesday, February 23rd.

Ms. Bratton is compiling mid-year report scores and scheduling grantee site visits on Thursdays in February and March.

Letters of Intent to request grant funding (LOI's) for the next years' of community grants are due by Friday, February 11th.

Ms. Bratton reported that the joint SHD/Sequoia Hospital Foundation food grants helped 9,000 clients and were very appreciated.

Dr. Li reported on School Health: The school year has been challenging and should be called the "Year of the School Nurse". Nurses have been contract tracing and testing to keep our

school environment healthy for our children and school staff. The District is supplying PPE and supplies to the school districts, most of which has been generously donated by Trustee Kim Griffin and Dr. Michael Griffin. We have three new Wellness Coordinators and will be conducting a Team Needs Assessment. The School Nurse Mentor Pilot Project has launched and will provide much-needed mentoring for new school nurses. Care Solace and Kognito have recently partnered to provide mental health training and support to the school communities. We are accepting LOIs for 2022-23 HSI grants which are due Friday, February 11th.

Ms. Garcia presented analytics on the Sequoia Strong website. She is continuing to promote the District on social media and the website.

6. Adjourn to Closed Session

Adjourn to Closed Session For:

Under Government Code Sections 54957 and 54957.6 for the following purposes:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (54957) Title: Chief Executive Officer of Sequoia Healthcare District. CONFERENCE WITH LABOR NEGOTIATOR (54957.6) Agency Designated Representative: Jerry Shefren, Board President & Arthur Faro, Vice President, Unrepresented Employee: Chief Executive Officer, Sequoia Healthcare District

7. Reconvene to Open Session

Reconvene to Open Session. There was no reportable action taken in closed session.

8. Adjourn

Motion: To adjourn the meeting at 6:52 PM.

By: Director Nayfack

Seconded by: Director Faro

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, April 6, 2022, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Aaron Nayfack, M.D.,
Secretary

**MINUTES OF BOARD/STAFF STUDY SESSION
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
February 10, 2022
Conference Room, 525 Veterans Boulevard
Redwood City, CA 94063**

<u>Directors Present</u>	<u>Directors Excused</u>	<u>Also Present</u>
Director Avendano Director Faro via Zoom Director Griffin Director Nayfack Director Shefren		Ms. Kurtzman, CEO Dr. Li, Director of School Health Ms. Bratton, Grants & Programs Manager Ms. Garcia, Sequoia Strong Program Manager Ms. Stamper, Recorder Mr. Avendano, Facilitator

1. Call to Order and Roll Call

President Shefren called the meeting to order at 9:07AM. Roll call attendance was taken. A quorum was present.

2. Public Comment

President Shefren asked if there was public comment on non-agenda items. Cheryl Fama of Peninsula Healthcare District discussed the Michelson Pool closure. PHCD offered to fund the repairs and operations but was turned down by Sutter Health. Ms. Fama read excerpts from a statement from Ms. Wagner of Sutter that stated that due to economic strains, Sutter is going to focus completely on life saving and acute care services.

3a. Approval of One Life Counseling Center Lease Agreement

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

Motion: To approve the One Life Counseling lease agreement.

By: Director Nayfack

Seconded by: Director Griffin

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

Nos --

Abstain --

Absent --

Motion Passed: 5-0

3.b. Board Study Session for Purposes of Strategic Planning

Ms. Bratton reviewed community health needs assessments and data from:

- 1) the County Community Health Data Platform
- 2) San Mateo CHNA 2019,
- 3) Redwood City and North Fair Oaks Needs Assessment from Gardner Center,
- 4) Kaiser CHNA preliminary report,
- 5) Dignity Health CHNA preliminary report, and
- 6) the California Healthy Kids Survey.

Mr. Avendano discussed the difference between equity and equality, and the SmartieTarget process. He presented goals pulled from other California health care districts and worked with Board members to create the following draft goals:

- 1) SHD will engage in population-specific efforts to address the needs of those residents in the District that are historically underserved or particularly impacted by health disparities.
- 2) SHD will support new and innovative strategies that improve the health and well-being of District residents.
- 3) SHD will use collaboration with community organizations to magnify the positive impact on the health and well-being of district residents.
- 4) SHD will improve effectiveness and reach of communications to District residents, in a culturally sensitive manner of all resources and activities that enhance their health.
- 5) SHD will be an advocate for change on issues that impact the health of district residents.

Board members expressed interest in revising the Mission statement to include language regarding equity for underserved populations.

The CEO and staff will hold an additional strategic planning retreat to discuss the current status of Healthy Schools Initiative, Caring Community, Sequoia Strong and HeartSafe programs, and suggest areas for potential future actions and investments.

4. Adjourn to Closed Session

Adjourn to Closed Session For The Purpose Of:

Under Government Code Sections 54957 and 54957.6 for the following purposes: PUBLIC EMPLOYEE PERFORMANCE EVALUATION (54957) Title: Chief Executive Officer of Sequoia Healthcare District. CONFERENCE WITH LABOR NEGOTIATOR (54957.6) Agency Designated Representative: Jerry Shefren, Board President & Arthur Faro, Vice President, Unrepresented Employee: Chief Executive Officer, Sequoia Healthcare District

5. Reconvene to Open Session

Reconvene to Open Session. There was no reportable action taken in closed session.

6. Adjourn

Motion: At 12:57 PM adjourn meeting.

By: Director Faro

Seconded by: Director Shefren

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, April 6, 2022, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Aaron Nayfack, M.D.
Secretary

Sequoia Healthcare District
Balance Sheet - by Month
As of February 28, 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
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
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	10,490,116.68
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
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
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
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	36,703,676.28
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
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
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
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
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	123,873,711.28
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
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
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
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
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
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
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
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
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
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
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	124,206,224.78
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
Total Accounts Payable	62,102.35	964.16	1,881.04	2,876.72	153.50	0.00	2,831.53	2,831.53
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
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	132,999.89
20200-0 · HSI Grants Payable	1,827,046.71	1,453,970.21	103,056.90	103,056.90	103,056.90	103,056.90	103,056.90	103,056.90
21900 · PPT Pension Payment PassThru	550.00	550.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Current Liabilities	3,785,161.60	3,412,085.10	2,060,621.79	2,068,121.79	2,068,121.79	2,068,121.79	2,068,121.79	239,621.79
Total Current Liabilities	3,847,263.95	3,413,049.26	2,062,502.83	2,070,998.51	2,068,275.29	2,068,121.79	2,070,953.32	242,453.32
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

Sequoia Healthcare District
Balance Sheet - by Month
 As of February 28, 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>
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
Total Long Term Liabilities	<u>24,378,931.00</u>	<u>24,378,931.00</u>	<u>24,378,931.00</u>	<u>24,378,931.00</u>	<u>24,378,931.00</u>	<u>24,378,931.00</u>	<u>24,378,931.00</u>	<u>24,378,931.00</u>
Total Liabilities	28,226,194.95	27,791,980.26	26,441,433.83	26,449,929.51	26,447,206.29	26,447,052.79	26,449,884.32	24,621,384.32
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
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
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
Net Income	-1,080,854.00	-1,203,172.14	-1,357,609.87	-1,484,831.20	743,018.49	8,801,382.71	9,623,667.85	8,186,981.52
Total Equity	<u>90,317,004.94</u>	<u>90,194,686.80</u>	<u>90,040,249.07</u>	<u>89,913,027.74</u>	<u>92,140,877.43</u>	<u>100,199,241.65</u>	<u>101,021,526.79</u>	<u>99,584,840.46</u>
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>124,206,224.78</u>

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

	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 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	17,300.00
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	9,325,936.46
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	-136,733.40
40600 · Interest Income	100.13	78.74	71.54	67.87	64.77	120.10	146.90	133.68	783.73
40800 · 2021 Dignity Settlement Agrmt	0.00	0.00	0.00	0.00	2,000,000.00	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	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	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	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	14,389,888.79
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	14,389,888.79
Expense									
60100-1 · Admin. Expense	311.84	2,866.15	3,949.72	10,853.92	4,020.73	4,833.31	5,198.65	829.84	32,864.16
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	204,569.33
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	12,328.08
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	45,540.92
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	15,340.75
60400-1 · Investment Fees	0.00	0.00	0.00	7,608.17	0.00	0.00	7,577.67	0.00	15,185.84
60500-1 · Office Supplies/Equip Maint	402.54	237.02	204.45	145.15	885.75	163.41	162.77	385.99	2,587.08
60610-1 · Accounting fees	0.00	0.00	0.00	0.00	0.00	2,516.00	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	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	34,661.00
60725-1 · Communications	0.00	0.00	0.00	750.00	44,156.48	2,000.00	0.00	0.00	46,906.48
60750-1 · Public Relations	0.00	0.00	513.98	500.00	225.00	0.00	292.50	0.00	1,531.48
60750-2 · Web Site/IT	2,711.53	2,911.53	2,911.53	7,640.94	3,372.78	7,932.91	3,411.53	3,280.53	34,173.28
60775-1 · Pension Plan	0.00	0.00	0.00	0.00	0.00	1,500,000.00	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	35,607.50
60806-1 · LAFCO fees	13,712.00	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	144,674.91
60815-1 · Bank Fees	0.00	0.00	0.00	0.00	0.00	45.00	0.00	0.00	45.00
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	24,620.63
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	24,986.90
65450-1 · Property Insurance	3,827.23	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	30,998.64
70200-1 · Grant Admin Expenses	0.00	1,757.07	75.00	0.00	26,363.00	0.00	477.00	0.00	28,672.07
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	108,446.44
70350-1 · Samaritan House	0.00	0.00	0.00	384,887.50	0.00	0.00	316,887.50	0.00	701,775.00
70400-1 · Other Grants	0.00	0.00	0.00	0.00	1,200.00	5,000.00	950.68	0.00	7,150.68
70550-1 · San Mateo Medical Center	160,000.00	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	1,000,000.00
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	35,008.37
70567-1 · BGCP Psychotherapist	46,585.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	46,585.00
70568-1 · Sonrisas	0.00	0.00	0.00	0.00	60,000.00	0.00	0.00	60,000.00	120,000.00
70594-0 · Future Impact Funds	0.00	0.00	0.00	0.00	0.00	50,000.00	0.00	0.00	50,000.00
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	47,915.02
70700-1 · HeartSafe Program	3,861.25	701.25	1,022.50	357.00	404.58	673.41	-34.42	387.25	7,372.82
70702-1 · HeartSafe Training & Equipment	39,130.00	230.79	0.00	0.00	59.90	0.00	0.00	0.00	39,420.69
70800-1 · School Health Expense	22,500.00	0.00	0.00	5,619.99	761.67	4,889.86	1,656.28	26,922.28	62,350.08
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	124,852.37
70802-1 · School Health Grants	247,000.00	0.00	13,355.00	0.00	225,703.33	96,965.01	120.00	796,853.93	1,379,997.27
70900 · Sequoia Strong program	250.00	119.99	0.00	0.00	79.99	5.32	0.00	10.35	465.65

Sequoia Healthcare District
Profit & Loss - by Month
 July 2021 through February 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>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	54,862.80
Total Expense	<u>1,156,350.59</u>	<u>125,618.88</u>	<u>151,285.29</u>	<u>579,347.99</u>	<u>502,165.94</u>	<u>1,806,302.04</u>	<u>414,406.60</u>	<u>1,467,429.94</u>	<u>6,202,907.27</u>
Net Income	<u>-1,080,854.00</u>	<u>-122,318.14</u>	<u>-154,437.73</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>8,186,981.52</u>

**Month to Month Budget
January - February 2022**

Income	January Budget	January Actual	February Budget	February Actual	8 Month	8 Month	12 Month
					(July - February) Total Budget	(July - February) Total Actual	(July - June) Total Budget
Rental Income	3,200.00	3,200.00	3,200.00	(5,100.00)	25,600.00	17,300.00	35,800.00
Tax Revenue	150,000.00	1,353,044.84	40,000.00	43,623.93	7,930,000.00	9,325,936.46	14,000,000.00
Investment Income	15,000.00	(119,700.00)	15,000.00	(7,914.00)	120,000.00	(136,733.40)	180,000.00
Interest Income	250.00	146.90	250.00	133.68	2,000.00	783.73	3,000.00
Pension Income	1,500,000.00	0.00	0.00	0.00	1,500,000.00	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	0.00
2021 Children's Health Initiative	0.00	0.00	0.00	0.00	0.00	1,004,400.00	0.00
2021 Calif. Covid-19 Relief	0.00	0.00	0.00	0.00	0.00	678,202.00	0.00
Total Income	1,668,450.00	1,236,691.74	58,450.00	30,743.61	9,577,600.00	14,389,888.79	15,718,800.00
Expenses							
Admin. Expense	2,000.00	5,198.65	3,000.00	829.84	20,000.00	32,864.16	28,000.00
Admin. Payroll	30,000.00	23,247.24	20,000.00	23,087.66	180,000.00	204,569.33	270,000.00
Board Health Insurance	1,700.00	549.02	1,700.00	2,114.02	13,600.00	12,328.08	20,000.00
Employee Health Insurance	9,000.00	6,103.93	8,000.00	4,857.51	67,000.00	45,540.92	100,000.00
Employee Retirement Benefit	2,000.00	2,024.76	2,000.00	2,024.76	16,500.00	15,340.75	25,000.00
Investment Fees	7,500.00	7,577.67	0.00	0.00	15,000.00	15,185.84	30,000.00
Office Supplies/Equip Maint	1,000.00	162.77	900.00	385.99	7,400.00	2,587.08	11,000.00
Purchased Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounting fees	5,000.00	0.00	0.00	0.00	22,000.00	2,516.00	40,000.00
Board Expense	1,000.00	0.00	1,000.00	0.00	10,000.00	1,355.80	15,000.00
Associations/Membership	0.00	0.00	0.00	0.00	41,000.00	34,661.00	41,000.00
Communications	1,000.00	0.00	1,000.00	0.00	34,000.00	46,906.48	38,000.00
Public Relations	150.00	292.50	150.00	0.00	1,400.00	1,531.48	2,000.00
Web Site/IT	3,000.00	3,411.53	3,000.00	3,280.53	36,000.00	34,173.28	52,000.00
Pension Plan Expense	1,500,000.00	0.00	0.00	0.00	1,500,000.00	1,500,000.00	1,500,000.00
Insurance/D&O/Liability/WC	0.00	0.00	(1,750.00)	0.00	33,000.00	35,607.50	33,000.00
Election fees	0.00	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	12,100.00
Legal Fees	20,000.00	1,183.00	20,000.00	3,905.00	160,000.00	144,674.91	240,000.00
Bank Fees	30.00	0.00	10.00	0.00	100.00	45.00	100.00
Maintenance	2,000.00	1,275.00	2,000.00	1,415.00	20,000.00	24,620.63	32,000.00
Utilities	2,000.00	2,459.59	2,000.00	1,829.89	17,000.00	24,986.90	25,000.00
Property Insurance	0.00	0.00	0.00	0.00	2,650.00	3,827.23	2,650.00
Depreciation	3,916.00	3,874.83	3,916.00	3,874.83	31,332.00	30,998.64	47,000.00
Grant Admin Expenses	400.00	477.00	400.00	0.00	28,400.00	28,672.07	30,000.00
Grant Admin Payroll	11,000.00	12,294.71	11,000.00	12,183.32	94,000.00	108,446.44	140,000.00
Samaritan House Grant	300,000.00	316,887.50	0.00	0.00	600,000.00	701,775.00	1,200,000.00
Other Grants	0.00	950.68	0.00	0.00	0.00	7,150.68	0.00
San Mateo Medical Ctr. Dental Cli	0.00	0.00	0.00	0.00	160,000.00	160,000.00	160,000.00
Ravenswood Family Health Ctr	500,000.00	0.00	0.00	500,000.00	1,000,000.00	1,000,000.00	1,000,000.00
LifeMoves LVN	105,166.00	0.00	0.00	0.00	105,166.00	0.00	105,166.00
Pen Volunteers LYFT program	6,000.00	3,816.25	6,000.00	2,928.01	60,000.00	35,008.37	100,000.00
BGCP Psychotherapist	47,294.00	0.00	0.00	0.00	94,589.00	46,585.00	94,589.00
Sonrisas	60,000.00	0.00	0.00	60,000.00	120,000.00	120,000.00	240,000.00
First 5 SMC	198,420.00	0.00	0.00	0.00	198,420.00	0.00	396,840.00
Future Impact Funds	0.00	0.00	0.00	0.00	0.00	50,000.00	0.00
Covid-19 Emergency Funds	75,000.00	120.00	75,000.00	0.00	650,000.00	47,915.02	1,000,000.00
Community Grants Program	0.00	0.00	1,458,500.00	0.00	2,949,500.00	0.00	3,750,000.00
HeartSafe Program	1,500.00	(34.42)	2,000.00	387.25	69,000.00	46,793.51	75,000.00
School Health Program	792,000.00	16,141.62	641,000.00	838,005.24	2,995,995.00	1,567,199.72	4,770,355.00
Sequoia Strong Program	12,050.00	6,392.77	12,050.00	6,321.09	96,800.00	55,328.45	145,000.00
Total Expenses	3,700,126.00	414,406.60	2,272,876.00	1,467,429.94	11,461,952.00	6,202,907.27	15,770,800.00
Net	(2,031,676.00)	822,285.14	(2,214,426.00)	(1,436,686.33)	(1,884,352.00)	8,186,981.52	(52,000.00)



Annual Financial Report
June 30, 2021

Sequoia Healthcare District

SEQUOIA HEALTHCARE DISTRICT

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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 April 1, 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.

Menlo Park, California
April 1, 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 \$32.5 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 \$5.9 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 \$5.9 million. The net position includes \$32.5 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	14,557	24,895	4	4
Deferred Inflows from Pension Activities	12,028	3,407	-	-
Invested in Capital Assets	-	-	360	406
Unrestricted	32,497	26,535	-	-
Total Net Position	\$ 32,497	\$ 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	4,575	4,798	-	-
Program	4,017	4,433	-	-
Total Expenses	10,421	11,814	115	137
Transfers	(33)	(47)	33	47
Change in Net Position	6,521	5,536	(46)	(45)
Net Position Beginning of Year	27,057	21,521	407	452
Net Position End of Year	\$ 33,578	\$ 27,057	\$ 361	\$ 407

The District's total revenues and support of \$17.0 million for the year and total expenses of \$10.5 million resulted in a decrease of \$5.9 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:

- **Administrative:** The pension expense decreased by \$.6 million as a result of the investment returns in the pension trust fund.
- **Grants and Programs:** 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

SEQUOIA HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

were set aside for ongoing special projects or urgent community health needs that surfaced over the year.

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	1,874,547	-	1,874,547
Deposit Payable	-	3,565	3,565
Net Pension Liability	11,885,736	-	11,885,736
Total Liabilities	<u>14,557,390</u>	<u>3,565</u>	<u>14,560,955</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	32,496,807	-	32,496,807
Total Net Position	<u>\$ 32,496,807</u>	<u>\$ 359,946</u>	<u>\$ 32,856,753</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	Program Revenues		Net (Expenses) Revenues and Changes in Net Position			
	Expenses	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	\$ 8,591,735	\$ -	\$ -	\$ (8,591,735)	\$ -	\$ (8,591,735)
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	10,980,410	-	1,500,000	(9,480,410)	-	(9,480,410)
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	\$ 11,095,447	\$ 35,800	\$ 1,500,000	(9,480,410)	(79,237)	(9,559,647)
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				5,961,859	(46,498)	5,915,361
Net Position - Beginning of Year				26,534,948	406,444	26,941,392
Net Position - End of Year				\$ 32,496,807	\$ 359,946	\$ 32,856,753

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	1,874,547
Total Liabilities	<u>2,671,654</u>
Fund Balance	
Assigned for Construction	4,300,000
Unassigned	28,196,807
Total Fund Balance	<u>32,496,807</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	\$ 32,496,807
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>\$ 32,496,807</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	4,575,040
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>10,980,410</u>
Excess of Revenue Over Expenditures	5,994,598
Other Financing Sources (Uses)	
Transfers Out	<u>(32,739)</u>
Net Change in Fund Balance	5,961,859
Fund Balance - Beginning of Year	26,534,948
Fund Balance - End of Year	<u>\$ 32,496,807</u>
 Total Net Change in Fund Balances - Governmental Funds	 \$ 5,961,859

**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	\$ 5,961,859
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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>\$ 359,946</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>
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>\$ (32,739)</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:	
Net Increase in Fair Value of Investment	16,694,529
Interest and Dividends	-
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	<u>62,291,104</u>
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, 2020 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	\$ 21,790,230	\$ 5,308,651	\$ 2,617,253	\$ 3,619,208	\$ 4,106,960	\$ 725,918
Pension - Investment Type						
Money Market Fund	\$ 95,776	\$ 95,776	\$ -	\$ -	\$ -	\$ -
Mutual Funds	72,899,025	72,899,025	-	-	-	-
Total	\$ 72,994,801	\$ 72,994,801	\$ -	\$ -	\$ -	\$ -

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	-	-
U.S Agencies	-	-	-	-
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	-	-
U.S Agencies	-	-	-	-	-	-
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, 2020 was as follows:

	Beginning Balance June 30, 2019	Current Year Additions	Current Year Deletions	Ending Balance June 30, 2020
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	<u>2,036,350</u>	<u>10,703,697</u>	<u>(8,667,347)</u>
Balance at June 30, 2021	<u>\$ 84,911,512</u>	<u>\$ 73,025,776</u>	<u>\$ 11,885,736</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	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	<u>\$ -</u>	<u>\$ 12,029,036</u>

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	15,758,500	15,758,500	16,975,008	1,216,508
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	4,575,040	2,691,241
Program Expenses	4,641,604	4,641,604	4,016,695	624,909
Total Expenditures	16,136,585	16,136,585	10,980,410	5,156,175
Excess (Deficiency) of Revenues Over Expenditures	(378,085)	(378,085)	5,994,598	6,372,683
Other Financing Sources (Uses)				
Transfer to Proprietary Fund	-	-	(32,739)	(32,739)
Net Change In Fund Balances	(378,085)	(378,085)	5,961,859	6,339,944
Fund Balance - Beginning of Year	26,534,948	26,534,948	26,534,948	-
Fund Balance - End of Year	\$ 26,156,863	\$ 26,156,863	\$ 32,496,807	\$ 6,339,944

See note to required supplementary information.

SEQUOIA HEALTHCARE DISTRICT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Fiscal year	2021	2020	2019	2018	2017	2016	2015*
Measurement date	6/30/2020	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	\$ 84,911,512	\$ 82,875,162	\$ 83,496,573	\$ 84,848,000	\$ 86,554,000	\$ 87,174,000	\$ 83,661,000
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	\$ 73,025,776	\$ 62,322,079	\$ 60,487,074	\$ 61,366,000	\$ 58,259,000	\$ 53,773,000	\$ 57,602,000
Net pension liability - ending	\$ 11,885,736	\$ 20,553,083	\$ 23,009,499	\$ 23,482,000	\$ 28,295,000	\$ 33,401,000	\$ 26,059,000
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.

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	4,575,040	2,691,241
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>11,095,447</u>	<u>5,145,388</u>
Excess (Deficiency) of Revenue Over Expenses	(436,035)	(436,035)	5,915,361	6,351,396
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>\$ 32,856,753</u>	<u>\$ 6,351,396</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 April 1, 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.

Menlo Park, California

April 1, 2022



SEQUOIA HEALTHCARE DISTRICT EMPLOYEES PENSION PLAN

January 1, 2021 Funded Status Update

**Doug Pryor, Vice President
Bartel Associates, LLC**

May 5, 2021

BACKGROUND

- Biennial valuations
- January 1, 2020 valuation
 - 2020 and 2021 recommended contribution (\$3.0 million)
 - 10-year amortization of unfunded liability (for 2020)
- Subsequent changes:
 - \$1.5 million contributed for 2020
 - Expected \$1.5 million contribution for 2021
 - Investment returns:
 - Approximate 25% return during 2020
 - Compared to 6.5% assumed return \approx \$11 million gain

ASSET INFORMATION

Asset Reconciliation

(Amounts in 000s)

	2018	2019	2020
■ Beginning of year	\$ 63,948	\$ 57,199	\$ 63,120
• Contributions	2,700	2,700	1,500 ¹
• Benefit Payments	(6,474)	(6,970)	(7,508)
• Administrative Expenses	(130)	(123)	(103)
• Indirect Mutual Fund Fees	(216)	(210)	(163)
• Total Return	<u>(2,629)</u>	<u>10,523</u>	<u>15,307</u>
■ End of year	57,199	63,120	72,154
■ Approximate Net Return²	-4.9%	19.0%	25.3%

¹ Contribution made January 2021

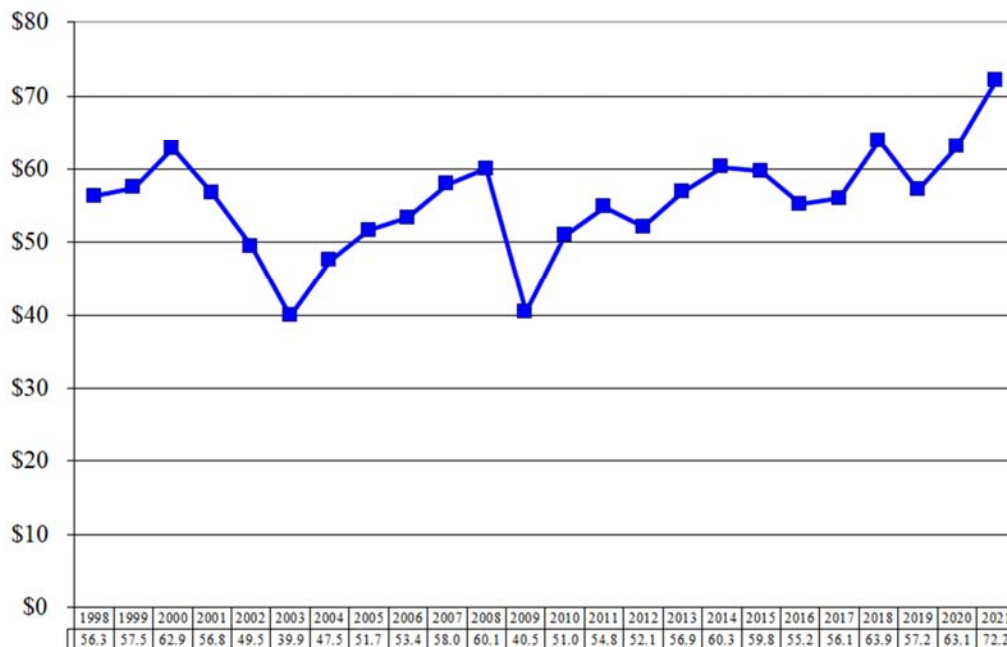
² Net of administrative expenses and mutual fund fees.



ASSET INFORMATION

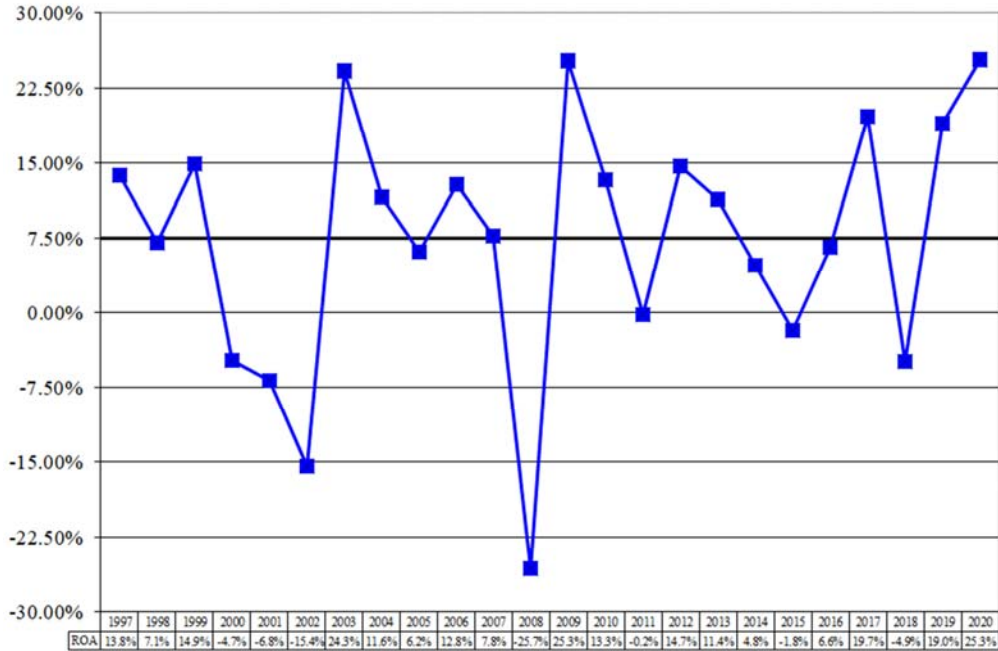
Historical Plan Assets

(Amounts in millions)



ASSET INFORMATION

Historical Asset Returns



FUNDED STATUS

Funded Status

(Amounts in 000s)

	1/1/2020 Valuation	1/1/2021 Projected
■ Actuarial Accrued Liability (AAL)	\$ 83,718	\$ 81,411
■ Assets	<u>(63,120)</u>	<u>(72,154)</u>
■ Unfunded AAL	20,598	9,257
■ Funded Percentage	75%	89%



CONTRIBUTIONS

Contribution Scenarios

(Amounts in 000s)

	1/1/20 Valuation Recommended Contributions	Contribution based on 1/1/21 Projected Unfunded AAL
	2020 and 2021	2021
■ Unfunded AAL	\$ 20,598	\$9,257
■ Amortization Payment³ (10 years from 2020 9 years from 2021)	2,900	1,400
■ Administrative Expenses	<u>100</u>	<u>100</u>
■ Total Recommended Contribution	3,000	1,500

³ Rounded to nearest \$100,000.



CONTRIBUTIONS

Projected 2022 Contribution

(Amounts in 000s)

	2021 Investment Return		
	0.0%	6.5%	13.0%
■ Projected 1/1/22 Unfunded AAL	\$ 12,873	\$ 8,459	\$ 4,037
■ Amortization Payment⁴ (8 years from 2022)	2,100	1,400	700
■ Administrative Expenses	<u>100</u>	<u>100</u>	<u>100</u>
■ Total Recommended Contribution	2,200	1,500	800

⁴ Rounded to nearest \$100,000.





BELMONT POLICE DEPARTMENT
BELMONT, CALIFORNIA

KEN STENQUIST
CHIEF OF POLICE

Agenda Item 4c
Board of Directors Meeting
April 6, 2022

March 16, 2022

Pamela Kurtzman, MPH
Chief Executive Officer
Sequoia Healthcare District
525 Veterans Boulevard
Redwood City, CA 94603

Ms. Kurtzman,

On behalf of the Belmont Police Department, I am reaching out to the Sequoia Healthcare District to respectfully request your assistance in replacing the aging Automated External Defibrillators (AEDs) used to respond to medical emergencies in our community. We are requesting \$26,385 to purchase 12 AED units. Belmont PD would purchase two additional units for a total of 14 units.

By way of background, around 2006 our department was fortunate enough to be the recipient of funding from the Sequoia Healthcare District Heart Safe Program. At that time, we were able to equip most of our patrol vehicles with AEDs as well as place two inside our police facility (one in our gym and one at our holding facility).

A recent inventory of our AEDs showed all eight of our Lifepak AEDs are over 15 years old and our Defibtech AED is over 16 years old; all well past their warranty periods. While these AEDs are still in service, we would like to ensure a continuity of service to our community by having our facilities and all twelve of our marked patrol vehicles equipped with reliable, up-to-date technology.

Our officers have used our AEDs numerous times in the years we have had them. We are proud of our officer's commitment to public service and pride ourselves on often being first on scene of cardiac emergencies to begin rendering aid. As a small agency committed to providing a high level of service to our community, responding to medical calls is a standard practice for our officers. Having our patrol vehicles equipped with an AED allows us to be prepared for some of the most serious medical emergencies and provides us the ability to improve patient outcomes.

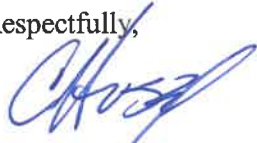
The pandemic, actions taken by the state and changes in tax allocations have negatively impacted the budget of our police department. This, combined with competing funding priorities for required infrastructure upgrades and equipment replacement have precluded our ability to fund a replacement of the AEDs. As part of the commitment to this project, the Belmont Police Department will continue to fund the maintenance of the AEDs, replacement of batteries and electrode pads. Additionally, the department will replace the two AEDs kept inside our facility when they are no longer serviceable.

We recognize the importance of quickly providing aid to those experiencing a cardiac emergency and access to an AED is a vital component of that service. It is our request and sincere hope the

Sequoia Healthcare District is generous enough to fund the replacement of the AEDs in our fleet and expand the deployment to include all of our marked patrol vehicles that respond to medical emergencies.

If you have any questions or I can be of assistance in this process, please reach out to me at 650-595-7430 or chussey@belmont.gov.

Respectfully,



Clyde Hussey
Lieutenant | Operations Division

Police Department
Dan Mulholland
Police Chief



1301 Maple Street
Redwood City, CA 94063
Telephone (650) 780-7100
FAX Line (650) 780-7155

March 30, 2022

Pamela Kurtzman, MPH
Chief Executive Officer
Sequoia Healthcare District
525 Veterans Boulevard
Redwood City, CA 94603

Ms. Kurtzman,

The Redwood City Police Department (RCPD) would like to ask the Sequoia Healthcare District (SHD) for support with the purchase of replacement Automatic External Defibrillators (AEDs) for our patrol fleet, and to increase the number of AEDs currently available to our patrol personnel. RCPD currently has 10 AEDs available for use in our patrol vehicles. The department also has two AEDs positioned inside the station, but these are maintained by the City and not available for outside deployment. The AEDs are 15-years old, and are well past their warranty period from the manufacturer.

The RCPD patrol fleet is comprised of 31 vehicles. The 10 current AEDs are positioned in our SWAT truck, police boat, and eight patrol cars. This means that there is a high likelihood that at any given time there may not be an AED available with a member of our on-duty patrol personnel as the fleet rotates over three shifts, 24-hours a day. If RCPD had an AED available in more vehicles in the patrol fleet during incidents involving a community member in the midst of a medical crisis, with Paramedics not immediately available on scene, lives could be saved.

RCPD would like to expand our aged AED inventory for patrol units from 10 AEDs to 15 AEDs. This expansion would significantly increase the likelihood an on-scene patrol unit would have an AED immediately present if needed in an emergency without the need for an additional unit to arrive.

Police Department
Dan Mulholland
Police Chief



1301 Maple Street
Redwood City, CA 94063
Telephone (650) 780-7100
FAX Line (650) 780-7155

RCPD would continue to cover the cost of the Via Heart Project for inventory tracking and would be responsible for replacement of batteries and electrodes as part of their normal preventative maintenance inspections. We request the SHD purchase 11 of the units for a total of \$24,187. The Redwood City Police Department would purchase the additional four (4) for a total of 15 units.

Our department has been impacted by several post-pandemic projects (body-worn camera deployment, replacement of first aid kits, mandated social justice and use of force training) that have made it difficult to immediately purchase these units without outside help.

Thank you very much for your consideration.

Sincerely,

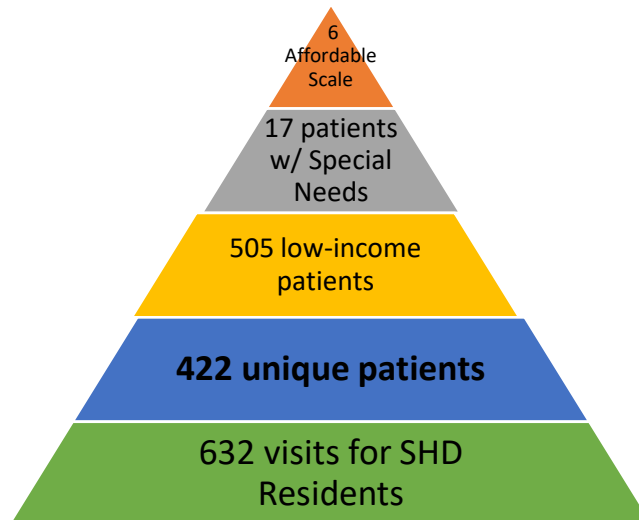
A handwritten signature in blue ink, appearing to read "Dan Mulholland".

Dan Mulholland
Chief of Police



DATE: March 24, 2022
TO: Sequoia Healthcare District
FROM: Tracey Carrillo Fecher, CEO
RE: Q2 Number of Sequoia Health Care District Residents Served - REVISED

Sonrisas Dental Health is pleased to report the number of Sequoia Healthcare District (SHD) Residents served in our clinics from October 1, 2021, to December 31, 2021. During the quarter, 422 unique patients across all payer types had 632 visits with Sonrisas Dental Health. Of these unique patients, 325 were low income with 505 visits, which is 80% of the total visits by SHD residents in the quarter. 499 patients had Medi-Cal Dental coverage and 6 used the Affordable Scale program to access services. There were 17 patients who had special needs and 47% were children ages 0-18. After reimbursement, the uncompensated (un-funded) cost to provide care was \$95,932.00.



Dental Service Costs and Reimbursements for Sequoia Healthcare District Residents <i>FY22 Q2 October to December 2021</i>	
Cost of Treatment	\$203,770
Reimbursements for Patient Care	\$107,839
Uncompensated Care	\$95,932
80% of Uncompensated Care	\$76,7456

The Sonrisas Outreach team did an oral health presentation at Design Tech High School in Redwood City in Q2. The team is scheduled to provide Oral Health Education and Screenings for 875 children in district boundaries

at low-income schools in the Menlo Park and Redwood City school districts in February to April. This includes after school programs and children with special needs.

We want to thank the Sequoia Healthcare District for your on-going support of \$60,000 of uncompensated care for your residents per quarter in FY22. Covering the uncompensated cost of care will help to ensure ongoing sustainability of Sonrisas' dental services. We appreciate the shared commitment our organizations have for health care for the most vulnerable in our community.

Sincerely,

A handwritten signature in blue ink that reads "TC Fecher". The signature is written in a cursive style and is placed on a light blue rectangular background.

Tracey Carrillo Fecher
Chief Executive Officer

Sonrisas Dental Health

Presentation to Sequoia Healthcare District
April 6, 2022

Resident's Dental Appointments

July 2021-March 2022

Residents Served

- Q1: 682 visits
- Q2: 634 visits
- Q3: 629 Visits
- **Total: 1945 Visits**
- On track for 2500 visits
- Q1-Q3 in FY21 there were 1350 visits



Increased Capacity at San Mateo Clinic

- 3 New Operatories
- Additional Dental Hygienists

832 Unique
Patients

- 80% Public Insurance
- 20% Private Insurance

Of those
Patients

- 49% Children
- 8% Seniors

Oral Health Education & School Screenings In District Boundaries

Sonrisas
Dental Health

Garfield Community School

Hoover Community School

Taft Community School

Sienna Youth Center

Roosevelt Elementary

Menlo Park City Preschool

Belle Haven Child Dev Center

Haven Family House (Peninsula Family Service)

398 since
July 2021

400 more
planned
by June
2022

800
Children
Screened



Additional Outreach and Education

In Sequoia Healthcare District



- **2-week internship for Design Tech High School students interested in health careers**
- **Mentor and present to Sequoia High School's Health Careers Academy**
- **\$100K Delta Dental grant for older adults**
 - Community Assessment
 - Community Advisory Board
 - Oral Health Education for Seniors
 - Pilot care for older adults based on learnings from the community

Sonrisas' Current Challenges



Covid Safety

- Increased expenses
- Limits appointments
- Increased safety workflow

Meeting Need for Dental Home

- Need for dental care outpaces appointments available
- HPSM Dental Integration Pilot

Staffing

- Staff out with COVID symptoms
- Hiring Registered Dental Assistants takes investment

Hospital Dentistry

- Serving children as well as adults with special needs
- Resource intensive
- Working with GGRC and HPSM

Oral Health Screenings

- Sustainable funding source
- Covid Challenges

Sonrisas is Planning for the Future



Sonrisas Vision: Every Adult and Child In San Mateo County has a dental home, including those with physical, developmental or economic challenges.

- **Three-Year Strategic Planning** in progress
 - Sustainable growth, meeting demand for low-income patients access to care
 - Maintain Sonrisas' Culture and Quality Care
 - Patient Engagement
 - Partnerships
- **Diversity, Equity and Inclusion Plans**
- Investing in **Patient/Clinic Infrastructure**
- Increasing **Oral Health Screenings and Education** in Title 1 Schools
- **Older Adult Dentistry**

Sonrisas is Dreaming About

Realizing these dreams will require our community understanding the importance of oral health care AND partnership

Providing more SMC residents with a Dental Home

Providing more Oral Health Ed and Screening low-income children in SMC

Serving more Older Adults and Patients with Special Needs



4F – REPORT ON HEALTHY SCHOOLS INITIATIVE

Dr. Karen Li | Director of School Health

The Healthy Schools Initiative's 2021-22 Year-to-Date review will provide information about the broad scope of SHD's impact within school districts during this past year. Following an overview, five of our Healthy Schools team members will share highlights of their work to date. The school districts represented include Redwood City, San Carlos, Belmont Redwood Shores, Las Lomas, and Menlo Park.

Healthy Schools Initiative Year-to-Date Review 2021-22



Healthy Schools Initiative
Health is Academic

Karen Li, MD

April 6, 2022



Presentation Objectives

2021-22 HSI Budget Review

2021-22 Goals and Progress

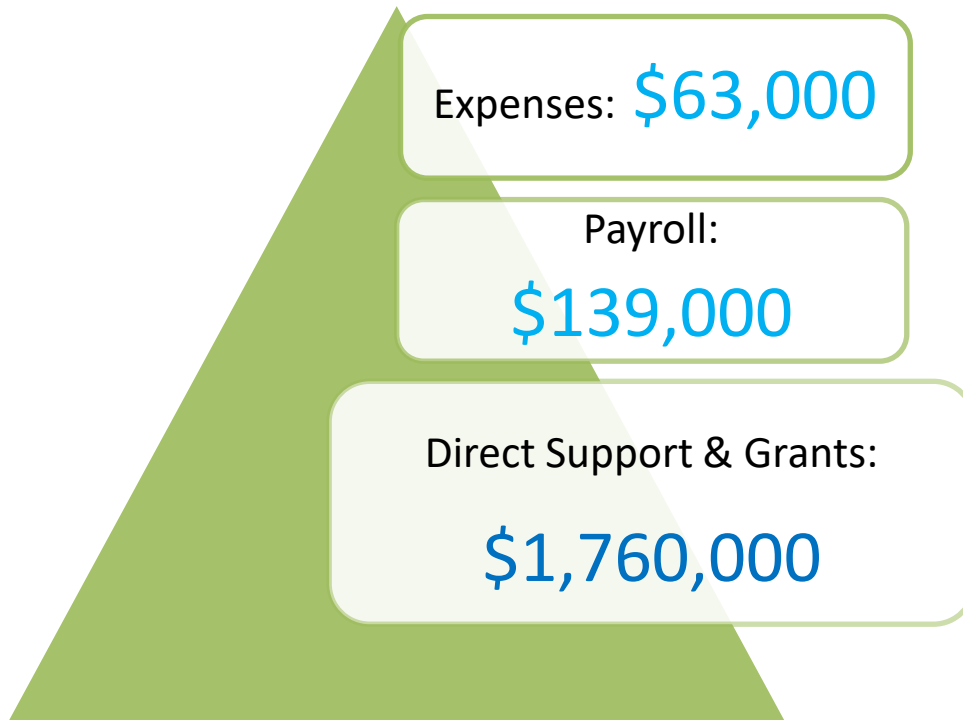
2021-22 HSI Grants Summary

2022-23 Challenges/Next Steps

Budget Review

Approved 2021-22 Budget: \$4,770,000

Amount expended to date: \$1,734,000



2021-22 Goals/Progress

GOALS	CURRENT PROGRESS
-------	------------------

1- Alcohol Tobacco and Other Drug (ATOD) Prevention/Early Intervention

- ✓ Redwood City's Cannabis Education and Prevention committee is making recommendations to City Council re: six dispensaries
- ✓ SMC's Tobacco Education Coalition School Workgroup meets monthly—making recommendations to school districts for prevention efforts (curricula, data analysis, social norms lens)
- ✓ Supporting expansion of the Neuroscience of Addiction program to middle school districts

GOALS

CURRENT PROGRESS

2- Mental Health Data Collection

- ✓ School districts are improving internal systems for data collection
- ✓ SMCOE is developing an in-house tracking system for all 23 districts
- ✓ Care Solace's dashboard is supplementing current data

3- Continued support of Tier One Staff/Parent/Student education

- ✓ CircleUp in 3rd year of Diversity/Equity/Inclusion trainings
- ✓ Parent Venture's community education reach is vast: over 13,000 library views in 2022, and now over 47,000 views since 2017
- ✓ "Parent Forums" in both English and Spanish have been successfully offered on a monthly basis

GOALS

4- Enhanced Tier One Mental Health Support with an Equity Lens

CURRENT PROGRESS

- ✓ Continued SHD partnership with SMCOE and PHCD to fund Care Solace (mental health care navigation assistance for students/families and school staff/families: 24/7 access, multiple languages, regardless of insurance status). Offered to all 23 school districts in San Mateo County
- ✓ Continued SHD, SMCOE, PHCD partnership to fund Kognito suicide prevention trainings for school staff in all 23 school districts on a biennial basis
- ✓ Funding Caminar to assist with support for our HSI team leads

GOALS

5- School Nurse support; Fill-in gaps for Covid-related school health needs

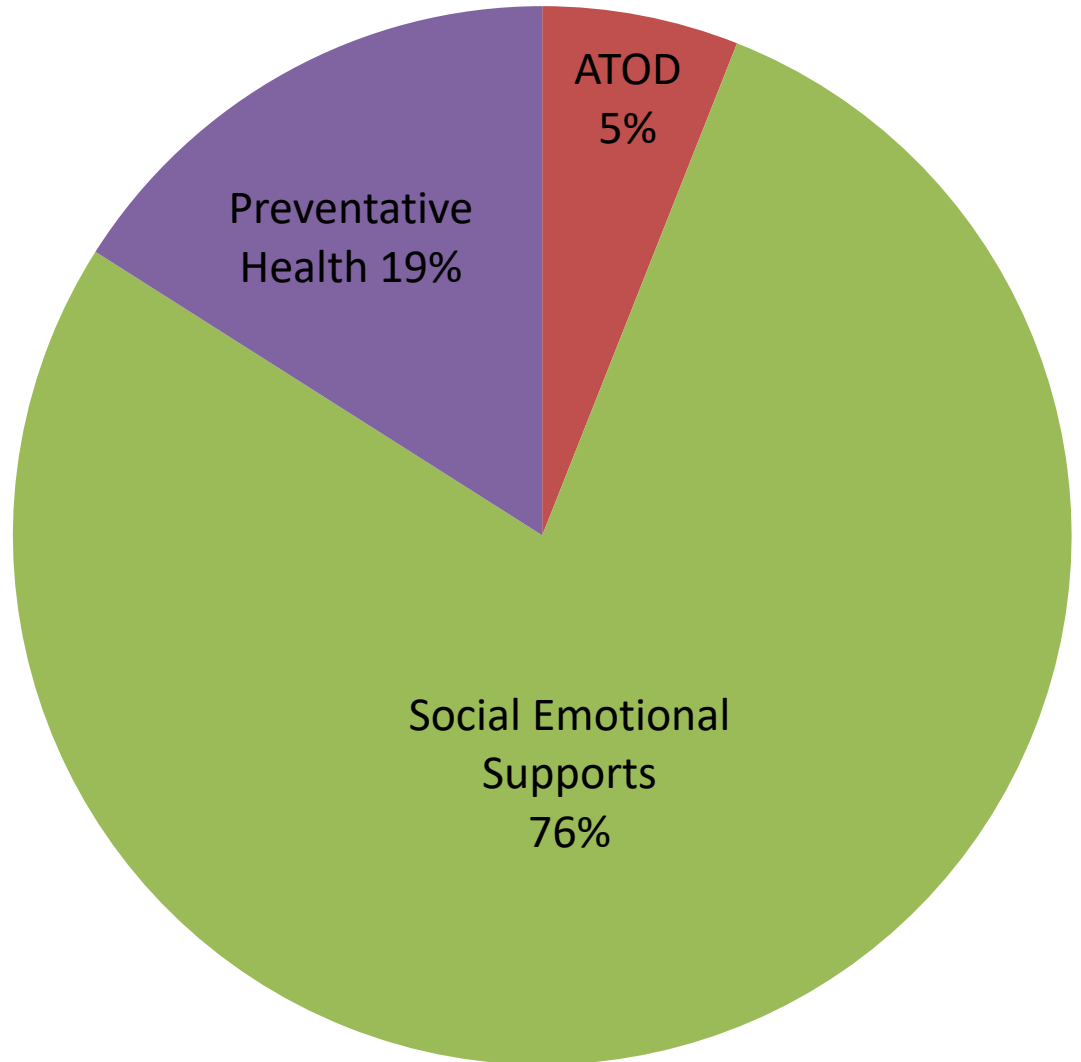
CURRENT PROGRESS

- ✓ PPE and other critical supplies have been offered to school districts
- ✓ South County Nurse Collab has served as an ongoing resource forum and support network for school nurses on a monthly basis
- ✓ Provided scrubs/lab coats for each school nurse
- ✓ Funded School Nurse Academy fees for new school nurses
- ✓ Offering \$5K scholarships to those enrolling in school nurse credential programs
- ✓ Piloting School Nurse Mentor Pilot Project

HSI Grant Summary 2021-22

Total amount
recommended:
\$539,000

Total number of
grants:
22



Challenges—2022-23

- Social-emotional/behavioral/mental health needs of staff, parents, and students have been increasing with the re-opening of schools this past school year
- A Tier One universal screening tool is being piloted with staff in all three high school districts in our county—“Early Alert”
- Schools need increased nursing support on a daily basis, with a focus on keeping current staff in place
- The safety and health needs of educators and the community have been in constant flux—the need for PPE and other supplies has varied greatly with Covid surges
- Anticipating and accounting for additional funding sources (e.g. State and Federal) for schools in 2022-2023 will continue to be dynamic, as we want to fill gaps but avoid duplication

Next Steps—2022-23

- Continued strong Tier One approach with an equity lens. Base goals upon a strategic, evidence-based, social norms public health foundation
- Collect and analyze current data to drive decision-making
- Ongoing partnership with Care Solace in 2022-23: SMCOE, SHD, PHCD
- Ongoing outreach/communication regarding the accomplishments of our school health and wellness team—HSI newsletter, May 2022
- Continued support of school nurses: S. County Collab and supplies as needed
- PE+ support in Redwood City School District will remain robust, but will decrease from 60% to 55%
- Year-to-date progress from the current school year segues into our 2022-23 goals

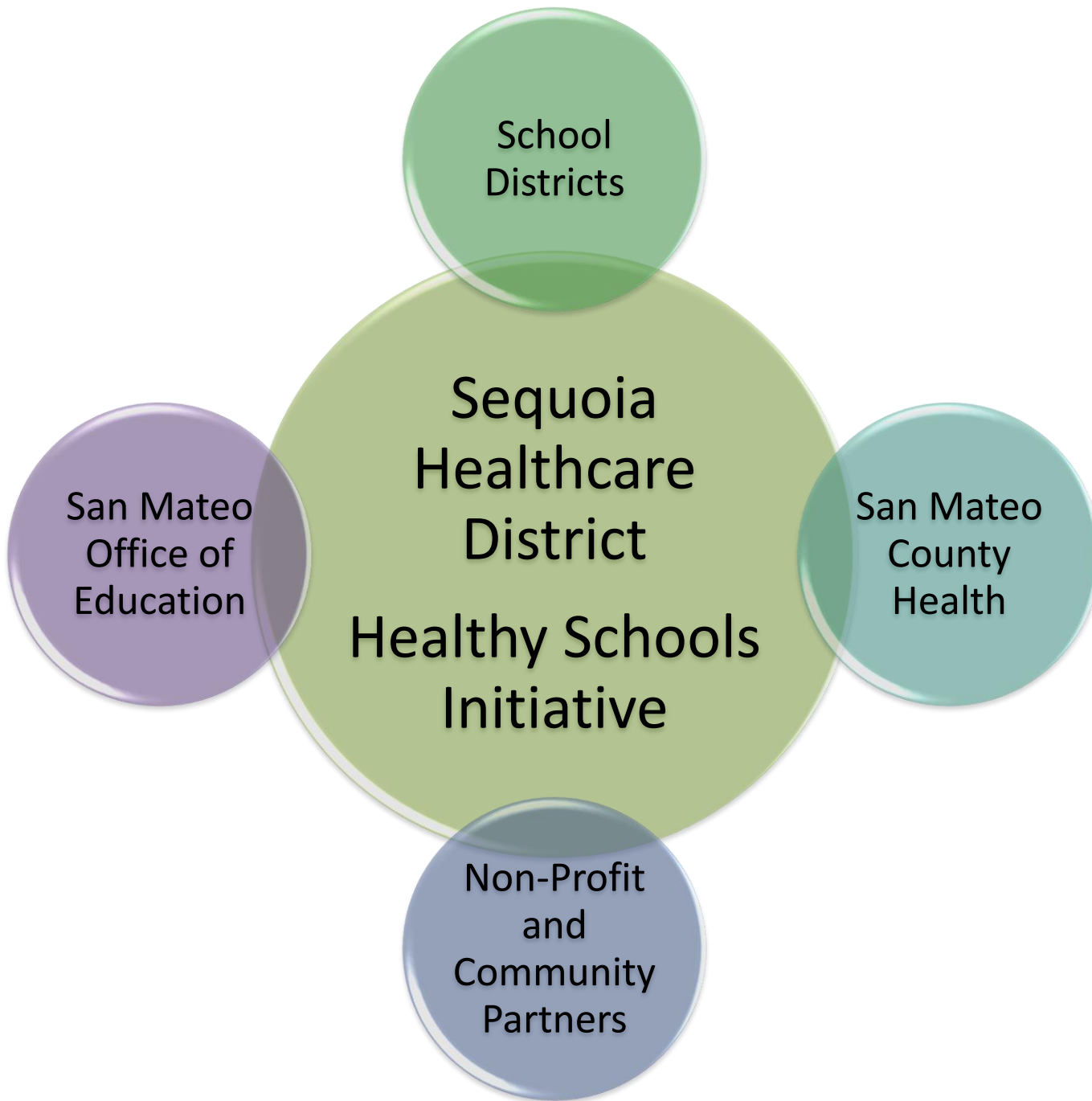
Healthy Schools Initiative: Next Steps

Pandemic Recovery Framework for Schools in San Mateo County



WHOLE SCHOOL, WHOLE COMMUNITY, WHOLE CHILD
A collaborative approach to learning and health





		Collaborative Partners			
	Committees and Organizations	Schools (31K)	SMCOE (93K)	SMC Health	Non-Profit Partners
Schools	District Wellness Leads (8 members)	✓	✓	✓	✓
	South County Nurses Collab (35)	✓	✓	✓	✓
SMCOE	TEC School Workgroup (15)	✓	✓	✓	✓
	S. County Mental Health Collab (30)	✓	✓	✓	✓
	Juvenile Justice and Delinquency Prevention (8)	✓	✓	✓	✓
SMC Health	School Wellness Alliance Advisory Group (SWAAG)—(25)	✓	✓	✓	✓
Non-Profit Partners	HSI Grantees (22)	✓	✓	✓	✓
	Parent Venture	✓	✓	✓	✓
	Care Solace	✓	✓	✓	✓
	CircleUp Education	✓	✓	✓	✓
	Kognito	✓	✓	✓	✓
	Stanford Tobacco and Cannabis Prevention Advisory Board	✓	✓	✓	✓

Conclusion

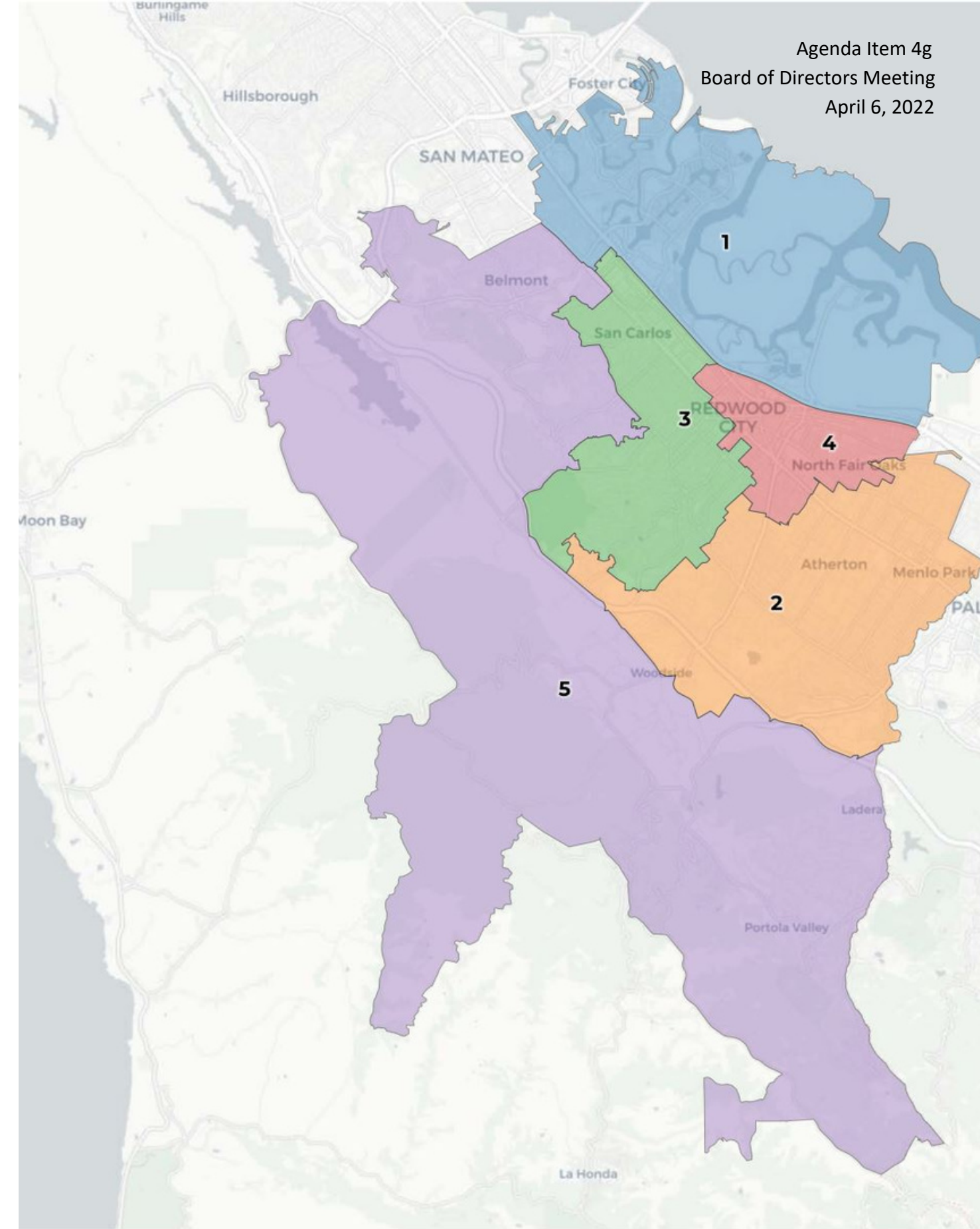




FOR YOUR HEALTH

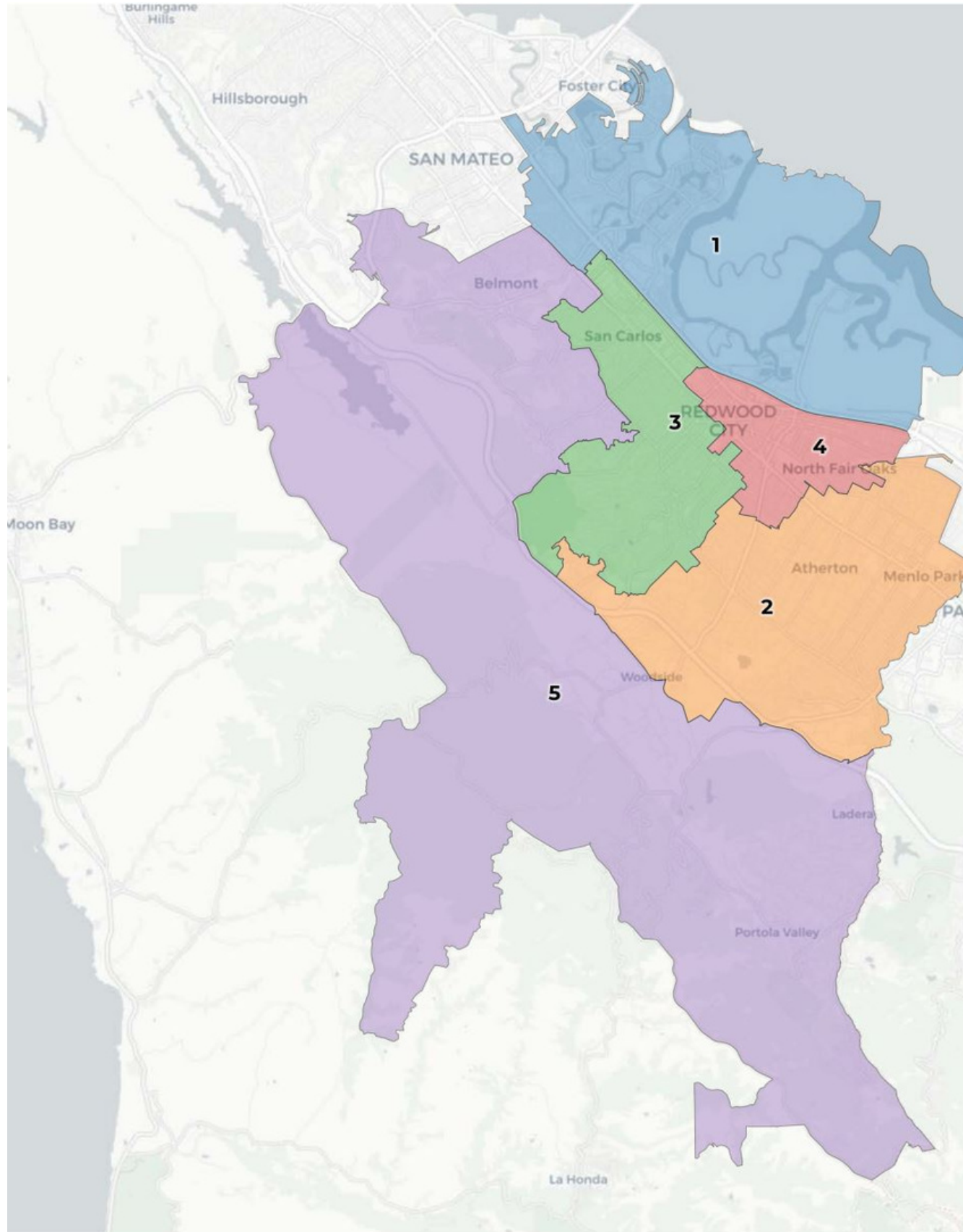
SHD Redistricting Maps

April 6th, 2022 Presentation to the Board



Redistricting Goals

- Comply with new laws regarding redistricting
- Distribute the population as evenly as possible
- Facilitate the voting power of underrepresented groups



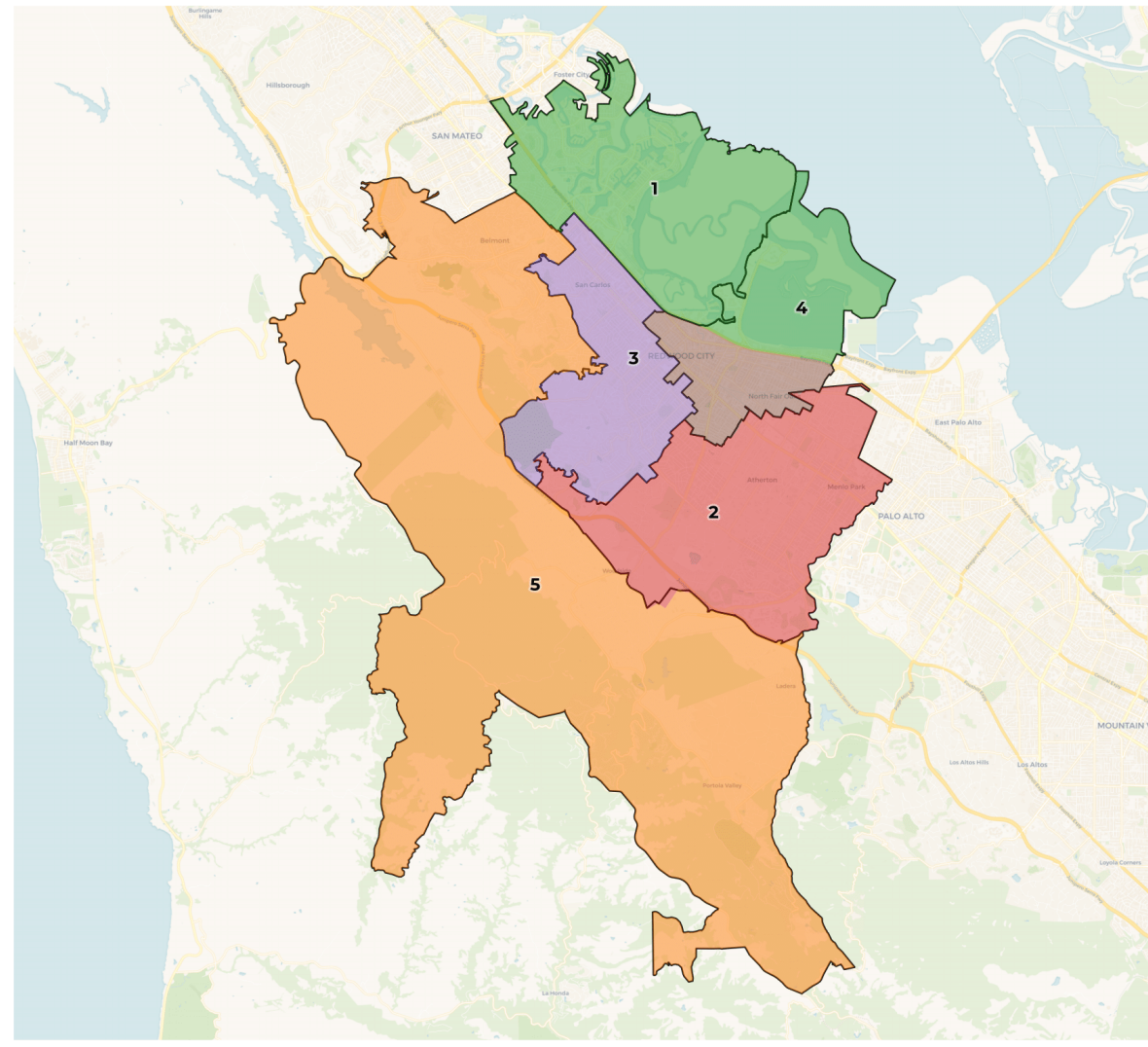
2020 Census

- District 1: 53,347 (7.3%)*
- District 2: 47,476 (-4.5%)
- District 3: 49,666 (-0.1%)
- District 4: 46,440 (-6.1%)*
- District 5: 51,410 (3.4%)

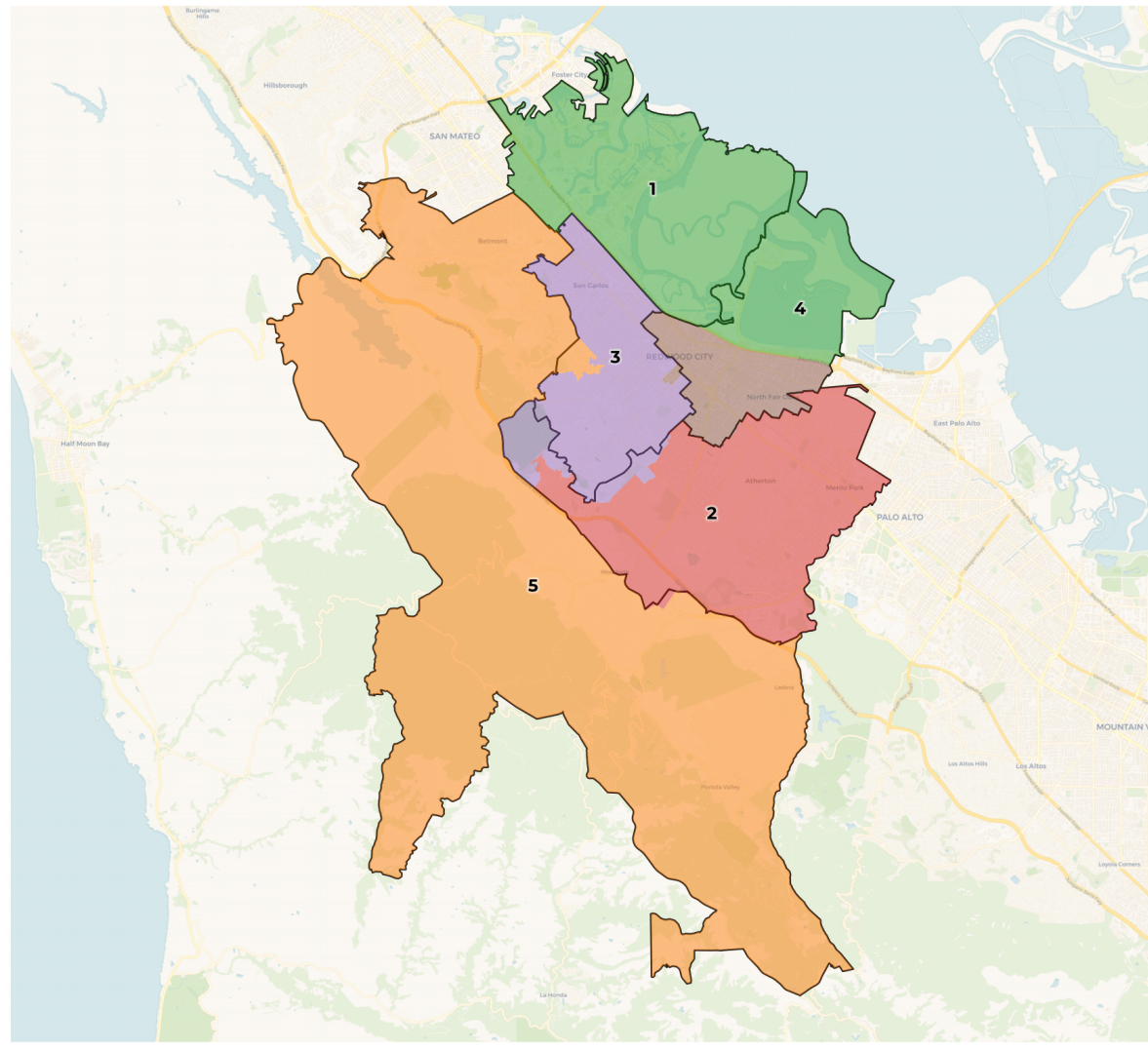
Total SHD Population: **248,559**

A

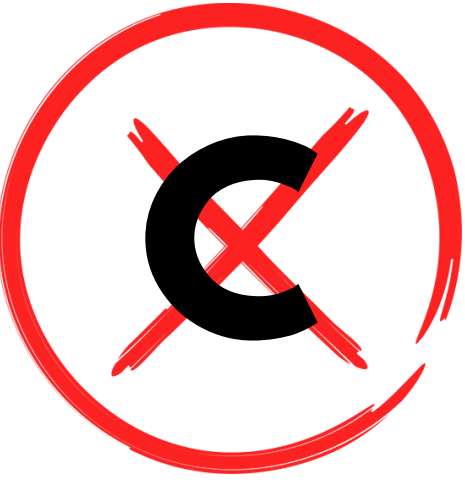
Sequoia Healthcare District
Draft Plan A - Existing Overlay



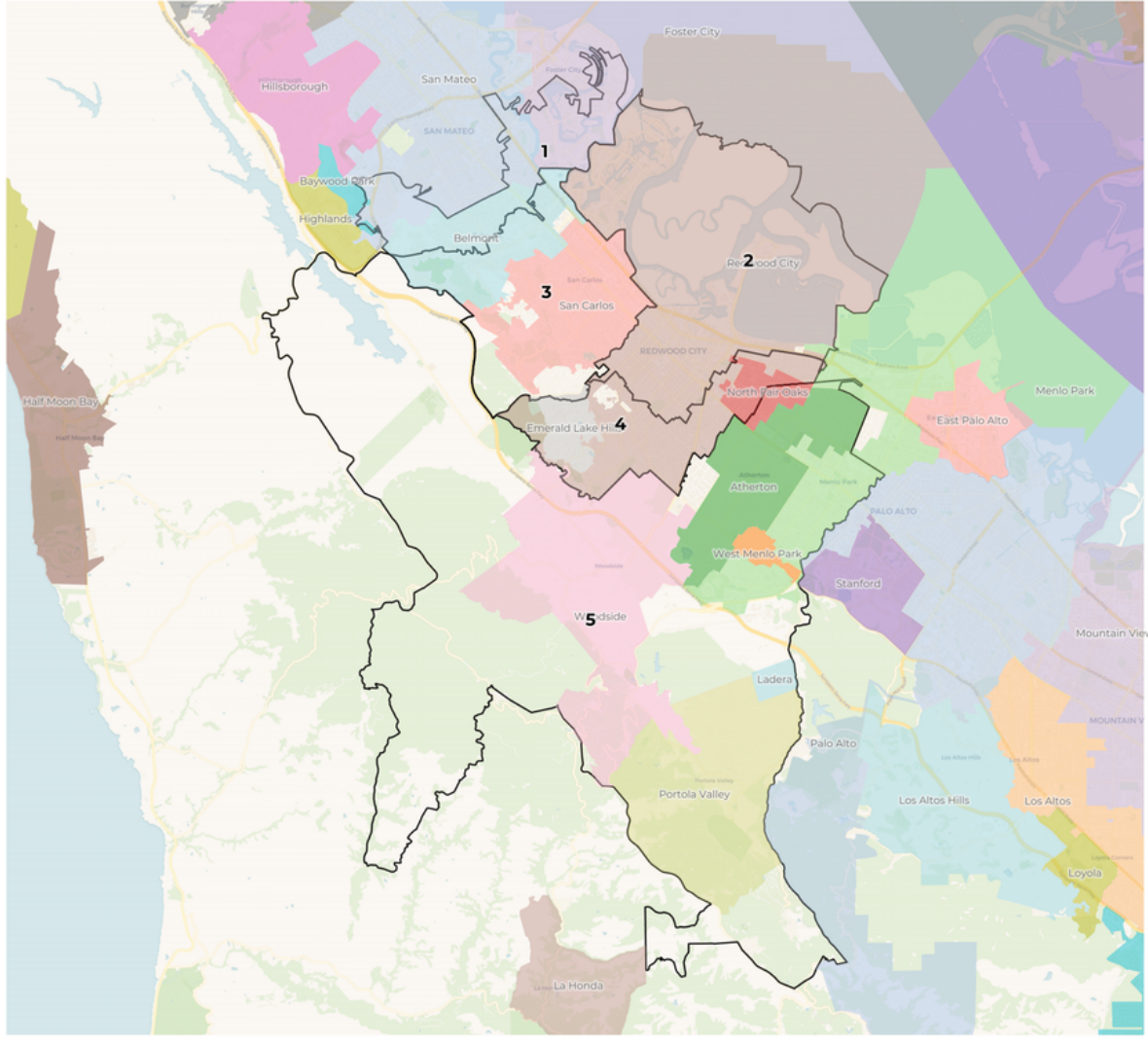
Sequoia Healthcare District
Draft Plan B - Existing Overlay



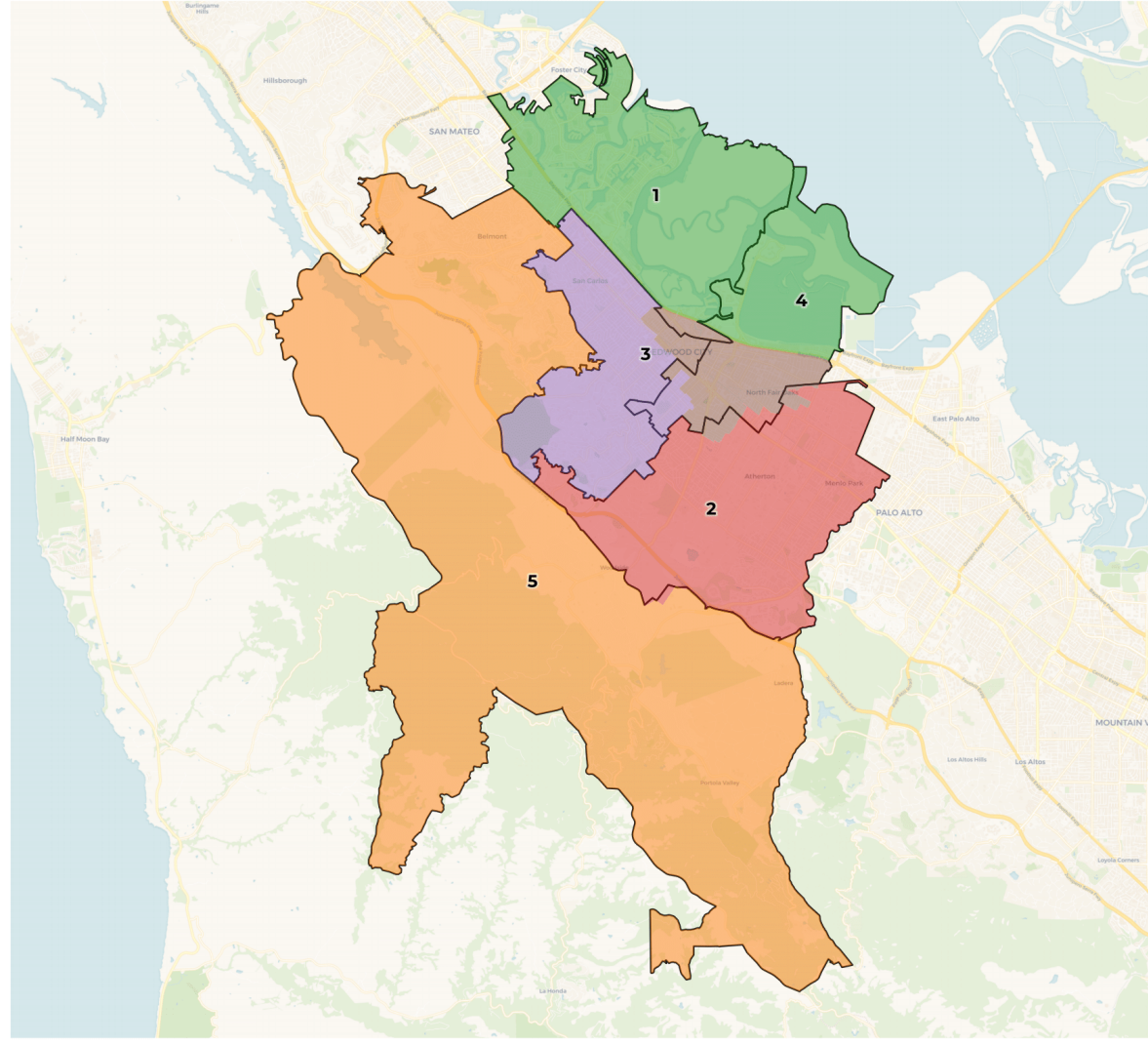
B



Sequoia Healthcare District
Prelim Draft Plan C - Cities Overlay



Sequoia Healthcare District
Draft Plan D - Existing Overlay



D

A

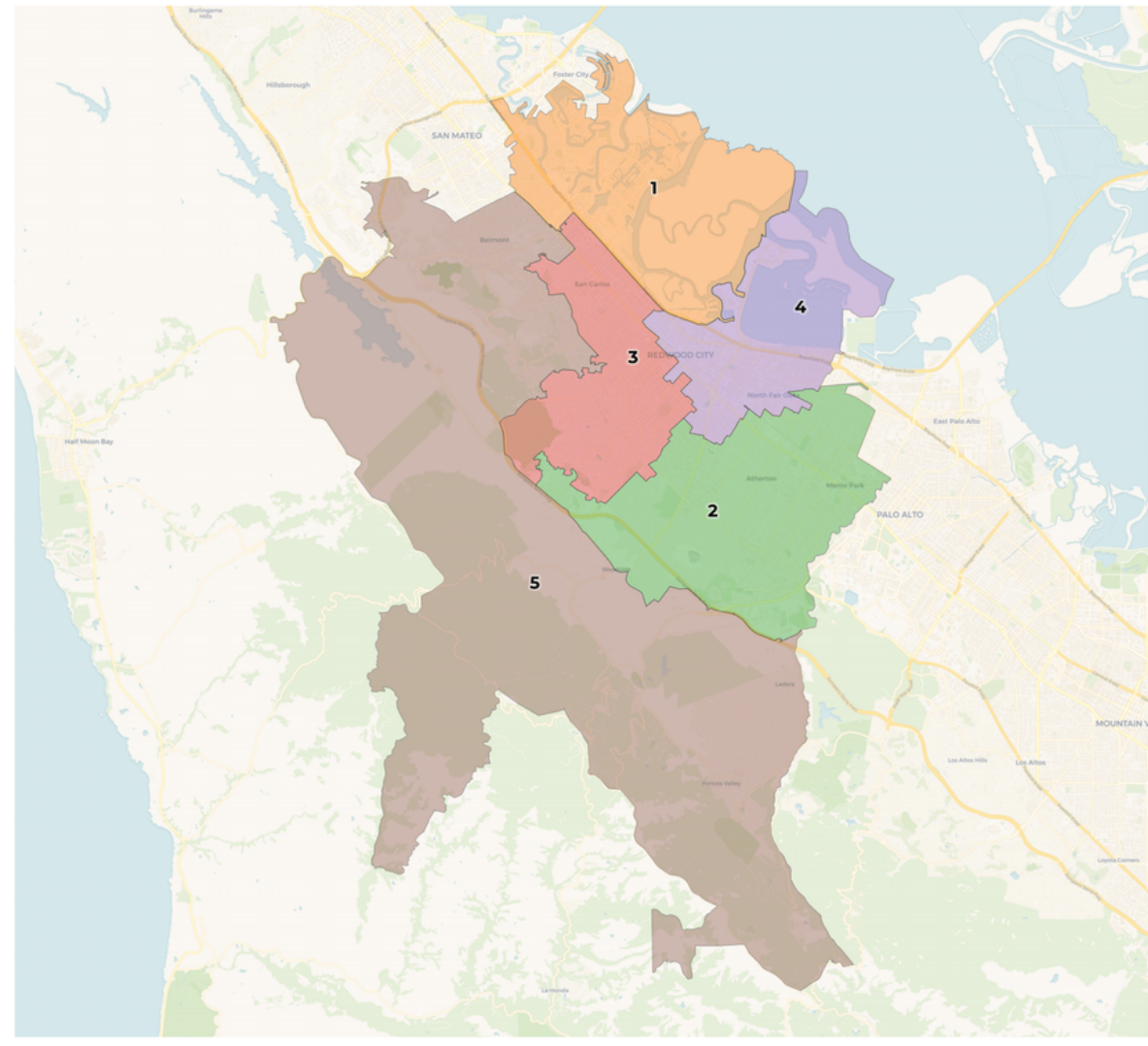


Sequoia Healthcare District
Preliminary Draft Plan A

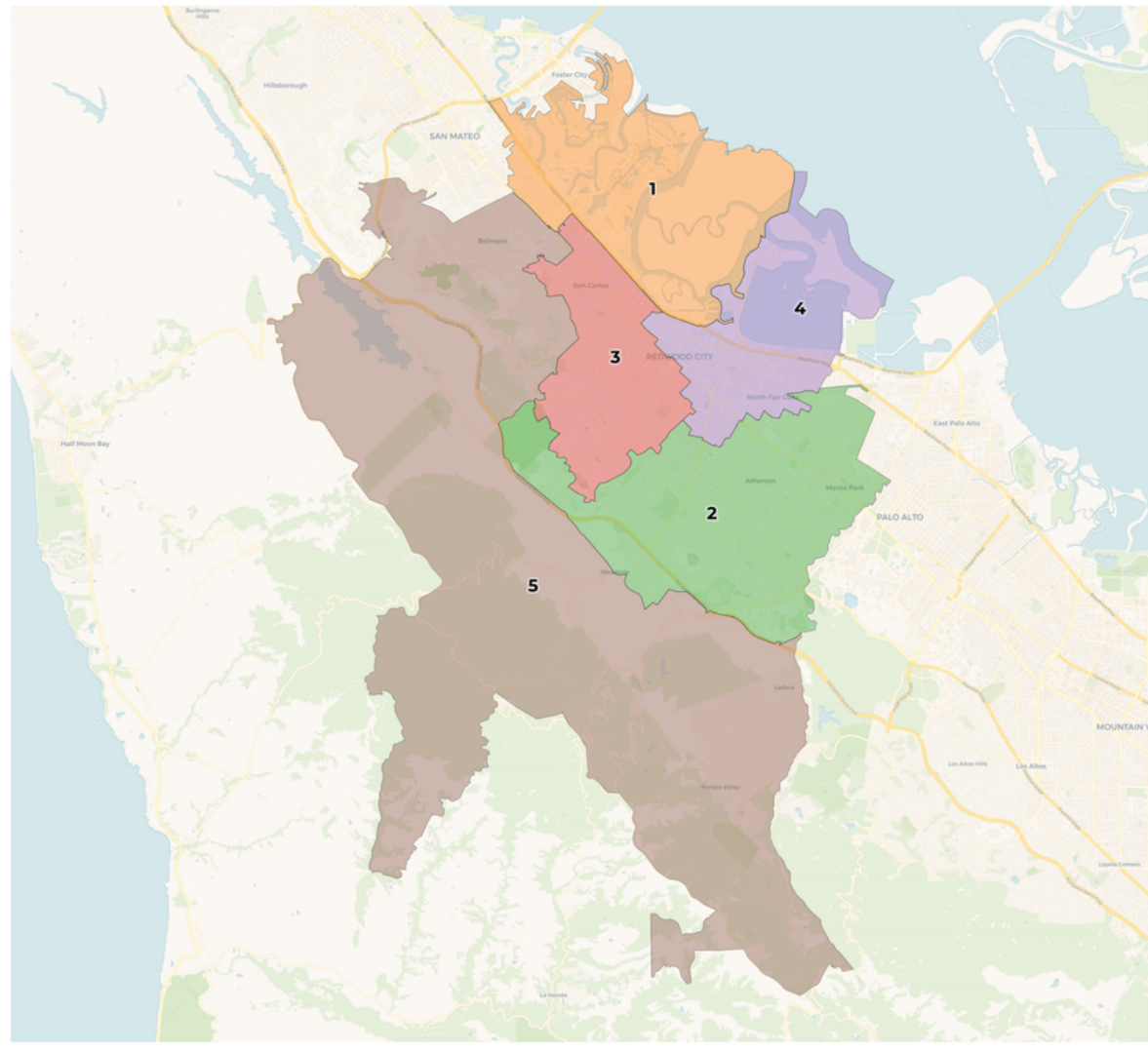
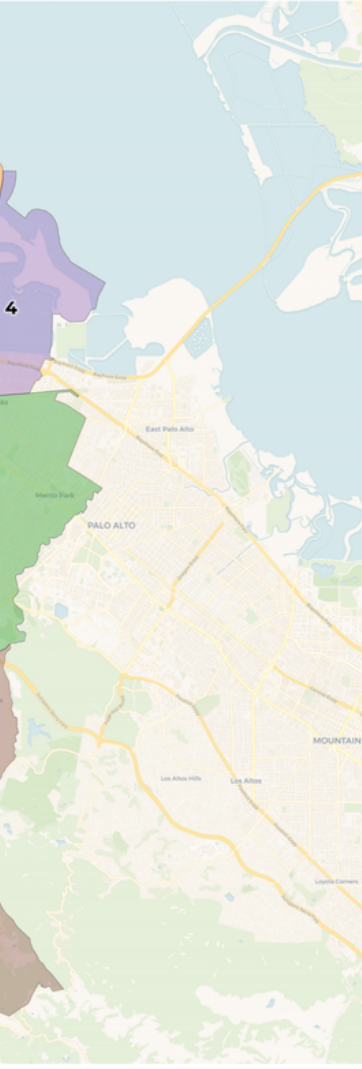
D



Sequoia Healthcare District
Preliminary Draft Plan D



Sequoia Healthcare District
Preliminary Draft Plan B



B



FOR YOUR HEALTH

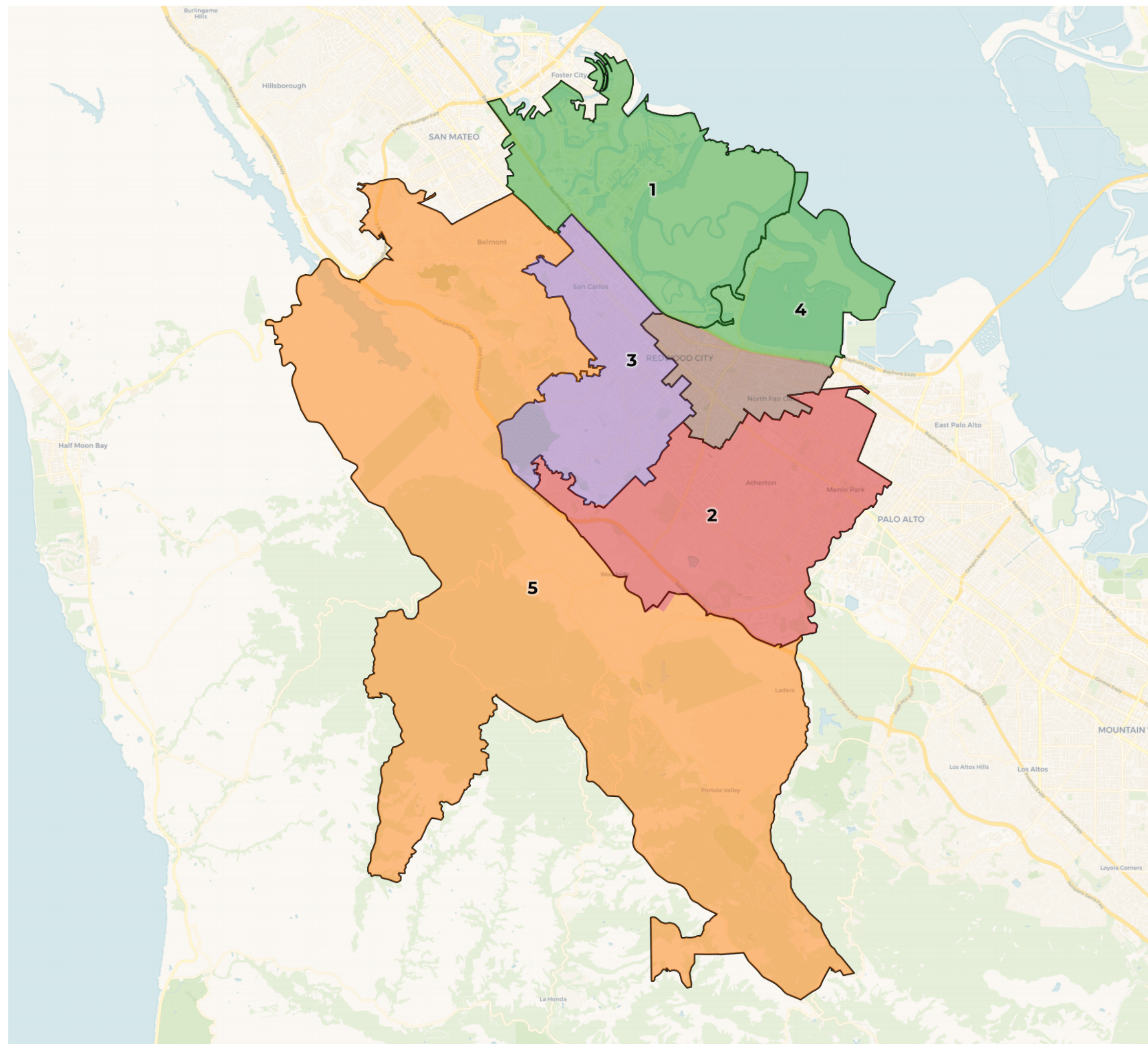
Plan A Overlay

Minimum change,
adjusting to District 4
(most underpopulated)
from District 1 (most
overpopulated)

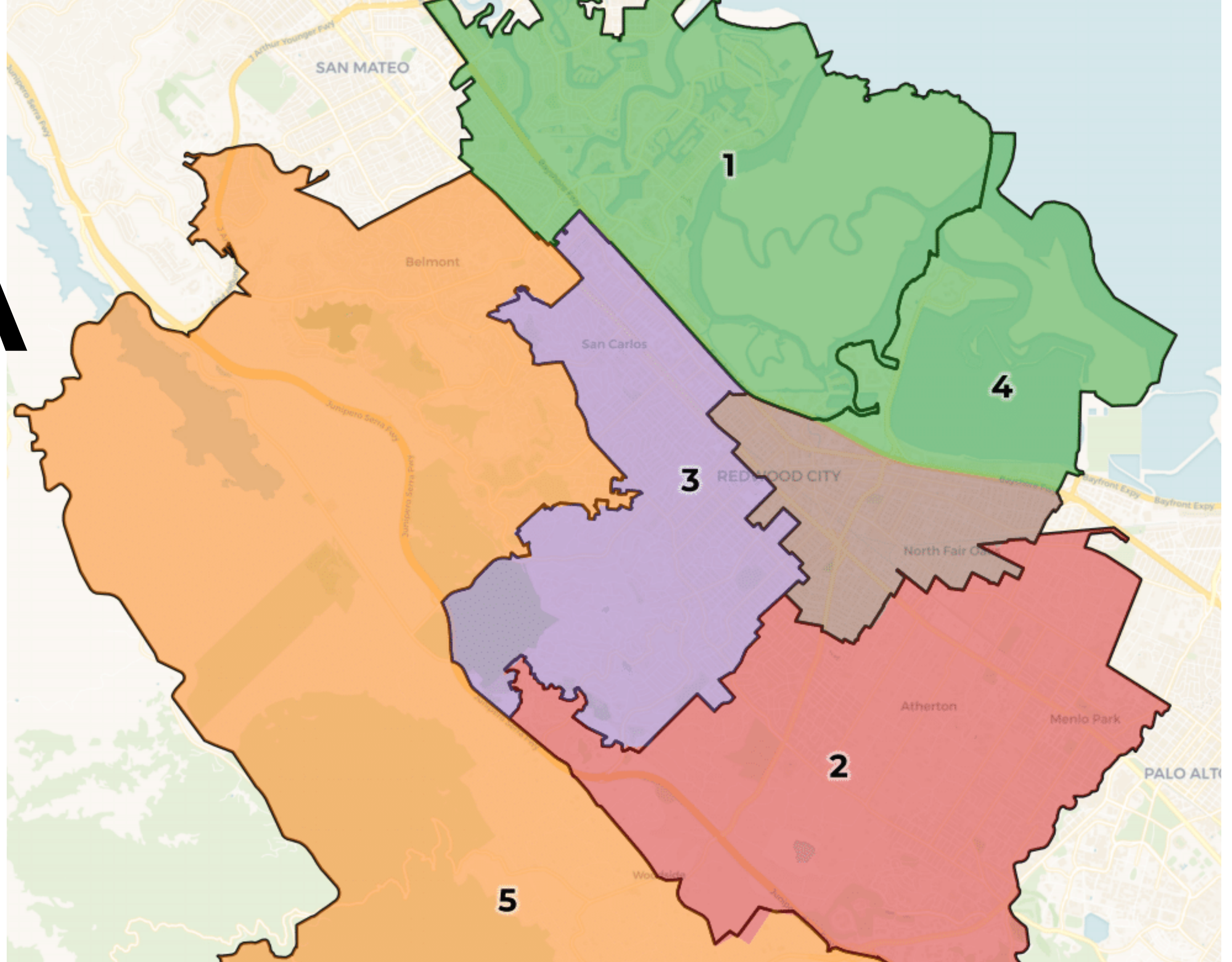
Sequoia Healthcare District

Draft Plan A - Existing Overlay

REDISTRICTING
PARTNERS



Plan A Overlay





FOR YOUR HEALTH

Plan B Overlay

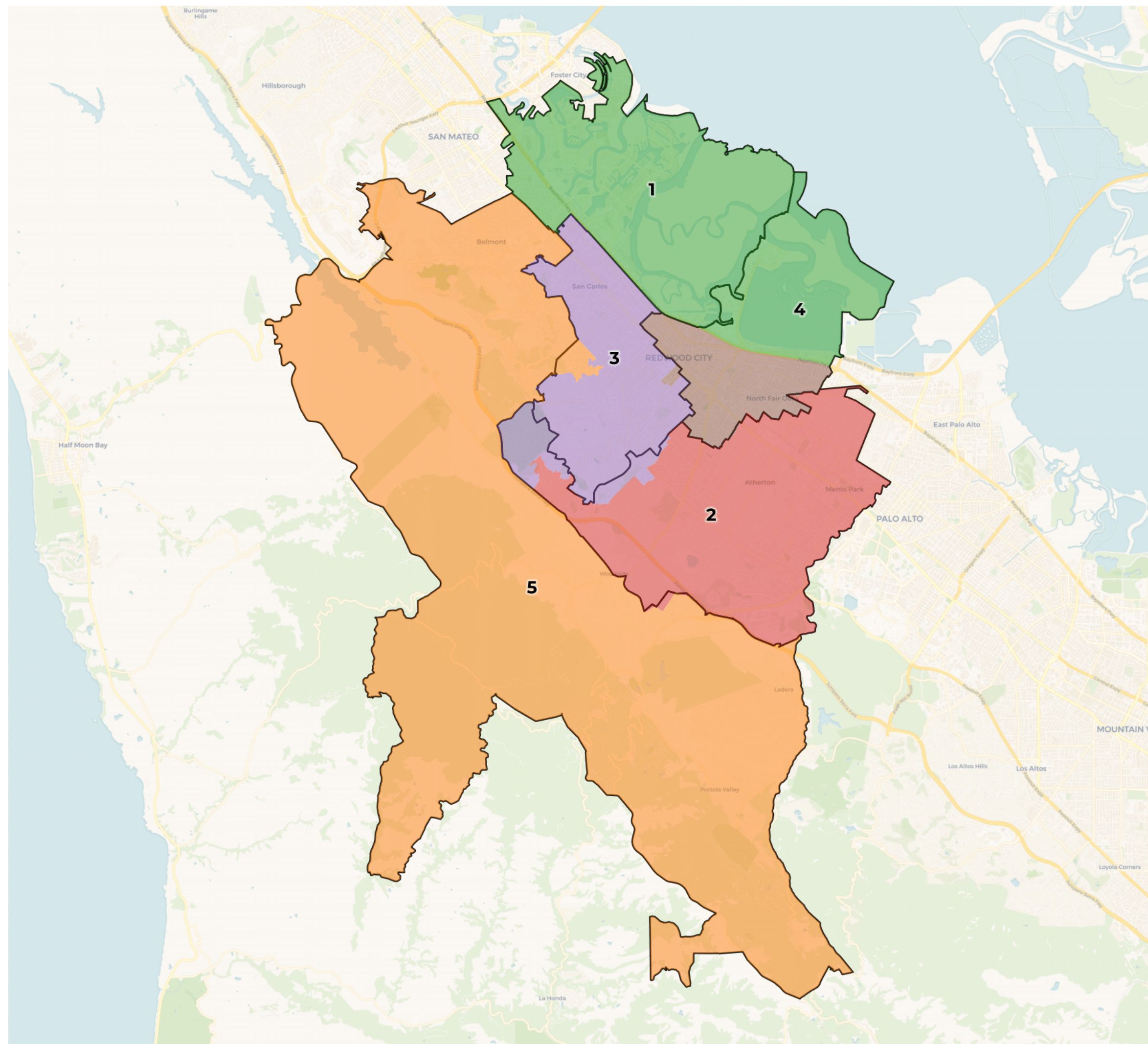
Minimum Change,
reducing deviations.

Total plan deviation <0.5%

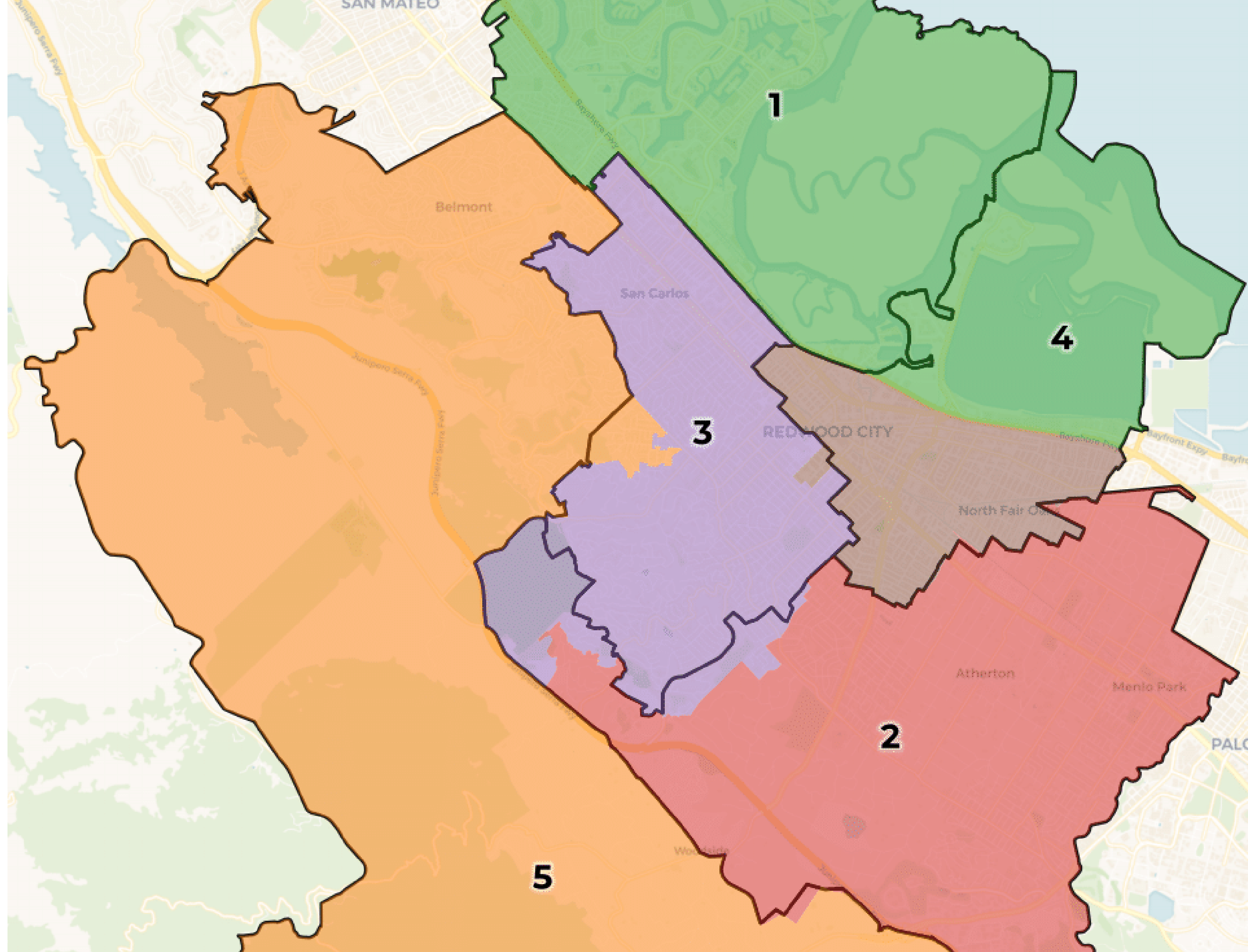
Sequoia Healthcare District

Draft Plan B - Existing Overlay

REDISTRICTING
PARTNERS



Plan B Overlay





FOR YOUR HEALTH

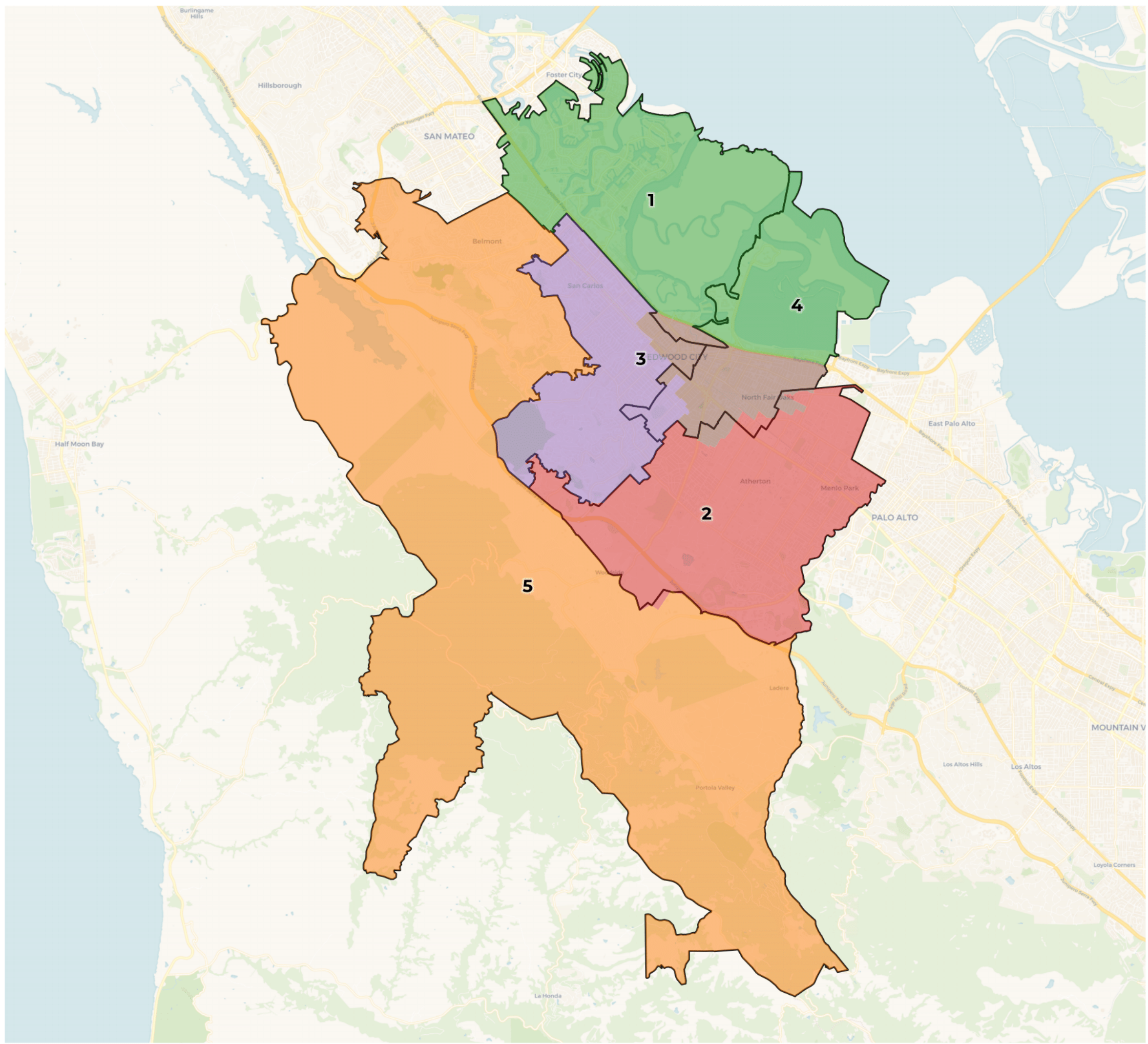
Plan D Overlay

Exploring if a Majority
Minority Latino district 4
can be drawn
(only gets to 48% CVAP*
Latino vs. 43.3% currently)

*CVAP=Citizen Voting Age Population

Sequoia Healthcare District
Draft Plan D - Existing Overlay

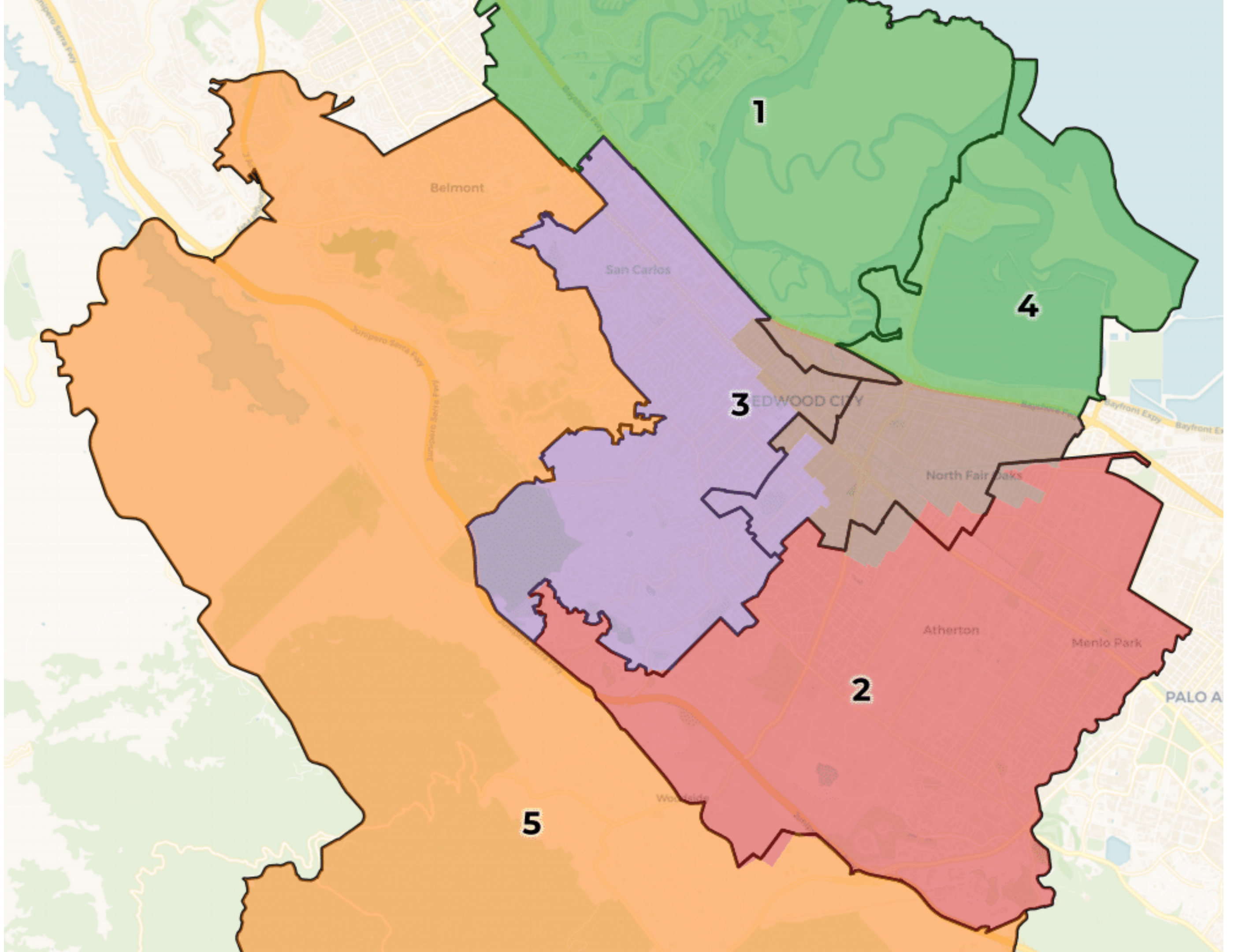
**REDISTRICTING
PARTNERS**



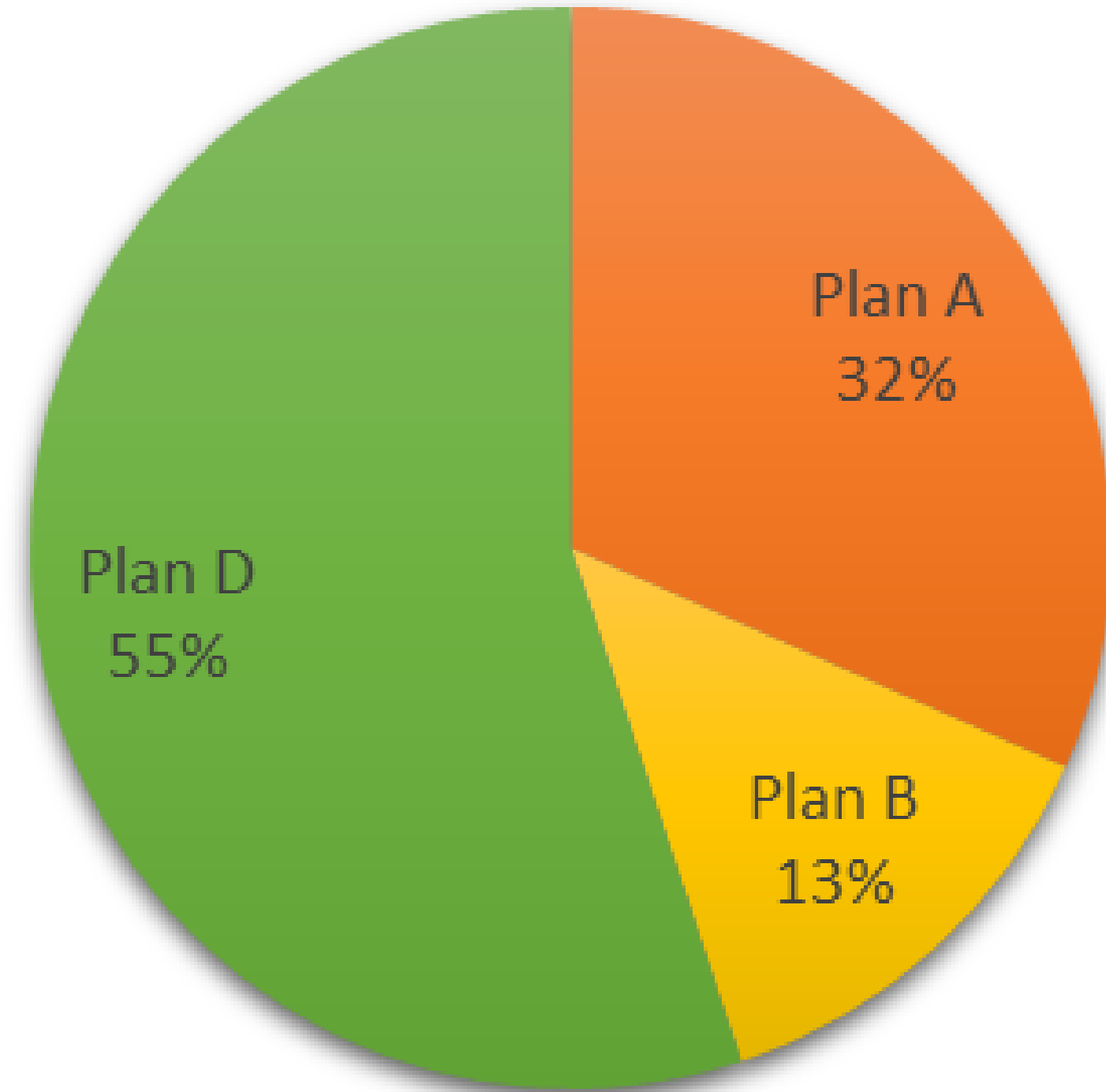
FOR YOUR HEALTH

Plan D Overlay



Map Plans	# of votes
Plan A	31
Plan B	13
Plan D	54

of votes



Plan A Plan B Plan D



FOR YOUR HEALTH

Special Thanks to:

Families United

Rotary RWC

RWC PAL

Rotary Foster City

Parent Education Series

CONSIDER REQUEST OF UP TO \$10,500 FOR UNBUDGETED BUILDING REPAIRS

Heidi Stamper | Administrative Executive/Office Manager

We have noticed multiple stained ceiling tiles and two major roof leaks in the back half of the building at 525 Veterans Blvd. A reputable roofing company evaluated the roof and noted that the front and sides of the main shingle roof have been overlaid with newer, thicker shingles (around 15-20 years ago), and the rear roof is older, of a thinner quality and failing. There are currently 6-7 roof patches on the rear roof that are peeling up.

We have been given quotes to reroof the backside of the building and patch the carport leak that will take care of all the leaks and failing patches for \$10,900 or repatch the failing patches for \$1,850.

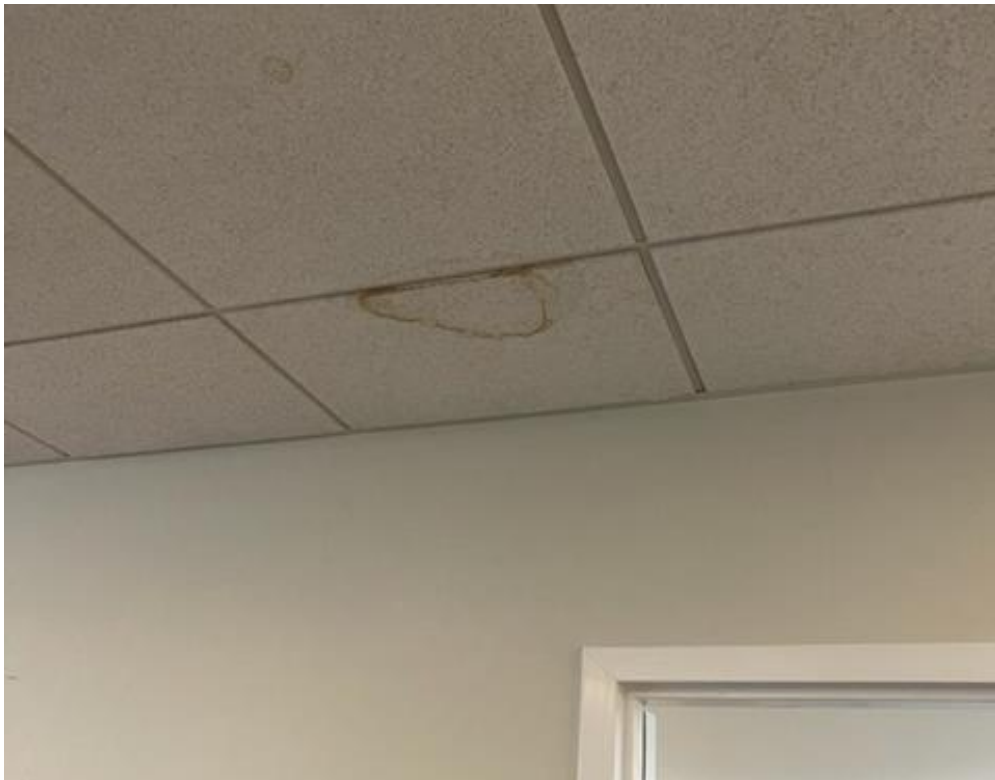
Considering the age and condition of the tiles in that portion of the roof, and the fact that the prior patching is failing, I am recommending reroofing that portion of roof.

Our 2021-22 maintenance budget is \$32,000 which covers regular maintenance only. Total year to date maintenance expenses are \$25,370.63, which by the end of the fiscal year will leave us with \$1,529.37 remaining in the budget.

Per Board policy 17.1 which requires any unbudgeted expenses over \$5,000 be brought before the Board for approval, I would like to request a motion to approve up to \$10,900 for the unbudgeted roofing repairs.



Leak in server room



ceiling
outside
server
room



Training room ceiling



Board room ceiling

Hallway near copier



El Camino Roof Systems Co. Inc.

California State License No. 987803

Proposal

1650 S. 7th Street
San Jose, CA 95112

Contractors Liability Insurance to \$1,000,000.00
All employees are covered by Compensation Insurance

Phone: (408) 292-7644
Fax: (408) 292-0962

Date: March 8th, 2022

Page 1 of 4

Name: Sequoia Healthcare District
525 Veterans Blvd.
Redwood City, CA. 94063
Email: hstamper@seqhd.org

Phone: (650) 421-2155
Fax: (650) 421-2159

Re: Commercial Building @ Above Address

The undersigned agrees to furnish and provide necessary labor, materials, tools, implements, and applications to do, performed and complete in a good workmanlike manner the following:

WORK TO BE PERFORMED: (New Partial Composition Shingle Roof)

Rear (east side of building) Sloped Roof Section Only:

1. Remove all of the main ridge shingles and two sides of the hip shingles at the rear roof section (**east side**) only and dispose.
2. Remove all of the existing vent flashings at the rear roof section (**east side**) only and dispose.
3. Remove all of the pipe flashings at the rear roof section (east side) only and dispose (**note: all of the existing pipe flashings (at the rear roof section) that have a fixed electrical conduit going into the pipe flashings will be left in place and reused**).
4. Furnish and fasten one (1ea) layer of 30lb felt underlayment over the existing 3-tab shingles at the rear roof section (**east side**) only.
5. Furnish and install new 4-6' inch vent flashings at the rear roof section (**east side**) only.
6. Furnish and install new pipe flashings at the rear roof section (**east side**) only (**note: all of the existing pipe flashings that have a fixed electrical conduit going into the flashings will be left in place and reused**).
7. Furnish and install five (5ea) new **O'Hagan** attic vents (attic ventilation) at the ridgeline at the rear (**east side**) roof section only.
8. Furnish and install "**Landmark Shingles**" (**CertainTeed**) at the rear roof section (**east side**) only.
9. Furnish and install 10' inch "**Mountain Ridge**" (**CertainTeed**) on the main upper ridge and the two hips at the rear roof section (**east side**) only.
10. Prime and paint all the newly installed vent and pipe flashings.
11. Grounds will be cleaned of all roofing debris daily/upon completion.
12. This proposal may be withdrawn from us if not accepted within 30 days.

Cost: \$9,950.00 _____ **ACCEPTED**

Options:

Building Permit

1.) Obtain a reroof permit from the Redwood City/San Mateo County

Building Department.

Cost: \$575.00 _____ **ACCEPTED**

This constitutes the entire contract and shall be binding upon the parties hereto, there being no covenants, promises or agreements, written or oral, except as herein set forth. Any changes or additions to this agreement must be done in writing. All work except repairs to existing roofs is guaranteed for five years in accordance with the printed guarantee attached hereto.

El Camino Roof Systems Co. Inc.
Proposal

In the event that it becomes necessary to institute suit or to employ an attorney to collect any payment or payments due the undersigned for labor or materials furnished under this agreement or any modification thereof, then you shall be liable to the undersigned for court costs and reasonable attorney's fees. Interest charged on all **Past Due Accounts**.

Terms of payment shall be as follows: Payable upon Completion

Respectfully submitted By: Mark Castillo 3-8-22
Mark Castillo

ACCEPTED

In the event the undersigned fails to pay the contractor within fifteen (15) days after any payment becomes due as set forth above, contractor may, by giving five (5) days written notice thereof, to the undersigned terminate his services under this contract, stop work on the project until all past due payments have been received by him and the undersigned has posted a bond satisfactory to the contractor for the payment of all amounts that will thereafter become due to contractor under this contract.

Payments due and unpaid under the terms of this contract shall bear interest from the day payment is due at the rate of 1 ½ percent per month for an annual percentage rate of eighteen percent (18%) per annum.

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal for which the undersigned agree(s) to pay the amount mentioned in said proposal and in accordance with the terms thereof.

Signed _____ Date _____

This proposal is limited to 30 day acceptance from the date hereof unless otherwise stated above. Contracts and agreements are contingent upon strikes, accidents and delays or other causes unavoidable or beyond our control.

**PLEASE SEE IMPORTANT NOTICE FOLLOWING
WARNING**

El Camino Roof Systems Co., Inc. has not inspected the materials that are on the roof prior to the time El Camino Roof Systems Co., Inc. commences its work pursuant to the terms of this contract. The materials that are on this roof may contain asbestos, hazardous materials or other toxic contaminants. The customer expressly assumes the responsibility of making a determination of whether or not any of the materials that are on the roof prior to the commencement of work by El Camino Roof Systems Co., Inc. contain asbestos, hazardous materials, or other toxic contaminants. Owner assumes full responsibility for the removal of any materials containing asbestos, hazardous or toxic materials.

“The installation of roofing materials does not ensure the integrity of the underlying roof support system. If the underlying support system is not level, adding or replacing new roofing materials will not make the roof level, and ponding may occur. El Camino Roof Systems Co., Inc. is not liable for ponding unless this contract specifically includes repairs to the underlying support system or sloping.”

I have read and understand the above paragraphs.

Signed _____ **Date** _____

**ROOF MAINTENANCE GUARANTEE
APPROVED BY ROOFING CONTRACTOR**

As the undersigned, we hereby guarantee to the purchaser named in the contract of which this Guarantee is a part that the roofing work completed by us on the building described in said contract on the date set forth therein is of the materials and workmanship described in the specifications agreed to and a part of such contract. We hereby guarantee to the purchaser to make, without cost or expense to the purchaser, any repairs to the roof of said building involved in such roof work that may become necessary to maintain in a water tight condition for a period of five (5) years from the date of completion. For this Guarantee to be effective, it shall be the duty of the purchaser, or agent, employee, or tenant of such purchaser, to report to us in writing within five (5) years from such date of completion, any and all leaks or other defects claimed to be caused from defective materials or workmanship applied by us under our contract. In the event defects occur during such five (5) year period due to defects in workmanship or materials applied by us, our Guarantee and obligation shall be limited to necessary repairs; and it is understood and agreed that we shall not be responsible to anyone for, and the purchaser shall hold us harmless from and against any liability to anyone for, damage to such building itself, the interior decorations therein, the contents thereof, or from the interference with a partial or total loss of use thereof, or any part thereof.

It is understood that this Guarantee does not extend to: any damage to said roof from fire, earthquake, extreme wind, hail, or distortion, warping, settlement or defects in the roof deck upon which the roof is applied or rests; or injury caused to said roof by other parties by their actions beyond our control; or to leaks from flashing, or parapet walls unless same were applied or waterproofed by us. We are not responsible for leaks through skylights, air conditioning units, vents or other sheet metal installations, unless applied by us.

In the event a question shall arise as to the cause of any leaks which may develop during the period of this Guarantee, the undersigned reserves the right to have an investigation made by an independent qualified person as to the cause of such leaks, and the reasonable findings of such person shall be binding and conclusive as to such cause.

It will be the duty of the purchaser, his agent, employee, or tenant, to ascertain, with reasonable certainty, that the leaks reported to us for repairs under this Guarantee are in the roof and that the cause is from defects in materials or workmanship applied by us, and not from other causes or sources. A charge will be made by us to cover the cost of a mechanic's time, insurance, cartage, and any materials expended in making this investigation if we find that the trouble is caused by other than defects in materials or workmanship applied by us. This charge is made necessary by the calls that are referred to us for service where the leaks are in skylights, vents or air conditioners or caused by roof drains being stopped up or damage done by sign maintenance, TV service or similar conditions. These are no fault of the roof and are beyond our control and would entail a very large expense upon us unjustly if we did not charge for our services.

The promises of the undersigned contained in this Guarantee need not be performed until the entire purchase price provided in such contract is paid as agreed.

El Camino Roof Systems Co. Inc.

California State License No. 987803

Proposal

1650 S. 7th Street
San Jose, CA 95112

Contractors Liability Insurance to \$1,000,000.00
All employees are covered by Compensation Insurance

Phone: (408) 292-7644
Fax: (408) 292-0962

Date: March 8th, 2022

Page 1 of 2

Name: Sequoia Healthcare District
525 Veterans Blvd.
Redwood City, CA. 94063
Email: hstamper@seqhd.org

Phone: (650) 421-2155
Fax: (650) 421-2159

Re: Commercial Building @ Above Address

The undersigned agrees to furnish and provide necessary labor, materials, tools, implements, and applications to do, performed and complete in a good workmanlike manner the following:

WORK TO BE PERFORMED: (Tar & Gravel Roof Patch)

1. Remove up to a 2ft x 4ft section of existing tar and gravel roofing at the rear carport roof section that has plywood damage and dispose.
2. Remove up to a 2ft x 4ft section of damaged plywood sheathing at the rear carport roof section and dispose.
3. Furnish and install a new piece of ½' inch **CDX** plywood sheathing at the rear carport roof section.
4. Furnish and mechanically fasten a piece of "**Glass Base**" (**CertainTeed**) over the new piece of CDX plywood sheathing.
5. Furnish and torch apply a piece of "**Flintastic STA**" smooth membrane (**CertainTeed**) and a piece of "**Flintastic GTA**" granulated membrane (**CertainTeed**) over the "**Glass Base**" sheet.
6. Grounds will be cleaned of all roofing debris daily/upon completion.
7. This proposal may be withdrawn from us if not accepted within 30 days.

Cost: \$950.00 _____ **ACCEPTED**

This constitutes the entire contract and shall be binding upon the parties hereto, there being no covenants, promises or agreements, written or oral, except as herein set forth. Any changes or additions to this agreement must be done in writing. All work except repairs to existing roofs is guaranteed for five years in accordance with the printed guarantee attached hereto.

El Camino Roof Systems Co. Inc.

Proposal

In the event that it becomes necessary to institute suit or to employ an attorney to collect any payment or payments due the undersigned for labor or materials furnished under this agreement or any modification thereof, then you shall be liable to the undersigned for court costs and reasonable attorney's fees. Interest charged on all **Past Due Accounts**.

Terms of payment shall be as follows: Payable upon Completion

Respectfully submitted By: Mark Castillo 3-8-22
Mark Castillo

ACCEPTED

In the event the undersigned fails to pay the contractor within fifteen (15) days after any payment becomes due as set forth above, contractor may, by giving five (5) days written notice thereof, to the undersigned terminate his services under this contract, stop work on the project until all past due payments have been received by him and the undersigned has posted a bond satisfactory to the contractor for the payment of all amounts that will thereafter become due to contractor under this contract.

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You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal for which the undersigned agree(s) to pay the amount mentioned in said proposal and in accordance with the terms thereof.

Signed _____ **Date** _____

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El Camino Roof Systems Co. Inc.

California State License No. 987803

Proposal

1650 S. 7th Street
San Jose, CA 95112

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All employees are covered by Compensation Insurance

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525 Veterans Blvd.
Redwood City, CA. 94063
Email: hstamper@seqhd.org

Phone: (650) 421-2155
Fax: (650) 421-2159

Re: Commercial Building @ Above Address

The undersigned agrees to furnish and provide necessary labor, materials, tools, implements, and applications to do, performed and complete in a good workmanlike manner the following:

WORK TO BE PERFORMED: (Low Slope Roof Patching/HVAC Maintenance)

1. Clean all debris (ie. dirt/dust) from the existing patches (6ea-7ea) on the low slope single ply roof section only and dispose.
2. Re patch all existing patches on the single ply roof with ACS White Silicone Mastic embedded in a 4' inch fiberglass mesh
3. Furnish and apply ACS White Silicone Mastic over one leaking HVAC conduit pipe flashing embedded in a 4' inch fiberglass mesh
4. Apply Silicone coating to the exposed HVAC ductwork seams.
5. Grounds will be cleaned of all roofing debris daily/upon completion.
6. This proposal may be withdrawn from us if not accepted within 30 days.

Cost: \$1,850.00 _____ **ACCEPTED**

This constitutes the entire contract and shall be binding upon the parties hereto, there being no covenants, promises or agreements, written or oral, except as herein set forth. Any changes or additions to this agreement must be done in writing. All work except repairs to existing roofs is guaranteed for five years in accordance with the printed guarantee attached hereto.

El Camino Roof Systems Co. Inc.

Proposal

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Respectfully submitted By: Mark Castillo 3-8-22
Mark Castillo

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Signed _____ **Date** _____

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**Budget Overview for FY 2022-23
Proposed Draft For Board Review
4/6/2022**

This is the time the 2022-23 draft budget is being presented to the District Board for feedback. The proposed budget represents my best estimate of revenue and expenses at this point in April, based on the adopted budget and actuals for 2021-2022. The attached draft budget totals \$16,800,400. This is close to a \$1M increase from 2021-22, mainly due to the change in the pension pass through, although several other adjustments have been made which are summarized in this document.

Notable changes to our **income** this year include:

- A decrease in our rental income through Feb 2023 while we offer non-profit reduced rental fee for temp space while we explore options to repurpose our building.
- A reduction in anticipated investment income from \$180K to \$80K based on actuals and ongoing market instability resulting from COVID.
- An increase of \$510K from Dignity Agreement
- Pension pass-through increase to \$2.2M from \$1.5M

Total income including tax revenue and other sources: \$16,800,400

- 14,000,000 (property taxes)
- +2,800,400 (other sources)

Our total expenses including grants and programs is \$16,800,400, which is in balance to our income

- \$7,600,050 Grants
- \$5,345,000 Programs
- \$1,554,450 Admin/other non-personnel expenses
- \$2,300,900 Pension, building, capital improvements

Notable changes to expenses:

One significant change is in staffing costs. As the Bay area cost of living continues to increase combined with the recent significant rise in inflation, to maintain our exceptional talent and recruit equally qualified new staff, will requires us to pay a more competitive salary and benefits package. In addition, I plan to hire a part-time grants administrative support staff to support our robust and evolving community investments. The fully loaded labor costs for grants/admin personnel totals \$638,500 as compared to last year which was budgeted at \$468,000, although the 2021-22 actuals are expected to land closer to \$525,000 by June's end. Our total administrative costs are projected to be \$1,554,450, compared with last year's \$1,127,200. Pension, building, and capital improvements totals \$2,300,900, an increase of about \$700,000 as the recommended pension contribution increased from \$1.5M

to \$2.2M. The difference in these costs are due to several adjustments and are further detailed below.

Expenses:

Notable changes under \$50K

- Increased Board Expenses Insurance by \$20,000 based on current actuals
- Accounting fees expected to increase by up to 20%- will try again for board-requested extensive audit if auditors have bandwidth this year

Notable changes to expenses over \$50K

- Admin payroll and expenses increased by \$120.5K due to staff salary and job description adjustments. All payroll costs also increase parallel with earnings
- Grant Admin payroll increased by \$50K due to staff salary increases, payroll costs, and intention to hire part-time grants support staff
- Election Fees increased by \$250K given our election in 2022
- Decreased Legal Fees from \$240K to \$50K based post Dignity settlement
- Increased Purchased Services Line item from \$0 to \$150K to pay for consultant to conduct oral health needs assessment, building assessments, PE+ audit
- Pension pass through increase from \$1.5M to \$2.2M

Changes in the grants and program expense areas include:

- Recommended increase of Community Grants from \$3.75M to \$4M
- Suggested increase of Healthy Schools budget of \$4,770,355 to \$5M
- Increased Healthy Living budget from \$0 to \$50K to rebrand and initiate new “Sequoia Smart” pilot program
- Decreased Covid Emergency Funds from \$1M to \$0. Will remove this line item from budget
- Increased Future Impact Funds (FIF) from \$0 to \$245K to support unforeseen or new programs that provide community benefit throughout the fiscal year.
- Increased HeartSafe budget from \$75K to \$150K to expand community offerings in disaster preparedness, CPR and community first Aid- Looking to rebrand as “Sequoia Safe”

Recommendation

- Present first draft budget at April 6 Board meeting for Board feedback and public comment
- Make Board recommended changes and incorporate other feedback, including public feedback to draft, share again with board via email and via a special public meeting or study session
- Adopt the recommended final budget for 2022-23 Fiscal year at our June 1, 2022 public meeting
- Post newly adopted budget on website

Attachments

A. Budget Spreadsheet for FY22-23 including actuals and assumptions and adopted FY 20-21 budget

EXHIBIT “A”

SCOPE OF SERVICES

Funding for this agreement has been granted from the Sequoia Healthcare District to support the coordination, communication and execution of the SHD 75th Anniversary Health Fair on May 21, 2022. The Event planner will play a lead role in coordinating activities across a diverse set of stakeholders that include public agencies, non-profit organizations, public health officials, local political leaders, community members, education and public safety officials. The event planner will work closely with Sequoia Healthcare District and RWC Together staff members.

Specific tasks will include:

- Oversee all aspects of master event plan, including budget
- Work with Communications Work Group to develop and carry out a Communication Plan including:
 - Develop and maintain a database of all NFO stakeholders
 - Facilitate the Health Fair Planning meetings with RWC Together and SHD support
 - Publicize Health Fair with support of community based organizations, community members, core agencies, City of Redwood City and others
 - Coordinate and oversee activities and serve as the “go to” person on all related activities
 - Maintain a master calendar of implementation for meetings and execute May 21, 2022 health fair, aiming to have over 3,000 participants
 - Recruit community based organizations and partners to participate and host a booth or an activity at the Health Fair
 - Work with surrounding businesses to coordinate opportunities for their involvement
 - Identify issues and areas where progress is not taking place and bring these concerns to the SHD and RWC Together planning team
 - Identify who is responsible for areas of implementation that are community priority and identify for moving this forward; where problems arise bringing these forward
 - Work with local public safety (police and fire) to assure all safety protocols are in place
 - Coordinate rental of tables, tents, chairs, and other rental items
 - Assure audio/video and other technology is obtained and in working order
 - Coordinate other activities as identified over the course of planning

Consultant health fair planner will invoice Sequoia Healthcare District biweekly or monthly, providing documentation of actions taken during that proceeding month.

Sequoia Healthcare District - Proposed DRAFT Budget 2022-2023

	Approved Budget 2021-2022	Actual income/exp Jul2021-Feb2022	Anticipated year end 2022 totals	Proposed 22-23 DRAFT budget	2022-23 Budget Assumptions
INCOME					
Rental Income	35,800	17,300.00	20,900	9,600	Current rental rate of \$800/month for One Life
Tax Revenue	14,000,000	9,325,936	14,330,000	14,000,000	*--In a regular year we would anticipate \$3.5M in April, \$1M in May and \$.5M in June
Investment Income	180,000	(136,733)	(140,000)	80,000	Investment income not always + in 2021
Interest Income	3,000	784	1,045	800	Interest rates have fallen. Receiving ~90/month
2021 Dignity Settlement Agrmt	-	2,000,000	2,000,000	510,000	\$510K to be received Dec. 1 +\$510K in joint SHD/Dignity grant account
2021 Return of CHI investment \$'s	-	1,004,400	1,004,400	-	
2021 Calif. Covid-19 Relief	-	678,202	678,202	-	
Pension Income	1,500,000	1,500,000	1,500,000	2,200,000	*new recommended contribution by Bartel Associates
Total Revenues	\$ 15,718,800	\$ 14,389,889	\$ 19,394,547	\$ 16,800,400	
EXPENSES					
Administrative Expenses					
Admin. Payroll and Expenses	298,000	237,433	316,577	418,500	Admin expense primarily covers 80% salary of CEO, 100% salary Board Clerk/ Office Manager , JB promotion move 30% salary here, payroll service expense and conference expenses, office computers
Grant Admin Payroll and Expenses	170,000	137,119	208,019	220,000	Represents 20% CEO Salary, JB 70%, Intend to hire PT grants admin \$38K-\$45K annual
Board Health Insurance	20,000	12,328	16,200	20,000	2022 rates = \$4,050/quarter (includes reimb) 2023 rates will be higher.
Employee Health Insurance	100,000	45,541	48,195	120,000	Current 2022 exp rate based on 3 employees = \$16,596/quarter (includes empl. reimbursment). 2023 rates will be higher. Additional staff may join plan. Propose to offer vision/ dental
Employee Retirement Benefit	25,000	15,341	24,458	28,000	Currently ~1,013/paycycle. Will increase as employees get salary increases to base pay next FY \$27,925 with 10% overall increase
Investment Fees	30,000	15,186	30,385	30,400	Fremont Bank mgmt fee for Schwab accounts - running \$7,600/quarter
Purchased Services		-	-	150,000	This would include such services as consultants, building assessments, PE+ audit Last year's budget included an indepth review that did not happen due to staff shortages at Eide Baily. We will try again in 2023.
Accounting Fees	40,000	2,516	22,000	48,000	Audit fees expected to increase by 20% in 2023
Board Expense	15,000	1,356	1,356	15,000	Due to SIP Board did not attend inperson conferences in 2021 but anticipated will in 2022-2023
Association/Membership Fees	41,000	34,661	34,661	38,000	ACHD RWC Together, SSI, NCG
Communications	40,000	48,438	52,000	50,000	Mostly annual report
Office Supplies/Equip Maint	11,000	2,587	3,500	9,000	Due to SIP most employees working form home/office supplies not used
Web Site/IT	52,000	34,173	45,000	52,000	Regular web maint/IT ~\$3K/mo +Granicus software, server and video equipmt, GIS mapping, LocateMyDistrict, etc.
Insurance/D&O/Liability/WC/Auto	33,000	35,608	35,608	40,000	Beta, invoice in July, sends dividends Sept and May
Election Fees	-	-	-	250,000	Election in 2022
LAFCO Fees	12,100	13,712	13,712	15,450	Slight increase in cost over the years
Legal Fees	240,000	144,675	215,000	50,000	Post Dignity settlement
Bank Fees	100	45	45	100	
Total Administrative Expenses	\$ 1,127,200	\$ 780,718	\$ 1,066,716	\$ 1,554,450	
Pension Plan Expense	\$ 1,500,000	1,500,000	\$ 1,500,000	2,200,000	
Building Expenses					
Building Maintenance	\$ 32,000	24,621	\$ 30,021	25,000	Most big items have been completed 2021=Raingutters \$3.2K, Sidewalks \$3.6K, landscaping \$6.7K. Reg maint \$1350/mo; will need to upgrade fire alarm= \$5k
Utilities	\$ 25,000	24,987	\$ 32,359	25,000	Big items 2021= old 2020 City of RWC water/sewer charges \$8.4K. Averaging \$1843/mo
Insurance/Property	\$ 2,650	3,827	\$ 3,827	3,900	Alliant property insurance price increased for 2021
Depreciation	47,000	30,999	46,498	47,000	

Total Building Expenses	\$ 106,650	\$ 84,433.40	\$ 112,705	\$ 100,900.00	
Capital Improvements					
Building Improvement	\$ 30,000	-			Last year budgeted for kitchen remodel that didn't happen; Will not be remodeling kitchen in 2022-23
Total Capital Improvements	\$ 30,000	-	\$ -	-	
Grants					
Samaritan House Clinic Operations	1,200,000	701,775	1,335,550	1,267,550	**new grant amount approved 6/2021 that expires 6/2024, anticipate Q3 and Q4, \$633,775
San Mateo Medical Center - Dental clin	160,000	160,000	160,000	160,000	**current grant ends 5/2023
Ravenswood Family Health Ctr	1,000,000	1,000,000	1,000,000	1,000,000	**current 2 year grant ends 6/2023
Lifemoves LVN	105,166	-	127,500	127,500	**new grant amount approved 12/2022 that expires CY2023 - Paid in January
Peninsula Volunteers Lyft Pilot	100,000	35,008	60,000	60,000	**current grant expires 6/2022 - assuming renewal
BGCP Psychotherapist	94,589	46,585	93,170	93,170	**new grant approved 2/2022 that expires 12/2023 - \$93,170 per CY 22 and 23
Sonrisas	240,000	120,000	240,000	240,000	**current grant ends 6/2022 - assuming renewal
First 5 SMC	396,840	-	396,830	396,830	**current 3 year grant ends 6/2023
Other Grants		7,151	7,151	10,000	**small requests that come up over the year
Future Impact Funds	-	50,000	50,000	245,000	**2021 Joint Holiday food grant with Sequoia Hospital
Covid-19 Emergency Funds	1,000,000	47,915	47,915	-	**This line item will be removed from 2022-23 budget. Remains in this draft for comparisons
Community Grants Program	3,750,000	-	3,750,000	4,000,000	I recommend we increase this
Total Grants	\$ 8,046,595	\$ 2,168,434	\$ 7,268,116	7,600,050	
Program Expenses					
Sequoia Smart	\$ -	-	\$ -	50,000	Sequoia Smart (formerly Living Healthy)- pilot new ideas for community health education
Sequoia Safe	\$ 75,000	46,794	\$ 49,000	150,000	Formerly HeartSafe- includes Via Heart maint agrmt \$40K, +E. Lyons CPR classes - Looking to expand community offerings in
School Health Program	\$ 4,770,355	1,567,200	\$ 4,770,355	5,000,000	disaster preparedness, CPR and community first Aid- Proposal pending from Red Cross
In-House Sequoia Strong Program	\$ 145,000	55,328	\$ 83,328	145,000	Expecting invoices from school districts to pull final numbers in line with budget
Total Program Expenses	\$ 4,990,355	\$ 1,669,322	\$ 4,902,683	5,345,000	L. Garcia salary and printed program promotional materials
Total Expenses	\$ 15,800,800	\$ 6,202,907	\$ 14,850,220	16,800,400	
Net Surplus/Loss	\$ (82,000)	\$ 8,186,982	\$ 4,544,327	\$ -	

FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT

This Fourth Amendment to Employment Agreement (this “Amendment”) is entered into by and between Sequoia Healthcare District (the “District”) and Pamela Kurtzman as of February 10, 2022 and is based on the following:

A. The District and Ms. Kurtzman previously entered into an employment letter agreement dated October 30, 2017 (the “Employment Agreement”). The terms and benefits of the Employment Agreement became effective on January 1, 2018, when Ms. Kurtzman assumed the position of Chief Executive Officer.

B. The Employment Agreement was modified by a First Amendment to Employment Agreement dated as of April 3, 2019, a Second Amendment dated as of April 1, 2020, and a Third Amendment dated as of April 7, 2021.

C. The District and Ms. Kurtzman agree that it is in the best interests of both parties to modify the terms of the Employment Agreement in the manner described herein.

D. The terms of this Amendment were approved by a majority of the District’s Board of Directors and reported at an open meeting of the Board on February 10, 2022.

Now, therefore, in consideration of the foregoing, and for good and valuable consideration, the parties agree as follows:

1. Base Salary. Ms. Kurtzman’s base salary shall be \$275,500 per year. This salary shall be retroactive to January 1, 2022.

2. Miscellaneous Provisions.

(a) Except as specifically modified by this Amendment, all other provisions of the Employment Agreement, including the First, Second, and Third Amendments, shall remain in full force and effect. Nothing in this Amendment shall in any way alter the “at-will” nature of Ms. Kurtzman’s employment.

(b) This Amendment may be executed in counterparts and by electronic or facsimile signature.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed on the date first written above.

Gerald Shefren, M.D.
President, Board of Directors

Pamela Kurtzman
Chief Executive Officer

Sequoia Healthcare District

CEO Report April 2022

Pamela Kurtzman

BUSINESS AND FINANCIAL UPDATE:

Financial Summary

- **Tax income-** Our 8-month budget for tax income is \$7.93M, but actuals are just over \$9.326M. This represents nearly three quarters of the \$14.M we budgeted for June as we normally receive large tax payments in May and June. Total income at the 8-month mark is nearly \$14.4, which is \$4.81M more than budgeted. This is due to the additional, unanticipated income we received from the \$2M Dignity settlement funds, \$678k California Covid Relief Grant, and the \$1M refund we received from CHI.
 - **Other income** the \$2M Dignity settlement funds, \$678k California Covid Relief Grant, and the \$1M refund we received from CHI have been deposited into our general checking account and will remain there while we seek proposals or projects to invest in this year. Given that our investment portfolio is experiencing losses during the turbulent, unstable markets, to move the funds to Schwab would not be prudent at this time.
 - **Investment income-** At 8-months into our fiscal year, our investment portfolio continues to perform poorly. Especially when compared to the past several years. January experienced the biggest loss of negative \$119k, but Feb was better at negative \$7,900 We anticipated earning \$120k over the last 3 quarters, but instead our total net loss to date is close to -\$130k. Jerry and I met with our portfolio managers in February and did confirm that they are making the best possible decisions for us given our limited, conservative investment options. We will meet quarterly with our fiduciaries to stay informed and make prudent decisions with these funds.
 - **Total income** at 8 months is \$14,389,889. This is \$4,812,289 over budgeted for this point in time due to the unanticipated income we acquired from the other sources mentioned above.
 - **Expenses-** total just under \$6.23M which is about half of what we budgeted at this point. It's not unusual though given our payment cycles for the community grants and the school program invoices. Payroll and administrative expenses remain higher than initially budgeted, as is legal, but these increased costs have been approved by the board. We are over budget on communications by about \$8k due to necessary but
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unforeseen press releases related to Dignity settlement and newspaper ads for redistricting.

- **Audit-** We expect the audit to be presented by Eide Bailly at our April Board meeting after months of delays.

BUILDING AND TENANTS

- One Life Counseling Center has begun moving in and we are pleased to welcome them. They are extremely grateful to be provided a temporary space of up to one year, at a rate of \$300/mo rent plus \$500/mo utilities. They will pay their own phone/ internet, and cleaning.
- We've made several repairs to the building this past year including gutters, piping and drainage, and required sidewalk repairs. The latest and most urgent repair need is for our roof. Our maintenance budget is nearly expended for the year so I will make a request to the Board for funds to cover the roof repairs at the April Board meeting.
- We were hoping to have the conference room fully equipped and ready to livestream our board meetings by the April meeting. However, due to pandemic-related production and shipping delays we are behind schedule for getting the equipment we need. Our vendor estimates another couple of weeks.
- I am looking to have a contractor that specializes in dental buildings provide an inspection of our building to determine if our building could be reasonably equipped with the proper plumbing and HVAC system necessary to operate a dental clinic. I have not yet identified a contractor, although I'm anticipating some referrals from colleagues soon. I don't yet know what the inspection will cost, and will keep the Board informed as things progress.

COMMUNICATIONS

Town Halls

- A special thanks to Kim and Dr. Mike Griffin, Liz Lazar, and Erica Lyons for their informative and timely Town Hall discussion focused on heart health on Feb 22nd. Thirty-six participants joined the meeting via Zoom. Our next Town Hall will be on March 29th where Jenny will present our redistricting process and share the three maps that the Board is considering and will ask for public input. Our April Town Hall will discuss our next strategic plan and seek community input. The specific date is TBD. Keep your eyes out for an email about this soon.
- Saturday, April 30th will kick off our 75th anniversary celebration at the history museum at Courthouse Square in Redwood City. The museum will host a public panel discussion of the District's history featuring Director Faro, Bill Graham, and myself along with a

month long visual display of the District's evolution over the past 75 years. Luz is creating content and images for these panels and will be providing several drafts for staff to review and provide input. This is build-up to our big event, "Health Fair On the Square" on Saturday May 21st on Courthouse Square

- Luz will provide a summary of her communications activities in her separate staff report including an update on our Health Fair planning.

STRATEGIC PLANNING

- Thanks again to the Board and Staff and to Rafael Avendano and his team for your participation and input at our Board retreat on Feb 10th. We developed 5 key strategic goals and created "Smartie" Target actions that support each goal. I have been meeting with several diverse community stakeholders to provide input on our goals and would like to hold a second Board retreat mid-late April. Heidi will be sending a Doodle Poll to the Directors this week. The purpose of the second retreat is to discuss the short- and long-term strategies listed under each of the 5 goals and explore a range of other ideas.

OTHER UPDATES AND ACTIVITIES

ACHD

- Attended ACHD in-person Board study session in Sacramento Feb 17- 18 focusing on ACHD strategic planning and legislative activities.
- Participated in the ACHD Education Committee meeting in February and have now transitioned to Board Chair. Our next meeting is May 11th.
- There is still a need for additional members on both the ACHD advocacy and finance committees.
- Amber King announced her resignation effective 4/15/2022 after 16 years of service. A virtual card is being sent around to all ACHD membership so when you receive it in your email, wish her the best. She's been very supportive and helpful to me over the years.

COMMUNITY INVOLVEMENT

- **Chair Redwood City Together** Executive meeting and attended both Executive and Leadership committee meetings in February and March.
- Member of the **County Recovery Coordination Council**. These monthly meetings are intended to inform, advise, and foster dialogue as the county develops its strategic plan to recover from the pandemic. Our next meeting is
- Participated in the February and March meetings of the **County Covid Communications and Equity Workgroup**. These meetings have been very helpful to learn how our county partners are addressing the Covid crises and provides an opportunity for discussion and provide input.

- I continue to participate in discussions hosted by **Stanford Social Innovation** related to race and racism and on forums hosted by County Health Policy and Planning around a number of topics.
- Participated in **Children's Health Initiative** Oversight Committee meeting on March 25th serving in an advisory role rather than a voting member of the committee.
- Attended the 10th annual **Oye Conference**, which we helped support, on Saturday March 19 at Canada College. Over 300 community members attended. The conference focused on provided opportunities for Youth and adults to engage in various workshops focusing on learning their rights as an undocumented/mixed status individual, how to budget, exploring post- graduation options, and staying healthy.
- Attended PVI's **Meals On Wheels** Champions Breakfast on March 22nd. Met with several of their new leadership, comprised of staff and Board members.

Jenny Bratton Staff Report April, 2022

Activity Summary

I. 2022-23 Grant Cycle

The LOIs were successfully scored by the grants committee using a new online scoring module on the Versaic platform:

- 6 current two-year grantees are sitting out on this grant cycle
- 47 of the renewal LOIs were moved to the full app stage
- 8 new LOIs were passed to the full app stage:
 - Ability Path/Stroke & Brain Injury Services
 - Caminar/Medication Assistance Program
 - Jasper Ridge Farm/Wellness Buddies
 - LiveMoves/Nutritional Supplement Program
 - North Fair Oaks Community Alliance/NFOCA
 - The Fit Kids/Fit Kids RWC California Clubhouse
 - RWC Together/Promoting Community Health With Youth Promotores
- 6 LOIs were declined
- The 55 full applications are due April 8th.

I am pleased to report that the Scoring Module has been enthusiastically embraced by the Grants Committee. The transition from paper to online scoring was a 2-year process, culminating with a system that is fully integrated on Versaic.

I have also been regularly conducting scheduled site visits with our partners. In the month of March, I participated in over a dozen site visits.

II. ACHD

I will be attending the Advocacy Training on April 26th and 26th in Sacramento and will report out at the next Board meeting on this experience. The next Governance Committee meeting is June 7th from 10:00-11:30.

III. Redistricting

I (alongside with Pamela, Jerry, Ivan, and Luz) conducted a total of 5 community meetings on redistricting: Families United, Rotary RWC, RWC PAL, Rotary Foster City, and the March 29th Town Hall in partnership with Parent Education Series. I will present the feedback from these meetings at the Board meeting (see attached documents).

For a review of the maps where you can actually zoom in to see the underlying neighborhoods, please visit the following links:

<https://redistrictingpartners.com/wp-content/uploads/2022/01/Sequoia-Healthcare-PRELIM-Draft-Plan-A.html>

<https://redistrictingpartners.com/wp-content/uploads/2022/01/Sequoia-Healthcare-PRELIM-Draft-Plan-B.html>

<https://redistrictingpartners.com/wp-content/uploads/2022/01/Sequoia-Healthcare-PRELIM-Draft-Plan-D.html>

During the board presentation, it would be very difficult for me to zoom in on the maps and also for the audience to see the details close-up, so I encourage you to do this beforehand.

Thanks to Luz, we also currently have a webpage devoted to redistricting for the public to vote (seqhd.org/redistricting-2/).

III. 75th Anniversary

We are currently coordinating a speaker event which will feature a panel comprised of CEO Pamela Kurtzman, Sequoia Hospital CEO Bill Graham, and SHD Board member and past CEO of Sequoia Hospital Art Faro. This event will take place on April 30th from 1:00-2:00 p.m. to be held at San Mateo History Museum's Courthouse. This speaker event is part of the Museum's speaker series and will be advertised to its membership and the public. We will be inviting our partners and community members to attend. We welcome your attendance.

I am assisting Luz and History Museum curator Dana Neitzel to finalize the temporary display exhibit that will be featured in the Museum Rotunda. The unveiling will take place shortly before the speaker event on April 30th (details still pending). I am also an active participant of 7th anniversary SHD Health Fair planning committee, which has been meeting regularly to plan the May 21st event.

IV. Other Activities

I will be creating a DEI survey for staff and Board to be sent out prior to the next Board retreat and assisting Pamela with strategic planning and the agenda for the retreat.

April Staff Report

Luz Garcia — Communications Specialist & Sequoia Strong Program Coordinator

SHD Health Fair on the Square & Museum Exhibit

- *Health Fair Planning*
 - Health Fair Team Meetings
 - Planned & led meetings with RWC Together, RWC Parks & Rec, WHY Initiative, RCSD --- **February 9th, March 8th, March 23rd**
 - Progress: event space details (layout, sound, etc.) & partnerships
 - Vendor Management
 - Emailed, tracked, and managed communication with over 60 community partners for vendor registration
 - 45 Confirmed
 - Graphics
 - Designed multiple logos and flyers unique to the event
- *Museum Exhibit*
 - Draft images and text panels for the exhibit under review

Redistricting

- *Outreach*
 - Designed a redistricting ad and ran it across print and digital media
 - Daily Post: 3/23,24,25,26 & 28
 - San Mateo Daily Journal: 3/22, 24, 26-27, 28
 - Facebook: 3/16-28 --- 414 reach, 72 post engagements
 - Instagram: 3/16-28 --- 2,236 reach, 12 link clicks
 - Created a Spanish redistricting webpage

HSI Communications Presentation

- *Communication Tips + Tricks*
 - Created and presented a communication tips + tricks sheet to District communication leads + HSI wellness coordinators focused on helping increase HSI newsletter open rates

Sequoia Strong

- *Strengthening our presence through Sequoia Strong*
 - Met with Anew vista + Riekes Center
 - Site visits w/ Jenny – asking for partner feedback
 - Sequoia Strong re-design draft underway

Marketing

- *Social Media*
 - Continuing to grow our following and presence
- *Website updates*
 - Announcements and events updated regularly