

Budget Narrative for 2017-18

Income: The only real adjustments on income are that we have increased the line item for tax income from \$11 million to \$11.8 million and we have reduced investment income from \$150,000 to \$100,000.

Expenses: No major administrative changes except we will not have an election this year and we have added the line item for purchased services of \$50,000 to cover costs related to the forensic audit associated with the development agreement. No material changes in the property expense area.

There are changes in the grants and program expense area:

1. San Mateo Medical Center decreases from \$537,000 to \$340,000
2. Nursing is decreased from \$613,000 to \$0 as we are no longer funding that program after June 30
3. Community Grants has been increased from \$2,100,000 to \$2,400,000
4. Mission Hospice decreases from \$500,000 to \$0 as we are done paying this grant
5. Sequoia 70 (70 Strong) is reduced from \$813,000 to \$732,000
6. School Health increases from \$3,500,000 to \$3,900,000
7. TBD – New Programs increases from \$1,100,000 to \$2,484,489

Sequoia Healthcare District

		Final Budget 2017-2018
Rental Income	(1)	\$ 48,048
Tax Revenue	(2)	11,800,000
Investment Income		100,000
Interest Income		7,700
Pension Income	(3)	3,800,000
Return on Investment SQ Hospital	(4)	-
Total Revenues		\$ 15,755,748
EXPENSES		
Administrative Expenses		
Admin. Expense	(5)	295,000
Board Health Insurance	(6)	55,000
Employee Health Insurance	(7)	60,000
Employee Retirement Benefit	(8)	23,000
Investment Fees		44,000
Office Supplies/Equip Maint		11,000
Purchased Services	(9)	50,000
Accounting fees		19,000
Board Expense		6,500
Association/Membership Fees		18,000
Communications	(10)	30,000
Web Site/IT		66,000
Insurance/D&O/Liability/WC		26,000
Election Fees	(11)	-
LAFCO fees		7,000
Legal Fees		35,000
Bank Fees		100
Total Administrative Expenses		\$ 745,600
Pension Expense		
Pension Plan Expense	(12)	3,800,000
PROPERTY EXPENSES		
Maintenance		22,500
Utilities		30,000
Insurance/Property		2,000
Depreciation		68,000
Total Property Expenses		\$ 122,500
Grant Expenses		
Grant Admin Expenses	(13)	125,000
SFSU Nursing Program	(14)	-
Samaritan House Clinic	(15)	703,054
Other Grants		90,000
San Mateo Medical Center	(16)	340,250
Ravenswood-Fairoaks Health Ctr	(17)	700,000
Community Grants Program	(18)	2,400,000
Mission Hospice	(19)	-
Sequoia 70	(20)	731,872
Oral Health Coalition	(21)	50,000
TBD Program or Grant Expense	(22)	2,484,489
Total Grant Expenses		\$ 7,624,665
Program Expenses		
Living Healthy		50,000
HeartSafe Program	(23)	134,000
School Health Program	(24)	3,991,335
Total Program Expenses		\$ 4,175,335
Total Expenses		\$ 16,468,100
Net Surplus/Loss**		\$ (712,352)

**Funds will be transferred from District Reserves to cover deficit.

**Sequoia Healthcare District
Budget for Fiscal Year Ending 6/30/2018
Assumptions**

Revenue Assumptions

- 1 Rental Income - Year Seven of seven year tenant lease for 1,507 SF office space, 525 Veterans Blvd. ends August 2017
- 2 Tax revenue projected to increase by \$800,000.
- 3 Pension Income (and Expense) are pass-through items based on current projections
- 4 Return on Investment from Sequoia Hospital based on most recent Hospital projections

Expense Assumptions

- 5 Administration Expense primarily covers 80% salary expense of CEO, 100% salary expense of Exec. Coordinator, payroll service expense and conference expenses
- 6 Board health insurance adjusted closer to actual
- 7 Employee Health Insurance benefit includes inlieu payments for one District staff member.
- 8 Employee Retirement Benefit is staff employee 401K contribution match
- 9 Purchased Services for Grant Thornton compliance review
- 10 Communications expense is primarily production and mailing costs of annual report to the community
- 11 No election in 2017
- 12 Pension Expense (and Income) are pass-through items based on current projections

Grants

- 13 Grants Administration primarily covers inhouse grant processing; 20% of CEO & 35% of Program Director salary expense
- 14 District's commitment to SFSU Nursing Program has ended
- 15 Samaritan House year three of three year grant
- 16 San Mateo Medical Center year three of three year grants
- 17 Ravenswood two year commitment ended. Applying for new two year grant
- 18 Community Grants Program increased by \$300,000
- 19 District's commitment to Mission Hospice has ended
- 20 Sequoia 70 year two of two year grant
- 21 Oral Health Coalition Grant Year two of two year grant
- 22 To Be Determined program/grant expense of \$2,484,489

Programs

- 23 HeartSafe three year budget ended. Budgeted amount for one year only
- 24 School Health Initiative budget increase over prior year due to additional funding for mental health and nursing support.