Introduction to 2011-12 Budget

Sequoia Healthcare District's budget for 2011 -12 is approximately the same size as the 2010-11 budget calling for income of around $13.8 million. Of that, the largest income source remains property tax income followed by pension reimbursement from CHW and our annual EBIDA share also from CHW. Together, these three sources of income represent more than 90 percent of all income.

The expense budget is also about $13.8 million of which community support, consisting of grant expenses and program expenses account for $10.4 million. The next largest expense is for our old hospital employee pension payment, which is $2.5 million, again fully reimbursed by CHW. Administrative costs are expected to be at just under $600,000 or 4.2 percent of total expenses.

We are projecting a break-even budget that allows us to increase our community support by $300,000 over last year

Sequoia Healthcare District
DRAFT -- Operating Budget
Fiscal Year Ending June 30, 2012

	Assumption Number	Approved Budget 2010-2011	Draft Budget 2011-2012
INCOME			
Rental Income	1	$ 38,000	$ 39,490
Tax Revenue		7,950,000	7,950,000
Investment Income	2	800,000	600,000
Interest Income		8,000	7,600
Pension Income	3	2,850,000	2,500,000
Return on Investment - Sequoia Hosp.	4	2,300,000	2,600,000
Total Revenues		**$ 13,946,000**	**$ 13,697,090**
EXPENSES			
Administrative Expenses			
Admin. Expense	5	197,500	210,000
Board Health Insurance	6	45,000	72,000
Employee Health Insurance	7	20,000	29,000
Employee Retirement Benefit	8	12,500	15,000
Investment Fees		63,500	60,000
Office Supplies/Equip Maint		7,500	7,500
Purchased Services	9	5,000	2,500
Accounting fees	10	16,500	17,500
Board Expense		12,000	10,000
Association/Membership Fees	11	36,000	16,000
Public Relations	12	50,000	50,000
Communications	13	30,000	20,000
Web Site/IT		12,000	15,000
Insurance/D&O	14	30,000	23,000
Election Fees	15	250,000	-
LAFCO fees		8,000	8,000
Legal Fees		30,000	30,000
Bank Fees		100	100
Total Administrative Expenses		**$ 825,600**	**$ 585,600**
Pension Expense			
Pension Plan Expense	16	2,850,000	2,500,000
Grant Expenses			
Grant Admin Expenses	17	50,000	50,000
Children's Health Initiative		1,350,000	1,350,000
SFSU Nursing Program		1,000,000	1,000,000
Samaritan House Medical Clinic		570,343	612,000
Other Grants		150,000	50,000
San Mateo Medical Center		2,000,000	2,000,000
Ravenswood-Belle Haven Clinic		250,000	250,000
Community Grants Program	18	1,650,000	1,250,000
Sequoia Hospital Foundation Match	19	1,250,000	1,250,000
Total Grant Expenses		**$ 8,270,343**	**$ 7,812,000**
PROPERTY EXPENSES			
Maintenance	20	20,000	25,000
Utilities	20	15,000	20,000
Insurance/Property		2,000	2,000
Depreciation		150,000	100,000
Total Property Expenses		**$ 187,000**	**$ 147,000**
Program Expenses			
HeartSafe Program	21	250,000	200,000
School Health Program	22	1,500,000	2,380,000
		$ 1,750,000	**$ 2,580,000**
Total Expenses		**$ 13,882,943**	**$ 13,624,600**
Net Surplus/Loss		**$ 63,057**	**$ 72,490**

Sequoia Healthcare District
Budget for Fiscal Year Ending 6/30/2012
Assumptions

Revenue Assumptions

1 Rental Income - Year Two of seven year tenant lease for 1,507 SF office space, 525 Veterans Blvd.
2 Investment Income is decreased based on current rates of return
3 Pension Income (and Expense below) are pass-through items based on current projections
4 Return on Investment from Sequoia Hospital based on most recent Hospital projections

Expense Assumptions

5 Admin. Expense primarily covers 80% salary expense of CEO, 100% salary expense of Exec. Coordinator, payroll service expense and conference expense
6 Board Health Insurance expensed @ $1,200/month for each board member
7 Employee Health Insurance benefit includes inlieu payments for CEO, Youth Program Director and HeartSafe Program Manager
8 Employee retirement is staff employee 401K contribution match
9 Purchased Services are a contingency item for non-budgeted services (i.e. consulting)
10 Accounting fees are for the annual audit per new agreement with Vavrinek, Trine & Day LLC
11 Association/Membership decreased due to moving RWC 2020 membership to Healthy Schools Initiative ACHD dues increased by $5,000
12 Public Relations expense is budgeted at the current contract rate
13 Communications expense is primarily production and mailing costs of annual report to the comunity
14 Insurance/D&O decreased to reflect closer to actual cost for FY 10-11
15 No scheduled election in 2011
16 Pension Expense (and Income above) are pass-through items based on current projections

Grants

17 Grants Administration primarily covers inhouse grant processing; 20% of CEO & Youth Program Director salary expense
18 Community grants budget decreased from prior year to allow for school based grants
19 Second and final payment of Sequoia Hospital Foundation $2.5 million grant approved 12/2/09.

Property

20 Maintenace and Utilities are increased to reflect YTD actual expense

Programs

21 HeartSafe program decreased due to lower expenditure for equipment
22 School Health Initiative budget increased due to transfer of funding school nurses and school based nonprofit grants