



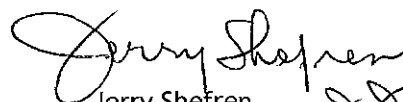
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Redwood City, CA 94063

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**A G E N D A**  
**SEQUOIA HEALTHCARE DISTRICT**  
**BOARD OF DIRECTORS MEETING**  
**4:30, Wednesday, December 3, 2014**  
**Conference Room, 525 Veterans Boulevard, Redwood City, CA 94063**

1. Call To Order And Roll Call
2. Public Comment On Non-Agenda Items\*
- ACTION 3. Consent Calendar - President Shefren
  - a. Approve October 1, 2014 Regular Meeting Minutes
  - b. Accept September and October 2014 Financial Statements
4. CEO/Staff Reports
  - a. CEO Report - Mr. Michelson
  - b. Healthy Schools - Ms. Kurtzman & Ms. Gabet
  - c. HeartSafe - Mr. Nielsen
- ACTION 5. New Business
  - a. Accept The District's Annual Audit For The Period Ending June 30, 2014  
As Prepared By The CPA Firm Vavrinek, Trine, Day - Mr. Gharaibeh & Mr. Christian
  - ACTION b. Accept November 4, 2014 Election Results From San Mateo County Registrar's  
Office And Recognize Dr. Jerry Shefren, Arthur Faro and Jack Hickey As Newly  
Elected Directors For The Term 12/5/2014 To 12/7/2018 - Mr. Michelson
  - ACTION c. Consider Resolution 14-4 Amending Sequoia Healthcare District Employees  
Pension Plan - Mr. Michelson
  - ACTION d. Transfer Agreement Ad Hoc Committee Report - President Shefren
  - e. Director Requests For Future Agenda Items - Board Policy 8.3 - President Shefren
6. Adjourn.  
The Next Regular Meeting Of The Board Of Directors Of Sequoia  
Healthcare District Is Scheduled For 4:30 PM, Wednesday, February 4, 2015,  
District Conference Room, 525 Veterans Blvd., Redwood City, CA 94063

  
Jerry Shefren  
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 to arrange an appointment.

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

**MINUTES OF REGULAR MEETING  
BOARD OF DIRECTORS  
SEQUOIA HEALTHCARE DISTRICT**

**October 1, 2014  
Conference Room, 525 Veterans Boulevard  
Redwood City, CA 94063**

|   |  |   |
|---|--|---|
| <b><u>Directors Present</u></b><br>Director Griffin<br>Director Hickey<br>Director Kane<br>Director Shefren | <b><u>Directors Excused</u></b><br>Director Faro | <b><u>Also Present</u></b><br>Mr. Michelson, CEO<br>Mr. Hudak, Legal Counsel<br>Ms. Johnson, Recorder |
|---|--|---|

**1. Call to Order**

**By:** President Shefren  
**Time:** 4:30pm

President Shefren announced that public comment will be heard on each agenda item.

**2. Public Comment/Non-Agenda Items**

Director Kane announced that Kenneth Cohen will be replacing Tom Peterson as Executive Director of ACHD.

**3.a. - 3.b. Consent Calendar**

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

Director Hickey asked that agenda item 3.a (minutes) be removed from the Consent Calendar.

**Motion:** To approve agenda item 3.b (financials).

**By:** President Shefren

**Seconded by:** Director Kane

**Vote:** 4-0-1

**Motion Passed**

Director Hickey stated that the minutes of the August 6<sup>th</sup> meeting note that he asked to make amendments to three policies but do not reflect what his suggested revisions were and asked that they be revised. President Shefren confirmed that the action minutes format has been followed by the District for quite a long time and that no revision was necessary.

**Motion:** To approve agenda item 3.a Minutes of August 6 meeting.

**By:** Director Kane

**Seconded by:** Director Griffin

**Vote:** 4-1-1 with Director Hickey opposed.

**Motion Passed**

**4. CEO/Staff Reports**

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

Mr. Michelson displayed an attractive watercolor painting presented by Peninsula Family Services in commemoration of the District's support to North Fair Oaks Senior Center's fitness programs.

The Annual Report to the Community will be mailed out later this month.

Healthy Schools Initiative: Ms. Kurtzman introduced the new Wellness Coordinators working in Los Lomitas, Portola Valley and Woodside school districts.

HeartSafe: Mr. Nielsen announced that 13 AED/CPR classes were held at Menlo-Atherton school. The classes are mandatory for all freshmen.

Mr. Nielsen, Mr. Michelson and Director Griffin visited a program on heart screening in Half Moon Bay High School and it's the District's goal to bring it to Sequoia High School in March to provide heart testing to any high school student in the District.

#### **5. a. Presentation by the Association of California Healthcare Districts**

President Shefren introduced Tom Peterson, Executive Director of ACHD. Mr. Peterson, representing, the ACHD Board of Directors, presented Mr. Michelson with ACHD's Certificate of Transparency in best practices for a public entity and conducting public business in an open manner. Mr. Peterson announced that Sequoia Healthcare District is only the second healthcare district in the state to receive ACHD's award.

#### **5.b. Consider Grant Request to Support Sequoia Village Feasibility Study**

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

Mr. Arne Croce of Peninsula Family Services and Mr. Dave McClure, a Sequoia Village volunteer, spoke to the importance of a feasibility study to determine the demand and support for the establishment of villages within San Mateo County. Francine Serafin-Dickson of the Health Consortium will be the project manager for the study.

**Motion:** To provide a grant of \$5,000 to Peninsula Family Services for A Villages feasibility study.

**By:** Director Kane

**Seconded by:** Director Griffin

**Vote:** 4-1-1 with Director Hickey opposed.

**Motion Passed**

#### **5.c. 2013-14 Community Grants & HSI Grants Summary**

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

**Community Grants:** After reading all final reports from grantees, Ms. Kurtzman compiled outcomes in terms of financial, number of clients and residents served and units of service. In total the grantees served 64,193 clients of which 31,968 were District residents. The District granted \$1,340,000 and the grantees collectively spent \$7,716,000 in serving District residents. Ms. Kurtzman is researching ways the grantees report outcomes so the information is more reliable. She is looking at several grant management portals to file reports and compare data.

**HSI:** After gathering data from seven types of service, Ms. Kurtzman determined that Healthy Schools grants provided nearly \$390,000 in grants compared to the \$1,849,385 the non-profits collectively spent serving the same population. Overall, the grantees are working well in the schools.

#### **5.d. PE+ Evaluation Summary of Results**

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

Ms. Gabet reported that Applied Survey Research (ASR) assisted in the evaluation of the PE+ program providing an overall logic model, comprehensive plan, tools, training and data analysis. The key findings indicated that PE+ has improved physical fitness and nutrition knowledge; addressed social-emotional factors, and identified changes to be made in next year's program.

#### **5. e. Transfer Agreement Ad Hoc Committee Report**

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

President Shefren reported that he, Mr. Michelson and Ms. Vaskelis, CEO of Sequoia Hospital met with Michael Blaszyk of Dignity Health to initiate discussion about the failure of the Agreement to meet expectations. Mr. Blaszyk indicated he would meet with Dignity's counsel and others and will be in contact regarding next steps.

#### **5. f. Director Request for Future Agenda Items**

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

#### **6. Adjourn**

**Motion:** At 6:10 PM adjourn meeting.

**By:** Director Kane

**Seconded by:** Director Griffin

**Motion Passed**

The next regular meeting of the Board of Directors of Sequoia Healthcare District is scheduled for 4:30 PM, Wednesday, December 3, 2014, District Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Kathleen Kane  
Secretary

SEQUOIA HEALTHCARE DISTRICT  
Balance Sheet

Agenda Item No. 3.b  
Board of Directors Meeting  
12/3/14

|                                       | July            | August          | September       | October         | November | December | January | February | March | April | May | June |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|----------|----------|---------|----------|-------|-------|-----|------|
| <b>ASSETS</b>                         |                 |                 |                 |                 |          |          |         |          |       |       |     |      |
| Current Assets                        |                 |                 |                 |                 |          |          |         |          |       |       |     |      |
| Cash (WF-WMA)                         | \$ 1,934,503.84 | \$ 1,934,914.63 | \$ 1,935,312.26 | \$ 1,935,723.22 |          |          |         |          |       |       |     |      |
| Cash (WF)                             | 199,017.52      | 681,665.74      | 440,130.15      | 811,161.68      |          |          |         |          |       |       |     |      |
| Cash from Investments                 | 246,156.70      | 246,156.70      | 246,156.70      | 246,156.70      |          |          |         |          |       |       |     |      |
| Cash Equivalents                      | 11,873,712.51   | 9,896,151.51    | 9,879,677.51    | 9,915,641.51    |          |          |         |          |       |       |     |      |
| J. Gabet Reimbursement                | 92.29           | 0.00            | 0.00            | 0.00            |          |          |         |          |       |       |     |      |
| Accounts Receivable                   | 0.00            | 0.00            | 0.00            | 0.00            |          |          |         |          |       |       |     |      |
| Total Current Assets                  | 14,253,482.86   | 12,758,888.58   | 12,501,276.62   | 12,908,683.11   |          |          |         |          |       |       |     |      |
|                                       |                 |                 |                 |                 |          |          |         |          |       |       |     |      |
| Property, Plant & Equipment           |                 |                 |                 |                 |          |          |         |          |       |       |     |      |
| Land                                  | 138,927.00      | 138,927.00      | 138,927.00      | 138,927.00      |          |          |         |          |       |       |     |      |
| Land Improvements                     | 144,158.05      | 144,158.05      | 144,158.05      | 144,158.05      |          |          |         |          |       |       |     |      |
| Buildings                             | 1,249,382.30    | 1,249,382.30    | 1,249,382.30    | 1,249,382.30    |          |          |         |          |       |       |     |      |
| Building Improvements                 | 513,129.57      | 513,129.57      | 513,129.57      | 513,129.57      |          |          |         |          |       |       |     |      |
| Tenant Improvements                   | 215,113.29      | 215,113.29      | 215,113.29      | 215,113.29      |          |          |         |          |       |       |     |      |
| Improvements-Classroom                | 6,984.28        | 7,110.44        | 60,520.44       | 60,520.44       |          |          |         |          |       |       |     |      |
| Equipment                             | 68,615.18       | 68,615.18       | 68,615.18       | 68,615.18       |          |          |         |          |       |       |     |      |
| Furniture                             | 28,259.91       | 28,259.91       | 28,259.91       | 28,259.91       |          |          |         |          |       |       |     |      |
| Accumulated Depreciation              | (1,662,063.38)  | (1,668,140.88)  | (1,674,218.38)  | (1,680,295.88)  |          |          |         |          |       |       |     |      |
| Net Property/Plant/Equipment          | 702,506.20      | 696,554.86      | 743,887.36      | 737,809.86      |          |          |         |          |       |       |     |      |
| Total Assets                          | 14,955,989.06   | 13,455,443.44   | 13,245,163.98   | 13,646,492.97   |          |          |         |          |       |       |     |      |
| <b>LIABILITIES &amp; FUND BALANCE</b> |                 |                 |                 |                 |          |          |         |          |       |       |     |      |
| Current Liabilities                   |                 |                 |                 |                 |          |          |         |          |       |       |     |      |
| Accounts Payable                      | \$ 9,807.52     | \$ 2,873.62     | \$ 98.62        | 0.00            |          |          |         |          |       |       |     |      |
| Deposit Payable                       | 3,165.00        | 3,165.00        | 3,165.00        | 3,165.00        |          |          |         |          |       |       |     |      |
| Grants Payable                        | 1,299,096.00    | 727,893.00      | 692,508.09      | 675,000.00      |          |          |         |          |       |       |     |      |
| Total Current Liabilities             | 1,312,068.52    | 733,931.62      | 695,771.71      | 678,165.00      |          |          |         |          |       |       |     |      |
|                                       |                 |                 |                 |                 |          |          |         |          |       |       |     |      |
| Fund Balances                         |                 |                 |                 |                 |          |          |         |          |       |       |     |      |
| Invested in Capital Assets            | 705,418.00      | 705,418.00      | 705,418.00      | 705,418.00      |          |          |         |          |       |       |     |      |
| Fund Balance                          | 13,598,331.00   | 13,598,331.00   | 13,598,331.00   | 13,598,331.00   |          |          |         |          |       |       |     |      |
| Net Surplus/Loss                      | (659,828.46)    | (1,582,237.18)  | (1,754,356.73)  | (1,335,421.03)  |          |          |         |          |       |       |     |      |
| Total Fund Balance                    | 13,643,920.54   | 12,721,511.82   | 12,549,392.27   | 12,968,327.97   |          |          |         |          |       |       |     |      |
| Total Liabilities & Fund Balance      | 14,955,989.06   | 13,455,443.44   | 13,245,163.98   | 13,646,492.97   |          |          |         |          |       |       |     |      |

**SEQUOIA HEALTHCARE DISTRICT**  
**Income Statements**

Agenda Item No.3.b  
Board of Directors Meeting  
12/3/14

|                                | July        | August    | September   | October    | November | December | January | February | March | April | May  | June | Year to Date | Budget 14-15  |
|--------------------------------|-------------|-----------|-------------|------------|----------|----------|---------|----------|-------|-------|------|------|--------------|---------------|
| <b>INCOME</b>                  |             |           |             |            |          |          |         |          |       |       |      |      |              |               |
| Rental Income                  | 3,559.86    | 3,559.86  | 3,844.64    | 3,703.45   |          |          |         |          |       |       |      |      | 14,667.81    | 44,400.00     |
| Tax Revenue                    | 0.00        | 10,945.29 | 0.00        | 455,353.40 |          |          |         |          |       |       |      |      | 466,298.69   | 9,500,000.00  |
| Investment Income              | (10,522.00) | 22,439.00 | (16,474.00) | 35,964.00  |          |          |         |          |       |       |      |      | 31,407.00    | 100,000.00    |
| Interest Income                | 478.96      | 422.57    | 402.86      | 414.32     |          |          |         |          |       |       |      |      | 1,718.71     | 6,000.00      |
| Pension Income                 | 0.00        | 0.00      | 0.00        | 0.00       |          |          |         |          |       |       |      |      | 0.00         | 2,600,000.00  |
| ROI-Sequoia Hospital EBIDA     | 0.00        | 0.00      | 0.00        | 351,987.05 |          |          |         |          |       |       |      |      | 351,987.05   | -             |
| Total Income                   | (6,483.18)  | 37,366.72 | (12,226.50) | 847,422.22 |          |          |         |          |       |       |      |      | 866,079.26   | 12,250,400.00 |
| <b>EXPENSES</b>                |             |           |             |            |          |          |         |          |       |       |      |      |              |               |
| <b>Administrative Expenses</b> |             |           |             |            |          |          |         |          |       |       |      |      |              |               |
| Admin. Expense                 | 323.57      | 631.24    | 3,103.49    | 594.42     |          |          |         |          |       |       |      |      | 4,652.72     | 13,000.00     |
| Admin. Payroll                 | 16,897.63   | 20,196.44 | 17,107.56   | 18,645.85  |          |          |         |          |       |       |      |      | 72,847.48    | 232,000.00    |
| Board Health Insurance         | 3,505.80    | 3,505.80  | 3,505.80    | 2,416.56   |          |          |         |          |       |       |      |      | 12,933.96    | 60,000.00     |
| Employee Health Insurance      | 5,041.29    | 4,604.74  | 1,824.70    | 2,402.24   |          |          |         |          |       |       |      |      | 13,872.97    | 48,000.00     |
| Employee Retirement Benefit    | 923.61      | 2,179.16  | 1,468.78    | 1,525.94   |          |          |         |          |       |       |      |      | 6,097.49     | 18,000.00     |
| Investment Fees                | 0.00        | 0.00      | 0.00        | 0.00       |          |          |         |          |       |       |      |      | 0.00         | 48,000.00     |
| Office Supplies/Equip Maint    | 453.44      | 559.09    | 549.58      | 357.86     |          |          |         |          |       |       |      |      | 1,919.97     | 7,500.00      |
| Purchased Services             | 0.00        | 0.00      | 0.00        | 0.00       |          |          |         |          |       |       |      |      | 0.00         | 50,000.00     |
| Accounting fees                | 0.00        | 0.00      | 0.00        | 0.00       |          |          |         |          |       |       |      |      | 0.00         | 19,000.00     |
| Board Expense                  | 0.00        | 71.31     | 0.00        | 105.00     |          |          |         |          |       |       |      |      | 176.31       | 8,000.00      |
| Associations/Membership        | 0.00        | 7,500.00  | 180.00      | 0.00       |          |          |         |          |       |       |      |      | 7,680.00     | 17,800.00     |
| Communications                 | 539.13      | 0.00      | 0.00        | 29,472.68  |          |          |         |          |       |       |      |      | 30,011.81    | 25,000.00     |
| Public Relations               | 1,350.00    | 0.00      | 360.00      | 0.00       |          |          |         |          |       |       |      |      | 1,710.00     | 30,000.00     |
| Web Site/IT                    | 8,115.00    | 1,012.88  | 2,007.50    | 3,743.55   |          |          |         |          |       |       |      |      | 14,878.93    | 30,000.00     |
| Insurance/D&O                  | 26,832.00   | (48.50)   | 171.00      | 0.00       |          |          |         |          |       |       |      |      | 26,954.50    | 21,000.00     |
| Election Fees                  | 0.00        | 0.00      | 0.00        | 0.00       |          |          |         |          |       |       |      |      | 0.00         | 200,000.00    |
| LAFCO fees                     | 0.00        | 0.00      | 0.00        | 0.00       |          |          |         |          |       |       |      |      | 0.00         | 10,000.00     |
| Legal Fees                     | 0.00        | 2,570.00  | 4,357.00    | 826.00     |          |          |         |          |       |       |      |      | 7,753.00     | 20,000.00     |
| Bank Fees                      | 0.00        | 0.00      | 0.00        | 0.00       |          |          |         |          |       |       |      |      | 0.00         | 100.00        |
| Total Admin. Expenses          | 63,981.47   | 42,782.16 | 34,635.41   | 60,090.10  | 0.00     | 0.00     | 0.00    | 0.00     | 0.00  | 0.00  | 0.00 | 0.00 | 201,489.14   | 857,400.00    |
| Pension Plan Expense           | 0.00        | 0.00      | 0.00        | 0.00       | 0.00     | 0.00     | 0.00    | 0.00     | 0.00  | 0.00  | 0.00 | 0.00 | 0.00         | 2,600,000.00  |
| Total Admin. With Pension Plan | 63,981.47   | 42,782.16 | 34,635.41   | 60,090.10  | 0.00     | 0.00     | 0.00    | 0.00     | 0.00  | 0.00  | 0.00 | 0.00 | 201,489.14   | 3,457,400.00  |
| <b>Property Expenses</b>       |             |           |             |            |          |          |         |          |       |       |      |      |              |               |
| Maintenance                    | 1,030.00    | 1,613.94  | 1,100.00    | 1,427.94   |          |          |         |          |       |       |      |      | 5,171.88     | 30,000.00     |
| Utilities                      | 1,243.47    | 1,838.71  | 3,027.29    | 1,869.70   |          |          |         |          |       |       |      |      | 7,979.17     | 26,000.00     |
| Property Insurance             | 1,678.51    | 0.00      | 0.00        | 0.00       |          |          |         |          |       |       |      |      | 1,678.51     | 2,000.00      |
| Depreciation                   | 6,077.50    | 6,077.50  | 6,077.50    | 6,077.50   |          |          |         |          |       |       |      |      | 24,310.00    | 80,000.00     |
| Total Property Expenses        | 10,029.48   | 9,530.15  | 10,204.79   | 9,375.14   | 0.00     | 0.00     | 0.00    | 0.00     | 0.00  | 0.00  | 0.00 | 0.00 | 39,139.56    | 138,000.00    |

**SEQUOIA HEALTHCARE DISTRICT**  
**Income Statements**

Agenda Item No.3.b  
Board of Directors Meeting  
12/3/14

|                                  | July                | August              | September           | October           | November    | December    | January     | February    | March       | April       | May         | June        | Year to Date          | Budget 14-15         |
|----------------------------------|---------------------|---------------------|---------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------------|----------------------|
| <b>Grant Expenses</b>            |                     |                     |                     |                   |             |             |             |             |             |             |             |             |                       |                      |
| Grant Admin Expenses             | 0.00                | 39.85               | 400.00              | 547.03            |             |             |             |             |             |             |             |             | 986.88                | 6,000.00             |
| Grant Admin Payroll              | 5,623.41            | 6,766.83            | 5,840.66            | 5,840.66          |             |             |             |             |             |             |             |             | 24,071.56             | 72,000.00            |
| Children's Health Initiative     | 0.00                | 675,000.00          | 0.00                | 0.00              |             |             |             |             |             |             |             |             | 675,000.00            | 1,350,000.00         |
| SFSU Nursing Program             | 0.00                | 0.00                | 0.00                | 0.00              |             |             |             |             |             |             |             |             | 0.00                  | 475,000.00           |
| Samaritan House Grant            | 165,674.00          | 0.00                | 0.00                | 165,674.00        |             |             |             |             |             |             |             |             | 331,348.00            | 663,000.00           |
| Other Grants                     | 24,500.00           | 1,250.00            | 0.00                | 5,000.00          |             |             |             |             |             |             |             |             | 30,750.00             | 60,000.00            |
| San Mateo Medical Ctr. So County | 0.00                | 0.00                | 0.00                | 0.00              |             |             |             |             |             |             |             |             | 0.00                  | 1,000,000.00         |
| Ravenswood-Belle Haven Clinic    | 0.00                | 0.00                | 0.00                | 0.00              |             |             |             |             |             |             |             |             | 0.00                  | 500,000.00           |
| Community Grants Program         | 0.00                | 0.00                | 0.00                | 0.00              |             |             |             |             |             |             |             |             | 0.00                  | 1,725,500.00         |
| Chronic Disease Management       | 0.00                | 1,351.25            | 665.00              | 4,298.04          |             |             |             |             |             |             |             |             |                       | 30,000.00            |
| Apple Tree Dental                | 250,000.00          | 0.00                | 0.00                | 0.00              |             |             |             |             |             |             |             |             | 250,000.00            | 500,000.00           |
| <b>Total Grant Expenses</b>      | <b>445,797.41</b>   | <b>684,407.93</b>   | <b>6,905.66</b>     | <b>181,359.73</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>1,312,156.44</b>   | <b>6,381,500.00</b>  |
| <b>Program Expenses</b>          |                     |                     |                     |                   |             |             |             |             |             |             |             |             |                       |                      |
| HeartSafe Admin Expense          | 0.00                | 15,101.12           | 222.08              | 353.48            |             |             |             |             |             |             |             |             | 15,676.68             | 20,950.00            |
| HeartSafe Payroll                | 3,965.86            | 5,751.12            | 4,534.60            | 4,534.60          |             |             |             |             |             |             |             |             | 18,786.18             | 59,650.00            |
| HeartSafe Training & Equipment   | 442.55              | 236.00              | 0.00                | 1,548.71          |             |             |             |             |             |             |             |             | 2,227.26              | 67,400.00            |
| School Health Admin              | 585.00              | 919.68              | 5,317.89            | 5,447.82          |             |             |             |             |             |             |             |             | 12,270.39             | 57,000.00            |
| School Health Payroll            | 9,608.89            | 12,488.49           | 10,572.62           | 10,572.65         |             |             |             |             |             |             |             |             | 43,242.65             | 136,500.00           |
| Gabet salary expense adjust      | 184.62              | 92.29               | 0.00                | 0.00              |             |             |             |             |             |             |             |             | 276.91                |                      |
| School Health Grants             | 118,750.00          | 188,466.50          | 87,500.00           | 155,204.29        |             |             |             |             |             |             |             |             | 549,920.79            | 2,777,000.00         |
| <b>Total Program Expenses</b>    | <b>133,536.92</b>   | <b>223,055.20</b>   | <b>108,147.19</b>   | <b>177,661.55</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>642,400.86</b>     | <b>3,118,500.00</b>  |
| <b>Total Expenses</b>            | <b>653,345.28</b>   | <b>959,775.44</b>   | <b>159,893.05</b>   | <b>428,486.52</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>2,195,186.00</b>   | <b>13,095,400.00</b> |
| <b>Net Surplus/Loss</b>          | <b>(659,828.46)</b> | <b>(922,408.72)</b> | <b>(172,119.55)</b> | <b>418,935.70</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>(1,335,421.03)</b> | <b>(845,000.00)</b>  |

**Budget Report To-Date  
July-October**

|                   | <b>2013-14<br/>July-Oct</b> | <b>2014-15<br/>July-Oct</b> | <b>2014-15<br/>Budgeted July-Oct</b> |
|-------------------|-----------------------------|-----------------------------|--------------------------------------|
| <b>Category</b>   |                             |                             |                                      |
| Tax Income        | \$31,000                    | \$466,300                   | \$50,000                             |
| Investment Income | 79,300                      | 31,400                      | 35,000                               |
| Total Income      | 253,400                     | 866,100                     | 200,000                              |

**Note: Total income is \$613,000 more than same time last year and \$666,000 more than expected this year (tax income and EBIDA).**

|                  |           |           |           |
|------------------|-----------|-----------|-----------|
| Admin expense    | \$187,500 | \$201,500 | \$200,000 |
| Property expense | 43,600    | 39,100    | 40,000    |
| Grant expense    | 1,518,300 | 1,312,200 | 1,700,000 |
| Program expense  | 622,500   | 642,400   | 650,000   |
| Total expenses   | 2,371,900 | 2,195,200 | 2,500,000 |

**Note: Total expenses down \$176,700 from same time last year (nursing program expense).**



**CEO Report: November 2014- Lee Michelson**

1. Living Healthy- the LH classes at The Peninsula Jewish Community Center and at our offices have been completed and the ones at Fair Oaks Community Center and Little House in Menlo Park will end soon. The next scheduled classes are from February-4-March 18 and will be held at the San Carlos Adult Activity Center.
2. Oral Health Coalition- the Coalition is working on helping to expand dental services to children and the elderly. Dick Gregory of Apple Tree Dental was the featured speaker at the last meeting. The Coalition is also taking the lead in creating an oral health strategic plan for the County.
3. Public Health Conference- I attended the conference held in New Orleans. A conference attendance report is attached to this report.
4. ADA Construction- per Redwood City regulations we have contracted to reconstruct the back entrance ramp to make it ADA compliant. The cost of the project will be \$14,000 and work will be completed in December. We are also considering but have not yet committed to other minor ADA compliance recommendations regarding signage and listening devices.
5. Pension- Kim Osborne, the new CFO of Sequoia Hospital has replaced Gratia Barton on the 3-person committee. It is expected that the new hospital CEO will take over for Glenna Vaskelis for the March meeting.
6. Samaritan House- Jerry Shefren and I helped distribute food at the RWC Clinic. About 80 families who are patients of the clinic received help. Most of the food was donated by 2<sup>nd</sup> Harvest.
7. Apple Tree- despite a lengthy delay, construction has begun on the new clinic operation in San Mateo. It is expected that the grand opening will now take place in March. The mobile program will coincide with the clinic.
8. Redwood City 2020- Jana Kaiser the Executive Director has just completed her first year on the job. I have been asked to serve on the personnel committee to evaluate her performance.
9. Sequoia Village- great progress continues on this project. Board members are invited to the holiday party on December 16.
10. San Carlos Adult Community Center- I have been invited to be a speaker at the wellness / health fair on January 24<sup>th</sup>.

## Conference Attendance Form

Staff member: Lee Michelson

Conference attended: American Public Health

Location: New Orleans

Dates: November 17-19

Summary of your participation: Went to various workshops:

- . Healthy Foods
- .Health Promotion for Older Adults
- .Healthy Start- Young Children
- .Delivering Health Programs to Senior Housing Complexes
- . Importance of Fathers/Dads in the Health of Children
- . Health Issues of Latino Youth
- . Homeless Families and Homeless Elderly and Health Status
- . Creating Community Health Advocates
- .

How did attending conference benefit you?

Several new ideas o explore for possible programs or modifications of existing programs.

Reported by Pamela Kurtzman

Date 12-3-14

### ***I. Healthy Schools Initiative***

To ensure that the Wellness Coordinators have a clearly defined set of priorities, that they set specific and realistic goals and objectives, and that they have a productive and successful school year, I worked with all 8 school district wellness coordinators in helping them develop their action plans and timeline for meeting their goals. These plans help to communicate their efforts, identify and leverage resources, identify potential partnerships, and foresee obstacles and opportunities. The action plans also provide me a baseline to measure their progress toward meeting their goals. Momentum is building and many innovative and potentially impactful projects are planned this year! I invite board members to view the action plans, which I will provide upon request.

### ***II. HSI and CC Grants***

**Online grants management portal:** I'm thrilled to announce our new partnership with Versaic Grants Management. Versaic will help us to streamline our grants programs from the LOI process to the final reporting. We'll also be able to communicate impact much more thoroughly and efficiently. Versaic just began building our custom online portal that is expected to be ready in time for our next grants cycle beginning in February. Once complete, I look forward to sharing it with the Board.

**2014-15 Grants Cycle:** We will be holding two grants information sessions for potential applicants on January 6<sup>th</sup> at 9:30a and on January 8<sup>th</sup> at 4:30p here at our SHD offices. I will begin discussions with our grants committee in mid-December to present our funding priorities, criteria, and program evaluation strategies.

Jennifer is gearing up to take over management of the HSI grants program and has already conducted her first site visit to Jasper Ridge.

### ***III. Children's Health Initiative***

We remain in close contact with staff from the Health Plan of San Mateo County (HPSMC) who last month shared with us the 2014-15 California County Scorecard of Children's Well-Being. The Scorecard tracks 29 key indicators within education, health, child welfare and child economic well-being across 58 counties in California. The indicators are tracked over time and by race and ethnicity. It was gratifying to see that San Mateo County ranks #1, #2, and #1 among California's 58 counties on metrics that we aim to influence through our effort to sustain universal health insurance coverage for our youngest residents.

- We rank 1st in the % of children with health insurance for the entire year, at a measure of 97%;
- We rank 2nd in the % of children with a usual source of healthcare, at 95%
- We rank 1st in the % of children who have visited a dentist in the last year, at 92%

The scorecard can be found at the following link: <http://scorecard.childrennow.org/2014/california/>. HPSMC staff expressed sincere gratitude for SHD's investment and partnership that has contributed to the results above. The SHD Board can expect to hear from HPSMC in February when they report on their analysis of year-end spending and enrollment for FY 13-14 which impacts their future funding need.

#### **IV. *Highlights from our School District Partners:***

An abundance of great work is continuing in our 4 original partner school districts along with many important new projects. It's reassuring to see so much activity and support around the initiative and we are beginning to see tangible improvements in the health and safety of students and staff. The new district wellness coordinators are moving full steam ahead too. It was exciting and interesting to work with them in creating their work plans and help them launch the Healthy Schools Initiative in their districts. Examples of their current activities are presented below. I tried to be brief, but there's so much going on!

##### **Redwood City:**

**Mobile Vending-** Andrea completed a letter from the District Wellness Committee to the RCSD School Board requesting a resolution to restrict mobile vendors/food trucks selling junk food near RCSD school campuses. After a school board vote they will request a city and county ordinance by sending a memo to the county supervisor.

**CPR Training-** Andrea worked with our Glenn and our HeartSafe Program to coordinate a CPR certificate training for 20 principals and administrators AND a Friends and Family CPR training for 60 yard duty in RCSD training a total of 80 school administrators and staff in one day

**Drink Water First-** The campaign is continuing to gain momentum and grow. This year Andrea was able to link the campaign to their SF Giants player visit and emphasize the importance of drinking water for fitness, athletic performance and healthy habits; PE+ coaches attended the event and assisted with the distribution of Drink Water First water bottles to all Henry Ford students during PE. In addition, she recently completed a 30K+ grant for Siemens requesting funds to support the installation of more Global Tap drinking fountains. This month the Hoover Wellness Promoters will be educating families about the importance of drinking water, as well as handing out Drink Water First water bottles.

##### **San Carlos:**

**Classroom Nutrition Education-** Mindy H reviewed nutrition huddles curriculum with staff and worked with Jennifer to provide nutrition talks at middle schools. She is working with SMART-E to continue Harvest Markets at more schools and started 35 classrooms with Harvest of the Month Kits.

**Emergency Preparedness-** Mindy trained all administrators in Big 5 emergency response protocols and published community protocols for parents. All schools participated in the Great Shakeout earthquake drill.

**Social Emotional support-** Youth Mental Health First Aid trainings are being provided by SMCOE and Mindy is encouraging all staff to participate. Mindy worked with all counselors, psychologists, MFT trainees, and supervisors to outline a crisis management plan and created a District Grief Management plan to use in the case of death or serious illness of a student or staff member. Diversity training for staff and coaches now includes LGBT sensitivity. Discussions are underway to align strategic plan with mental health strategies around homework.

#### **Belmont-Redwood Shores:**

**Nutrition Services / Nutrition Ed.-** Mindy S has been working with Jennifer Gabet to Integrate Nutrition Education with Physical Education. Jennifer spoke with PE coaches during their training and distributed Nutrition Huddles binders to PE coaches and taught them to implement the program. The Nutrition Huddles concept and curriculum was also shared with Ralston PE coaches to adapt the information for Middle School. Mindy S also provided Healthy Classroom guidelines in the registration packets for all students and on the district website and worked with Ralston student government on guidelines for food sales.

#### **Sequoia Union:**

**Mental Health Advisory Committee, Executive (MAC Exec)-** Karen is working with MAC in developing a district-wide 5150/crisis intervention protocol. MAC Exec met with the Fair Oaks Clinic mental health staff on 11/18 to discuss strategies to improve access for our students. The school district is researching an AOD prevention program that utilizes a neuroscience to address the disease of addiction. This will be a potential collaboration with RWC 2020. The Quiet Time meditation program is still underway at Redwood, and staff and student trainings are ongoing. Suicide prevention is being addressed at a County level, and SUHSD is a partner.

**Health and Safety-** Karen is working with district in reviewing the 9th grade Life Skills curriculum, and researching options to provide support to the teachers in areas such as mental health and substance abuse. Site health fairs will take place beginning in February. Plan our district-wide cardiac screening event, March 22, 1015, with the goal of screening 800-1,000 students for risk of sudden cardiac arrest. Also continuing work on ImPact concussion testing and education at Carlmont and Woodside. Currently conducting baseline testing with soccer teams at both sites and discussing a possible collaboration with Dr. Ghajar's head injury study out of Stanford.

**Food Advisory Committee, Executive (FACE)-** Over 900 student food survey results continue to be tabulated. The results will be reported out to the Board Trustees and the District admin to provide input for upcoming food service changes. Jennifer Gabet worked with SFSU nursing students, school district nurses, and the SUHSD's Food Service team to complete a carb count project for students with special dietary concerns. The topic of diabetes will be discussed in the next issue of the WAC newsletter.

#### **Menlo Park City:**

**Social Emotional Support Programs- Life Skills Lessons:** Operating on a 5-week lesson rotation, counselors are working to align the 5 CASEL Core Competencies: self-awareness, self-management, social awareness, relationship skills, and responsible decision making with Common Core standards

related to listening and communicating. Counselors conduct lessons in every classroom within the 5-week rotation period. **Free Range Kids:** A "Compassion Tree" is displayed on campus where students and teachers can write on an apple an act of compassion they have witnessed or been a part of, and add it onto the tree. **Character Education:** Four times a year, counselors teach character education lessons within each PE class based off of the 5 CASEL Core Competencies. December 3<sup>rd</sup> and 4<sup>th</sup> is the first lesson. **Where Everybody Belongs (WEB):** A middle school orientation and transition program that welcomes 6th/7th graders and makes them feel comfortable throughout their first year of their middle school experience. 8<sup>th</sup> grade WEB leaders teach one lesson per trimester to the younger grades, assisted by the counselors. The first WEB lesson took place the first week of November.

**Wellness Committee formed!** The purpose of this committee is to work with parents, staff and community to develop short, mid and long-term Wellness goals and activities, trainings, and resources to meet these goals. This committee will officially begin its work in January 2015.

### **Las Lomitas:**

Identified health topics important to parents, staff, students that need to be addressed such as nutrition, fitness, allergy awareness, psychological health, school safety and climate.

**Social Emotional Support-** Goal is to provide on site mental health assistance for students. Target resources and develop programs to help student well-being; currently have lunch time programs. Project Cornerstone program builds positive relationships, opportunities, values, that provide the foundation for a healthy, successful future. Parents get involved with students at school to help them have a web of support and develop positive values in middle school. The district collaborates with ACS who works with school counselors to provide mental health services for students on campus/identify school climate issues from Healthy Kids Survey.

**Staff Wellness-** Staff stress has been identified as a needed area of wellness to address. They will hold a staff exercise class /possible lunchtime mindfulness class. Also partnering with Stanford "Health for All" program to create a staff exercise and stress reduction program. Coordinating with Woodside School District to share ideas and resources for wellness activities.

### **Portola Valley:**

Wellness Coordinator Christy Pinelli surveyed staff and students to identify priorities for health and wellness in the district. **Staff Wellness** appeared to be a top priority as well as **emotional/ stress support services** for students. Christy partnered with a local yoga and zumba studio to provide group classes on-site for staff at a reduced rate and will offer healthy cooking classes for staff and 7<sup>th</sup> and 8<sup>th</sup> grade students on site. She is also looking to provide a stress assessment/reduction program for interested 4-8 graders during Leopard's lounge lunch that will focus on mindful breathing techniques.

### **Woodside Elementary:**

Nurse and District Wellness Coordinator, Abbe Keane, will focus on increasing **health education** for all students and **professional development** around health related topics for staff. Psychologist/counselor provides individual/group counseling as needed and S.E.L. lessons are offered once a week and are integrated into the curriculum. Abbe is working to recruit students who will be ambassadors in creating a positive school climate. She is also working to develop health plans for students with chronic illness,

provide health screenings and referrals, expand family life curriculum for grades 6-8, and explore options for drug and alcohol prevention education.

**V. *Web and Social Media***

Gwen is assisting with the integration of our website with our new grants management portal and will be instrumental in helping build the portal to match the look of our website. Gwen led a discussion at our Sept 24th Wellness Committee meeting to assist the wellness coordinators with increasing communication and awareness of their work within schools. We are striving to keep our webpages up to date with fresh, relevant information.

**VI. *Other: APHA Meeting***

Please see attached conference summary

# Conference Attendance Form

**Staff member:** Pamela Kurtzman

**Conference attended:** American Public Health Association

**Location:** New Orleans, LA

**Dates:** Nov 16- Nov 19, 2014

## Summary of participation:

I attended 8 educational sessions that covered a variety of topics. Below is a brief listing and summary of the specific sessions I attended:

1. **Lessons Learned: Strengthening Communities through Cross-Sector Partnerships:** Examined why is it essential for the public health sector to engage new partners to revitalize communities and how to replicate or scale up elements of promising models and programs.
2. **Benefits and Power of Partnerships:** Discussed the benefits and power of community-academic partnerships in addressing complex public health issues and described how partnerships can foster learning experiences and establish strong academic-community linkages to achieve widespread impact.
3. **School Mental Health in K-12- Organizational Strategies and Health Promotion Interventions that Support Emotional Resilience:** Discussed research based strategies that address the significance of school culture on the behavioral health of students and teachers. The second half of the session presented findings from studies of interventions that explored ways to combat stigma and bullying behavior.
4. **Media advocacy: How to make public health matter in media:** During this session a panel of journalists shared inside strategies for pitching stories to media outlets and other tips for generating news coverage of issues. I also learn about the role of media advocacy, the importance of developing messages that resonate with the public and how to best communicate our public health messages through the media.
5. **Working Together on the Success of the ACA for Vulnerable Populations: Opportunities and Implementation Strategies:** We explored opportunities for community health centers and



community development as it relates to the Affordable Care Act and looked at a national plan of outreach, education, and enrollment for Asian Americans, Native Hawaiians, and Pacific Islanders.

**6. Investing in Health Equity to Reduce Health Disparities:** Discussed the ways in which low income populations are disproportionately impacted by availability of alcohol, tobacco, and unhealthy food options in their communities and how in order to attain health equity, it is necessary to invest in the health of communities. The session presented approaches that invest in policy change and advocacy to create leadership development in priority populations around tobacco, bringing healthy food outlets to underserved communities, and investments in research to reduce alcohol's impact in neighborhoods.

**7. "What Works" in Mental Health Prevention and Early Intervention: California's Comprehensive Effort to Improve Student Mental Health, Prevent Suicides, and Reduce the Stigma of Mental Illness:** This session discussed the development and implementation framework for comprehensive prevention and early intervention initiatives and described tools and resources that support local mental health prevention and early intervention campaigns that are available to communities free of charge.

**8. Infant & Child Health: Community Factors related to Obesity:** The session focused on interventions and policies that improve the health of young children. Results from a randomized trial of a unique peer-mentored intervention intended to improve health and nutrition among Early Head Start families were discussed.

### **How did attending conference benefit you?**

Attending the APHA annual meeting allowed me to convene with other public health professionals where I could network and engage with peers while learning about the latest research and best practices in promoting health and reducing health disparities that I can utilize here in my own work.

## Jennifer Gabet Board Report

Activity Summary for October - November 2014

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### *and Other Highlights:*

- Attended American School Health Association Conference in Portland, Oregon October 9-12. I received continuing education units, learned valuable research results regarding nutrition education, school food, and a community engagement intervention, plus how to create success stories, evaluate coordinated school health, and wellness policies.
- Worked with PE+ Coordinators on development of draft budgets projections and models and presented at PE+ Board Meeting on November 21.
- Celebrated Food Day on October 24 at 6 schools by delivering a locally-grown apple to students during their PE class. Apples were provided by Redwood City School District Child Nutrition.
- I observed and participated in the PE+ Fall Training Day. The training was very well organized, hands-on, and skills-based.
- I contracted with 2 coaches for PE+ data entry and have one set of data already complete. I look forward to analyzing trend data.
- I began learning about Healthy Schools Initiative Grants from Pamela and went on first site visit of Horse Buddies program at Jasper Ridge.
- Collaborated with student nurses, Sequoia Union Food Service, Karen Li, and school nurses to initiate carbohydrate count project of school food for diabetic patients.
- Continued to work with Gwen on social media and other projects. Completed Meet your PE+ Coaches Flyers that have been distributed and posted. They have been very well received.
- Participated in School Wellness Alliance and County Nutrition Action Plan meetings.



# HeartSafe Program

Activity Summary for October & November 2014

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## **HeartSafe Region Task Force Meetings**

Attend and participate in regional planning and support.

## **AED Placements In-Progress (application stage, site visits, etc.)**

Community Overcoming Relationship Abuse - CORA

## **AED / CPR Trainings – Over 200 trained!**

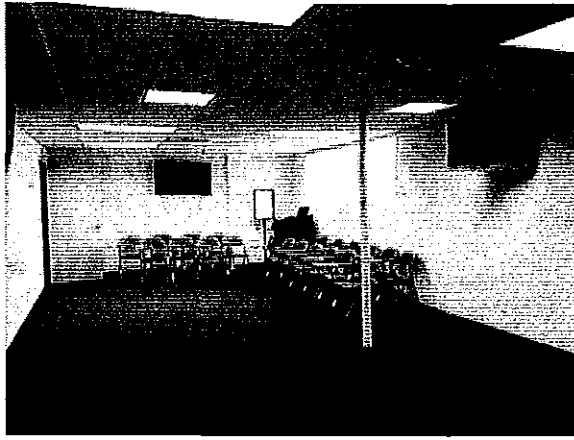
- Redwood City School District Principals and staff (two sessions)
- Redwood City School District yard duty personnel (two sessions)
- Belmont/Redwood Shores teachers
- Belmont/Redwood Shores “teachers-in-charge”
- San Mateo County Environmental Health
- Equinix Corporation Health Fair

## **AED / CPR Scheduled Trainings**

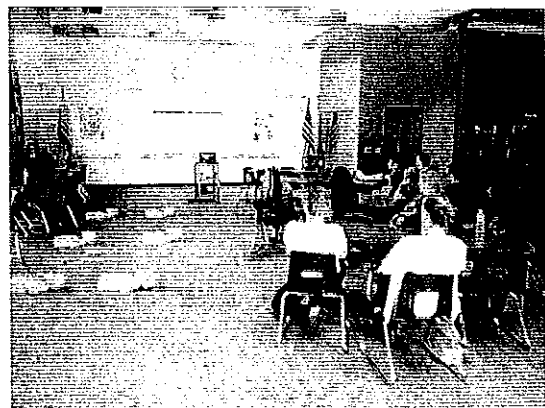
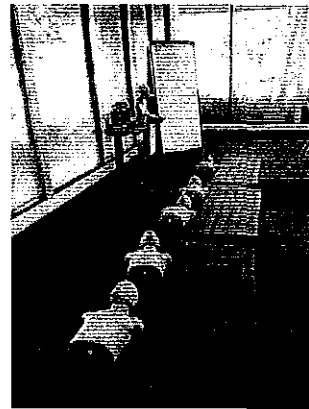
- Belmont/Redwood Shores yard duty personnel
- Redwood City School District Child Nutrition Services

## **Classroom completed!**

We are excited to report that we have completed construction of our new classroom. We will offer our first class in this room the first week of January 2015.



## Photographs





**Agenda Item 5.a**  
**Board of Directors Mtg. 12-3-14**

Vavrinek, Trine, Day 2013-14 Annual Audit is presented as a separate document

# STATEMENT OF THE VOTE

OF THE

COUNTY OF SAN MATEO, STATE OF CALIFORNIA

IN THE MATTER OF THE CANVASS OF  
THE VOTES CAST IN THE COUNTY OF  
SAN MATEO AT THE STATEWIDE  
GENERAL ELECTION HELD TUESDAY,  
NOVEMBER 4, 2014

CERTIFICATE OF THE  
CHIEF ELECTIONS OFFICER

I, MARK CHURCH, CHIEF ELECTIONS OFFICER of the County of San Mateo, State of California, do hereby certify that the Statewide General Election was conducted pursuant to law throughout said county on November 4, 2014; and

I HEREBY FURTHER CERTIFY the following facts: that at said Primary Election 475 election precincts were duly established with 350 operating precinct boards; that the election was conducted thereat pursuant to law; that pursuant to Division 15, Chapter 4 of the California Elections Code, I have canvassed the votes cast at all precincts which were 54,056; that 109,419 vote by mail votes were cast; that 978 early votes were cast, canvassed and included in the result of the total 164,453 votes cast which is accurately shown in this Statement of the Result of the Vote as determined by the official canvass of the returns attached hereto and made a part hereof.

IN WITNESS WHEREOF, I hereunto affix my hand and official seal of this office this 1<sup>st</sup> day of December, 2014.

MARK CHURCH  
Chief Elections Officer &  
Assessor-County Clerk-Recorder

| 31   | SEQUOIA HEALTHCARE DISTRICT MEMBERS, BOARD OF DIRECTORS |              |             |  |   |                        |               |                  |                |  |  |  |  |
|------|---|--------------|-------------|--|---|------------------------|---------------|------------------|----------------|--|--|--|--|
|      | Registration  | Ballots Cast | Turnout (%) |  | SEQUOIA HEALTHCARE<br>Vote for 3<br>JOHN J. "JACK" HICKEY | GERALD "JERRY" SHEFFEN | JOHN MCDOWELL | MARK J. DE PAULA | ARTHUR J. FARO |  |  |  |  |
| 2101 | 278   | 131          | 47.1        |  | 88  | 49                     | 35            | 31               | 46             |  |  |  |  |
| 2104 | 460   | 217          | 47.2        |  | 86  | 88                     | 62            | 50               | 67             |  |  |  |  |
| 2106 | 889   | 467          | 52.5        |  | 150   | 199                    | 115           | 102              | 140            |  |  |  |  |
| 2107 | 1,478   | 789          | 53.4        |  | 297   | 347                    | 213           | 173              | 269            |  |  |  |  |
| 2110 | 693   | 401          | 57.9        |  | 108   | 162                    | 104           | 81               | 144            |  |  |  |  |
| 2111 | 787   | 427          | 54.3        |  | 153   | 197                    | 127           | 102              | 142            |  |  |  |  |
| 2112 | 767   | 437          | 57.0        |  | 155   | 173                    | 123           | 113              | 140            |  |  |  |  |
| 2113 | 1,558   | 836          | 53.7        |  | 335   | 319                    | 251           | 211              | 247            |  |  |  |  |
| 2115 | 1,331   | 781          | 58.7        |  | 280   | 292                    | 224           | 181              | 221            |  |  |  |  |
| 2117 | 1,105   | 497          | 45.0        |  | 176   | 219                    | 129           | 104              | 181            |  |  |  |  |
| 2131 | 792   | 326          | 41.2        |  | 136   | 150                    | 91            | 80               | 98             |  |  |  |  |
| 2132 | 756   | 444          | 58.7        |  | 137   | 205                    | 128           | 100              | 157            |  |  |  |  |
| 2133 | 516   | 276          | 53.5        |  | 72  | 103                    | 71            | 53               | 92             |  |  |  |  |
| 2134 | 641   | 322          | 50.2        |  | 121   | 145                    | 98            | 78               | 111            |  |  |  |  |
| 2204 | 1,206   | 573          | 47.5        |  | 207   | 218                    | 144           | 112              | 177            |  |  |  |  |
| 2205 | 1,039   | 454          | 43.7        |  | 181   | 192                    | 139           | 111              | 136            |  |  |  |  |
| 2207 | 1,405   | 652          | 46.4        |  | 240   | 277                    | 182           | 134              | 196            |  |  |  |  |
| 2215 | 1,529   | 784          | 50.0        |  | 275   | 315                    | 198           | 151              | 218            |  |  |  |  |
| 2217 | 1,461   | 663          | 45.4        |  | 91  | 98                     | 62            | 41               | 61             |  |  |  |  |
| 2221 | 703   | 360          | 51.2        |  | 131   | 154                    | 89            | 90               | 112            |  |  |  |  |
| 2222 | 866   | 385          | 44.5        |  | 117   | 157                    | 111           | 86               | 108            |  |  |  |  |
| 2223 | 714   | 309          | 43.3        |  | 114   | 119                    | 95            | 73               | 90             |  |  |  |  |
| 2224 | 836   | 384          | 45.9        |  | 141   | 161                    | 115           | 94               | 120            |  |  |  |  |
| 2612 | 1,248   | 439          | 35.2        |  | 145   | 171                    | 123           | 86               | 146            |  |  |  |  |
| 2614 | 1,185   | 496          | 41.9        |  | 181   | 205                    | 124           | 110              | 170            |  |  |  |  |
| 2616 | 1,144   | 495          | 43.3        |  | 203   | 212                    | 150           | 127              | 177            |  |  |  |  |
| 2663 | 1,022   | 491          | 48.0        |  | 165   | 203                    | 123           | 104              | 141            |  |  |  |  |
| 2664 | 176   | 100          | 56.8        |  | 38  | 40                     | 33            | 32               | 22             |  |  |  |  |
| 2677 | 95  | 48           | 50.5        |  | 13  | 20                     | 9             | 7                | 16             |  |  |  |  |
| 2679 | 861   | 406          | 47.2        |  | 147   | 188                    | 110           | 88               | 125            |  |  |  |  |
| 3001 | 505   | 298          | 59.0        |  | 108   | 108                    | 103           | 77               | 65             |  |  |  |  |
| 3002 | 1,008   | 557          | 55.3        |  | 195   | 210                    | 174           | 132              | 166            |  |  |  |  |
| 3004 | 191   | 127          | 66.5        |  | 47  | 57                     | 43            | 40               | 37             |  |  |  |  |
| 3005 | 835   | 474          | 56.8        |  | 172   | 181                    | 155           | 120              | 121            |  |  |  |  |
| 3006 | 1,035   | 594          | 57.4        |  | 190   | 240                    | 204           | 147              | 165            |  |  |  |  |
| 3008 | 1,016   | 428          | 42.1        |  | 138   | 162                    | 128           | 91               | 95             |  |  |  |  |
| 3009 | 169   | 109          | 64.5        |  | 28  | 36                     | 23            | 14               | 52             |  |  |  |  |
| 3010 | 151   | 95           | 62.9        |  | 32  | 36                     | 32            | 29               | 23             |  |  |  |  |
| 3102 | 950   | 423          | 44.5        |  | 165   | 186                    | 134           | 94               | 141            |  |  |  |  |
| 3103 | 575   | 238          | 41.4        |  | 107   | 118                    | 67            | 62               | 85             |  |  |  |  |
| 3123 | 162   | 72           | 44.4        |  | 23  | 33                     | 17            | 14               | 16             |  |  |  |  |
| 3135 | 863   | 451          | 52.3        |  | 155   | 181                    | 141           | 108              | 142            |  |  |  |  |
| 3201 | 52  | 23           | 44.2        |  | 11  | 8                      | 7             | 5                | 10             |  |  |  |  |
| 3202 | 499   | 257          | 51.5        |  | 103   | 105                    | 84            | 64               | 74             |  |  |  |  |
| 3203 | 12  | 8            | 66.7        |  | 3   | 1                      | 3             | 4                | 2              |  |  |  |  |
| 3204 | 24  | 11           | 45.8        |  | 4   | 1                      | 2             | 1                | 2              |  |  |  |  |
| 3214 | 0   | 0            | 0.0         |  | 0   | 0                      | 0             | 0                | 0              |  |  |  |  |
| 3340 | 1,029   | 604          | 58.7        |  | 5   | 2                      | 4             | 3                | 2              |  |  |  |  |
| 3361 | 87  | 52           | 59.8        |  | 3   | 4                      | 3             | 1                | 1              |  |  |  |  |
| 3370 | 531   | 291          | 54.8        |  | 0   | 0                      | 1             | 0                | 1              |  |  |  |  |
| 3372 | 99  | 64           | 64.6        |  | 10  | 15                     | 9             | 6                | 8              |  |  |  |  |
| 3375 | 50  | 30           | 60.0        |  | 9   | 10                     | 11            | 5                | 6              |  |  |  |  |
| 3376 | 203   | 115          | 56.7        |  | 8   | 11                     | 7             | 6                | 11             |  |  |  |  |
| 3377 | 25  | 9            | 36.0        |  | 6   | 3                      | 6             | 3                | 0              |  |  |  |  |
| 3401 | 849   | 472          | 55.6        |  | 154   | 200                    | 134           | 97               | 169            |  |  |  |  |
| 3402 | 1,373   | 747          | 54.4        |  | 248   | 300                    | 207           | 173              | 254            |  |  |  |  |
| 3406 | 101   | 54           | 53.5        |  | 22  | 17                     | 15            | 15               | 15             |  |  |  |  |
| 3407 | 202   | 113          | 55.9        |  | 36  | 51                     | 24            | 24               | 33             |  |  |  |  |
| 3408 | 95  | 58           | 61.1        |  | 17  | 25                     | 21            | 15               | 17             |  |  |  |  |
| 3409 | 0   | 0            | 0.0         |  | 0   | 0                      | 0             | 0                | 0              |  |  |  |  |



| 31   | SEQUOIA HEALTHCARE DISTRICT MEMBERS, BOARD OF DIRECTORS |              |             |  |   |                         |               |                  |                |  |  |  |  |  |  |
|------|---|--------------|-------------|--|---|-------------------------|---------------|------------------|----------------|--|--|--|--|--|--|
|      | Registration  | Ballots Cast | Turnout (%) |  | SEQUOIA HEALTHCARE<br>Vote for 3<br>JOHN J. "JACK" HICKEY | GERALD "JERRY" SHEPHERN | JOHN MCDOWELL | MARK J. DE PAULA | ARTHUR J. FARO |  |  |  |  |  |  |
| 3410 | 1,068   | 645          | 60.4        |  | 149   | 286                     | 162           | 113              | 182            |  |  |  |  |  |  |
| 3412 | 25  | 7            | 28.0        |  | 2   | 7                       | 6             | 4                | 0              |  |  |  |  |  |  |
| 3420 | 492   | 301          | 61.2        |  | 84  | 122                     | 63            | 65               | 87             |  |  |  |  |  |  |
| 3421 | 44  | 33           | 75.0        |  | 5   | 2                       | 4             | 2                | 2              |  |  |  |  |  |  |
| 3450 | 631   | 352          | 55.8        |  | 108   | 135                     | 113           | 88               | 108            |  |  |  |  |  |  |
| 3451 | 1,373   | 883          | 64.3        |  | 253   | 290                     | 244           | 208              | 239            |  |  |  |  |  |  |
| 3452 | 1,215   | 724          | 59.6        |  | 182   | 240                     | 155           | 114              | 185            |  |  |  |  |  |  |
| 3455 | 1,359   | 908          | 66.8        |  | 286   | 275                     | 281           | 249              | 213            |  |  |  |  |  |  |
| 3457 | 1,283   | 872          | 68.0        |  | 237   | 317                     | 246           | 175              | 240            |  |  |  |  |  |  |
| 3459 | 1,112   | 670          | 60.3        |  | 243   | 277                     | 223           | 165              | 185            |  |  |  |  |  |  |
| 3460 | 1,345   | 909          | 67.6        |  | 312   | 372                     | 228           | 225              | 272            |  |  |  |  |  |  |
| 3463 | 28  | 16           | 57.1        |  | 5   | 8                       | 2             | 2                | 8              |  |  |  |  |  |  |
| 3464 | 69  | 52           | 75.4        |  | 9   | 21                      | 15            | 9                | 15             |  |  |  |  |  |  |
| 3601 | 1,408   | 727          | 51.6        |  | 256   | 297                     | 219           | 176              | 206            |  |  |  |  |  |  |
| 3602 | 1,095   | 598          | 54.6        |  | 209   | 234                     | 175           | 151              | 175            |  |  |  |  |  |  |
| 3605 | 1,981   | 986          | 49.8        |  | 326   | 385                     | 285           | 228              | 325            |  |  |  |  |  |  |
| 3608 | 1,448   | 733          | 50.6        |  | 300   | 354                     | 247           | 167              | 275            |  |  |  |  |  |  |
| 3610 | 1,505   | 773          | 51.4        |  | 269   | 321                     | 229           | 178              | 255            |  |  |  |  |  |  |
| 3612 | 844   | 376          | 44.5        |  | 140   | 154                     | 112           | 77               | 106            |  |  |  |  |  |  |
| 3613 | 752   | 382          | 50.8        |  | 124   | 160                     | 110           | 82               | 122            |  |  |  |  |  |  |
| 3614 | 1,461   | 790          | 54.1        |  | 254   | 322                     | 218           | 181              | 254            |  |  |  |  |  |  |
| 3616 | 1,285   | 689          | 53.6        |  | 259   | 297                     | 226           | 191              | 254            |  |  |  |  |  |  |
| 3617 | 1,413   | 737          | 52.2        |  | 239   | 296                     | 231           | 168              | 234            |  |  |  |  |  |  |
| 3620 | 1,265   | 718          | 56.8        |  | 286   | 306                     | 223           | 182              | 257            |  |  |  |  |  |  |
| 3621 | 1,386   | 761          | 54.9        |  | 272   | 312                     | 217           | 188              | 247            |  |  |  |  |  |  |
| 3624 | 1,251   | 671          | 53.6        |  | 246   | 268                     | 206           | 166              | 203            |  |  |  |  |  |  |
| 3626 | 513   | 294          | 57.3        |  | 94  | 127                     | 90            | 71               | 108            |  |  |  |  |  |  |
| 3627 | 110   | 72           | 65.5        |  | 27  | 25                      | 18            | 18               | 17             |  |  |  |  |  |  |
| 3629 | 13  | 4            | 30.8        |  | 3   | 0                       | 3             | 4                | 0              |  |  |  |  |  |  |
| 3630 | 7   | 0            | 0.0         |  | 0   | 0                       | 0             | 0                | 0              |  |  |  |  |  |  |
| 3631 | 73  | 44           | 60.3        |  | 16  | 16                      | 9             | 8                | 15             |  |  |  |  |  |  |
| 3632 | 14  | 6            | 42.9        |  | 3   | 3                       | 0             | 0                | 3              |  |  |  |  |  |  |
| 3633 | 115   | 67           | 58.3        |  | 25  | 23                      | 28            | 22               | 17             |  |  |  |  |  |  |
| 3634 | 29  | 10           | 34.5        |  | 2   | 8                       | 4             | 3                | 3              |  |  |  |  |  |  |
| 3635 | 23  | 13           | 56.5        |  | 6   | 8                       | 4             | 1                | 5              |  |  |  |  |  |  |
| 3637 | 0   | 0            | 0.0         |  | 0   | 0                       | 0             | 0                | 0              |  |  |  |  |  |  |
| 3638 | 204   | 119          | 58.3        |  | 33  | 56                      | 37            | 21               | 35             |  |  |  |  |  |  |
| 3701 | 976   | 559          | 57.3        |  | 197   | 258                     | 149           | 135              | 213            |  |  |  |  |  |  |
| 3702 | 985   | 583          | 57.2        |  | 208   | 249                     | 203           | 144              | 182            |  |  |  |  |  |  |
| 3703 | 644   | 353          | 54.8        |  | 108   | 157                     | 109           | 77               | 112            |  |  |  |  |  |  |
| 3704 | 13  | 6            | 46.2        |  | 2   | 1                       | 0             | 0                | 1              |  |  |  |  |  |  |
| 3706 | 119   | 63           | 52.9        |  | 20  | 25                      | 14            | 18               | 20             |  |  |  |  |  |  |
| 3707 | 59  | 27           | 45.8        |  | 9   | 7                       | 6             | 7                | 6              |  |  |  |  |  |  |
| 3708 | 98  | 44           | 44.9        |  | 18  | 18                      | 17            | 17               | 16             |  |  |  |  |  |  |
| 3709 | 207   | 126          | 60.9        |  | 47  | 50                      | 48            | 29               | 38             |  |  |  |  |  |  |
| 3710 | 533   | 317          | 59.5        |  | 113   | 121                     | 87            | 75               | 101            |  |  |  |  |  |  |
| 3711 | 4   | 3            | 75.0        |  | 0   | 1                       | 1             | 1                | 1              |  |  |  |  |  |  |
| 3712 | 63  | 31           | 49.2        |  | 14  | 7                       | 14            | 14               | 3              |  |  |  |  |  |  |
| 3720 | 674   | 344          | 51.0        |  | 110   | 125                     | 84            | 72               | 115            |  |  |  |  |  |  |
| 3721 | 1,458   | 672          | 46.1        |  | 251   | 283                     | 203           | 174              | 243            |  |  |  |  |  |  |
| 3723 | 22  | 13           | 59.1        |  | 9   | 4                       | 7             | 5                | 5              |  |  |  |  |  |  |
| 3801 | 384   | 218          | 56.8        |  | 73  | 93                      | 65            | 50               | 68             |  |  |  |  |  |  |
| 3802 | 1,582   | 919          | 58.1        |  | 286   | 318                     | 261           | 195              | 223            |  |  |  |  |  |  |
| 3803 | 214   | 119          | 55.6        |  | 26  | 55                      | 31            | 22               | 36             |  |  |  |  |  |  |
| 3806 | 778   | 416          | 53.5        |  | 127   | 174                     | 122           | 88               | 115            |  |  |  |  |  |  |
| 3807 | 74  | 31           | 41.9        |  | 10  | 11                      | 13            | 9                | 5              |  |  |  |  |  |  |
| 3808 | 545   | 281          | 51.6        |  | 106   | 130                     | 105           | 77               | 87             |  |  |  |  |  |  |
| 3811 | 69  | 24           | 34.8        |  | 8   | 9                       | 6             | 4                | 8              |  |  |  |  |  |  |
| 3812 | 160   | 102          | 63.8        |  | 36  | 33                      | 31            | 35               | 26             |  |  |  |  |  |  |
| 3901 | 1,124   | 711          | 63.3        |  | 212   | 294                     | 181           | 140              | 218            |  |  |  |  |  |  |

| 31   | SEQUOIA HEALTHCARE DISTRICT MEMBERS, BOARD OF DIRECTORS |              |             |  |   |                        |               |                  |                |  |  |  |  |  |
|------|---|--------------|-------------|--|---|------------------------|---------------|------------------|----------------|--|--|--|--|--|
|      | Registration  | Ballots Cast | Turnout (%) |  | SEQUOIA HEALTHCARE<br>Vote for 3<br>JOHN J. "JACK" HICKEY | GERALD "JERRY" SHEFREN | JOHN MCDOWELL | MARK J. DE PAULA | ARTHUR J. FARO |  |  |  |  |  |
| 3903 | 999   | 593          | 61.2        |  | 164   | 267                    | 160           | 135              | 178            |  |  |  |  |  |
| 3905 | 1,135   | 889          | 60.7        |  | 204   | 285                    | 204           | 141              | 210            |  |  |  |  |  |
| 4401 | 756   | 471          | 62.4        |  | 54  | 69                     | 43            | 40               | 55             |  |  |  |  |  |
| 4412 | 1,115   | 663          | 59.5        |  | 183   | 225                    | 168           | 130              | 157            |  |  |  |  |  |
| 4414 | 419   | 222          | 53.0        |  | 60  | 73                     | 55            | 46               | 51             |  |  |  |  |  |
| 4415 | 657   | 395          | 60.3        |  | 110   | 156                    | 115           | 80               | 109            |  |  |  |  |  |
| 4432 | 3   | 0            | 0.0         |  | 0   | 0                      | 0             | 0                | 0              |  |  |  |  |  |
| 4433 | 218   | 133          | 61.0        |  | 45  | 50                     | 31            | 32               | 38             |  |  |  |  |  |
| 4434 | 0   | 0            | 0.0         |  | 0   | 0                      | 0             | 0                | 0              |  |  |  |  |  |
| 4501 | 712   | 171          | 24.0        |  | 83  | 88                     | 33            | 36               | 58             |  |  |  |  |  |
| 4502 | 739   | 266          | 36.0        |  | 115   | 118                    | 62            | 73               | 87             |  |  |  |  |  |
| 4503 | 988   | 518          | 52.4        |  | 157   | 204                    | 137           | 92               | 160            |  |  |  |  |  |
| 4505 | 1,189   | 365          | 30.7        |  | 134   | 170                    | 100           | 76               | 128            |  |  |  |  |  |
| 4506 | 864   | 316          | 36.6        |  | 118   | 132                    | 79            | 74               | 114            |  |  |  |  |  |
| 4507 | 331   | 65           | 19.6        |  | 37  | 34                     | 32            | 23               | 29             |  |  |  |  |  |
| 4508 | 99  | 55           | 55.6        |  | 21  | 25                     | 18            | 10               | 16             |  |  |  |  |  |
| 4601 | 870   | 330          | 37.9        |  | 139   | 167                    | 80            | 79               | 115            |  |  |  |  |  |
| 4602 | 980   | 324          | 33.1        |  | 142   | 152                    | 79            | 74               | 106            |  |  |  |  |  |
| 4603 | 479   | 184          | 40.6        |  | 93  | 86                     | 63            | 42               | 67             |  |  |  |  |  |
| 4604 | 1,452   | 424          | 29.6        |  | 192   | 201                    | 108           | 93               | 149            |  |  |  |  |  |
| 4606 | 872   | 340          | 39.0        |  | 146   | 172                    | 114           | 74               | 128            |  |  |  |  |  |
| 4607 | 815   | 375          | 46.0        |  | 147   | 176                    | 116           | 105              | 131            |  |  |  |  |  |
| 4608 | 839   | 334          | 39.8        |  | 126   | 143                    | 96            | 81               | 109            |  |  |  |  |  |
| 4609 | 971   | 387          | 39.9        |  | 147   | 169                    | 122           | 109              | 134            |  |  |  |  |  |
| 4611 | 651   | 359          | 55.1        |  | 121   | 153                    | 113           | 90               | 122            |  |  |  |  |  |
| 4612 | 1,638   | 871          | 56.6        |  | 331   | 386                    | 254           | 224              | 321            |  |  |  |  |  |
| 4613 | 553   | 262          | 47.4        |  | 106   | 97                     | 79            | 78               | 87             |  |  |  |  |  |
| 4614 | 817   | 409          | 50.1        |  | 146   | 177                    | 108           | 86               | 132            |  |  |  |  |  |
| 4615 | 743   | 301          | 40.5        |  | 103   | 128                    | 85            | 64               | 104            |  |  |  |  |  |
| 4616 | 1,451   | 639          | 44.0        |  | 241   | 302                    | 211           | 135              | 236            |  |  |  |  |  |
| 4617 | 602   | 270          | 44.9        |  | 98  | 130                    | 69            | 71               | 106            |  |  |  |  |  |
| 4618 | 1,463   | 635          | 43.4        |  | 263   | 311                    | 183           | 149              | 228            |  |  |  |  |  |
| 4619 | 510   | 204          | 40.0        |  | 89  | 103                    | 51            | 42               | 86             |  |  |  |  |  |
| 4620 | 904   | 313          | 34.6        |  | 101   | 142                    | 87            | 59               | 118            |  |  |  |  |  |
| 4621 | 802   | 343          | 42.8        |  | 111   | 145                    | 97            | 83               | 138            |  |  |  |  |  |
| 4622 | 1,155   | 412          | 35.7        |  | 147   | 196                    | 94            | 80               | 136            |  |  |  |  |  |
| 4625 | 801   | 319          | 39.8        |  | 107   | 147                    | 85            | 67               | 121            |  |  |  |  |  |
| 4626 | 756   | 344          | 45.6        |  | 134   | 148                    | 107           | 93               | 117            |  |  |  |  |  |
| 4627 | 1,425   | 747          | 52.4        |  | 263   | 365                    | 226           | 175              | 296            |  |  |  |  |  |
| 4629 | 653   | 315          | 48.2        |  | 138   | 156                    | 102           | 78               | 124            |  |  |  |  |  |
| 4630 | 791   | 364          | 46.0        |  | 125   | 160                    | 114           | 81               | 130            |  |  |  |  |  |
| 4631 | 734   | 380          | 51.8        |  | 147   | 153                    | 137           | 107              | 145            |  |  |  |  |  |
| 4633 | 2,168   | 1,162        | 53.6        |  | 454   | 535                    | 367           | 292              | 433            |  |  |  |  |  |
| 4636 | 181   | 106          | 58.6        |  | 38  | 45                     | 36            | 23               | 39             |  |  |  |  |  |
| 4637 | 433   | 216          | 49.9        |  | 89  | 113                    | 62            | 34               | 85             |  |  |  |  |  |
| 4638 | 1,452   | 711          | 49.0        |  | 270   | 281                    | 245           | 212              | 230            |  |  |  |  |  |
| 4639 | 784   | 408          | 52.0        |  | 169   | 182                    | 115           | 120              | 152            |  |  |  |  |  |
| 4650 | 43  | 17           | 39.5        |  | 6   | 6                      | 8             | 4                | 6              |  |  |  |  |  |
| 4651 | 52  | 28           | 53.8        |  | 13  | 11                     | 12            | 11               | 6              |  |  |  |  |  |
| 4652 | 122   | 50           | 41.0        |  | 15  | 21                     | 15            | 16               | 13             |  |  |  |  |  |
| 4653 | 188   | 64           | 28.7        |  | 23  | 31                     | 11            | 19               | 27             |  |  |  |  |  |
| 4654 | 0   | 0            | 0.0         |  | 0   | 0                      | 0             | 0                | 0              |  |  |  |  |  |
| 4655 | 4   | 3            | 75.0        |  | 1   | 2                      | 1             | 1                | 1              |  |  |  |  |  |
| 4656 | 272   | 134          | 49.3        |  | 57  | 47                     | 40            | 31               | 42             |  |  |  |  |  |
| 4657 | 128   | 71           | 55.5        |  | 32  | 31                     | 21            | 19               | 25             |  |  |  |  |  |
| 4659 | 39  | 19           | 49.7        |  | 10  | 3                      | 7             | 10               | 3              |  |  |  |  |  |
| 4663 | 108   | 66           | 61.1        |  | 20  | 30                     | 21            | 11               | 24             |  |  |  |  |  |
| 4670 | 0   | 0            | 0.0         |  | 0   | 0                      | 0             | 0                | 0              |  |  |  |  |  |
| 4680 | 1,322   | 687          | 52.0        |  | 272   | 302                    | 206           | 183              | 240            |  |  |  |  |  |
| 4681 | 1,583   | 771          | 48.7        |  | 243   | 343                    | 227           | 146              | 270            |  |  |  |  |  |

| 31                  | SEQUOIA HEALTHCARE DISTRICT MEMBERS, BOARD OF DIRECTORS |              |             |  |   |                         |               |                  |                |  |  |  |  |  |  |
|---------------------|---|--------------|-------------|--|---|-------------------------|---------------|------------------|----------------|--|--|--|--|--|--|
|                     | Registration  | Ballots Cast | Turnout (%) |  | SEQUOIA HEALTHCARE<br>Vote for 3<br>JOHN J. "JACK" HICKEY | GERALD "JERRY" SHEFFREN | JOHN MCDOWELL | MARK J. DE PAULA | ARTHUR J. FARO |  |  |  |  |  |  |
| 4684                | 919   | 427          | 46.5        |  | 172   | 215                     | 128           | 99               | 148            |  |  |  |  |  |  |
| 4685                | 936   | 434          | 46.4        |  | 143   | 188                     | 137           | 114              | 139            |  |  |  |  |  |  |
| 4686                | 1,410   | 615          | 43.6        |  | 210   | 252                     | 158           | 125              | 176            |  |  |  |  |  |  |
| 4688                | 3   | 0            | 0.0         |  | 0   | 0                       | 0             | 0                | 0              |  |  |  |  |  |  |
| 4701                | 204   | 128          | 62.7        |  | 57  | 48                      | 56            | 37               | 34             |  |  |  |  |  |  |
| 4702                | 98  | 56           | 57.1        |  | 20  | 32                      | 22            | 15               | 20             |  |  |  |  |  |  |
| 4708                | 114   | 72           | 63.2        |  | 22  | 27                      | 15            | 9                | 32             |  |  |  |  |  |  |
| 4710                | 8   | 6            | 75.0        |  | 5   | 0                       | 6             | 6                | 0              |  |  |  |  |  |  |
| Early Voting Totals | 125,444   | 483          | 0.4         |  | 146   | 239                     | 148           | 115              | 179            |  |  |  |  |  |  |
| Absentee Totals     | 125,444   | 42,946       | 34.2        |  | 14749   | 17545                   | 11790         | 9530             | 13719          |  |  |  |  |  |  |
| Election Day Totals | 125,444   | 19,963       | 15.9        |  | 6730  | 7802                    | 5824          | 4632             | 5794           |  |  |  |  |  |  |
| Grand Totals        | 125,444   | 63,392       | 50.5        |  | 21625   | 25366                   | 17862         | 14277            | 19692          |  |  |  |  |  |  |

| Early Voting Totals<br>31        |              | SEQUOIA HEALTHCARE DISTRICT MEMBERS, BOARD OF DIRECTORS |             |  |   |                        |               |                  |                |  |  |  |  |  |  |
|----------------------------------|--------------|---|-------------|--|---|------------------------|---------------|------------------|----------------|--|--|--|--|--|--|
|                                  | Registration | Ballots Cast  | Turnout (%) |  | SEQUOIA HEALTHCARE<br>Vote for 3<br>JOHN J. "JACK" HICKEY | GERALD "JERRY" SHEFFEN | JOHN MCDOWELL | MARK J. DE PAULA | ARTHUR J. FARO |  |  |  |  |  |  |
| 14TH CONGRESSIONAL DISTRICT      | 64,996       | 270   | 0.4         |  | 78  | 134                    | 84            | 60               | 99             |  |  |  |  |  |  |
| 18TH CONGRESSIONAL DISTRICT      | 60,448       | 213   | 0.4         |  | 68  | 105                    | 64            | 55               | 80             |  |  |  |  |  |  |
| 22ND ASSEMBLY DISTRICT           | 88,762       | 372   | 0.4         |  | 116   | 192                    | 114           | 90               | 147            |  |  |  |  |  |  |
| 24TH ASSEMBLY DISTRICT           | 36,692       | 111   | 0.3         |  | 30  | 47                     | 34            | 25               | 32             |  |  |  |  |  |  |
| 2ND SUPERVISORIAL DISTRICT       | 27,539       | 130   | 0.5         |  | 39  | 67                     | 34            | 33               | 50             |  |  |  |  |  |  |
| 3RD SUPERVISORIAL DISTRICT       | 53,819       | 186   | 0.3         |  | 53  | 79                     | 59            | 43               | 60             |  |  |  |  |  |  |
| 4TH SUPERVISORIAL DISTRICT       | 44,086       | 167   | 0.4         |  | 54  | 93                     | 55            | 39               | 69             |  |  |  |  |  |  |
| 13TH SENATORIAL DISTRICT         | 125,444      | 483   | 0.4         |  | 146   | 239                    | 148           | 115              | 179            |  |  |  |  |  |  |
| BELMONT-REDWOOD SHORES           | 22,540       | 107   | 0.5         |  | 32  | 55                     | 35            | 28               | 43             |  |  |  |  |  |  |
| BOARD OF EQUALIZATION - DISTRICT | 125,444      | 483   | 0.4         |  | 146   | 239                    | 148           | 115              | 179            |  |  |  |  |  |  |
| CITY OF BELMONT                  | 14,601       | 82  | 0.6         |  | 25  | 42                     | 26            | 23               | 33             |  |  |  |  |  |  |
| CITY OF FOSTER CITY              | 9,759        | 25  | 0.3         |  | 8   | 15                     | 5             | 5                | 11             |  |  |  |  |  |  |
| CITY OF MENLO PARK               | 11,682       | 31  | 0.3         |  | 9   | 14                     | 9             | 9                | 9              |  |  |  |  |  |  |
| CITY OF REDWOOD CITY             | 35,773       | 139   | 0.4         |  | 46  | 79                     | 48            | 32               | 59             |  |  |  |  |  |  |
| CITY OF SAN CARLOS               | 18,195       | 64  | 0.4         |  | 19  | 28                     | 21            | 15               | 25             |  |  |  |  |  |  |
| CITY OF SAN MATEO                | 5,729        | 29  | 0.5         |  | 8   | 11                     | 5             | 7                | 7              |  |  |  |  |  |  |
| COUNTY OF SAN MATEO              | 125,444      | 483   | 0.4         |  | 146   | 239                    | 148           | 115              | 179            |  |  |  |  |  |  |
| MIDPENINSULA REGIONAL OPEN       | 51,525       | 182   | 0.4         |  | 48  | 81                     | 44            | 29               | 55             |  |  |  |  |  |  |
| SAN MATEO COMMUNITY COLLEGE      | 125,444      | 483   | 0.4         |  | 146   | 239                    | 148           | 115              | 179            |  |  |  |  |  |  |
| SAN MATEO COUNTY HARBOR          | 125,444      | 483   | 0.4         |  | 146   | 239                    | 148           | 115              | 179            |  |  |  |  |  |  |
| SEQUOIA HEALTHCARE DISTRICT      | 125,444      | 483   | 0.4         |  | 146   | 239                    | 148           | 115              | 179            |  |  |  |  |  |  |
| STATEWIDE DISTRICT               | 125,444      | 483   | 0.4         |  | 146   | 239                    | 148           | 115              | 179            |  |  |  |  |  |  |
| TOWN OF ATHERTON                 | 4,910        | 11  | 0.2         |  | 5   | 4                      | 7             | 6                | 1              |  |  |  |  |  |  |
| TOWN OF PORTOLA VALLEY           | 3,228        | 12  | 0.4         |  | 3   | 5                      | 4             | 1                | 4              |  |  |  |  |  |  |
| TOWN OF WOODSIDE                 | 3,806        | 11  | 0.3         |  | 0   | 5                      | 2             | 0                | 1              |  |  |  |  |  |  |
| UNINCORPORATED AREA              | 17,861       | 79  | 0.4         |  | 23  | 36                     | 21            | 17               | 29             |  |  |  |  |  |  |
| <b>Early Voting Totals</b>       | 125,444      | 483   | 0.4         |  | 146   | 239                    | 148           | 115              | 179            |  |  |  |  |  |  |

| Absentee Totals<br>31            |              | SEQUOIA HEALTHCARE DISTRICT MEMBERS, BOARD OF DIRECTORS |             |  |   |                         |               |                  |                |  |  |  |  |  |  |
|----------------------------------|--------------|---|-------------|--|---|-------------------------|---------------|------------------|----------------|--|--|--|--|--|--|
|                                  | Registration | Ballots Cast  | Turnout (%) |  | SEQUOIA HEALTHCARE<br>Vote for 3<br>JOHN J. "JACK" HICKEY | GERALD "JERRY" SHEFFREN | JOHN MCDOWELL | MARK J. DE PAULA | ARTHUR J. FARO |  |  |  |  |  |  |
| 14TH CONGRESSIONAL DISTRICT      | 64,996       | 21,429  | 33.0        |  | 7587  | 8858                    | 5783          | 4691             | 6911           |  |  |  |  |  |  |
| 18TH CONGRESSIONAL DISTRICT      | 60,448       | 21,517  | 35.6        |  | 7162  | 8687                    | 6007          | 4839             | 6808           |  |  |  |  |  |  |
| 22ND ASSEMBLY DISTRICT           | 88,752       | 29,084  | 32.8        |  | 10586   | 12451                   | 8115          | 6620             | 9846           |  |  |  |  |  |  |
| 24TH ASSEMBLY DISTRICT           | 36,692       | 13,862  | 37.8        |  | 4163  | 5094                    | 3675          | 2910             | 3871           |  |  |  |  |  |  |
| 2ND SUPERVISORIAL DISTRICT       | 27,539       | 9,133   | 33.2        |  | 3189  | 3718                    | 2350          | 1943             | 2896           |  |  |  |  |  |  |
| 3RD SUPERVISORIAL DISTRICT       | 53,819       | 20,626  | 38.3        |  | 6658  | 8040                    | 5761          | 4579             | 6240           |  |  |  |  |  |  |
| 4TH SUPERVISORIAL DISTRICT       | 44,086       | 13,187  | 29.9        |  | 4922  | 5787                    | 3679          | 3008             | 4583           |  |  |  |  |  |  |
| 13TH SENATORIAL DISTRICT         | 125,444      | 42,946  | 34.2        |  | 14749   | 17545                   | 11790         | 9530             | 13719          |  |  |  |  |  |  |
| BELMONT-REDWOOD SHORES           | 22,540       | 7,705   | 34.2        |  | 2745  | 3291                    | 2094          | 1680             | 2582           |  |  |  |  |  |  |
| BOARD OF EQUALIZATION - DISTRICT | 125,444      | 42,946  | 34.2        |  | 14749   | 17545                   | 11790         | 9530             | 13719          |  |  |  |  |  |  |
| CITY OF BELMONT                  | 14,601       | 5,087   | 34.8        |  | 1828  | 2153                    | 1393          | 1126             | 1716           |  |  |  |  |  |  |
| CITY OF FOSTER CITY              | 9,759        | 3,048   | 31.2        |  | 994   | 1143                    | 718           | 599              | 839            |  |  |  |  |  |  |
| CITY OF MENLO PARK               | 11,582       | 4,698   | 40.6        |  | 1395  | 1661                    | 1253          | 1024             | 1275           |  |  |  |  |  |  |
| CITY OF REDWOOD CITY             | 35,773       | 10,820  | 29.7        |  | 4088  | 4816                    | 3013          | 2484             | 3839           |  |  |  |  |  |  |
| CITY OF SAN CARLOS               | 18,195       | 6,638   | 36.5        |  | 2336  | 2768                    | 1921          | 1542             | 2211           |  |  |  |  |  |  |
| CITY OF SAN MATEO                | 5,729        | 1,703   | 29.7        |  | 604   | 735                     | 446           | 374              | 579            |  |  |  |  |  |  |
| COUNTY OF SAN MATEO              | 125,444      | 42,946  | 34.2        |  | 14749   | 17545                   | 11790         | 9530             | 13719          |  |  |  |  |  |  |
| MIDPENINSULA REGIONAL OPEN       | 51,525       | 17,512  | 34.0        |  | 5136  | 6277                    | 4300          | 3434             | 4775           |  |  |  |  |  |  |
| SAN MATEO COMMUNITY COLLEGE      | 125,444      | 42,946  | 34.2        |  | 14749   | 17545                   | 11790         | 9530             | 13719          |  |  |  |  |  |  |
| SAN MATEO COUNTY HARBOR          | 125,444      | 42,946  | 34.2        |  | 14749   | 17545                   | 11790         | 9530             | 13719          |  |  |  |  |  |  |
| SEQUOIA HEALTHCARE DISTRICT      | 125,444      | 42,946  | 34.2        |  | 14749   | 17545                   | 11790         | 9530             | 13719          |  |  |  |  |  |  |
| STATEWIDE DISTRICT               | 125,444      | 42,946  | 34.2        |  | 14749   | 17545                   | 11790         | 9530             | 13719          |  |  |  |  |  |  |
| TOWN OF ATHERTON                 | 4,910        | 1,988   | 40.4        |  | 654   | 762                     | 619           | 483              | 565            |  |  |  |  |  |  |
| TOWN OF PORTOLA VALLEY           | 3,228        | 1,372   | 42.5        |  | 395   | 559                     | 370           | 276              | 441            |  |  |  |  |  |  |
| TOWN OF WOODSIDE                 | 3,806        | 1,503   | 39.5        |  | 476   | 688                     | 450           | 346              | 398            |  |  |  |  |  |  |
| UNINCORPORATED AREA              | 17,861       | 6,291   | 35.2        |  | 1979  | 2362                    | 1607          | 1296             | 1856           |  |  |  |  |  |  |
| <b>Absentee Totals</b>           | 125,444      | 42,946  | 34.2        |  | 14749   | 17545                   | 11790         | 9530             | 13719          |  |  |  |  |  |  |

| Grand Totals<br>31               | SEQUOIA HEALTHCARE DISTRICT MEMBERS, BOARD OF DIRECTORS |              |             |  |   |                         |               |                  |                |  |  |  |  |  |  |
|----------------------------------|---|--------------|-------------|--|---|-------------------------|---------------|------------------|----------------|--|--|--|--|--|--|
|                                  | Registration  | Ballots Cast | Turnout (%) |  | SEQUOIA HEALTHCARE<br>Vote for 3<br>JOHN J. "JACK" HICKEY | GERALD "JERRY" SHEFFREN | JOHN MCDOWELL | MARK J. DE PAULA | ARTHUR J. FARO |  |  |  |  |  |  |
| 14TH CONGRESSIONAL DISTRICT      | 64,996  | 31,452       | 48.4        |  | 41151   | 12912                   | 8840          | 7085             | 9875           |  |  |  |  |  |  |
| 18TH CONGRESSIONAL DISTRICT      | 60,448  | 31,940       | 52.8        |  | 10474   | 12774                   | 9022          | 7192             | 9817           |  |  |  |  |  |  |
| 22ND ASSEMBLY DISTRICT           | 88,752  | 42,947       | 48.4        |  | 15591   | 18259                   | 12469         | 10010            | 14174          |  |  |  |  |  |  |
| 24TH ASSEMBLY DISTRICT           | 36,692  | 20,445       | 55.7        |  | 6034  | 7427                    | 5393          | 4267             | 5518           |  |  |  |  |  |  |
| 2ND SUPERVISORIAL DISTRICT       | 27,539  | 13,370       | 48.5        |  | 4652  | 5356                    | 3578          | 2905             | 4070           |  |  |  |  |  |  |
| 3RD SUPERVISORIAL DISTRICT       | 53,819  | 29,940       | 55.6        |  | 9811  | 11580                   | 8512          | 6704             | 8795           |  |  |  |  |  |  |
| 4TH SUPERVISORIAL DISTRICT       | 44,086  | 20,082       | 45.6        |  | 7362  | 8750                    | 5772          | 4068             | 6827           |  |  |  |  |  |  |
| 13TH SENATORIAL DISTRICT         | 125,444   | 63,392       | 50.5        |  | 21625   | 25686                   | 17862         | 14277            | 19692          |  |  |  |  |  |  |
| BELMONT-REDWOOD SHORES           | 22,540  | 11,287       | 50.1        |  | 4047  | 4797                    | 3208          | 2589             | 3667           |  |  |  |  |  |  |
| BOARD OF EQUALIZATION - DISTRICT | 125,444   | 63,392       | 50.5        |  | 21625   | 25686                   | 17862         | 14277            | 19692          |  |  |  |  |  |  |
| CITY OF BELMONT                  | 14,601  | 7,535        | 51.6        |  | 2713  | 3164                    | 2130          | 1737             | 2439           |  |  |  |  |  |  |
| CITY OF FOSTER CITY              | 9,759   | 4,544        | 46.6        |  | 1497  | 1691                    | 1135          | 892              | 1218           |  |  |  |  |  |  |
| CITY OF MENLO PARK               | 11,582  | 7,271        | 62.8        |  | 2087  | 2508                    | 1919          | 1583             | 1875           |  |  |  |  |  |  |
| CITY OF REDWOOD CITY             | 35,773  | 16,179       | 45.2        |  | 6140  | 7299                    | 4800          | 3889             | 5739           |  |  |  |  |  |  |
| CITY OF SAN CARLOS               | 18,195  | 9,570        | 52.6        |  | 3389  | 3972                    | 2890          | 2281             | 3116           |  |  |  |  |  |  |
| CITY OF SAN MATEO                | 5,729   | 2,475        | 43.2        |  | 692   | 1019                    | 672           | 554              | 797            |  |  |  |  |  |  |
| COUNTY OF SAN MATEO              | 125,444   | 63,392       | 50.5        |  | 21625   | 25686                   | 17862         | 14277            | 19692          |  |  |  |  |  |  |
| MIDPENINSULA REGIONAL OPEN       | 51,525  | 26,175       | 50.8        |  | 7523  | 9242                    | 6371          | 5092             | 6903           |  |  |  |  |  |  |
| SAN MATEO COMMUNITY COLLEGE      | 125,444   | 63,392       | 50.5        |  | 21625   | 25686                   | 17862         | 14277            | 19692          |  |  |  |  |  |  |
| SAN MATEO COUNTY HARBOR          | 125,444   | 63,392       | 50.5        |  | 21625   | 25686                   | 17862         | 14277            | 19692          |  |  |  |  |  |  |
| SEQUOIA HEALTHCARE DISTRICT      | 125,444   | 63,392       | 50.5        |  | 21625   | 25686                   | 17862         | 14277            | 19692          |  |  |  |  |  |  |
| STATEWIDE DISTRICT               | 125,444   | 63,392       | 50.5        |  | 21625   | 25686                   | 17862         | 14277            | 19692          |  |  |  |  |  |  |
| TOWN OF ATHERTON                 | 4,910   | 2,682        | 54.6        |  | 910   | 1030                    | 862           | 650              | 724            |  |  |  |  |  |  |
| TOWN OF PORTOLA VALLEY           | 3,228   | 1,983        | 61.7        |  | 570   | 626                     | 545           | 416              | 606            |  |  |  |  |  |  |
| TOWN OF WOODSIDE                 | 3,806   | 2,110        | 55.4        |  | 672   | 823                     | 634           | 480              | 568            |  |  |  |  |  |  |
| UNINCORPORATED AREA              | 17,861  | 9,033        | 50.6        |  | 2755  | 3394                    | 2275          | 1816             | 2610           |  |  |  |  |  |  |
| Early Voting Totals              | 125,444   | 483          | 0.4         |  | 146   | 239                     | 148           | 115              | 179            |  |  |  |  |  |  |
| Absentee Totals                  | 125,444   | 42,946       | 34.2        |  | 14749   | 17545                   | 11790         | 9530             | 13719          |  |  |  |  |  |  |
| Election Day Totals              | 125,444   | 19,963       | 15.9        |  | 6730  | 7902                    | 5924          | 4632             | 5794           |  |  |  |  |  |  |
| Grand Totals                     | 125,444   | 63,392       | 50.5        |  | 21625   | 25686                   | 17862         | 14277            | 19692          |  |  |  |  |  |  |

November 7, 2014

Lee Michelson  
Chief Executive Officer  
Sequoia Healthcare District  
525 Veterans Blvd.  
Redwood City, CA 94063

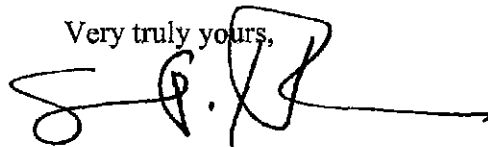
Re: **Resolution 14-4 Amending Sequoia Healthcare District  
Employees Pension Plan**

Dear Mr. Michelson:

It is my understanding that the Board of Directors of Sequoia Healthcare District is considering Resolution 14-4 at its December, 2014 meeting. Resolution 14-4 will amend the Sequoia Healthcare District Employees Pension Plan to make a number of changes required to reflect the new Federal rule recognizing same sex marriages. Sequoia Healthcare District has the written consent of Dignity Health dba Sequoia Hospital, in the form of this letter, to adopt Resolution 14-4, to the extent that adopting Resolution 14-4 constitutes one of the acts specified in Section 4.b of the Assignment and Assumption Agreement between Sequoia Health Services, Catholic Healthcare West (the former name of Dignity Health) and Sequoia Healthcare District, that was entered into in 1996.

Please contact me if you have any questions.

Very truly yours,



Samuel F. Hoffman

cc: Glenna Vaskelis, Administrator, Sequoia Hospital  
Judy Coffin, Esq., Vice President & Associate General Counsel  
Larry Reid

**RESOLUTION 14-4**  
**SEQUOIA HEALTHCARE DISTRICT**  
**BOARD OF DIRECTORS**  
**RESOLUTION ADOPTING AMENDMENT TO THE**  
**SEQUOIA HEALTHCARE DISTRICT EMPLOYEES PENSION PLAN**  
Amended and Restated Effective January 1, 2013

**WHEREAS**, the Board of Directors (the "Board") to the Sequoia Healthcare District (the "District") adopted the Sequoia Hospital District Employees Pension Plan, which has been amended and restated by the District in its entirety effective January 1, 1987, effective January 1, 1991, effective January 1, 1996, effective October 1, 1996, effective January 1, 2009, and again effective January 1, 2013 (as so amended and restated, the "Plan"); and

**WHEREAS**, pursuant to Article 13.1 of the Plan, the District may amend the Plan; and

**WHEREAS**, the District desires to amend the Plan to comply with the applicable same sex spouse provisions of IRS Notice 2014-19, which implements the United States Supreme Court decision in United States v. Windsor (2013).

**NOW, THEREFORE**, the following resolution was passed and adopted by the Board at a duly noticed and constituted meeting held on the 3rd day of December, 2014, by a motion duly made, seconded and carried.

**RESOLVED**, that the Plan is hereby amended as set forth in Exhibit A hereto, effective as of the date set forth herein.

As the duly elected Secretary of Sequoia Healthcare District, I hereby certify that the above accurately reflects the resolutions which have been duly adopted and approved by the Board of Directors of Sequoia Healthcare District at its duly noticed and constituted meeting held on the the 3rd day of December, 2014, by the following vote:

Ayes: \_\_\_\_\_

Nos: \_\_\_\_\_

Abstain: \_\_\_\_\_

Abstain: \_\_\_\_\_

\_\_\_\_\_, Secretary  
**SEQUOIA HEALTHCARE DISTRICT**



**EXHIBIT A  
AMENDMENT NO. 1**

**SEQUOIA HEALTHCARE DISTRICT EMPLOYEES PENSION PLAN**

**The Sequoia Healthcare District Employees Pension Plan, as amended and restated effective January 1, 2013, is hereby amended effective as of June 26, 2013, in the following manner:**

- 1. Section 2.17 (Eligible Spouse) is deleted in its entirety and is Reserved.**
- 2. Section 2.40 (Spouse) is amended in its entirety to read as follows:**
  - 1.50 **Spouse** means an eligible Employee's legal spouse, whether same-sex or opposite-sex, in a marriage entered into under the laws of a United States or foreign jurisdiction having the authority to sanction the marriage.
- 3. Section 8.13(a)(ii) (Eligible Retirement Plan) is amended in its entirety to read as follows:**
  - (ii) Eligible Retirement Plan: An eligible retirement plan is an individual retirement account described in Code Section 408(a); an individual retirement annuity described in Code Section 408(b); an annuity plan described in Code Section 403(a); a qualified trust described in Code Section 401(a); an annuity contract described in Code Section 403(b); a Roth individual retirement account as described in Code Section 408A; and an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. For purposes of Non-Spouse Beneficiaries, an eligible retirement plan is an inherited individual retirement account as described in Code Section 408(d)(3)(C).
- 4. Section 8.13(a)(iii) (Distributee) is amended in its entirety to read as follows:**
  - (iii) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving Spouse, or the Employee's current or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the Spouse or former Spouse. A Beneficiary who is not the Employee's or former Employee's Spouse can also be a distributee.
- 5. Section 8.16 (Domestic Relations Order) is amended in its entirety to read as follows:**

All rights and benefits, including elections, provided to a Participant under this Plan shall be subject to the rights afforded to any "alternate payee" under a "qualified domestic relations order," as those terms are defined in Code Section 414(p). Furthermore, a

distribution to an alternate payee shall be permitted if such distribution is authorized by a qualified domestic relations order, even if the affected Participant has not then separated from service and has not reached the “earliest retirement age,” as that term is defined in Code Section 414(p). Any distribution pursuant to a qualified domestic relations order may also be in the form of (a) a lump sum, (b) a monthly benefit payable for the life of the alternate payee, or (c) a reduced monthly benefit payable for the life of the alternate payee as described in Section 8.7 (ten year certain and life annuity option), so long as any distribution is Actuarially Equivalent to the portion of the Participant’s benefit hereunder that is awarded to the alternate payee pursuant to the qualified domestic relations order. A domestic relations order that otherwise satisfies the requirements of Code Section 414(p) will not fail to be a qualified domestic relations order (i) solely because the order is issued after, or revises, another domestic relations order or qualified domestic relations order; or (ii) solely because of the time at which the order is issued including issuance after the annuity starting date or after the Participant's death. Such domestic relations order shall be subject to the same requirements and protections as provided under Code Section 414(p).

6. **Section 1.6 (Same Sex Spouses) of Appendix A (Minimum Required Distributions) is deleted in its entirety and is Reserved.**
7. **The term “Eligible Spouse” is amended to read “Spouse” whenever used in the Plan document.**



Vavrinek, Trine, Day & Co., LLP

Certified Public Accountants

Agenda Item No. 5.A.

VALUE THE DIFFERENCE

November 17, 2014

Sequoia Healthcare District  
Redwood City, California

Board of Directors Meeting

Date 12-3-14

We have audited the financial statements of the Sequoia Healthcare District (the District) for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting District's financial statements were:

Management's estimates used in: fair values of investments, depreciation expense and the valuation of capital assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they appeared reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

##### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 17, 2014.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to management's discussion and analysis and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

*Vavrinek, Trine, Day & Co. LLP*

Palo Alto, California  
November 17, 2014

**SEQUOIA HEALTHCARE DISTRICT**

**Annual Financial Report**

**For the Year Ended**

**June 30, 2014**

# 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 and each major fund of the Sequoia Healthcare District (the District) as of and for the year ended June 30, 2014, 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 District'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 District'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 and each major fund of the District, as of June 30, 2014, 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 and the General Fund budgetary comparison information 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.

*Vavrinck, Trine, Day & Co. LLP*

Palo Alto, California  
November 12, 2014



# **SEQUOIA HEALTHCARE DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014**

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### **INTRODUCTION**

This report presents Management's analysis of Sequoia Healthcare District's (the "District") financial condition and activities as of and for the year ending June 30, 2014. Management's Discussion and Analysis ("MDA") is intended to serve as an introduction to the District's basic financial statements. This document has been prepared based on reporting requirements included in Statement No. 34 of the Governmental Accounting Standards Board (GASB). GASB 34 has made changes to the contents and the format of the financial statements of governmental agencies, which include the Government-wide Financial Statements on a full accrual basis including the cost of the capital assets and related depreciation.

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. Sequoia Healthcare 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, Menlo Park, Woodside, Atherton and Portola Valley.

### **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 Assets, and Statement of Cash Flows; and the Notes to the Financial Statements.

#### ***Government-Wide Financial Statements***

Government-Wide Financial Statements utilize the economic resources measurement focus using the full accrual basis of accounting similar to commercial enterprises. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

For the current year the only difference between the Government-Wide Financial Statements and the Fund Financial Statements is the classification within the fund balances. Under GASB 34 board assigned reserves of fund balances are considered unrestricted. The Fund Financial Statements reduce the unrestricted portion of the

# SEQUOIA HEALTHCARE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

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fund balance by the amounts assigned for specific purposes by the District. Therefore, the following discussion and analysis will generally be equally applicable to the Government-Wide and Fund Financial Statements.

### ***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses Government and Proprietary fund accounting to ensure and demonstrate compliance with financial-related legal requirements. As indicated above, the Governmental Fund is used to account for the District's basic services and the Proprietary Fund is used to account for the District's leasing activity.

Governmental fund accounting uses a flow of current resources measurement focus and the modified accrual basis of accounting. Modified accrual accounting recognizes revenues when available for current operations, normally those revenues that will be received within 90 days of year end. For the current year, substantially all revenues receivable at year end were collected within the 90 day period resulting in no difference between modified and full accrual in these financial statements. Proprietary (Enterprise) fund accounting uses the full accrual basis of accounting.

The District's financial statements include:

### ***Balance Sheet***

The Governmental Fund Balance Sheet presents information on the District's assets and liabilities, with the difference between the two reported as fund balance. Over time, increases or decreases in fund balance may serve as a useful indicator of the financial health of the District. To assess the overall health of the District, achievement of the District's mission needs to be considered as well.

The Governmental Fund Balance Sheet provides detail of assets and liabilities and describes the components of the \$13.6 million fund balance.

### ***Statement of Revenues, Expenses, and Changes in Fund Balance***

While the balance sheet provides information about the nature and amount of resources and obligations at year-end, the Statement of Revenues, Expenditures, and Changes in Fund Balance presents the results of the District's operations over the course of the fiscal year and information as to how the fund balance changed over the year. This can be used as an indicator of the extent to which the District has successfully recovered its costs through user fees (rental income) or other funds received (tax revenues). All changes in fund balance are reported during the period on the modified accrual method of accounting which had no significant differences from full accrual accounting, in which the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

# SEQUOIA HEALTHCARE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

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### *Statement of Cash Flows*

The Proprietary Fund Statement of Cash Flows presents changes in cash and cash equivalents resulting from operational, capital, non-capital, and investing activities. This statement summarizes the annual flow of cash receipts and cash payments, without consideration of the timing of the event giving rise to the obligation or receipt and excludes non-cash accounting measures of depreciation or amortization of assets.

### *Notes to Basic Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found following the financial statements in the audited financial statements.

### *Other Information*

In addition to the basic financial statements and accompanying notes, this report may present certain required supplementary information comparing budget to actual results of operations. The District is not required to adopt an annual budget; however, during fiscal 2014 the District approved and adopted a budget.

## FINANCIAL ANALYSIS

### *Financial Highlights*

- The government-wide total assets of the District exceed the total liabilities by \$14.3 million (net position) (Table 1).
- Net Position decreased by \$3,134,000 (Table 2).

### *Financial Position*

During the year, the District's net position decreased by \$3,134,000. The net position includes \$13.6 million in unrestricted funds.

Tables 1 and 2 provide summarized Government-Wide comparative information reported by Fund statement classifications. The functional expenses are detailed on the Statement of Activities and consist of grants to the Community non-profit organizations and General Administration expenses.

# SEQUOIA HEALTHCARE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

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### *Net Position*

**Table 1**  
**Comparative Statement of Net Position**  
**(in thousands)**

|                            | <u>2013-2014</u> | <u>2012-2013</u> | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> |
|----------------------------|------------------|------------------|--------------------------|---------------------------|
| Current and Other Assets   | \$ 15,065        | \$ 18,636        | \$ (3,571)               | -19.16%                   |
| Capital Assets - Net       | <u>709</u>       | <u>770</u>       | <u>(61)</u>              | -7.92%                    |
| Total Assets               | <u>15,774</u>    | <u>19,406</u>    | <u>(3,632)</u>           | -18.72%                   |
| Current Liabilities        | <u>1,470</u>     | <u>1,969</u>     | <u>(499)</u>             | -25.34%                   |
| Invested in Capital Assets | 705              | 766              | (61)                     | -7.96%                    |
| Unrestricted               | <u>13,599</u>    | <u>16,671</u>    | <u>(3,072)</u>           | -18.43%                   |
| Total Net Position         | <u>\$ 14,304</u> | <u>\$ 17,437</u> | <u>\$ (3,133)</u>        | -17.97%                   |

### *Results of Operations*

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

# SEQUOIA HEALTHCARE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

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**Table 2**  
**Comparative Statement of Activities**  
**(in thousands)**

|                                | 2013-2014        | 2012-2013        | Dollar<br>Change  | Percent<br>Change |
|--------------------------------|------------------|------------------|-------------------|-------------------|
| Revenues                       |                  |                  |                   |                   |
| EBIDA                          | \$ 127           | \$ 2,114         | \$ (1,987)        | -93.99%           |
| Lease Income                   | 43               | 41               | 2                 | 4.88%             |
| Tax                            | 9,388            | 8,693            | 695               | 7.99%             |
| Investment                     | 185              | 125              | 60                | 48.00%            |
| Pension                        | 2,800            | 2,800            | -                 | 100.00%           |
| Total Revenues                 | <u>12,543</u>    | <u>13,773</u>    | <u>(1,230)</u>    | -8.93%            |
| Expenditures                   |                  |                  |                   |                   |
| Administrative                 | 3,399            | 3,612            | (213)             | -5.90%            |
| Property                       | 153              | 147              | 6                 | 4.08%             |
| Grant                          | 9,199            | 8,470            | 729               | 8.61%             |
| Program                        | 2,926            | 3,091            | (165)             |                   |
| Total Expenditures             | <u>15,677</u>    | <u>15,320</u>    | <u>357</u>        | 2.33%             |
| Change in Net Position         | (3,134)          | (1,547)          | (1,587)           |                   |
| Net Position beginning of Year | <u>17,438</u>    | <u>18,985</u>    | <u>(1,547)</u>    | -8.15%            |
| Net Position End of Year       | <u>\$ 14,304</u> | <u>\$ 17,438</u> | <u>\$ (3,134)</u> | -17.97%           |

The District's total revenues and support of \$12.5 million for the year and total expenses of \$15.6 million resulted in a decrease of \$3.1 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 \$2.8 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 increase in operational expenses is due to activity in each of the following expense categories:

- Administrative: The pension expense is offset by pension income, which results in no bottom line impact.
- Grants and Programs: Grants and programs comprised the majority of the District's expenses for the year. The District supports various health care programs in the local community. Of all the grants, six represent the majority of the expense. They include:

# **SEQUOIA HEALTHCARE DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2014**

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1. Children's Health Initiative (CHI). San Mateo County created CHI for the provision of health insurance for children throughout the County who would otherwise not have access to care. The funds provided by Sequoia Healthcare District as a partner in this program are earmarked for District residents enrolled in the Children's Health Initiative insurance plan.
2. Samaritan House. The purpose of this grant is to financially support Samaritan House Medical Clinic in Redwood City to provide clinical services for the medically underserved.
3. Baccalaureate Nursing Program. The Nursing program is a ten-year grant program, in which the District will pay \$25,000 per student up to 40 students per year who attends the Bachelor of Science in Nursing Degree (BSN) program at Cañada College to offset the program's administrative costs in an effort to increase the number of nurses in this area to ensure a ready supply of nurses to serve District residents.
4. Community Grants Program. Sequoia Healthcare District allocates funds to support qualified agencies, programs, and services that improve the health status of Sequoia Healthcare District residents. Under the law, Sequoia Healthcare District may provide assistance to health care programs, services, facilities, and activities at any location within or without the District for the benefit of the District and the people served by the District and to nonprofit provider groups and clinics functioning in the community in order to provide for adequate health services to communities served by the District. (California Health & Safety Code Sections 31212(j) and 32126.5).
5. San Mateo Medical Center's Fair Oaks Medical Clinic for the purpose of covering the unreimbursed costs and related ancillary services (fees related to laboratory, radiology and specialty referrals) for indigent and uninsured patients at San Mateo Medical Center's Fair Oaks Medical Clinic. Additionally, the District also paid \$3.3 million toward their \$4.3 million pledge to rebuild the clinic and completed this commitment.
6. Ravenswood Health Center for clinic services for Belle Haven residents.

# **SEQUOIA HEALTHCARE DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2014**

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In addition to providing grants, Sequoia Healthcare District operates two signature programs and employs staff to oversee the management of these programs. The two programs are:

- HeartSafe which provides lifesaving equipment including AEDs, Code Blue Towers and Lucas Devices throughout our District at sites such as schools, parks and libraries as well as arranges for instruction of teachers, government employees and others in CPR.
- Healthy School Initiative which offers a comprehensive school health model to area school districts providing resources related to school nursing, wellness programs, improved nutritional programs, increased physical education and fitness as well as mental health services.

### **CAPITAL ASSETS**

During fiscal 2014, there were no major capital additions.

### **ECONOMIC FACTORS AND FUTURE PLANS**

The Sequoia Healthcare District will continue to obtain revenues from property tax as well as a share of 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 \$9 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 Blvd. Redwood City, CA 94063.

# SEQUOIA HEALTHCARE DISTRICT

## STATEMENT OF NET POSITION JUNE 30, 2014

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|                              | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>         |
|------------------------------|------------------------------------|-------------------------------------|----------------------|
|                              | <u></u>                            | <u></u>                             | <u></u>              |
| <b>Assets</b>                |                                    |                                     |                      |
| Cash and Cash Equivalents    | \$ 2,866,763                       | \$ -                                | \$ 2,866,763         |
| Investments                  | 11,884,235                         | -                                   | 11,884,235           |
| Taxes Receivable             | 195,208                            | -                                   | 195,208              |
| Prepaid Expenses             | 118,995                            | -                                   | 118,995              |
| Capital Assets - Net         | -                                  | 708,583                             | 708,583              |
| Total Assets                 | <u>15,065,201</u>                  | <u>708,583</u>                      | <u>15,773,784</u>    |
| <b>Liabilities</b>           |                                    |                                     |                      |
| Accounts Payable             | 24,063                             | -                                   | 24,063               |
| Accrued Payroll              | 14,200                             | -                                   | 14,200               |
| Grants Payable               | 1,428,607                          | -                                   | 1,428,607            |
| Deposit Payable              | -                                  | 3,165                               | 3,165                |
| Total Current Liabilities    | <u>1,466,870</u>                   | <u>3,165</u>                        | <u>1,470,035</u>     |
| <b>Net Position</b>          |                                    |                                     |                      |
| Investment in Capital Assets | -                                  | 705,418                             | 705,418              |
| Unrestricted                 | 13,598,331                         | -                                   | 13,598,331           |
| Total Net Position           | <u>\$ 13,598,331</u>               | <u>\$ 705,418</u>                   | <u>\$ 14,303,749</u> |

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



# SEQUOIA HEALTHCARE DISTRICT

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2014

| <u>Functions/Programs</u>                    | <u>Expenses</u>      | <u>Program Revenues</u>                       |   | <u>Net (Expenses) Revenues and<br/>Changes in Net Position</u> |                                     |                      |
|--|----------------------|---|---|--|-------------------------------------|----------------------|
|  |                      | <u>Charges for<br/>Services and<br/>Sales</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Governmental<br/>Activities</u>                             | <u>Business Type<br/>Activities</u> | <u>Total</u>         |
| <b>Governmental Activities:</b>              |                      |   |   |  |                                     |                      |
| Grant Expenses                               |                      |   |   |  |                                     |                      |
| Grants to Community Non-Profit Organizations | \$ 9,116,864         | \$ -  | \$ -  | \$ (9,116,864)   | \$ -                                | \$ (9,116,864)       |
| Grant Administration                         | 81,721               | -   | -   | (81,721)   | -                                   | (81,721)             |
| General Administration:                      |                      |   |   |  |                                     |                      |
| Administrative Services                      | 314,638              | -   | -   | (314,638)  | -                                   | (314,638)            |
| Insurance                                    | 147,568              | -   | -   | (147,568)  | -                                   | (147,568)            |
| Investment and Banking Fees                  | 51,016               | -   | -   | (51,016)   | -                                   | (51,016)             |
| Legal  | 23,885               | -   | -   | (23,885)   | -                                   | (23,885)             |
| Office Supplies and Maintenance              | 6,997                | -   | -   | (6,997)  | -                                   | (6,997)              |
| Pension Contribution                         | 2,800,000            | -   | 2,800,000   | -  | -                                   | -                    |
| Public Relations                             | 55,317               | -   | -   | (55,317)   | -                                   | (55,317)             |
| Other Outgo                                  | 2,925,595            | -   | -   | (2,925,595)  | -                                   | (2,925,595)          |
| <b>Total Governmental Activities</b>         | <b>15,523,601</b>    | <b>-</b>                                      | <b>2,800,000</b>                                  | <b>(12,723,601)</b>  | <b>-</b>                            | <b>(12,723,601)</b>  |
| <b>Business Type Activities:</b>             |                      |   |   |  |                                     |                      |
| Leasing                                      | 152,993              | 42,581  | -   | -  | (110,412)                           | (110,412)            |
| <b>Total Business Activities</b>             | <b>152,993</b>       | <b>42,581</b>                                 | <b>-</b>  | <b>-</b>   | <b>(110,412)</b>                    | <b>(110,412)</b>     |
| <b>Total Primary Government</b>              | <b>\$ 15,676,594</b> | <b>\$ 42,581</b>                              | <b>\$ 2,800,000</b>                               | <b>(12,723,601)</b>  | <b>(110,412)</b>                    | <b>(12,834,013)</b>  |
| General Revenues:                            |                      |   |   |  |                                     |                      |
| Property Taxes                               |                      |   |   | 9,387,820  | -                                   | 9,387,820            |
| Return on Contributions - EBIDA              |                      |   |   | 127,000  | -                                   | 127,000              |
| Interest and Investment Earnings             |                      |   |   | 185,276  | -                                   | 185,276              |
| Internal Transfers                           |                      |   |   | (49,106)   | 49,106                              | -                    |
| <b>Subtotal - General Revenue</b>            |                      |   |   | <b>9,650,990</b>   | <b>49,106</b>                       | <b>9,700,096</b>     |
| <b>Change in Net Position</b>                |                      |   |   | <b>(3,072,611)</b>   | <b>(61,306)</b>                     | <b>(3,133,917)</b>   |
| <b>Net Position - Beginning of Year</b>      |                      |   |   | <b>16,670,942</b>  | <b>766,724</b>                      | <b>17,437,666</b>    |
| <b>Net Position - End of Year</b>            |                      |   |   | <b>\$ 13,598,331</b>   | <b>\$ 705,418</b>                   | <b>\$ 14,303,749</b> |

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

# SEQUOIA HEALTHCARE DISTRICT

## GOVERNMENTAL FUND BALANCE SHEET JUNE 30, 2014

---

|                                    | <u>General Fund</u>  |
|------------------------------------|----------------------|
| <b>Assets</b>                      |                      |
| Cash and Cash Equivalents          | \$ 2,866,763         |
| Investments                        | 11,884,235           |
| Taxes Receivable                   | 195,208              |
| Prepaid Expenses                   | 118,995              |
| Total Assets                       | <u>\$ 15,065,201</u> |
| <b>Liabilities</b>                 |                      |
| Accounts Payable                   | \$ 24,063            |
| Accrued Payroll                    | 14,200               |
| Grants Payable                     | 1,428,607            |
| Total Liabilities                  | <u>1,466,870</u>     |
| <b>Fund Balance</b>                |                      |
| Assigned for construction          | 4,300,000            |
| Unassigned                         | 9,298,331            |
| Total Fund Balance                 | <u>13,598,331</u>    |
| Total Liabilities and Fund Balance | <u>\$ 15,065,201</u> |

There were no reconciling items between the Governmental Fund Balance Sheet and the Statement of Net Position.

See the accompanying notes to the financial statements

# SEQUOIA HEALTHCARE DISTRICT

## GOVERNMENTAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND

#### BALANCES

FOR THE YEAR ENDED JUNE 30, 2014

|                                     | <u>General Fund</u>  |
|-------------------------------------|----------------------|
| <b>Revenues</b>                     |                      |
| Tax Revenue                         | \$ 9,387,820         |
| Return on Contributions - EBIDA     | 127,000              |
| Investment Income                   | 178,895              |
| Interest Income                     | 6,381                |
| Pension Reimbursement               | 2,800,000            |
| Total Revenues                      | <u>12,500,096</u>    |
| <b>Expenditures</b>                 |                      |
| Administrative Services             | 314,638              |
| Grant Expenses                      | 9,198,585            |
| Insurance                           | 147,568              |
| Investment and Banking Fees         | 51,016               |
| Legal                               | 23,885               |
| Office Supplies and Maintenance     | 6,997                |
| Pension Contribution                | 2,800,000            |
| Other Outgo                         | 2,925,595            |
| Public Relations                    | 55,317               |
| Total Expenditures                  | <u>15,523,601</u>    |
| Excess of Expenditures Over Revenue | (3,023,505)          |
| <b>Transfers Out</b>                | <u>(49,106)</u>      |
| Net Change in Fund Balance          | (3,072,611)          |
| Fund Balance - Beginning of Year    | <u>16,670,942</u>    |
| Fund Balance - End of Year          | <u>\$ 13,598,331</u> |

See the accompanying notes to the financial statements

# SEQUOIA HEALTHCARE DISTRICT

## STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2014

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|                               | <b>Enterprise Leasing<br/>Fund</b> |
|-------------------------------|------------------------------------|
| <b>Assets</b>                 |                                    |
| Noncurrent Assets:            |                                    |
| Capital Assets                |                                    |
| Building and Improvements     | \$ 1,769,496                       |
| Land                          | 138,927                            |
| Land Improvements             | 144,158                            |
| Tenant Improvements           | 215,113                            |
| Furniture and Equipment       | 96,875                             |
| Less Accumulated Depreciation | <u>(1,655,986)</u>                 |
| Capital Assets - Net          | <u>708,583</u>                     |
| <b>Liabilities</b>            |                                    |
| Deposits Payable              | <u>3,165</u>                       |
| <b>Net Position</b>           |                                    |
| Investment in Capital Assets  | <u>705,418</u>                     |
| Total Net Position            | <u><u>\$ 705,418</u></u>           |

See the accompanying notes to the financial statements

# SEQUOIA HEALTHCARE DISTRICT

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2014

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|                                 | <b>Enterprise Leasing<br/>Fund</b> |
|---------------------------------|------------------------------------|
| <b>Operating Revenues</b>       |                                    |
| Rental Income                   | <u>\$ 42,581</u>                   |
| <b>Operating Expenses</b>       |                                    |
| Administrative Services         | 12,707                             |
| Depreciation                    | 76,736                             |
| Insurance                       | 1,844                              |
| Maintenance and Supplies        | 34,629                             |
| Utilities                       | 27,077                             |
| Total Operating Expenses        | <u>152,993</u>                     |
| Operating Loss Before Transfers | (110,412)                          |
| <b>Transfers In</b>             | <u>49,106</u>                      |
| <b>Change in Net Position</b>   | (61,306)                           |
| <b>Net Position - Beginning</b> | <u>766,724</u>                     |
| <b>Net Position - Ending</b>    | <u><u>\$ 705,418</u></u>           |

See the accompanying notes to the financial statements

# SEQUOIA HEALTHCARE DISTRICT

## STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2014

---

|  | <b>Enterprise Leasing<br/>Fund</b> |
|--|------------------------------------|
| <b>Cash Flows from Operating Activities:</b>   |                                    |
| Cash Received from Tenants   | \$ 42,581                          |
| Cash Paid to Suppliers   | (76,257)                           |
| Net Cash Used for Operating Activities   | (33,676)                           |
| <br><b>Cash Flows from Noncapital Financing Activities</b>                               |                                    |
| Transfers from the General Fund  | 49,106                             |
| <br><b>Cash Flows from Capital and Related Financing Activities</b>                      |                                    |
| Acquisition of Capital Assets  | (15,430)                           |
| <br><b>Net Increase in Cash and Cash Equivalents</b>                                     | -                                  |
| <br><b>Cash and Cash Equivalents - Beginning of Year</b>                                 | -                                  |
| <br><b>Cash and Cash Equivalents - End of Year</b>                                       | \$ -                               |
| <br><b>Reconciliation of Net Income to Net Cash Provided<br/>by Operating Activities</b> |                                    |
| Loss from Operations   | \$ (110,412)                       |
| Adjustments to Reconcile Net Income to Net<br>Cash Provided by Operating Activities      |                                    |
| Depreciation   | 76,736                             |
| Net Cash Used by Operating Activities  | \$ (33,676)                        |

See the accompanying notes to the financial statements

# SEQUOIA HEALTHCARE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

#### **Reporting Entity**

Sequoia Healthcare District (the 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 (the District). 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.

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:** The fund financial statements provide information about the District's funds. Separate statements for each fund category—governmental and proprietary are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

# SEQUOIA HEALTHCARE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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### Major Funds

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** - This enterprise fund accounts for the operation, maintenance and capital improvement projects for the building which are funded by rental income.

### 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, 2014 with original maturities greater than one year are stated at fair value. Fair value is 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. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the capital assets of governmental funds.



# SEQUOIA HEALTHCARE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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

|                                | Lives of Assets |
|--------------------------------|-----------------|
| Land and Building Improvements | 15-20           |
| Equipment and Furniture        | 3-5             |
| Leasehold Improvements         | Life of Lease   |
| Improvements to Common Areas   | 3-5             |

### 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 75% in 2014 and 63% in 2013 of its financial support from property taxes. Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments due November 1 and February 1. 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.

### 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 reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### 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. 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                | 1,000,000,000 |
| State Compensation Insurance Fund       | Workers' Compensation   | 1,000,000     |

# SEQUOIA HEALTHCARE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

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### NOTE 2 – DEPOSITS AND INVESTMENTS

#### Summary of Deposits and Investments

Deposits and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

|                         |               |
|-------------------------|---------------|
| Governmental Activities | \$ 14,750,998 |
|-------------------------|---------------|

Deposits and investments as of June 30, 2014, consist of the following:

|                                |               |
|--------------------------------|---------------|
| Cash on Hand and in Banks      | \$ 2,866,763  |
| Investments                    | 11,884,235    |
| Total Deposits and Investments | \$ 14,750,998 |

#### Policies and Practices

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the District's name and places the District ahead of general creditors of the institution.

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. In order to increase security, the District employs the Trust Department of a bank as the custodian of certain District managed investments, regardless of their form. 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, 2014

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### General Authorizations

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

| Authorized<br>Investment Type           | Maximum<br>Remaining<br>Maturity | Maximum<br>Percentage<br>of Portfolio | Maximum<br>Investment<br>In One Issuer |
|---|----------------------------------|---------------------------------------|--|
| Local Agency Bonds, Notes, Warrants     | 5 years                          | None                                  | None                                   |
| Registered State Bonds, Notes, Warrants | 5 years                          | None                                  | None                                   |
| U.S. Treasury Obligations               | 5 years                          | None                                  | None                                   |
| U.S. Agency Securities                  | 5 years                          | None                                  | None                                   |
| Banker's 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                                  | None                                   |
| Joint Powers Authority Pools            | N/A                              | None                                  | None                                   |

### 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.

# SEQUOIA HEALTHCARE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

### Segmented Time Distribution

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

| Investment Type | Fair Value           | 12 Months or Less   | 13 - 24 Months      | 25 - 60 Months      | More Than 60 Months |
|-----------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| U.S Treasuries  | \$ 3,647,424         | \$ 2,181,303        | \$ 1,285,783        | \$ 180,338          | \$ -                |
| U.S Agencies    | 2,512,126            | 7,519               | 761,105             | 1,743,502           | -                   |
| Municipal Bonds | 511,909              | 3,029               | -                   | 508,880             | -                   |
| Corporate Bonds | 5,212,776            | 1,294,452           | 784,141             | 2,601,870           | 532,313             |
| Total           | <u>\$ 11,884,235</u> | <u>\$ 3,486,303</u> | <u>\$ 2,831,029</u> | <u>\$ 5,034,590</u> | <u>\$ 532,313</u>   |

### Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the Districts' investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

| Investment Type | Fair Value           | Not Required To Be Rated | S&P Rating as of Year End |                     |                   |
|-----------------|----------------------|--------------------------|---------------------------|---------------------|-------------------|
|                 |                      |                          | AAA                       | AA+                 | AA                |
| U.S Treasuries  | \$ 3,647,424         | \$ 3,647,424             | \$ -                      | \$ -                | \$ -              |
| U.S Agencies    | 2,512,126            | -                        | 184,073                   | 2,328,053           | -                 |
| Municipal Bonds | 511,909              | -                        | 202,371                   | -                   | -                 |
| Corporate Bonds | 5,212,776            | -                        | -                         | 568,831             | 595,331           |
| Total           | <u>\$ 11,884,235</u> | <u>\$ 3,647,424</u>      | <u>\$ 386,444</u>         | <u>\$ 2,896,884</u> | <u>\$ 595,331</u> |

| Investment Type | S&P Rating as of Year End |                     |                     |                     |
|-----------------|---------------------------|---------------------|---------------------|---------------------|
|                 | AA-                       | A+                  | A                   | A-                  |
| U.S Treasuries  | \$ -                      | \$ -                | \$ -                | \$ -                |
| U.S Agencies    | -                         | -                   | -                   | -                   |
| Municipal Bonds | 102,193                   | -                   | 207,345             | -                   |
| Corporate Bonds | 698,733                   | 1,119,507           | 1,229,456           | 1,000,918           |
| Total           | <u>\$ 800,926</u>         | <u>\$ 1,119,507</u> | <u>\$ 1,436,801</u> | <u>\$ 1,000,918</u> |

# **SEQUOIA HEALTHCARE DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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### **Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, 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% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2014 the total carrying amount was \$2,866,763 with a corresponding bank balance of \$3,127,358. The District's bank balance of \$2,877,358 was exposed to custodial credit risk because it was uninsured but collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

### **NOTE 3 - COMMITMENTS**

The District has approved conditional grants, not yet paid, for various projects. Conditional grants are only recognized when the conditions on which they depend are substantially met. The following grants have been approved but not yet recognized.

The Ravenswood Family Health Center is to receive a \$500,000 grant annually through fiscal year ending June 30, 2015.

The San Mateo County Children's Health Initiative is to receive a maximum of \$1,350,000 annually through fiscal year ending June 30, 2015 and up to and not to exceed \$1,350,000 for FY 2015-16. The annual payments have been made through the fiscal year 2013-14.

The District approved a contract with San Francisco State University to extend the term of the MOU from June 6, 2014 to May 31, 2017 with the following funding commitments: fiscal year 2014-15 \$470,237; fiscal year 2015-16 \$597,653; fiscal year 2016-17 \$627,054. In addition the cohort size was reduced to 32 students.

The \$4.3 million pledged for the rebuild of the San Mateo Medical Center's Fair Oaks Medical Clinic was paid in 2013-14.

# SEQUOIA HEALTHCARE DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

### NOTE 4 – CAPITAL ASSETS

Activity in capital assets for the year ended June 30, 2014 was as follows:

|                                  | Beginning<br>Balance<br>June 30, 2013 | Current<br>Year<br>Additions | Current<br>Year<br>Deletions | Ending<br>Balance<br>June 30, 2014 |
|----------------------------------|---------------------------------------|------------------------------|------------------------------|------------------------------------|
| Land                             | \$ 138,927                            | \$ -                         | \$ -                         | \$ 138,927                         |
| Land Improvements                | 144,158                               | -                            | -                            | 144,158                            |
| Buildings & Improvements         | 1,762,512                             | 6,984                        | -                            | 1,769,496                          |
| Tenant Improvements              | 215,113                               | -                            | -                            | 215,113                            |
| Equipment                        | 60,169                                | 8,446                        | -                            | 68,615                             |
| Furniture                        | 28,260                                | -                            | -                            | 28,260                             |
| Total                            | <u>2,349,139</u>                      | <u>15,430</u>                | <u>-</u>                     | <u>2,364,569</u>                   |
| Less Accumulated<br>Depreciation | <u>1,579,250</u>                      | <u>76,736</u>                | <u>-</u>                     | <u>1,655,986</u>                   |
| Capital Assets - Net             | <u>\$ 769,889</u>                     | <u>\$ (61,306)</u>           | <u>\$ -</u>                  | <u>\$ 708,583</u>                  |

### NOTE 5 – LEASES (RENTAL INCOME)

In October, 2009, the District rented out a part of its building to a tenant and entered into a long-term lease. The District received rental income of \$3,165 monthly on the first year lease which increases up to \$4,004 monthly at the seventh year.

| Fiscal Year Ended | Rental Income     |
|-------------------|-------------------|
| 2014              | \$ 42,581         |
| 2015              | 44,285            |
| 2016              | 46,056            |
| 2017              | 47,898            |
| 2018              | 4,004             |
| Total             | <u>\$ 184,824</u> |

# **SEQUOIA HEALTHCARE DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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### **NOTE 6 – 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 Compensation Plan**

The Master Deferred Compensation Plan allowed covered employees to contribute a portion of their pre-tax earnings to the plan. These contributions, called deferrals and the earnings on these deferrals remain in the plan, and are not taxable to the participants until they are withdrawn. Deferrals ceased as of September 30, 1996. The assets of the plan are invested in group annuity contracts held by and in the name of a trust established for this purpose and mutual funds, which are subject to stock market risks associated with price changes.

#### **The Sequoia Healthcare District Pension Plan**

The Sequoia Healthcare District Employee Pension Plan, adopted on January 1, 1959, as amended is a defined benefit plan. The plan was last amended on August 19, 1998. The employer made contributions to the plan for the benefit of covered employees, the participants. Effective October 1, 1996 all benefit accruals under the plan were suspended indefinitely, provided however that vesting services credit will continue to accrue for participants who continue to be employed. Benefits are distributed to participants when they retire in accordance with the terms of the plan, based on certain actuarial computations. As stated in Note 1, the liability for this plan was assumed by Sequoia Health Services. The plan cannot be transferred to Sequoia Health Services. The District remains contingently liable for funding of the plan in the event of default by Sequoia Health Services. Based on the advice of the plan actuary, the Pension Plan Committee determined that the plan should be funded in the amount of \$2,800,000 for calendar year 2014. The District has funded the \$2,800,000 additional contribution to the plan and Sequoia Health Services has reimbursed this amount to the District.

### **NOTE 7 – EMPLOYEE RETIREMENT SYSTEM**

As established by Federal law, all public sector employees who are not members of a retirement system such as the state Public Employee Retirement System must be covered by social security or an alternate plan. The District has elected to use Social Security to cover its five employees. Statutory rates are paid by the employee and the District.

### **NOTE 8 – 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, 2014 the District received \$127,000 from Dignity Health representing the Return Formula Payable for fiscal year ended June 30, 2013.

## **Required Supplementary Information**



# SEQUOIA HEALTHCARE CARE DISTRICT

## GENERAL FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2014

|   | Budgetary Amounts |               | Actual        | Positive<br>(Negative) |
|---|-------------------|---------------|---------------|------------------------|
|   | Original          | Final         |               |                        |
| <b>Revenues</b>                                 |                   |               |               |                        |
| Tax Revenue                                     | \$ 8,900,000      | \$ 8,900,000  | \$ 9,387,820  | \$ 487,820             |
| Investment Income                               | 150,000           | 150,000       | 178,895       | 28,895                 |
| Interest Income                                 | 7,600             | 7,600         | 6,381         | (1,219)                |
| Pension Income                                  | 2,800,000         | 2,800,000     | 2,800,000     | -                      |
| Return on Investment - EBIDA                    | -                 | -             | 127,000       | 127,000                |
| Total Revenues                                  | 11,857,600        | 11,857,600    | 12,500,096    | 642,496                |
| <b>Expenditures</b>                             |                   |               |               |                        |
| Administration Expense                          | 240,000           | 240,000       | 230,265       | 9,735                  |
| Board Health Insurance                          | 75,000            | 75,000        | 66,999        | 8,001                  |
| Employee Health Insurance                       | 48,000            | 48,000        | 42,924        | 5,076                  |
| Employee Retirement Benefit                     | 17,000            | 17,000        | 18,544        | (1,544)                |
| Investment Fees                                 | 65,000            | 65,000        | 50,980        | 14,020                 |
| Office Supplies/Equipment Maintenance           | 7,500             | 7,500         | 6,997         | 503                    |
| Accounting Fees                                 | 17,000            | 17,000        | 18,405        | (1,405)                |
| Board Expense                                   | 8,000             | 8,000         | 6,635         | 1,365                  |
| Association/Membership Fees                     | 10,300            | 10,300        | 7,800         | 2,500                  |
| Public Relations                                | 50,000            | 50,000        | 28,280        | 21,720                 |
| Communications                                  | 25,000            | 25,000        | 27,037        | (2,037)                |
| Web Site/IT                                     | 22,000            | 22,000        | 44,006        | (22,006)               |
| Pension Plan Expense                            | 2,800,000         | 2,800,000     | 2,800,000     | -                      |
| Insurance/D&O                                   | 21,000            | 21,000        | 19,101        | 1,899                  |
| LAFCO Fees                                      | 8,000             | 8,000         | 7,527         | 473                    |
| Legal Fees                                      | 25,000            | 25,000        | 23,885        | 1,115                  |
| Bank Fees                                       | 100               | 100           | 36            | 64                     |
| Grant Expenses                                  | 65,000            | 65,000        | 81,721        | (16,721)               |
| Children's Health Initiative                    | 1,350,000         | 1,350,000     | 1,350,000     | -                      |
| SFSU Nursing Program                            | 1,000,000         | 1,000,000     | 1,000,000     | -                      |
| Samaritan House Medical Clinic                  | 612,700           | 612,700       | 612,695       | 5                      |
| Other Grants                                    | 20,000            | 20,000        | 5,252         | 14,748                 |
| San Mateo Medical Center                        | 1,000,000         | 1,000,000     | 1,000,000     | -                      |
| Ravenswood-Belle Haven Clinic                   | 500,000           | 500,000       | 500,000       | -                      |
| Community Grants Program                        | 1,340,000         | 1,350,000     | 1,325,000     | 25,000                 |
| Sequoia Hospital Foundation Match               | 20,000            | 20,000        | 23,917        | (3,917)                |
| HeartSafe Program                               | 100,000           | 100,000       | 95,198        | 4,802                  |
| School Health Program                           | 2,830,000         | 2,830,000     | 2,830,397     | (397)                  |
| San Jose Medical Center Rebuild                 | 2,300,000         | 2,300,000     | 3,300,000     | (1,000,000)            |
| Total Expenditures                              | 14,576,600        | 14,586,600    | 15,523,601    | (937,001)              |
| <b>Deficiency of Revenues Over Expenditures</b> | (2,719,000)       | (2,729,000)   | (3,023,505)   | (294,505)              |
| <b>Transfer to Proprietary Fund</b>             | -                 | -             | (49,106)      | (49,106)               |
| <b>Fund Balance - Beginning of Year</b>         | 16,670,942        | 16,670,942    | 16,670,942    | -                      |
| <b>Fund Balance - End of Year</b>               | \$ 13,951,942     | \$ 13,941,942 | \$ 13,598,331 | \$ (343,611)           |

## **Supplementary Information**

# SEQUOIA HEALTHCARE DISTRICT

## PROPRIETARY FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2014

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|   | Budgetary Amounts |            | Actual     | Positive<br>(Negative) |
|---|-------------------|------------|------------|------------------------|
|   | Original          | Final      |            |                        |
| <b>Revenues</b>                         |                   |            |            |                        |
| Rental Income                           | \$ 42,700         | \$ 42,700  | \$ 42,581  | \$ (119)               |
| <b>Expenses</b>                         |                   |            |            |                        |
| Administration Expense                  | -                 | -          | 12,707     | (12,707)               |
| Maintenance - Property                  | 25,000            | 25,000     | 34,629     | (9,629)                |
| Utilities                               | 20,000            | 20,000     | 27,077     | (7,077)                |
| Insurance - Properties                  | 2,000             | 2,000      | 1,844      | 156                    |
| Depreciation                            | 85,000            | 85,000     | 76,736     | 8,264                  |
| Total Expenses                          | 132,000           | 132,000    | 152,993    | (20,993)               |
| <b>Excess of Revenues Over Expenses</b> | (89,300)          | (89,300)   | (110,412)  | (21,112)               |
| <b>Transfer from General Fund</b>       | -                 | -          | 49,106     | 49,106                 |
| <b>Fund Balance - Beginning of Year</b> | 766,724           | 766,724    | 766,724    | -                      |
| <b>Fund Balance - End of Year</b>       | \$ 677,424        | \$ 677,424 | \$ 705,418 | \$ 27,994              |

# SEQUOIA HEALTHCARE DISTRICT

## ALL FUNDS

### BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2014

|  | <u>Budgetary Amounts</u> |                      | <u>Actual</u>        | <u>Positive<br/>(Negative)</u> |
|--|--------------------------|----------------------|----------------------|--------------------------------|
|  | <u>Original</u>          | <u>Final</u>         |                      |                                |
| <b>Revenues</b>                            |                          |                      |                      |                                |
| Rental Income                              | \$ 42,700                | \$ 42,700            | \$ 42,581            | \$ (119)                       |
| Tax Revenue                                | 8,900,000                | 8,900,000            | 9,387,820            | 487,820                        |
| Investment Income                          | 150,000                  | 150,000              | 178,895              | 28,895                         |
| Interest Income                            | 7,600                    | 7,600                | 6,381                | (1,219)                        |
| Pension Income                             | 2,800,000                | 2,800,000            | 2,800,000            | -                              |
| Return on Investment - EBIDA               | -                        | -                    | 127,000              | 127,000                        |
| Total Revenues                             | <u>11,900,300</u>        | <u>11,900,300</u>    | <u>12,542,677</u>    | <u>642,377</u>                 |
| <b>Expenses</b>                            |                          |                      |                      |                                |
| Administration Expense                     | 240,000                  | 240,000              | 242,972              | (2,972)                        |
| Board Health Insurance                     | 75,000                   | 75,000               | 66,999               | 8,001                          |
| Employee Health Insurance                  | 48,000                   | 48,000               | 42,924               | 5,076                          |
| Employee Retirement Benefit                | 17,000                   | 17,000               | 18,544               | (1,544)                        |
| Investment Fees                            | 65,000                   | 65,000               | 50,980               | 14,020                         |
| Office Supplies/Equipment Maintenance      | 7,500                    | 7,500                | 6,997                | 503                            |
| Accounting Fees                            | 17,000                   | 17,000               | 18,405               | (1,405)                        |
| Board Expense                              | 8,000                    | 8,000                | 6,635                | 1,365                          |
| Association/Membership Fees                | 10,300                   | 10,300               | 7,800                | 2,500                          |
| Public Relations                           | 50,000                   | 50,000               | 28,280               | 21,720                         |
| Communications                             | 25,000                   | 25,000               | 27,037               | (2,037)                        |
| Web Site/IT                                | 22,000                   | 22,000               | 44,006               | (22,006)                       |
| Pension Plan Expense                       | 2,800,000                | 2,800,000            | 2,800,000            | -                              |
| Insurance/D&O                              | 21,000                   | 21,000               | 19,101               | 1,899                          |
| LAFCO Fees                                 | 8,000                    | 8,000                | 7,527                | 473                            |
| Legal Fees                                 | 25,000                   | 25,000               | 23,885               | 1,115                          |
| Bank Fees                                  | 100                      | 100                  | 36                   | 64                             |
| Grant Expenses                             | 65,000                   | 65,000               | 81,721               | (16,721)                       |
| Children's Health Initiative               | 1,350,000                | 1,350,000            | 1,350,000            | -                              |
| SFSU Nursing Program                       | 1,000,000                | 1,000,000            | 1,000,000            | -                              |
| Samaritan House Medical Clinic             | 612,700                  | 612,700              | 612,695              | 5                              |
| Other Grants                               | 20,000                   | 20,000               | 5,252                | 14,748                         |
| San Mateo Medical Center                   | 1,000,000                | 1,000,000            | 1,000,000            | -                              |
| Ravenswood-Belle Haven Clinic              | 500,000                  | 500,000              | 500,000              | -                              |
| Community Grants Program                   | 1,340,000                | 1,350,000            | 1,325,000            | 25,000                         |
| Chronic Disease Management                 | 20,000                   | 20,000               | 23,917               | (3,917)                        |
| Maintenance - Property                     | 25,000                   | 25,000               | 34,629               | (9,629)                        |
| Utilities                                  | 20,000                   | 20,000               | 27,077               | (7,077)                        |
| Insurance - Properties                     | 2,000                    | 2,000                | 1,844                | 156                            |
| Depreciation                               | 85,000                   | 85,000               | 76,736               | 8,264                          |
| HeartSafe Program                          | 100,000                  | 100,000              | 95,198               | 4,802                          |
| School Health Program                      | 2,830,000                | 2,830,000            | 2,830,397            | (397)                          |
| San Jose Medical Center Rebuild            | 2,300,000                | 2,300,000            | 3,300,000            | (1,000,000)                    |
| Total Expenditures                         | <u>14,708,600</u>        | <u>14,718,600</u>    | <u>15,676,594</u>    | <u>(957,994)</u>               |
| <b>Deficiency of Revenue Over Expenses</b> | <u>(2,808,300)</u>       | <u>(2,818,300)</u>   | <u>(3,133,917)</u>   | <u>(315,617)</u>               |
| <b>Fund Balance - Beginning of Year</b>    | <u>17,437,666</u>        | <u>17,437,666</u>    | <u>17,437,666</u>    | <u>-</u>                       |
| <b>Fund Balance - End of Year</b>          | <u>\$ 14,629,366</u>     | <u>\$ 14,619,366</u> | <u>\$ 14,303,749</u> | <u>\$ (315,617)</u>            |

## **Auditor's 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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sequoia Healthcare District as of and for the year ended June 30, 2014, which collectively comprise the Sequoia Healthcare District's basic financial statements and have issued our report thereon dated November 12, 2014. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Sequoia Healthcare District's internal control over financial reporting as a basis for designing our auditing procedures 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 Sequoia Healthcare District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sequoia Healthcare District's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Sequoia Healthcare District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

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

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California

November 12, 2014

# SEQUOIA HEALTHCARE DISTRICT

## SUMMARY OF AUDITOR'S RESULTS FOR THE YEAR ENDED JUNE 30, 2014

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### FINANCIAL STATEMENTS

|   |                   |
|---|-------------------|
| Type of auditors' report issued:                      | <u>Unmodified</u> |
| Internal control over financial reporting:            |                   |
| Material weaknesses identified?                       | <u>No</u>         |
| Significant deficiencies identified?                  | <u>No</u>         |
| Noncompliance material to financial statements noted? | <u>No</u>         |



**SEQUOIA HEALTHCARE DISTRICT**

**FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

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None reported.