



**Sequoia
Healthcare
District**

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Redwood City, CA 94063

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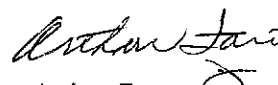
**A G E N D A
SEQUOIA HEALTHCARE DISTRICT
BOARD OF DIRECTORS ANNUAL ORGANIZATIONAL MEETING
4:30, Wednesday, February 3, 2016
Conference Room, 525 Veterans Boulevard, Redwood City, CA 94063**

1. Call To Order And Roll Call
2. Public Comment On Non-Agenda Items*
- ACTION 3. Consent Calendar - President Faro
 - a. Approve December 2, 2015 Regular Meeting Minutes
 - b. Accept November And December 2015 Financial Statements
4. CEO/Staff Reports
 - a. State Of The District - Mr. Michelson
 - b. Healthy Schools/Community Grants - Ms. Kurtzman
 - c. HeartSafe - Mr. Nielsen
- ACTION 5. New Business
 - a. Accept The District's Annual Audit For The Period Ending June 30, 2015
As Prepared By The CPA Firm Vavrinek, Trine, Day - Mr. Gharaibeh & Mr. Christian
 - b. Presentation: 70 Strong - Arne Croce, Peninsula Family Service
 - ACTION c. Apple Tree Dental Request For \$500,000 Grant To Support Oral Health Services
For District Residents Through Mobile Dentistry Program - Dr. Mike Helgeson
 - d. Director Requests For Future Agenda Items Per Board Policy 8.3 -
President Faro
6. Adjourn. The Next Regular Meeting Of The Board Of Directors Of Sequoia
Healthcare District Is Scheduled For 4:30 PM, Wednesday, April 6, 2016
District Conference Room, 525 Veterans Blvd., Redwood City, CA 94063

*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.


Arthur Faro
Board President

**MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
SEQUOIA HEALTHCARE DISTRICT
December 2, 2015
Conference Room, 525 Veterans Boulevard
Redwood City, CA 94063**

Directors Present

Director Griffin
Director Hickey
Director Kane
Director Shefren

Directors Excused

Director Faro

Also Present

Mr. Michelson, CEO
Mr. Hudak, Legal Counsel
Ms. Johnson, Recorder

1. Call to Order

By: Vice President Kane
Time: 4:30 PM

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

2. Public Comment/Non-Agenda Items

Vice President Kane asked if there was public comment on non-agenda items. There was none.

3.a. - 3.b. Consent Calendar

Motion: To approve the Consent Calendar

By: Director Shefren

Seconded by: Director Griffin

Vote: 4-0

Motion Passed

The budget by quarter presented with the financial statements will be expanded to include all line items.

4. CEO/Staff Reports

Mr. Michelson reported that the annual audit has been delayed due to new rules regarding the pension plan system.

ACHD has asked Mr. Michelson to serve on its Board and President Faro and Vice President Kane have approved. Additionally Mr. Michelson has been asked to serve on the steering committee for a CDA Cares free dental event scheduled for April 2017.

The District will be presented with a special award at the Mission Hospice appreciation event on January 31st. Board and staff are invited to attend.

Healthy Schools Initiative: Ms. Kurtzman introduced Jennifer Barrett who was recently hired as Grants Program Assistant.

Ms. Kurtzman reported she will be bringing in two consultants to begin data collection under a budgeted expense of up to \$40,000. New and existing data from participating school districts and individual schools will be assembled in order to evaluate the impact and outcomes of the School Health Initiative. Once a scope of work is drafted it will be presented to the Board for review.

HeartSafe: Mr. Nielsen announced that 500 more people have been trained in CPR in the last two months. HeartSafe will again be co-hosting a high school cardiac screening event in Atherton on January 24th.

5.a. Director Requests for Future Agenda Items

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

6. Adjourn to Closed Session

Adjourn to Closed Session For The Purpose Of Conference with Legal Counsel - Anticipated Litigation Government Code Government Code §54956.9(a)

7. Reconvene to Open Session

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

8. Adjourn

Motion: At 5:30 PM adjourn meeting.

By: Vice President Kane

Seconded by: Director Shefren

Vote: 4-0

Motion Passed

The next regular meeting of the Board of Directors of Sequoia Healthcare District is scheduled for 4:30 PM, Wednesday, February 3, 2016, Conference Room, 525 Veterans Blvd., Redwood City, CA.

Respectfully Submitted,

Kim Griffin
Secretary

SEQUOIA HEALTHCARE DISTRICT
Balance Sheet

Agenda Item No. 3.b
Board of Directors Meeting
2/3/16

	July	August	September	October	November	December	January	February	March	April	May	June
ASSETS												
Current Assets												
Cash (WF-MMA)	\$ 4,002,935.68	\$ 3,013,356.17	\$ 2,363,719.68	\$ 2,164,010.97	\$ 1,764,241.61	\$ 5,724,629.13						
Cash (WF)	101,745.13	129,000.08	183,730.79	534,534.44	510,483.49	997,282.37						
Cash from Investments	1,199,310.70	1,199,310.70	1,199,310.70	1,199,310.70	1,199,310.70	1,199,310.70						
Cash Equivalents	9,055,146.51	9,057,465.51	9,090,408.51	9,088,109.51	9,090,459.51	9,082,247.51						
Total Current Assets	14,359,138.02	13,399,132.46	12,837,169.68	12,985,965.62	12,564,495.31	17,003,469.71						
Other Assets												
Prepaid Expenses	0.00	0.00	0.00	0.00	0.00	0.00						
Property, Plant & Equipment												
Land	138,927.00	138,927.00	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	144,158.05	144,158.05						
Buildings	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30	1,249,382.30						
Building Improvements	527,129.57	527,129.57	527,129.57	527,129.57	527,129.57	527,129.57						
Tenant Improvements	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29	215,113.29						
Improvements-Classroom	85,690.44	85,690.44	85,690.44	85,690.44	83,410.44	83,410.44						
Equipment	68,615.18	68,615.18	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	28,259.91	28,259.91						
Accumulated Depreciation	(1,735,856.21)	(1,742,796.54)	(1,749,736.87)	(1,756,677.20)	(1,763,617.53)	(1,770,557.86)						
Net Property/Plant/Equipment	721,419.53	714,479.20	707,538.87	698,318.54	691,378.21	684,437.88						
Total Assets	15,080,557.55	14,113,611.66	13,544,708.55	13,684,284.16	13,255,873.52	17,687,907.59						
LIABILITIES & FUND BALANCE												
Current Liabilities												
Accounts Payable	4,350.00	0.00	0.00	0.00	0.00	0.00						
Deposit Payable	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00	3,165.00						
Grants Payable	1,112,837.40	812,500.00	800,000.00	800,000.00	800,000.00	800,000.00						
Total Current Liabilities	1,120,352.40	815,665.00	803,165.00	803,165.00	803,165.00	803,165.00						
Fund Balances												
Invested in Capital Assets	725,194.42	725,194.42	725,194.42	725,194.42	725,194.42	725,194.42						
Fund Balance	13,927,676.42	13,927,676.42	13,927,676.42	13,927,676.42	13,927,676.42	13,927,676.42						
Net Surplus/Loss	(692,665.69)	(1,354,924.18)	(1,911,327.29)	(1,771,751.68)	(2,200,162.32)	2,231,871.75						
Total Fund Balance	13,960,205.15	13,297,946.66	12,741,543.55	12,881,119.16	12,452,708.52	16,884,742.59						
Total Liabilities & Fund Balance	15,080,557.55	14,113,611.66	13,544,708.55	13,684,284.16	13,255,873.52	17,687,907.59						

SEQUOIA HEALTHCARE DISTRICT
Income Statements

Agenda Item No.3.b
Board of Directors Meeting
2/3/16

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date	Budget 15-16
INCOME														
Rental Income	3,703.45	3,850.34	3,850.34	3,850.34	3,850.34	3,850.34							22,955.15	46,200.00
Tax Revenue	26,441.11	17,721.07	0.00	483,304.46	483,056.61	4,807,771.44							5,818,294.69	10,100,000.00
Investment Income	14,747.00	2,319.00	33,306.51	(2,299.00)	2,350.00	(8,212.00)							42,211.51	150,000.00
Interest Income	609.78	423.59	364.64	293.07	236.52	400.55							2,328.15	7,700.00
Pension Income	0.00	0.00	0.00	0.00	0.00	2,600,000.00							2,600,000.00	2,600,000.00
ROI-Sequoia Hospital EBIDA	0.00	0.00	0.00	0.00	0.00	0.00							0.00	0.00
Total Income	45,501.34	24,314.00	37,521.49	485,148.87	489,493.47	7,403,810.33	0.00	0.00	0.00	0.00	0.00	0.00	8,485,789.50	12,903,900.00
EXPENSES														
Administrative Expenses														
Admin. Expense	395.97	687.30	635.52	465.72	401.90	1,510.95							4,097.36	13,000.00
Admin. Payroll	19,919.99	17,344.22	17,344.23	20,136.56	17,773.76	26,654.07							119,172.83	232,000.00
Board Health Insurance	2,116.13	4,240.47	2,116.13	2,507.14	12,725.89	927.17							24,632.93	73,800.00
Employee Health Insurance	3,064.28	3,994.81	3,016.40	2,405.76	3,521.16	1,350.18							17,352.59	42,000.00
Employee Retirement Benefit	1,634.39	1,565.10	1,332.40	1,467.36	1,353.18	2,029.77							9,382.20	19,000.00
Investment Fees	0.00	0.00	6,977.05	0.00	3,750.00	6,996.09							17,723.14	48,000.00
Office Supplies/Equip Maint	2,000.18	12.97	1,862.77	647.46	1,398.03	456.17							6,377.58	8,000.00
Accounting fees	0.00	0.00	0.00	0.00	15,000.00	0.00							15,000.00	19,000.00
Board Expense	0.00	0.00	238.58	0.00	0.00	0.00							238.58	8,000.00
Associations/Membership	0.00	7,500.00	0.00	0.00	0.00	0.00							7,500.00	18,000.00
Communications	0.00	213.10	0.00	14,074.81	11,428.26	94.99							25,811.16	32,000.00
Web Site/IT	3,563.67	10,796.43	2,441.83	5,915.53	3,508.00	5,680.54							31,906.00	45,000.00
Insurance/D&O	25,090.00	4,483.00	0.00	0.00	(1,000.00)	0.00							28,573.00	22,000.00
Election Fees	0.00	0.00	0.00	0.00	0.00	0.00							0.00	-
LAFCO fees	0.00	0.00	0.00	0.00	8,198.00	0.00							8,198.00	8,500.00
Legal Fees	5,000.00	2,575.29	1,935.75	1,318.50	1,417.50	897.75							13,144.79	20,000.00
Bank Fees	0.00	0.00	0.00	32.75	0.00	30.00							62.75	100.00
Total Admin. Expenses	62,784.61	53,412.69	37,900.66	48,971.59	79,475.68	46,627.68	0.00	0.00	0.00	0.00	0.00	0.00	329,172.91	608,400.00
Pension Plan Expense	0.00	0.00	0.00	0.00	0.00	2,600,000.00	0.00	0.00	0.00	0.00	0.00	0.00	2,600,000.00	2,600,000.00
Total Admin. With Pension Plan	62,784.61	53,412.69	37,900.66	48,971.59	79,475.68	2,646,627.68	0.00	0.00	0.00	0.00	0.00	0.00	2,929,172.91	3,208,400.00
Property Expenses														
Maintenance	2,068.23	1,385.10	1,319.73	2,070.30	1,400.00	1,701.32							9,944.68	30,000.00
Utilities	589.97	2,306.12	2,862.51	1,925.34	2,298.68	2,994.37							12,976.99	29,000.00
Property Insurance	1,616.00	0.00	0.00	0.00	0.00	0.00							1,616.00	2,000.00
Depreciation	6,940.33	6,940.33	6,940.33	6,940.33	6,940.33	6,940.33							41,641.98	70,000.00
Total Property Expenses	11,214.53	10,631.55	11,122.57	10,935.97	10,639.01	11,636.02	0.00	0.00	0.00	0.00	0.00	0.00	66,179.65	131,000.00

SEQUOIA HEALTHCARE DISTRICT
Income Statements

Agenda Item No.3.b
Board of Directors Meeting
2/3/16

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date	Budget 15-16
Grant Expenses														
Grant Admin Expenses	632.99	618.56	1,713.53	18,575.37	116.90	1,748.72							23,406.07	21,000.00
Grant Admin Payroll	6,569.70	5,872.63	5,872.62	6,503.27	5,967.42	8,872.97							39,658.61	79,000.00
Children's Health Initiative	0.00	0.00	0.00	0.00	600,000.00	0.00							600,000.00	1,200,000.00
SFSU Nursing Program	0.00	597,653.00	0.00	0.00	0.00	0.00							597,653.00	598,000.00
Samaritan House Grant	226,961.00	0.00	0.00	0.00	174,424.00	2,741.40							404,126.40	751,000.00
Other Grants	10,000.00	0.00	3,000.00	3,764.00	2,750.00	180.00							19,694.00	90,000.00
San Mateo Medical Ctr. So County	0.00	0.00	0.00	0.00	0.00	234,500.00							234,500.00	470,000.00
Ravenswood-Belle Haven Clinic	0.00	0.00	0.00	0.00	0.00	0.00							0.00	700,000.00
Community Grants Program	41,200.00	(684.23)	272.00	0.00	0.00	0.00							40,787.77	1,750,000.00
Apple Tree Dental	0.00	0.00	0.00	0.00	0.00	0.00							0.00	500,000.00
Mission Hospice	0.00	0.00	500,000.00	0.00	0.00	0.00							500,000.00	500,000.00
Total Grant Expenses	285,363.69	603,459.96	510,858.15	28,842.64	783,258.32	248,043.09	0.00	0.00	0.00	0.00	0.00	0.00	2,459,825.85	6,659,000.00
Program Expenses														
Living Healthy	0.00	1,359.46	3,519.71	5,777.62	823.31	9,273.82							20,753.92	58,000.00
HeartSafe Admin Expense	16,912.00	0.00	740.40	859.21	171.51	316.45							18,999.57	32,370.00
HeartSafe Payroll	5,168.72	4,668.51	4,668.52	4,668.51	4,668.52	7,002.69							30,845.47	62,630.00
HeartSafe Training & Equipment	0.00	60.63	1,805.08	49.02	92.50	0.00							2,007.23	66,000.00
School Health Admin	1,124.78	125.00	8,007.35	150.00	2,284.81	8,774.99							20,466.93	57,500.00
School Health Payroll	11,705.42	12,854.69	6,684.65	7,834.63	10,182.50	15,707.35							64,969.24	183,852.00
School Health Grants	343,893.29	0.00	8,254.00	237,484.07	24,394.17	24,394.17							638,419.70	2,981,608.00
Total Program Expenses	378,804.21	19,068.29	33,679.71	256,823.06	42,617.32	65,469.47	0.00	0.00	0.00	0.00	0.00	0.00	775,708.14	3,441,960.00
Total Expenses	738,167.04	686,572.49	593,561.09	345,573.26	915,990.33	2,971,776.26	0.00	0.00	0.00	0.00	0.00	0.00	6,230,886.55	13,440,360.00
Net Surplus/Loss	(692,665.70)	(662,258.49)	(556,039.60)	139,575.61	(426,496.86)	4,432,034.07	0.00	0.00	0.00	0.00	0.00	0.00	2,234,149.03	(536,460.00)

2015-16 Budget By Quarter

	<u>1st Quarter Budget</u>	<u>Actual</u>	<u>2nd Quarter Budget</u>	<u>Actual</u>	<u>3rd Quarter Budget</u>	<u>Actual</u>	<u>4th Quarter Budget</u>	<u>Actual</u>
Income								
Rental	11,000.00	11,400.00	22,000.00	22,955.00	33,000.00		46,200.00	
Tax	100,000.00	44,162.00	5,600,000.00	5,818,295.00	5,700,000.00		10,100,000.00	
Investment Income	40,000.00	50,370.00	60,000.00	42,211.00	90,000.00		150,000.00	
Interest Income	1,925.00	1,398.00	3,850.00	2,325.00	5,775.00		7,700.00	
Pension	0.00	0.00	2,600,000.00	2,600,000.00	2,600,000.00		2,600,000.00	
Total	152,925.00	107,330.00	8,285,850.00	8,485,786.00	8,428,775.00		12,903,900.00	
Expense								
Admin	152,100.00	154,097.00	304,200.00	329,000.00	456,300.00		608,400.00	
Property	32,750.00	32,968.00	65,500.00	66,000.00	98,250.00		131,000.00	
Pension	0.00	0.00	2,600,000.00	2,600,000.00	2,600,000.00		2,600,000.00	
Grants/Programs	2,525,000.00	1,826,355.00	5,050,000.00	3,236,000.00	7,575,000.00		10,100,000.00	
Total	2,709,850.00	2,013,420.00	8,019,700.00	6,231,000.00	10,729,550.00		13,439,400.00	

State of the District: February 2016: Lee Michelson, CEO

Introduction – In 2014 the District updated our strategic plan and established eleven key guiding principles. This State of the District report will chronicle activities undertaken over the past twelve months that will demonstrate how these guidelines have shaped our actions. It will also spell out several next step considerations for 2016.

In summary the District remains successful on many fronts: financial management, the development of our communications program, the expansion of our Healthy Schools Initiative, HeartSafe and Living Healthy programs and the identification and support of several new efforts that are already or soon will offer additional health services for our residents.

We have maintained our staff, become even more active in our community and greatly improved our grants management and monitoring program. We have also been recognized by the Association of California Health Care Districts for our management performance.

The next twelve months should be equally exciting with several new efforts that will challenge us to achieve even more. Full speed ahead!

Sequoia Healthcare District 11 Guiding Principles

2015 Activities/ Next Steps 2016

Guiding Principle 1: The District will remain primarily a funder of top-quality programs. Though we will develop and offer our own signature programs, the execution of those programs will likely be through service partners like school districts and non–profits.

2015 Activities

1. Explore summer intern - Kingsley Chan was hired during the summer of 2015 to help us review grants performance and to better organize data.
2. We greatly expanded our Living Healthy Workshop program by hiring a new facilitator Dori Sproul and a new assistant Linda Burroughs. We can now offer many more options regarding locations and available dates and times.
3. Our twice-monthly free and open to all residents CPR classes in our classroom has expanded the number of those trained in CPR and AED use as well as choking care.
4. Several high caliber and innovative programs were introduced in the schools in 2015 that focus on the social-emotional development of children and foster safe and supportive school environments. These programs have been executed and overseen by our school district wellness coordinators.

Next Steps-2016

1. We have been working closely with Peninsula Family Service to develop an older adult service program that would connect isolated residents with community services. An overview of the prospective program will be presented at the February Board meeting.
2. Our funding for Healthy Kids has ceased making \$1.2 million dollars available for either new programs or additional support for existing programs. The staff is assessing community needs and exploring options and plans to present our ideas in April to the Board.

Guiding Principle 2: The District will work towards a better understanding of the health impact that we and our partners are having on the health status of our residents.

2015 Activities

1. Invested in outcome evaluation - We organized a training session for all of our grantees to communicate our objectives and expectations and help them improve their outcome measures and reporting. We encouraged partners to come together to compare outcomes and explore evaluation methods. This in turn, helps to strengthen the organizations that serve our residents. More than 50 agencies participated between Caring Community and school-based grants.
2. We worked to improve our own grants program, evaluating our process, LOI and full application questions and reporting templates. We seek to fund only programs whose outcomes are well-defined, specific, measurable and realistic.
3. Employed ASR to assist with data collection and assessment for PE+ in keeping a constant eye on program improvement.
4. Have explored (and still considering) a standard questionnaire for our major initiatives but do to the uniqueness of each major initiative standardization may not be the best approach.
5. Several efforts have been initiated to better evaluate outcomes with our Healthy Schools Initiative including the implementation of the School Health Index (SHI) data collection tool.
6. We encouraged partners to come together to compare outcomes and explore evaluation methods. It is our thought that having an avenue to share outcomes will generate more discussion, and will lead to improved quality of programs and greater financial accountability among our grantees.

Next Steps-2016

1. We will hold another training session focusing on program evaluation in June assuming that there will be new community and/or school based grantees.

2. Our school based wellness coordinators will continue to gather program and service data utilizing the SHI in our first phase of our 5 year outcome evaluation process. It will serve as a baseline assessment for our newer partner school districts.

Guiding Principle 3- The District will be a catalyst for bringing new programs to our community.

2015 Activities

1. We held a PE+ summer program at five schools in RWC serving more than 800 children.
2. We have been working with Peninsula Family Service and community leaders on developing a Sequoia 70 project for older adults with the goal of reaching several thousand residents each year.
3. The first heart screening was held in April at Sequoia High School for more than 600 students. More than 200 volunteers assisted. The second one was just held on January 24 that reached 725 students.
4. We have worked closely with our school partners to bring Quiet Time to Redwood High School, supported parent Ed mini workshops, encouraged resilience training for teachers and we continue to improve our nutritional component of our PE+ curriculum.
5. Our support led to the area's first Mission House established in San Mateo and serving the entire County.
6. We piloted a Healthy Schools Initiative Wellness Newsletter last Spring in three San Carlos Schools and in 2015 expanded to all SCSD schools and all BRSSD schools

Next Steps-2016

1. We have previously committed to ongoing funding of nine programs/initiatives for 2015-16, however we anticipate having up to \$2 million dollars of available funds either for new programs or to supplement existing programs.

2. In January the area's first Food Pharmacy for those challenged with diabetes will open at Samaritan House RWC Clinic.
3. Redwood City School District will launch the HSI Wellness Newsletter in March 2016

Guiding Principle 4- The District will challenge itself and our partners to be innovative.

2015 Activities

1. A mini-grants program for school grants has started with two grants distributed so far. This is an ongoing process and applications will be considered throughout the school year.
2. Pilot Neuroscience of Addiction Curriculum this fall in SUHSD 9th grade health classes. An untraditional and highly innovative educational approach to drug and alcohol prevention education and intervention strategies.

Next Steps- 2016

1. Staff will seek innovative approaches and models for improving health status and access to care in addressing key health concerns among District residents.

Guiding Principle 5- The District staff and Board will be involved in our community and support collaborative efforts that address important health concerns.

2015 Activities

1. Board members attended the nursing program's fundraising kick-off event, the Ravenswood grand opening of their new building, the horse buddies program, the grand opening of the Apple Tree site and the new Mission House.
2. Staff continues to be very active in the community with programs such as the Oral Health Coalition, Redwood City 2020, First 5 Commission, The School Health Alliance and various school wellness committees among other activities.

Next Steps- 2016

1. We have taken a leadership position with the Oral Health Coalition and will serve on the planning committee for CDA Cares which will provide dental care to 5,000 people in 2017.

Guiding Principle 6- The District will continue to allocate spending 100% of our current tax income on community health programs.

2015 Activities

1. We budgeted tax income for 2015-16 at \$10.1 million, a \$600,000 increase over what was budgeted in 2014-15.
2. Our budget for grants and programs is \$10.1 million to match anticipated tax income. Community support continues to grow while administration expenses remain constant.

Next Steps-2016

1. We are planning on developing a budget for 2016-17 that calls for \$10.4 million in tax income and the same amount for community health services.

Guiding Principle 7- The District will be mindful of the health needs of all of our residents but will focus primarily on identified vulnerable populations: older adults, young children and those living with special health challenges.

2015 Activities

1. We are working with PFS on developing Sequoia 70. We funded the expansion of the Ron Robinson Senior center to the South County Clinic. To-date that program is seeing patients one day a week but will expand to four days a week soon. Our funding of the transition to home program as allowed SMMC to hire its new Director.
2. The high school heart screening programs have been a big success reaching more than 1,300 students.
3. We are now asking for more detailed demographic information from our grantees including a breakdown of clients served by zip code and breaking the zip code information in to two groups, those that all live in the District and those where only some who live in the zip code are residents.
4. Through a partnership with Peninsula Family Service, we are exploring the concept of a special program for all residents 70 yrs and older.

5. We are paying increasing attention to the LGBTQQ population to assure that our LGBTQQ residents, young and old, feel safe, accepted and embraced within our community and in our school communities. We are working to ensure that the health programs we support take into account this population.

Next Steps-2016

1. We will explore where health concerns exist and current and/or future resources are lacking among the 0-5 year old population and how SHD could develop our own or partner with other organizations to support an innovative program that would serve the health needs the very young.

Guiding Principle 8- The District will explore opportunities to better communicate with our residents by using our website, newsletters, social media and other communication vehicles.

2015 Activities

1. The San Carlos newsletter was developed and three editions have been sent to parents and have been well received. The first Belmont/Redwood Shores edition was also launched in November.
2. We have used various social media outlets to promote these programs which have greatly increased our web hits to more than 20,000 per year. We are on Twitter, Facebook, and Google and we developed a monthly email newsletter that is sent to 143 subscribers per month and growing.

Next Steps-2016

1. 2016 represents the 70th year of our existence and we may use that milestone as our theme for our annual report to be mailed in October.
2. Staff will meet with Gwen to brainstorm ideas for additional communication through web and social media and reformat parts of the SHD website.

Guiding Principle 9- The District will remain conservative in our investment of reserve dollars to minimize risks.

No new activities

Guiding Principle 10- The District will be a vigilant steward of taxpayer dollars.

2015 Activities

1. Administrative dollars are budgeted at 6% due to no election this fiscal year.
2. Though we added Jennifer Barrett to our staff we lost Jennifer Gabet so no increase in staff size.

Next Steps-2016

2. Hopefully we will know prior to June whether or not we will have a contested election next November. Our plan is to budget \$200,000 for the election.
3. The Healthy Schools Grants Program will explore ways to encourage our partner agencies to be innovative and support ideas that improve quality, increase efficiency, and lower the costs of services.
4. The Caring Community Grants program will examine innovative models for improving health status, access, and financial outcomes. As the demand for greater quality, cost control, and access to care rises, so does our need for innovative funding strategies.

Guiding Principle 11- The District's reserves will be protected to pay for administration, elections and building expenses. These expenses may also be paid for through rental income, investment income and EBIDA share. Tax income is reserved for programs and grants.

2015 Activities

1. We received an EBIDA share of \$352,000 and added to increased tax revenue, we did not need to use reserve funds for administrative funding.

Next Steps-2016

1. We will not budget an EBIDA share for 2016-17.

Pamela Kurtzman
Staff Report Dec 2015-Jan 2016

Activity Summary

December and January are especially busy months for me with our grants program. Mid-year reports review and outcomes tracking have been completed and are shared with you at our February Board meeting. Our 2016-17 grants cycle kicked off on Jan 5th and Letters of Intent are due February 8th. Jennifer Barrett has been a big help to me in reviewing reports, and preparing for our information sessions. I have also been involved in some fun activities, including coordinating an art project with Central middle school students to create a mural for the new Food Pharmacy at Redwood City's Samaritan House. Program updates and additional activities are outlined below. Highlights from our school district wellness coordinators are attached separately.

I. Healthy Schools Initiative updates:

Wellness Coordinator oversight

- Our second quarterly Wellness Coordinator meeting took place on Dec 5. Our primary areas of discussion will be around program evaluation and social and emotional wellness. Please take a look at the highlights provided for you by the Wellness Coordinators, provided separately.

HSI evaluation

- Evaluation consultants with whom we planned to contract for the first phase of data collection, ended up being too costly for the limited Scope of Work. We have begun to contract with Mindy Shelton to help provide support and guidance for implementing School Health Index at the smaller school sites and are seeking alternative cost efficient options for data collection in RWCS and SUHSD.

School-based mental health services

- Discussing a comprehensive analysis of the mental health needs, available services, and potential resources for youth pre k- through college with wellness coordinators and school administration. Will meet with COE new mental health school liaison and SUHSD Superintendent to review their recent Gardner Center proposal for a school district-wide mental health assessment and discuss potential areas for collaboration of data collection to leverage resources.

Health Promotion Mini-Grants

- Received a total of 9 applications since October ranging from \$300 to \$1,500. Two applications approved- one for \$300 for a classroom yoga program for 3rd graders and one for \$1,420 for PE equipment for a fitness and social support program called New Games. Two additional applications are being considered pending additional details from applicants.

HSI parent newsletter

- What began as a pilot in the SCSD last year is now a regular quarterly communication in San Carlos and Belmont. You can view the latest edition of the SCSD newsletter and the inaugural BRSSD newsletter: San Carlos- <http://www.sequoiahealthcaredistrict.com/hsi/programs-and-grants/school-district-wellness-projects/belmont-redwood-shores-district/november-2015/>. Belmont- <http://www.sequoiahealthcaredistrict.com/hsi/programs-and-grants/school-district-wellness-projects/scsd/october-2015/>. The next San Carlos issue will be centered on sustainability and health.
- Redwood City School District will launch their inaugural newsletter in March and will focus on Mental Health in the district.

HSI School-Based Grants and Subcontracted programs

- Mid-year reports were received January 20. A full summary of the status of these grants will be provided to the Board at our April meeting. Information sessions for our 2016-17 took place in January and LOI's are due Feb 8th. Subcontractor SOW and budget contracts will be negotiated in early March.

PE+

- I received the Physical Fitness Assessment Test (PFT) Scores for all students in grades 3 and 5 who participated in the PE+ program during the 2014-15 school year. These scores will be used to assess outcomes of the program for the same year comparing test scores from baseline data collected in Sept 2014 to the end of year scores obtained in May 2015. These will also be compared to data collected in the previous two years and will be compared to local, state and national fitness data for grade 5. It will also be used to measure against other local schools that do not use PE+. These outcomes will be shared with the SHD Board when I've thoroughly reviewed the data and summarized the results.
- Our contract with Julie Engberg to fill in gaps in the "Nutrition Huddles" modules and extend the reach of the nutrition education curriculum to classroom lesson plans in RWC and San Carlos has continues to go well. Julie began training PE+ coaches on lesson instruction as well as all PE teachers in San Carlos. Julie and Mindy are creating pre and post surveys to pilot in at least two schools with two different grade levels during March.
- Redwood City School District launched a new educational campaign and new menu format that is intended to help students make wiser food choices around the federally-funded School Meals Program. The campaign is aligned with the Nutrition Huddles modules and PE+ coaches are an integral part of promoting the campaign by serving as health coaches and positive role models for all students during lunchtime.
- Redwood City Parks and Rec has been selected as a 2015 California Park & Recreation Society (CPRS) **Award of Excellence** recipient for Community Health & Wellness for PE+! The awards program recognizes them for their outstanding achievement in community improvement and programming through demonstrating resourcefulness, execution, accomplishment and alignment with the parks and recreation mission. The presentation

will take place at the annual California Park & Recreation Society Awards Recognition Banquet on March 11, 2016 in Long Beach.

II. *Caring Community Grants*

2015 Mid-term Status report

- A full summary of the status of these grants are included with this report.

2016 Cycle launched Jan 5th

- Public Information sessions were held in January and LOI's are due Feb 8th. Our grants committee has two new members, Harvey Kaplan and Michael Garb. Our first meeting to review LOI's and determine which applications to move forward is Feb 18th.

III. *Healthy Kids*

- We now have an approximate number of Healthy Kids members who live in SHD who will transition to Medi-Cal and how many will stay with Healthy Kids. It is not expected that the need for any continued support from SHD will exist. Dental coverage and available dentist for these children may remain a concern. More complete information will be available in May...

IV. *Committee Meetings and Events*

- Attended various meetings of the Get Healthy SMC School Wellness Advisory Committee (SWA) as we plan our annual meeting for February 25 to cover the important topic of mental health through mindfulness and yoga
- Attended a SUHSD District-wide mental health Professional Development organized by Karen LI on teen depression and suicide prevention toolkit trainings--in collaboration with Stanford Hospital and the Palo Alto Unified.
- Attended School District Wellness committee meetings at Las Lomas, San Carlos, and Belmont
- Attended a Promise Neighborhoods meeting to learn more about the Promise Neighborhoods business model. It's a very interesting concept that I want to continue to explore.
- Participating with Mindy Hill and San Carlos Hometown Days to add a "Wellness Wing" to their annual event instead of doing the Good to Go Wellness Fair separately. Attended Samaritan House Food Pharmacy Grand Opening Jan 27.

Activity Highlights from our School Wellness Coordinators

Dec 2015- Jan 2016

Redwood City

- **Apple Tree Dental in RWC Community Schools:** Redwood City School District is working with Apple Tree Dental to develop a comprehensive school-based oral health care solution for low-income students and their families. They are working through details of the process and delivery of services, but concerns with Denti-Cal policies and how to support uninsured individuals remain.
- **Drink Water First:** We installed 7 new hydration stations/fountains and launched a pilot study with UCSF at Taft. This study will inform decisions about the best promotional activities to increase water intake at school. It is a feasibility study and the plan is to test the project before applying for a large NIH grant in 2016.
- **California Healthy Kids Survey (CHKS) and TUPE grant:** I will be coordinating the administration of the CHKS for 5th and 7th grade students in RCSD, as well as the Tier 1 grant for tobacco prevention. The school district has not completed the survey in about 4 years so this is a very important project.
- **Family Engagement:** The focus for community and family engagement is to tie it to the work the RWC 2020 Community Schools Expansion project so that we are engaging families in the ways that best meet their expectations and needs for their families. This includes continued work with the Wellness Promoters at Hoover and coordination with the Fair Oaks Health Clinic.

San Carlos

- We held our second parent education night on January 12 to discuss the latest book by Challenge Success called *Overloaded & Underprepared* Strategies for schools for healthier successful kids. We had at least 50 parents and 15 educators attend the event to discuss the ways in which the book's SPACE framework aligns with our district's strategic plan. Check out the video of the event: <https://archive.org/details/BookTalk011216>
- On January 21, Mindy Hill and 5 other SCSD educators including the new principal of the Arroyo School, Marie Crawford, attended an all day workshop from PESI Healthcare to learn about Yoga and Mindfulness for Kids with Proven Self Regulation and Trauma Informed Strategies for the classroom. These techniques directly complement our Social Emotional Learning (SEL) curriculum, Second Step, and provide a full toolbox of techniques to assist students who have difficulty managing their "overcharged brain".
- Our Safe Routes to School Coordinator, Sarah Schwartz, and Mindy Hill presented to the City of San Carlos Transportation & Circulation Commission on January 20 to share our proposed solutions to improving safety throughout San Carlos.
- We are planning to survey all 4th, 5th, 6th & 7th grade students, parents and teachers with the California Healthy Kids core and supplemental surveys for Resilience, Physical activity and Nutrition in February.

Belmont- Redwood Shores

- **Implementation of our newly adopted social-emotional learning curriculum:** We've begun the process of training staff with the goal to have teachers begin to teach the curriculum and get comfortable with it with full implementation expected for next year. Teachers who have begun to use it have been extremely positive about it. One of the challenges is that we have adopted other new curricula this year so teachers have a lot to get used to. As teachers begin using Second Step and seeing the benefit, they're spreading their enthusiasm and encouraging other teachers to give it a go.
- **Building a system of Positive Behavior Intervention & Support (PBIS) at all school sites:** Several of our school sites have been implementing PBIS for a couple of years. This year we've encouraged all seven of our schools to incorporate it. Principals have been given a list of "Essential Elements" of PBIS and have been offered coaching and support to get their system in place.
- **Professional development and parent education around helping students develop a Growth Mindset:** We're developing professional development, discussion groups, and parent education to help deepen our staff and community's understanding of the concept and sharing resources that teachers can use in their classroom.
- **Continuing to enhance our PE coaching program:** We're working with our PE coaches to incorporate more evaluation into their program and to make sure they're addressing PE content standards. It's challenging for coaches to do this with only 30 minutes a week but we are committed to providing the best program possible. We spent some time reviewing Physical Fitness Test data with PE coaches. Our scores are great overall but we noticed a few areas where we could improve, particularly around flexibility.

Las Lomitas

- **Wellness Committee:** Pamela Kurtzman presented an overview of HSI to the committee and provided guidance for setting priorities, goals, timelines, and developing an action plan. The committee's first priority will be completing the School Health Index and the Healthy Kids Survey. Mindy Shelton of BRSSD attended our meeting last week and provided instruction and guidance for implementing the surveys.
- **Nursing Services:** We continue to develop protocols for the health services department including health guidelines. We will hold another blood drive in the spring and expand it to include a mini-health fair, with vendors and interactive health presentations for the community and our students. As part of the health fair, we will offer Friends and Family CPR through SHD HeartSafe Program. Students will be involved in the planning and implementation phases in this project.
- **Challenges:** We are challenged in implementing our wellness initiatives due to time constraints. As school nurses, we are necessarily obligated to maintain the immediate health needs of students with chronic and immediate health problems. We are hopeful that the new school wellness committee members will be able to help the school nurses carry out our overall objectives as these goals as an integral part of the Coordinated School Health Model and will improve our school health department.

Sequoia Union

- Participating in the Superintendent's District-wide Mental Health Task Force. Helping to set goals and priorities for the district. Meeting twice a month.
- Partnering with the Sequoia Healthcare District, SMCOE, BHRS, Stanford Hospital, PAUSD, and SMUHSD on SUHSD mental health efforts.
- Discussing upcoming Sequoia Healthcare District HSI grants application.
- Met with head counselors 1/14/16 re: standardizing re-entry protocols after a prolonged absence or hospitalization.
- Organized a District-wide mental health PD on 1/4/16--teen depression and suicide prevention toolkit trainings--in collaboration with Stanford Hospital and the PAUSD. Over 75 attended. Was featured in the Superintendent's Jan. newsletter:
<http://seq.org/?id=15#1066>
- Arranging to have our Sequoia Healthcare District funded Quiet Time program showcased at the School Wellness Alliance meeting on 2/25/16 (Theme: "A Mindful Afternoon"). Also arranging to showcase the Mission Be mindfulness program for staff and students. Panel participants will include admin, teachers, and students from both Redwood High and Sequoia High.
- Launched the "Neuroscience of Addiction" pilot with two 9th grade Life Skills classes at Sequoia High, Oct 13th and 15th, 2015. Piloted two out of five lessons, led by District Instructional Coach, Allison Hyde. Feedback from students was very positive. Continuing development of remaining three lessons, with the goal of piloting all five lessons at our sites, Fall, 2016.

Woodside Elementary

- Continue SEL at all grade levels and the Global Citizen Class at the middle school level. Our SEL program has been visited by a group of local TK teachers regarding how to develop and teach such a curriculum
- Continue work on the School Health Index.
- A parent education event is scheduled in April called "How to Raise an Adult" by Julie Lythcott Haims. The Denise Pope parent event in November was well attended
- CPR classes are scheduled for staff with Glenn in February
- ChopChop nutrition education will be piloted in the 2nd grade. This program complements are garden education program. We have contacted Julie Engberg for nutrition education program

- We are developing a staff wellness program- activities, challenges, competitions and education.
- Challenges: At this time we have not been able to locate free resources for drug and alcohol education. The prior resources available through the Sheriff's Dept. are no longer available. The Stanford Wellness interns are not available this semester. We are continuing to review are health education curriculum at all grade levels. The School Health Index is moving forward but not yet completed. It has been challenging to collect all the information from participating staff members.

Menlo Park City

- **Social-Emotional Learning, Social-Emotional Health, and Academic Supports:**
 - All four schools within MPCSD have adopted the **Restorative Practices** as outlined by the Institute for Restorative Practices. Karen Junker is the liaison between the Institute and our District. Restorative Practices embody conflict resolution, team building, and at the middle school, serve as a suspension-diversion program. In accordance with this, the counselors at each school site teach **CASEL lessons** to different grade level classes and incorporate Restorative Practices as well as site-specific social-emotional learning (SEL) goals for each school and grade level.
 - All District psychologists, counselors, the Wellness Coordinator, and the Director of Student Services will meet to formalize the final draft of our District's student self-harm prevention document called SPACE: Suicide Prevention and Crisis Evaluation. Each site is conducting its own version of a behavior intervention class/program. This program provides about 10 of the most challenging students from each school site a behavior plan with student specific goals they meet while working with either the school psychologist, counselors, or Wellness Coordinator. At Laurel School, the program is called "Stars." At Oak Knoll, it is called "U-turn," at Encinal it is "Fly," and lastly at the middle school it is a class called "Pivot."
 - We have also been coordinating a new approach to gender, as several students within our District have self-identified as transgender. All District psychologists, counselors, and the Wellness Coordinator will be a part of a webinar with the group, **Gender Spectrum**, an organization that consults with schools on how to build capacity for a gender sensitive and inclusive culture within Districts.

Portola Valley

- The Wellness Champions at PVSD have decided as a team to focus this year on a Wellness Month and title it "March into a Healthy Lifestyle"- with a bulk of our activities taking place in the month of March. Our focus is on healthy eating and nutritional habits for our staff, students, and parent community as well as a focus on decreasing stress and anxiety levels for our students and staff.
- We wrote a grant to our Foundation and submitted it last week and requested approximately \$8000 for these activities. We are still waiting for approval, and if our grant is denied, we will try to write mini-grants through the Sequoia Healthcare District as well as ask our PTO for some funds. We tied our initiative to our Strategic Plan on Nurturing Connected and

Contributing Global Citizens and our SEL program that promotes personal responsibility and self-awareness. In addition, the plan proposed in the grant is tied to the strategic direction “Contribute to a shared purpose within the classroom, school and larger community. The shared purpose in this case is living and promoting health and wellness for the PVSD community.

- For PV Parents: _Brown Bag Lunch: Nutritionist Jennifer Stimson and evening event, Reducing Stress/Anxiety for your child: Dr. Joe Gumina
- For Students K-8: Assembly on Nutrition: Nutritionist Jennifer Stimson, Making Healthy Snacks: Students will make healthy trail mix/ snacks in their PE classes with Nutrition Labels, Pedometer Challenge: Staff vs. Students (for students and staff who want to sign up and compete), Yoga/Stress Relief classes in PE: Yoga instructor will teach in PE classes
- CHALLENGES: Now that we know our direction and what we want to offer- our team had a lot of great ideas and it was really a collaborative effort-, we are just waiting for the MONEY- and to see if our grant is approved, or parts of our grant is approved. If we don't get the full funds, we need to write additional grants, or cut out pieces of our program.

Caring Community Grants 2015-16 Mid-Year Review - Financial Outcomes

	Organization	Program	Total Program Budget	Amount Funded by SHD	% of Program Budget Funded by SHD	% of SHD Residents to be Served Annually	Cost Per unit of Service	Cost for Service per Client	Amount Spent at Mid-Term
Food Securty	Peninsula Volunteers	Meals on Wheels	\$ 1,075,502	\$ 90,000	9%	49%	\$ 13.00	\$ 1,430.00	\$ 37,500
	St. Vincent dePaul	Safety Net Services	\$ 1,069,374	\$ 25,000	2%	28%	\$ 43.00	\$ 129.00	\$ 12,500
	St. Anthony's	Feeding the Needy	\$ 918,037	\$ 90,000	13%	90%	\$ 4.12	\$ 309.00	\$ 45,000
	Second Harvest	Healthy Living for Life	\$ 331,958	\$ 100,000	29%	100%	\$ 9.00	\$ 197.00	\$ 50,000
	Total Food Security				\$ 305,000				\$ 145,000
	At a cost of \$145,000 spent at mid-year, SHD funds helped provide 6,246 residents with over 38,000 hot meals, 518,000 pounds of food , and clothing and basic essentials through these programs. The cost per unit to serve clients ranged from \$4.12 (hot meal)- \$43.00 (clothing, toiletries, food). Cost per client ranged from \$197 to \$1,430 for daily hot meal delivery.								
Drug and Alcohol	El Centro de Libertad	Youth Intervention Program	\$ 259,813	\$ 60,000	23%	77%	\$ 11.36	\$ 150.79	\$ 30,000
	El Centro de Libertad	Adult Outpatient Treatment	\$ 548,446	\$ 40,000	7%	83%	\$ 19.20	\$ 338.55	\$ 20,000
	Latino Commission	Casa Aztlan	\$ 300,000	\$ 20,000	7%	100%	\$ 120.00	\$ 387.00	\$ 10,000
	Service League Hope House	Healthy Women and Infants	\$ 50,000	\$ 40,000	76%	76%	\$ 3.24	\$ 1,000.00	\$ 24,934
	Total Drug & Alcohol				\$ 160,000				\$ 84,934
	Nearly \$85,000 has been used to help our partners provide comprensive inpatient and outpatient treatment services for 628 youth and adults to recover from drug and alcohol addiction by providing a total of almost 23,000 program service units. Cost per client ranges from \$150 to \$1,000 (residential)								
Mental Health (includes Social, Emotional, Behavioral)	Adolescent Counseling Services	After-School Counseling Program	\$ 114,270	\$ 20,000	18%	60%	\$ 114.00	\$ 456.00	\$ 10,000
	Adolescent Counseling Services	Outlet Program	\$ 309,600	\$ 12,000	4%	6%	\$ 85.00	\$ 226.00	\$ 6,000
	Caminar	Bridges to Wellness	\$ 197,000	\$ 50,000	39%	68%	\$ 65.67	\$ 985.05	\$ 20,833
	CASA	Core Services	\$ 405,380	\$ 50,000	12%	33%	\$ 46.94	\$ 2,500.00	\$ 23,000
	Catholic Charities	Adult Day Services	\$ 634,748	\$ 60,000	9%	56%	\$ 18.00	\$ 1,344.00	\$ 22,000
	CORA	Family-Centered Mental Health	\$ 348,150	\$ 85,000	24%	38%	\$ 92.59	\$ 667.00	\$ 52,844
	Corbett Group Homes	R.I.S.E.	\$ 389,000	\$ 30,000	8%	100%	\$ 28.00	\$ 17,362.00	\$ 15,000
	Friends for Youth	WHY Mentoring?	\$ 285,500	\$ 40,000	14%	61%	\$ 56.53	\$ 1,586.00	\$ 17,540
	Inn Vision Shelter Network	Family Wellness Program	\$ 206,000	\$ 75,000	28%	33%	\$ 78.62	\$ 500.00	\$ 32,243
	Jasper Ridge	Veteran's Horseback Riding	\$ 43,325	\$ 15,000	20%	76%	\$ 128.26	\$ 1,282.60	\$ 7,000
	Mental Health Association	Public Health and Wellness	\$ 116,087	\$ 60,000	51%	100%	\$ 58.20	\$ 698.40	\$ 23,883

Mission Hospice	Transitions Program	\$ 150,000	\$ 25,000	17%	44%	\$ 55.56	\$ 937.58	\$ 12,500
Peninsula Family Service	Senior Peer Counseling	\$ 338,627	\$ 15,000	4%	55%	\$ 11.22	\$ 500.00	\$ 7,500
Star Vista	Daybreak	\$ 369,819	\$ 80,000					\$ 40,000
Total Mental Health			\$ 617,000					\$ 290,343
<p>More than \$290,000 of our \$617,000 commitment to treat mental health issues has been used to date. Close to 1,185 youth and adults benefitted from these programs so far and collectively have received over 38,000 service units. Star Vista numbers were not available at the time of this report. Our total investment this year in the area of Treatment of Priority Health Conditions is \$777,000 and is mainly used to support mental and behavioral health and drug and alcohol treatment programs . Funds are also used for mentoring and child advocacy programs.</p>								

HeartSafe Program

Activity Summary for Dec 2015 and Jan 2016

HeartSafe Region Task Force Meetings

Attend and participate in regional planning and support.

AED / CPR Trainings – Over 600 persons trained!

- Belmont Redwood Shores Parents
- Teen Screening at Sacred Heart HS
- Ralston Middle School
- Community classes in our classroom

AED / CPR Scheduled Trainings

- | | |
|--|--------------------------------|
| ● Belmont Redwood Shores teachers and staff | ● Kiwanis Club |
| ● Lindenwood (Atherton) Homeowners Association | ● Girl Scouts |
| ● Sequoia High School Freshmen | ● Boy Scouts and Scout leaders |
| ● Ralston Middle School staff | ● Woodside Elementary |
| ● Carlmont High School Freshmen | ● Town of Atherton staff |

Another Teen Cardiac Screening Event

I am pleased to report that our screening event at Sacred Heart High School was a great success with 535 students receiving an EKG and a follow up with a cardiologist. Many students were also provided an ECHO cardiogram analysis. The parents of children found with abnormalities at the event were immediately briefed by a cardiologist and given their child's EKG and Echo results. As of the time of this report, the number of students identified with cardiac abnormalities was not yet available.

Two More AED Saves!

I am very pleased to report that during this reporting period two more lives were saved with SHCD defibrillators! Both coincidentally were in the City of Foster City. Here is a short synopsis of those two saves:

A 56-year-old male was found lying on his back unresponsive. He had a laceration on the back of his head, and the first responder couldn't feel a pulse. The first responder was applying the AED, while a bystander who identified herself as a physician arrived and started chest compressions. Shock was delivered, and following it, chest compressions were continued. A second shock was delivered, and the victim then began to breath and was transported to the hospital. Excellent first responder work!

An 88 year-old male was found unresponsive by police officers. The AED was applied and no shock was advised with the first two analyses. CPR was continued. At the third analysis, shock was advised and delivered. Fire arrived and took over. The victim left the scene with a heart rhythm and was transported to the hospital. Excellent first responder work!

Family and Friends Photographs



Teen Screening Event





Glenn Nielsen with two Olympians who volunteer their time to support the screening and the teens

Agenda Item 5.a
Board of Directors Mtg. 2-3-16

SEQUOIA HEALTHCARE DISTRICT

Annual Financial Report

For the Year Ended

June 30, 2015

SEQUOIA HEALTHCARE DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sequoia Healthcare District
Redwood City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Sequoia Healthcare District (the District) as of and for the year ended June 30, 2015, 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, each major fund and the aggregate remaining fund information of the District, as of June 30, 2015, 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.

Emphasis of Matter

As described in Note 1 and Note 9 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective July 1, 2014. Our opinion is not modified with respect to this matter.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California

January 8, 2016

SEQUOIA HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

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, 2015. 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.

SEQUOIA HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

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 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

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

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

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

THE DISTRICT AS A TRUSTEE

Reporting the Districts Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for funds held on behalf of others, like our funds for pensions. The District's fiduciary activities are reported in the *Statements of Fiduciary Net Position and Statement of Revenues, Expenses, and Changes in Fund Net Position*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

SEQUOIA HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

FINANCIAL ANALYSIS

Financial Highlights

- The government-wide total assets and deferred outflows of the District exceed the total liabilities and deferred inflows by \$14.7 million (net position) (Table 1).
- Net Position increase by \$349,000 (Table 2).

Financial Position

During the year, the District's net position increased by \$349,000. The net position includes \$13.9 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.

Net Position

Table 1
Comparative Statement of Net Position
(in thousands)

	2014-2015	2013-2014	Dollar Change	Percent Change
Current and Other Assets	\$ 40,190	\$ 15,065	\$ 25,125	166.78%
Capital Assets - Net	728	709	19	2.68%
Total Assets	40,918	15,774	25,144	159.40%
Deferred Outflows from Pension Activities	2,600	-	2,600	
Liabilities	25,420	1,470	23,950	1629.25%
Deferred Inflows from Pension Activities	3,445	-	3,445	
Invested in Capital Assets	725	705	20	2.84%
Unrestricted	13,928	13,599	329	2.42%
Total Net Position	\$ 14,653	\$ 14,304	\$ 349	2.44%

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, 2015

Table 2
Comparative Statement of Activities
(in thousands)

	2014-2015	2013-2014	Dollar Change	Percent Change
Revenues				
EBIDA	\$ 352	\$ 127	\$ 225	177.17%
Lease Income	44	43	1	2.33%
Tax	10,009	9,388	621	6.61%
Investment	118	185	(67)	-36.22%
Pension Reimbursement	1,146	2,800	(1,654)	100.00%
Total Revenues	<u>11,669</u>	<u>12,543</u>	<u>(874)</u>	-6.97%
Expenditures				
Administrative and pension	1,894	3,399	(1,505)	-44.28%
Property	136	153	(17)	-11.11%
Grant	6,277	9,199	(2,922)	-31.76%
Program	3,013	2,926	87	
Total Expenditures	<u>11,320</u>	<u>15,677</u>	<u>(4,357)</u>	-27.79%
Change in Net Position	349	(3,134)	3,483	
Net Position Beginning of Year	<u>14,304</u>	<u>17,438</u>	<u>(3,134)</u>	-17.97%
Net Position End of Year	<u>\$ 14,653</u>	<u>\$ 14,304</u>	<u>\$ 349</u>	2.44%

The District's total revenues and support of \$11.6 million for the year and total expenses of \$11.3 million resulted in a increase of \$.4 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 \$2.6 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, five represent the majority of the expense. They include:

SEQUOIA HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

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. 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).
4. 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.
5. Ravenswood Health Center for clinic services for both medical and dental.

In addition to providing grants, Sequoia Healthcare District operates two signature programs and employs staff to oversee the management of these programs. The three 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. Also offers heart screenings at area high schools.
- 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.
- Living Healthy Workshops offer a 7-week education program covering nutrition, stress management and other topics.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Significant revenues were related to our property taxes. Taxes were above the anticipated amounts by \$508,000 due to the increase in property values within the County of San Mateo.
- The District received additional \$349,000 funding from Dignity Health for its share in the EBIDA.

SEQUOIA HEALTHCARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

CAPITAL ASSETS

During fiscal 2015, there were no major capital additions.

ECONOMIC FACTORS AND FUTURE PLANS

The Sequoia Healthcare District will continue to obtain revenues from property tax and may also share income over expenses from Sequoia Hospital. As a result, we anticipate a steady stream of income that will allow us to provide a minimum of \$10 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, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 6,354,710	\$ -	\$ 6,354,710
Investments	9,040,399	-	9,040,399
Taxes Receivable	172,959	-	172,959
Prepaid Expenses	355,741	-	355,741
Dignity Health Pension Reimbursement	24,266,000	-	24,266,000
Capital Assets - Net	-	728,359	728,359
Total Assets	40,189,809	728,359	40,918,168
Deferred Outflows			
Deferred Outflows from Pension Activities	2,600,000	-	2,600,000
Liabilities			
Accounts Payable	20,099	-	20,099
Accrued Payroll	16,161	-	16,161
Grants Payable	1,959,873	-	1,959,873
Deposit Payable	-	3,165	3,165
Pension Liability	23,421,000	-	23,421,000
Total Liabilities	25,417,133	3,165	25,420,298
Deferred Inflows			
Deferred Inflows from Pension Activities	3,445,000	-	3,445,000
Net Position			
Investment in Capital Assets	-	725,194	725,194
Unrestricted	13,927,676	-	13,927,676
Total Net Position	\$ 13,927,676	\$ 725,194	\$ 14,652,870

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

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Governmental Activities:						
Grant Expenses						
Grants to Community Non-Profit Organizations	6,153,590	\$ -	\$ -	\$ (6,153,590)	\$ -	\$ (6,153,590)
Grant Administration	123,105	-	-	(123,105)	-	(123,105)
General Administration:						
Administrative Services	495,296	-	-	(495,296)	-	(495,296)
Insurance	142,052	-	-	(142,052)	-	(142,052)
Investment and Banking Fees	43,762	-	-	(43,762)	-	(43,762)
Legal	25,178	-	-	(25,178)	-	(25,178)
Office Supplies and Maintenance	7,634	-	-	(7,634)	-	(7,634)
Pension Expense	1,146,000	-	1,146,000	-	-	-
Public Relations	34,309	-	-	(34,309)	-	(34,309)
Other Outgo	3,013,075	-	-	(3,013,075)	-	(3,013,075)
Total Governmental Activities	11,184,001	-	1,146,000	(10,038,001)	-	(10,038,001)
Business Type Activities:						
Leasing	135,646	44,295	-	-	(91,351)	(91,351)
Total Business Activities	135,646	44,295	-	-	(91,351)	(91,351)
Total Primary Government	\$ 11,319,647	\$ 44,295	\$ 1,146,000	(10,038,001)	(91,351)	(10,129,352)
General Revenues:						
Property Taxes				10,008,803	-	10,008,803
Return on Contributions - EBIDA				351,987	-	351,987
Interest and Investment Earnings				117,683	-	117,683
Internal Transfers				(111,127)	111,127	-
Subtotal - General Revenue				10,367,346	111,127	10,478,473
Change in Net Position				329,345	19,776	349,121
Net Position - Beginning of Year				13,598,331	705,418	14,303,749
Net Position - End of Year				\$ 13,927,676	\$ 725,194	\$ 14,652,870

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

SEQUOIA HEALTHCARE DISTRICT

GOVERNMENTAL FUND BALANCE SHEET JUNE 30, 2015

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 6,354,710
Investments	9,040,399
Taxes Receivable	172,959
Prepaid Expenses	355,741
Total Assets	<u>\$ 15,923,809</u>
Liabilities	
Accounts Payable	\$ 20,099
Accrued Payroll	16,161
Grants Payable	1,959,873
Total Liabilities	<u>1,996,133</u>
Fund Balance	
Assigned for construction	4,300,000
Unassigned	9,627,676
Total Fund Balance	<u>13,927,676</u>
Total Liabilities and Fund Balance	<u>\$ 15,923,809</u>
 Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Total Fund Balance - Governmental Funds	\$ 13,927,676
 Pension liability, deferred outflows and deferred inflows related to pensions	(24,266,000)
 Reimbursement receivable from Dignity Health for pensions	24,266,000
 Total Net Position - Governmental Activities	<u>\$ 13,927,676</u>

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

SEQUOIA HEALTHCARE DISTRICT

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND

BALANCES

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>
Revenues	
Tax Revenue	\$ 10,008,803
Return on Contributions - EBIDA	351,987
Investment Income	109,318
Interest Income	8,365
Pension Reimbursement	2,600,000
Total Revenues	<u>13,078,473</u>
Expenditures	
Administrative Services	495,296
Grant Expenses	6,276,695
Insurance	142,052
Investment and Banking Fees	43,762
Legal	25,178
Office Supplies and Maintenance	7,634
Pension Contribution	2,600,000
Other Outgo	3,013,075
Public Relations	34,309
Total Expenditures	<u>12,638,001</u>
Excess of Expenditures Over Revenue	440,472
Transfers Out	<u>(111,127)</u>
Net Change in Fund Balance	329,345
Fund Balance - Beginning of Year	<u>13,598,331</u>
Fund Balance - End of Year	<u><u>\$ 13,927,676</u></u>
Total Net Change in Fund Balances - Governmental Funds	\$ 329,345
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Pension expense is recognized on the government-wide financial statements but only current year's pension contributions are recognized on the governmental funds.	1,454,000
The difference between the contributions and actual pension expense reimbursable by Dignity Health is recognized on the government-wide statement of activities.	(1,454,000)
Change in Net Position of Governmental Activities	<u><u>\$ 329,345</u></u>

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

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF NET POSITION PROPRIETARY FUND JUNE 30, 2015

	Enterprise Leasing Fund
Assets	
Noncurrent Assets:	
Capital Assets	
Building and Improvements	\$ 1,862,202
Land	138,927
Land Improvements	144,158
Tenant Improvements	215,113
Furniture and Equipment	96,875
Less Accumulated Depreciation	(1,728,916)
Capital Assets - Net	<u>728,359</u>
Liabilities	
Deposits Payable	<u>3,165</u>
Net Position	
Investment in Capital Assets	<u>725,194</u>
Total Net Position	<u><u>\$ 725,194</u></u>

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

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Leasing Fund
Operating Revenues	
Rental Income	\$ 44,295
Operating Expenses	
Administrative Services	12,612
Depreciation	72,930
Insurance	1,679
Maintenance and Supplies	19,794
Utilities	28,631
Total Operating Expenses	135,646
Operating Loss Before Transfers	(91,351)
Transfers In	111,127
Change in Net Position	19,776
Net Position - Beginning	705,418
Net Position - Ending	\$ 725,194

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

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Leasing Fund
Cash Flows from Operating Activities:	
Cash Received from Tenants	\$ 44,295
Cash Paid to Suppliers	(62,716)
Net Cash Used for Operating Activities	(18,421)
Cash Flows from Noncapital Financing Activities	
Transfers from the General Fund	111,127
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(92,706)
Net Increase in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning of Year	-
Cash and Cash Equivalents - End of Year	\$ -
Reconciliation of Net Income to Net Cash Provided by Operating Activities	
Loss from Operations	\$ (91,351)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	72,930
Net Cash Used by Operating Activities	\$ (18,421)

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

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUND JUNE 30, 2015

	Pension Trust Fund
Assets	
Money Market Fund	\$ 2,559,080
Mutual Funds	55,043,159
Total Assets	<u>\$ 57,602,239</u>
 Net Position Restricted for Pensions	 <u>\$ 57,602,239</u>

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

SEQUOIA HEALTHCARE DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE YEAR ENDED JUNE 30, 2015

	Pension Trust Fund
Additions	
Contributions - Employer	\$ 2,600,000
Investment Earnings:	
Net Decrease in Fair Value of Investment	(1,830,118)
Interest and Dividends	2,317,613
Total Investment Earnings	487,495
Total Additions	3,087,495
Deductions	
Benefits	6,034,875
Administrative Expenses	92,445
Total Deductions	6,127,320
 Net Decrease in Net Position	 (3,039,825)
Net Position Restricted for Pensions	
Beginning of Year, as Restated	60,642,064
End of Year	\$ 57,602,239

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

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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 Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Governmental Funds All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting, when applicable.

Proprietary Funds Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

Fiduciary Funds Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

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.

Fiduciary Funds - Pension Trust Fund is used to account for the assets held by the District under a trust agreement to make payments for pension benefits.

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.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Investments

Investments held at June 30, 2015 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.

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 76% in 2015 and 75% in 2014 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.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

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

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's retirement plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the plan's administrators. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Governmental Activities	\$ 15,395,109
Fiduciary Activities	57,602,239
Total Deposits and Investments	<u>\$ 72,997,348</u>

Deposits and investments as of June 30, 2015, consist of the following:

Cash on Hand and in Banks	\$ 6,354,710
Investments	9,040,399
Money Market Funds	2,559,080
Mutual Funds	55,043,159
Total Deposits and Investments	<u>\$ 72,997,348</u>

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015

General Authorizations

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment 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

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Segmented Time Distribution

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

<u>Governmental - Investment Type</u>	<u>Fair Value</u>	<u>12 Months or Less</u>	<u>13 - 24 Months</u>	<u>25 - 60 Months</u>	<u>More Than 60 Months</u>
U.S Treasuries	\$ 2,141,025	\$ 1,781,520	\$ -	\$ 359,505	\$ -
U.S Agencies	2,221,008	664,195	401,662	1,155,151	-
Municipal Bonds	1,226,856	503,451	352,353	371,052	-
Corporate Bonds	3,451,445	882,906	795,412	1,614,829	158,298
Total	<u>\$ 9,040,334</u>	<u>\$ 3,832,072</u>	<u>\$ 1,549,427</u>	<u>\$ 3,500,537</u>	<u>\$ 158,298</u>
Pension -					
<u>Investment Type</u>					
Money Market Fund	\$ 2,559,080	\$ 2,559,080	\$ -	\$ -	\$ -
Mutual Funds	55,043,159	55,043,159	-	-	-
Total	<u>\$ 57,602,239</u>	<u>\$ 57,602,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

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 Rated Or Required To Be Rate	S&P Rating as of Year End		
			AAA	AA+	AA
U.S Treasuries	\$ 2,141,025	\$ 2,141,025	\$ -	\$ -	\$ -
U.S Agencies	2,221,008	-	-	2,221,008	-
Municipal Bonds	1,226,856	-	307,250	100,087	264,749
Corporate Bonds	3,451,445	-	-	359,813	363,012
Money Market Fund	2,559,080	2,559,080	-	-	-
Mutual Funds	55,043,159	55,043,159	-	-	-
Total	<u>\$ 66,642,573</u>	<u>\$ 59,743,264</u>	<u>\$ 307,250</u>	<u>\$ 2,680,908</u>	<u>\$ 627,761</u>

Investment Type	S&P Rating as of Year End				
	AA-	A+	A	A-	BBB+
U.S Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -
U.S Agencies	-	-	-	-	-
Municipal Bonds	352,353	202,417	-	-	-
Corporate Bonds	694,863	629,487	843,123	383,195	177,952
Money Market Fund	-	-	-	-	-
Mutual Funds	-	-	-	-	-
Total	<u>\$ 1,047,216</u>	<u>\$ 831,904</u>	<u>\$ 843,123</u>	<u>\$ 383,195</u>	<u>\$ 177,952</u>

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, 2015 the total carrying amount was \$6,354,710 with a corresponding bank balance of \$7,195,620. The District's bank balance of \$6,945,620 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.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

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 \$750,000 grant annually through fiscal year ending June 30, 2018.

The San Mateo County Children's Health Initiative is to receive a maximum of \$1,200,000 in fiscal year ending June 30, 2016.

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 2015-16 \$597,653; fiscal year 2016-17 \$627,054.

The San Mateo Medical Center's Fair Oaks Health Center is to receive up to \$429,000 through year ending June 30, 2018.

The Community Care Transitions Program is to receive up to \$917,750 through year ending June 30, 2018.

Samaritan House is to receive \$2,049,000 through year ending June 30, 2018.

NOTE 4 – CAPITAL ASSETS

Activity in capital assets for the year ended June 30, 2015 was as follows:

	Beginning Balance June 30, 2014	Current Year Additions	Current Year Deletions	Ending Balance June 30, 2015
Land	\$ 138,927	\$ -	\$ -	\$ 138,927
Land Improvements	144,158	-	-	144,158
Buildings and Improvements	1,769,496	92,706	-	1,862,202
Tenant Improvements	215,113	-	-	215,113
Equipment	68,615	-	-	68,615
Furniture	28,260	-	-	28,260
Total	2,364,569	92,706	-	2,457,275
Less Accumulated Depreciation	1,655,986	72,930	-	1,728,916
Capital Assets - Net	\$ 708,583	\$ 19,776	\$ -	\$ 728,359

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

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.

<u>Fiscal Year Ended</u>	<u>Rental Income</u>
2015	\$ 44,285
2016	46,056
2017	47,898
2018	4,004
Total	<u>\$ 142,243</u>

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

Plan Description

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 be paid for participants who are vested. Benefits are distributed to participants when they retire in accordance with the terms of the plan, based on certain actuarial computations. 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. Benefits are provided by Vanguard Retirement Services.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Benefits Provided

Vanguard provides service retirement to plan members, who must be public employees. Benefits are based on years of credited service, equal to one year of full time employment. Members with ten years of total service are eligible to retire. Normal retirement age is 65 however, members are eligible to retire at age 55 with statutorily reduced benefits.

The Plan provisions and benefits in effect at June 30, 2015, are summarized as follows:

Benefit formula	2% at 65
Benefit vesting schedule	10 years service
Benefit payments	monthly for life
Retirement age	55-65
Monthly benefits, as a percent of eligible compensation	2.00%
Required employee contribution amount	None
	Actuarially
Required employer contribution amount	Determined

Contributions

Funding contributions for the Plan is determined annually on an actuarial basis as of January 1 by an actuary. The actuarially determined amount is the estimated amount necessary to finance the costs of benefits earned by employees during the service years, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the full amount and there are no employee required contributions. For the year ended June 30, 2015, contributions recognized as part of pension expense were \$2,600,000.

Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2014, using an annual actuarial valuation as of January 1, 2014 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	January 1, 2014
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	6.95%
Projected Salary Increase	3.00%
Investment Rate of Return	6.75%
Mortality	GM94 Basic Tables
Post Retirement Benefit Increase	N/A

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, the actuary stress tested plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, the Plan would not run out of assets. Therefore, the current 6.95 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, the actuary took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Long Term Asset Allocation	Geometric Rates of Return (a)
Equities	40%	5.35%
Fixed Income	25%	1.55%
Convertible Securities	15%	3.37%
REITs	5%	4.03%
Globel Tactical Asset Allocation	15%	2.57%
Total	100%	

(a) An expected inflation of 3.0% used for this period.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Changes in the Net Pension Liability - The changes in the Net Pension Liability for the Plan is:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2014	\$ 84,121,000	\$ 55,601,000	\$ 28,520,000
Changes in the year:			
Service cost	-	-	-
Interest on the total pension liability	5,648,000	-	5,648,000
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	2,800,000	(2,800,000)
Contribution - employee	-	-	-
Net investment income	-	8,066,000	(8,066,000)
Administrative expenses	-	(119,000)	119,000
Benefit payments	(5,706,000)	(5,706,000)	-
Net changes	(58,000)	5,041,000	(5,099,000)
Balance at June 30, 2015	\$ 84,063,000	\$ 60,642,000	\$ 23,421,000

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

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

	1% Decrease	Current Discount Rate	1% Increase
	5.95%	6.95%	7.95%
Net Pension Liability	\$ 31,772,000	\$ 23,421,000	\$ 16,296

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,600,000	\$ -
Net differences between projected and actual earnings on plan investments	-	(3,445,000)
Total	\$ 2,600,000	\$(3,445,000)

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is \$2,600,000, which will be recognized as a component of pension expense in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Inflows of Resources
2016	\$ (861,000)
2017	(861,000)
2018	(861,000)
2019	(862,000)
	<u>\$ (3,445,000)</u>

Pension Plan Fiduciary Net Position

The Plan's Fiduciary Net Position is reported on these financial statements.

Amounts due from Dignity Health

As described above, the District is liable for pensions but seeks reimbursement for the unfunded liability through annual contributions made by Dignity Health to the District. The contributions from Dignity Health are designed to fully fund the pension liability. Therefore, the District recorded a receivable for the net amount resulting from recognizing the pension liability in the amount of \$24,266,000 as of June 30, 2015.

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, 2015, the District received \$351,987 from Dignity Health representing the Return Formula Payable for fiscal year ended June 30, 2014.

SEQUOIA HEALTHCARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 9 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$60,642,064 was made to increase the beginning net position of the Trust Fiduciary Net Position. The adjustment was made to record beginning net position and the cash and investments related to the Pension Trust Fund. The restatement of beginning net position is summarized as follows:

<u>Fiduciary Fund</u>	<u>June 30, 2014 Previously Stated</u>	<u>Restatement</u>	<u>July 1, 2014 As Restated</u>
Cash and investments	\$ -	\$60,642,064	\$60,642,064
Net Position	-	(60,642,064)	(60,642,064)
<u>Government-Wide</u>			
Pension Liability	-	(25,720,000)	(25,720,000)
Reimbursement Receivable	-	(25,720,000)	(25,720,000)

Required Supplementary Information

SEQUOIA HEALTHCARE CARE DISTRICT

GENERAL FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2015

	Budgetary Amounts		Actual	Positive (Negative)
	Original	Final		
Revenues				
Tax Revenue	\$ 9,500,000	\$ 9,500,000	\$ 10,008,803	\$ 508,803
Investment Income	100,000	100,000	109,318	9,318
Interest Income	6,000	6,000	8,365	2,365
Pension Income	2,600,000	2,600,000	2,600,000	-
Return on Investment - EBIDA	-	-	351,987	351,987
Total Revenues	12,206,000	12,206,000	13,078,473	872,473
Expenditures				
Administration Expense	245,000	245,000	229,925	15,075
Board Health Insurance	60,000	60,000	62,612	(2,612)
Employee Health Insurance	48,000	48,000	41,471	6,529
Employee Retirement Benefit	18,000	18,000	19,212	(1,212)
Investment Fees	48,000	48,000	43,732	4,268
Office Supplies/Equipment Maintenance	7,500	7,500	7,634	(134)
Purchased Services	50,000	50,000	-	50,000
Accounting Fees	19,000	19,000	17,000	2,000
Board Expense	8,000	8,000	2,992	5,008
Association/Membership Fees	17,800	17,800	17,980	(180)
Public Relations	30,000	30,000	1,710	28,290
Communications	25,000	25,000	32,599	(7,599)
Web Site/IT	30,000	30,000	41,120	(11,120)
Pension Plan Expense	2,600,000	2,600,000	2,600,000	-
Insurance/D&O	21,000	21,000	18,757	2,243
Election Fees	200,000	200,000	177,910	22,090
LAFCO Fees	10,000	10,000	8,369	1,631
Legal Fees	20,000	20,000	25,178	(5,178)
Bank Fees	100	100	30	70
Grant Expenses	78,000	78,000	123,105	(45,105)
Children's Health Initiative	1,350,000	1,350,000	1,350,000	-
SFSU Nursing Program	475,000	475,000	475,000	-
Samaritan House Medical Clinic	663,000	663,000	662,696	304
Other Grants	60,000	60,000	43,388	16,612
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	1,725,500	1,725,500	1,590,000	135,500
Chronic Disease Management	30,000	30,000	32,506	(2,506)
Apple Tree Dental	500,000	500,000	500,000	-
HeartSafe Program	148,500	148,500	111,305	37,195
School Health Program	2,970,000	2,970,000	2,901,770	68,230
Total Expenditures	12,957,400	12,957,400	12,638,001	319,399
Deficiency of Revenues Over Expenditures	(751,400)	(751,400)	440,472	1,191,872
Transfer to Proprietary Fund	-	-	(111,127)	(111,127)
Fund Balance - Beginning of Year	13,598,331	13,598,331	13,598,331	-
Fund Balance - End of Year	\$ 12,846,931	\$ 12,846,931	\$ 13,927,676	\$ 1,080,745

SEQUOIA HEALTHCARE CARE DISTRICT

GENERAL FUND

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

YEAR ENDED JUNE 30, 2015

Prepared for Sequoia Healthcare District Employee Pension Plan

Measurement Period

2014-2015

Total Pension Liability

Service Cost	\$ -
Interest on total pension liability	5,648,000
Differences between expected and actual experience	-
Changes in assumptions	-
Changes in benefits	-
Benefit payments, including refunds of employee contributions	(5,706,000)
Net change in total pension liability	(58,000)
Total pension liability - beginning	84,121,000
Total pension liability - ending (a)	\$ 84,063,000

Plan fiduciary net position

Contributions - employer	\$ 2,800,000
Net Decrease in Fair Value of Investment	-
Net investment income	8,066,000
Benefit payments	(5,706,000)
Administrative Expenses	(119,000)
Net change in plan fiduciary net position	5,041,000
Plan fiduciary net position - beginning	55,601,000
Plan fiduciary net position - ending (b)	\$ 60,642,000
Net pension liability - ending (a)-(b)	\$ 23,421,000

Notes to Schedule:

10 years data is not available because this is the first year of implementation of the pension reporting standards.

SEQUOIA HEALTHCARE CARE DISTRICT

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS YEAR ENDED JUNE 30, 2015

	<u>2015</u>
Actuarially determined contribution	\$ 2,800,000
Contributions in relation to the actuarially determined contribution	<u>(2,800,000)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>

Supplementary Information

SEQUOIA HEALTHCARE DISTRICT

PROPRIETARY FUND BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2015

	Budgetary Amounts		Actual	Positive (Negative)
	Original	Final		
Revenues				
Rental Income	\$ 44,400	\$ 44,400	\$ 44,295	\$ (105)
Expenses				
Administration Expense	-	-	12,612	(12,612)
Maintenance - Property	30,000	30,000	19,794	10,206
Utilities	26,000	26,000	28,631	(2,631)
Insurance - Properties	2,000	2,000	1,679	321
Depreciation	80,000	80,000	72,930	7,070
Total Expenses	138,000	138,000	135,646	2,354
Excess of Revenues Over Expenses	(93,600)	(93,600)	(91,351)	2,249
Transfer from General Fund	-	-	111,127	111,127
Fund Balance - Beginning of Year	705,418	705,418	705,418	-
Fund Balance - End of Year	\$ 611,818	\$ 611,818	\$ 725,194	\$ 113,376

SEQUOIA HEALTHCARE DISTRICT

ALL FUNDS BUDGETARY COMPARISON SCHEDULE YEAR ENDED JUNE 30, 2015

	Budgetary Amounts		Actual	Positive (Negative)
	Original	Final		
Revenues				
Rental Income	\$ 44,400	\$ 44,400	\$ 44,295	\$ (105)
Tax Revenue	9,500,000	9,500,000	10,008,803	508,803
Investment Income	100,000	100,000	109,318	9,318
Interest Income	6,000	6,000	8,365	2,365
Pension Income	2,600,000	2,600,000	2,600,000	-
Return on Investment - EBIDA	-	-	351,987	351,987
Total Revenues	12,250,400	12,250,400	13,122,768	872,368
Expenses				
Administration Expense	245,000	245,000	242,537	2,463
Board Health Insurance	60,000	60,000	62,612	(2,612)
Employee Health Insurance	48,000	48,000	41,471	6,529
Employee Retirement Benefit	18,000	18,000	19,212	(1,212)
Investment Fees	48,000	48,000	43,732	4,268
Office Supplies/Equipment Maintenance	7,500	7,500	7,634	(134)
Purchased Services	50,000	50,000	-	50,000
Accounting Fees	19,000	19,000	17,000	2,000
Board Expense	8,000	8,000	2,992	5,008
Association/Membership Fees	17,800	17,800	17,980	(180)
Public Relations	30,000	30,000	1,710	28,290
Communications	25,000	25,000	32,599	(7,599)
Web Site/IT	30,000	30,000	41,120	(11,120)
Pension Plan Expense	2,600,000	2,600,000	2,600,000	-
Insurance/D&O	21,000	21,000	18,757	2,243
Election Fees	200,000	200,000	177,910	22,090
LAFCO Fees	10,000	10,000	8,369	1,631
Legal Fees	20,000	20,000	25,178	(5,178)
Bank Fees	100	100	30	70
Grant Expenses	78,000	78,000	123,105	(45,105)
Children's Health Initiative	1,350,000	1,350,000	1,350,000	-
SFSU Nursing Program	475,000	475,000	475,000	-
Samaritan House Medical Clinic	663,000	663,000	662,696	304
Other Grants	60,000	60,000	43,388	16,612
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	1,725,500	1,725,500	1,590,000	135,500
Chronic Disease Management	30,000	30,000	32,506	(2,506)
Apple Tree Dental	500,000	500,000	500,000	-
Maintenance - Property	30,000	30,000	19,794	10,206
Utilities	26,000	26,000	28,631	(2,631)
Insurance - Properties	2,000	2,000	1,679	321
Depreciation	80,000	80,000	72,930	7,070
HeartSafe Program	148,500	148,500	111,305	37,195
School Health Program	2,970,000	2,970,000	2,901,770	68,230
Total Expenditures	13,095,400	13,095,400	12,773,647	321,753
Deficiency of Revenue Over Expenses	(845,000)	(845,000)	349,121	1,194,121
Fund Balance - Beginning of Year	14,303,749	14,303,749	14,303,749	-
Fund Balance - End of Year	\$ 13,458,749	\$ 13,458,749	\$ 14,652,870	\$ 1,194,121

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, business-type activities, each major fund, and the aggregate remaining fund information of Sequoia Healthcare District as of and for the year ended June 30, 2015, which collectively comprise the Sequoia Healthcare District's basic financial statements and have issued our report thereon dated January 8, 2016. 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. As described in Note 1 and Note 9 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective July 1, 2014.

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

January 8, 2016

SEQUOIA HEALTHCARE DISTRICT

SUMMARY OF AUDITOR'S RESULTS FOR THE YEAR ENDED JUNE 30, 2015

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, 2015**

None reported.



Sequoia Healthcare District

FOR YOUR HEALTH

70 STRONG

An Initiative of the Sequoia Healthcare District



Peninsula
Family Service

24 SECOND AVENUE
SAN MATEO, CA 94401
(650) 403-4300

INTRODUCTION

In 2014 the Sequoia Healthcare District approached Peninsula Family Service to develop an innovative service to promote healthy living and social connectedness so the growing number of older adult residents of the District might enjoy improved health, mobility and independence in their later years.

Through a grant from the Sequoia Healthcare District, Peninsula Family Service conducted design and development activities from July to December 2015 to determine the need for and feasibility of such a program and develop a model that would meet the District's goal. The result of this process is the recommended program: **70 STRONG**.

We appreciate the district's initial investment that helped us research and design services thoughtfully and thoroughly and in manner to optimize success. We detail the key findings of the project development phase in this proposal and present a service model informed by the key findings.

Why 70 STRONG?

The mission of the Sequoia Healthcare District is ***to improve the health of District residents by enhancing access to care and promoting wellness.***

According to the 2010 US Census, there were approximately 28,000 residents ages 65+ living in the Sequoia Healthcare District (*See Attachment 1: Sequoia Healthcare District Population Statistics*). Approximately 10,000 of these individuals were ages 70-79, with an additional 8,455 individuals age 65-69 who have aged into this cohort group since the 2010 census. At the current rate, the number is estimated to double to exceed 35,000 older adults by the year 2030.

Although good nutrition, regular exercise, and staying mentally active provide benefits at any age, research suggests that age 70 is a "sweet spot" in which adoption of a healthy lifestyle makes a critical difference in on-going physical health and increasing lifespan¹.

¹ "Key to longer life span may lie in keeping fit from the age of 70, says study." The Guardian, 2008. <http://www.theguardian.com/science/2008/feb/12/medicalresearch.longtermcare>

In addition, major life transitions have or are occurring that place older adults at risk for social isolation beginning at this age. Social isolation is a major contributor to depression and other health problems. Although individuals typically retire at 62-65, around age 70 they experience the effects of losing their professional social circle and a major source of interaction. They may also begin to lose friends and spouses, as well as the loss of physical mobility and health themselves.

How will 70 STRONG meet needs?

70 STRONG is based on a theory of change supported by a review of best and promising practices to promote health and wellness for older adults:

By intervening and connecting older adults to community services designed to improve their health and wellness, they can maintain their independence, stay in their own homes, and reduce dependence on health and public services.

What is 70 STRONG?

Utilizing the data and resident feedback from the project development phase, and Peninsula Family Service's deep experience in working with the older adult population, 70 STRONG is a three tiered program providing a multi-pronged approach for older adults to access services to support an active, healthy lifestyle. 70 STRONG will provide individualized support according to each resident's needs.

As indicated on the attached visual program model, 70 STRONG program model is comprised of three tiers (See Attachment 2: 70 Strong Program Model):

Tier #1 Website Connection: Development of a centralized district-based website that provides comprehensive access to all older adult support services in the community. The site would be regularly updated to provide current and accurate information to resources in the community as well as events and social activities. The website would also serve as a database to track users' information and provide information on usage to the District.

Tier #2 Phone/Drop In Consultation: Highly-trained Community Navigators, including one Master's Level Social Worker, will provide drop in and phone navigation to those residents that do not have their needs addressed through the website. Through these interactions, residents will develop personal goals and an action plan to achieve these goals.

Tier #3 Navigation: If participants are not able to access the information they need on their own, or need a higher level of support, 70 STRONG will provide intense navigation services via a home visit or one on one meeting in a community setting. This may include brief case management for fragile at risk older adults, as well as lifestyle assessment and planning for activated older adults who wish to engage in healthy living practices.

Integral to the success of the program is:

- Coordinating with existing health literacy initiatives in the community
- Strong marketing strategies
- Robust measurement and evaluation.

To our knowledge there is no other program that provides such a comprehensive approach to supporting the older population.

Developing 70 STRONG: Data Driven and Responsive to Residents

The Sequoia Healthcare District currently funds multiple organizations providing services to the older adult community. These include physical fitness programs, adult activity centers, adult day care, nutrition, and social support programs. In reviewing program statistics and data on the older adult population in the district; however, only a fraction of district residents seem to access services.

Our theory is that these services are underutilized because older adults are unaware they exist, and encounter barriers to accessing services. Services are offered in silos by many organizations with little connection to maximize benefit for those who need them most. Limited resources from most nonprofit organizations prevent extensive outreach, marketing or coordination for these programs. Lack of access to reliable and convenient transportation, as well as limited income, language and cultural issues are also barriers to participation.

These issues were reflected in a meeting with staff from County of San Mateo Aging and Adult Services, which support information and referral to connect older adults to these programs.

"Older Americans Act funding that supports local services has diminished and with that, the older adult population is growing leaps and bounds. Those who haven't used services in the past can benefit from an individualized approach, matching needs to services."

The 70 STRONG project development phase was intended to delve into the issues of access and to use the information to design a service model. The following questions guided our project development phase:

- 1. Are there sufficient support services for older adult residents?*
- 2. What are the barriers to accessing services in the community?*
- 3. What are effective pathways for older adults to access service?*
- 4. Are there existing models to support older adults to navigate services?*

Peninsula Family Service conducted a series of activities from July-December 2015 to answer these questions. They included:

- Review of existing needs assessments and community data analysis
- Resource mapping of existing programs and services
- Focus groups with older District residents
- Key informant interviews with service providers
- Literature review of existing service connection models and best practices in providing services to support older adults

A Collective Approach

Recognizing that aging healthfully in place is a goal best reached through a collaborative approach, we engaged 14 experts in the field of older adults programs in the community to help guide the process and provide input. The Community Advisory Committee consisted of representatives of respected service providers and public agencies, as well as older district residents. The Committee met monthly and helped to identify gaps in services, evaluate existing information channels, define program success

and outcomes, and design marketing and outreach efforts. (See Attachment 3: Advisory Committee Roster)

Question #1: Are there sufficient supports for older adult residents?

To understand the issues and gaps in services for older adults, we reviewed existing needs assessments, including the Community Assessment: Health and Quality of Life in San Mateo County (2013), the San Mateo County PSA 8 Area Agency on Aging 2012-2016 Four year Plan, and the Village Feasibility Study in 2015.

To identify what services are available to district residents, we conducted resource mapping with our advisory members and also reviewed existing directories, including the Help At Home Directory developed by the county Commission on Aging.

Key findings:

Significant facts in regards to older adults and their needs in the county emerged:

- Over one-third (36.6%) of older adults live alone
- 23.8% of older adults self report having depression for 2 or more years
- 16% of older adults live below 200% of the federal poverty level²
- An older adult would need a minimum income of \$29,438 to be self-sufficient in this area, while the median Social Security payment is approximately \$12,532
- As indicated by the Community Assessment: Health and Quality of Life in San Mateo County, *"There is a critical need to keep older adults living as healthy and independent as possible to reduce the expected burdens on the health, government, and social service sectors."*

As indicated on the attached Resource Mapping Data Collection Form, ***there are extensive resources in the district for older adults*** related to fitness, nutrition, and social programs. (See Attachment 4: Resource

² 200% of federal poverty level for one person equals \$1,962 per month (Department of Health and Human Services Federal Poverty Guidelines, 2016).

Mapping) Some are either free or low cost, with a variety of locations and sites throughout the region.

Question #2: What are the barriers to accessing services in the community?

Given that there are extensive community resources, why aren't older adults accessing them? We engaged Devenir Consulting, a local firm, to conduct four focus groups in the community to identify if older adults perceive they need services, the barriers they have in accessing them, the current vehicles they use to access information, and what messages and outreach to which they respond. Through a variety of marketing efforts, including posting on NextDoor, working with providers, and flyers, we recruited participants to reflect a cross-section of the Sequoia Healthcare District residents.

The four groups were held at four district locations including the Fair Oaks Adult Activity Center, Sequoia YMCA, Belmont Public Library, and Portola Valley Community Center. Participants represented the diversity of the district regions and included lower-income older adults not currently "dialed" into existing services in Redwood City; active, connected and involved older adults from San Carlos/Belmont/Redwood City area; and more affluent, educated residents from Portola Valley, Atherton, and Woodside.

Devenir also conducted key informant interviews with eight service providers in the region, including Veterans Seniors Center, *Redwood City Adaptive PE Program*, *Peninsula Volunteers*, *Sequoia YMCA*, *San Carlos Adult Activity Center*, *Palo Alto Medical Foundation*, *Family Caregiver Alliance*, and *the Foster City Village*

Key findings:

An interview protocol and questions were developed for both focus groups and key informants to provide consistency. The input and comments were summarized into full reports and available for review. Key findings were:

- 1. Health and wellness services targeting aging adults is decentralized and fragmented.*** Across focus groups, participants expressed little knowledge of what resources are available, where to go for information, and how to access information. Additionally, there are

so many agencies that the information is overwhelming. One participant summed it best: ***"Is there a place on the internet where you can see all of this information? Just one place?"*** Key informants also expressed frustration in reaching older adults, ***"Marketing is our biggest challenge. It's very difficult to reach this population."***

2. ***Social connectedness is important to healthy aging.*** Key informant interviews identified social connectedness as the highest need among older adults, as it contributes to health problems. As older adults age, they experience more transitions and changes and they need help to cope and process. Older adults also still need to stay active, learn, contribute and meet people. They need a passion; ***"something to give a damn about."***
3. ***Lack of safe, reliable, affordable transportation is a barrier to good health.*** Redi-Wheels Paratransit, which has eligibility restrictions, has a negative reputation: ***"I took Redi-Wheels and had to wait three hours to get picked up after my doctor's appointment!"*** In regions like Portola Valley and Woodside, which are off the main transportation corridor, buses and trains are not an option. Unless one drives, there is no way to get around. According to a key informant, ***"If they can drive, they're fine. Once they lose their license, they become paralyzed. SamTrans doesn't work for them because they have to walk to a bus stop; a lot of people use walkers or have mobility issues."***
4. ***Older adults want to maintain dignity, mastery and control over their own lives.*** A major psychological barrier is the stigma associated with asking for help in the community. However, this is a key issue in the community as so many older adults have lost their social supports due to the high cost of living.

Question #3: What are effective pathways for older adults to access services?

The focus groups and key information interviews revealed what are the most effective pathways to learning about services.

Key findings:

- **Word of mouth** is the top choice. Hearing from a trusted and credible source is very effective
- The **internet** is increasingly critical as more older adults are tech savvy, and their children use this source as well to access services. However, there is not currently a site that can be considered an effective central clearinghouse for information.
- Many participants live with their children so targeting information to **adult children/caregivers** would be helpful.
- **Health providers** are a critical source for information. One participant recommended putting literature in the waiting room.
- There is a need for a **multi-pronged approach**, as not just one message is effective for all in this population.

According to a key informant: "This population needs someone to help figure it out for them. They need someone to talk it through and help them figure it out. They want to talk to somebody."

Question #4: Are there existing models to support older adults to navigate services?

Building upon the Eric Coleman Model of community care transition programs, we recognize the need for older adults to become empowered and maintain control and mastery over their own health and wellness. A literature review of existing programs on case management and social connectedness reflects this need.

With Peninsula Family Service's experience with Sequoia Community Care program and Peninsula Circle of Care, we propose the coaching/navigation approach to connecting older adults to community services. Rather than traditional information and referral and case management, community navigation builds upon participants' ability to learn how to access services on their own. Navigation helps identify their own goals for their health and wellness, guiding them to find information on their own, and then conducting a "warm hand off" to the provider.

We researched age friendly communities that promote this idea, including the World Health Organization Global Network of Age-friendly Cities and Communities, AARP's list of 70 communities representing their Network of Age Friendly communities, and Blue Zones. In addition, we reviewed models to learn best practices for implementation.

Key findings:

The key findings on best practices indicate:

- A need for collaborative partnerships
- Including the voice of participants as a stakeholder in services
- Ongoing training and professional development
- Reaching older adults participants "where" they are
- Strong evaluation systems

Investment and Value

We propose a six month implementation from July 1-December 31, 2016 in which we will create a marketing strategy, hire staff, develop the website and program infrastructure, build partnerships, and launch services. The program will formally start January 2017.

The recommended budget for 70 STRONG is \$795,512 for FY2016-17 and \$810,745 for FY17-18. This will support a staff of 5.7 FTE and is inclusive of start up and operating costs. *(See Attachment 5: 70 STRONG Program Budget and Organization Chart)*

When fully implemented, we are projecting annual website traffic, Tier 1, to reach over 8,000 individuals. Based on our experience with case management caseloads and the proposed staffing pattern, we expect to reach a total of 3,200 unduplicated older adult residents per year with phone/drop in services, Tier 2, and an additional 400 with intensive, personalized navigation services, Tier 3.

For an expenditure of approximately \$100 per program user, 70 STRONG can have a positive, multi-year impact on the lives of approximately 8,000 district residents per year.

Measuring Success

As with all programs we operate, Peninsula Family Service recommends a robust measurement and evaluation component to assure the District is achieving the results sought from 70 STRONG. We propose to work with an outside evaluation firm and District staff to develop an effective and realistic system to measure the outcomes.

The attached Logic Model details how services will make an impact (*See Attachment 6: 70 STRONG Logic Model*). We expect success based on the following outcomes:

Individuals will demonstrate:

- Increased social interactions
- Reduced barriers to services
- Increased health literacy
- Increased awareness of community resources and activities
- Maintenance or improvement of emotional and physical health

We also expect profound systemic change across the community with 70 STRONG. We expect:

- Increased awareness across all district residents and beyond about services for older adult program
- Increased promotion of informal social support networks among neighbors, friends and others to help older adult residents age successfully in place
- Movement toward a more age-friendly community

In addition to the above outcomes, we are also considering a system to measure the cost benefits of 70 STRONG based on impact on such factors as emergency room visits, hospitalization, and fall prevention. This does involve identification of a comparable control group via another similar demographic group who has not received intervention.

CONCLUSION

The six month comprehensive, collaborative effort which included a thorough assessment through focus groups, literature reviews, interviews among providers, and input from a community advisory committee,

*70 STRONG: An initiative of Sequoia Healthcare District
Peninsula Family Service*

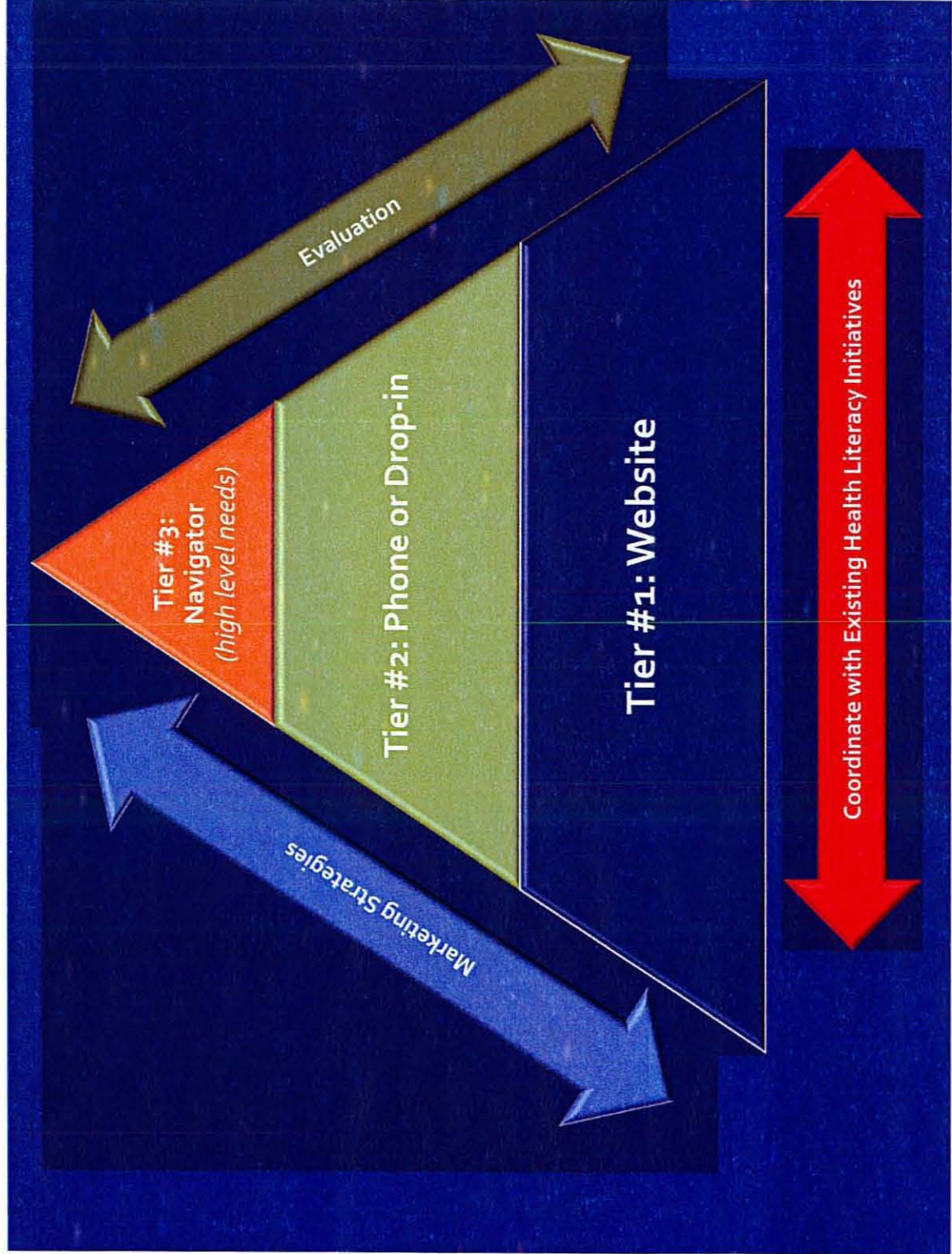
validated the great need to connect older adults with existing services, and uncovered key issues and needs specific to district residents.

70 STRONG offers the Sequoia Healthcare District the comprehensive framework to improve the quality of life of its older residents. Peninsula Family Service appreciates the opportunity to conduct the development phase for 70 STRONG and looks forward to partnering with the Sequoia Healthcare District in its implementation.

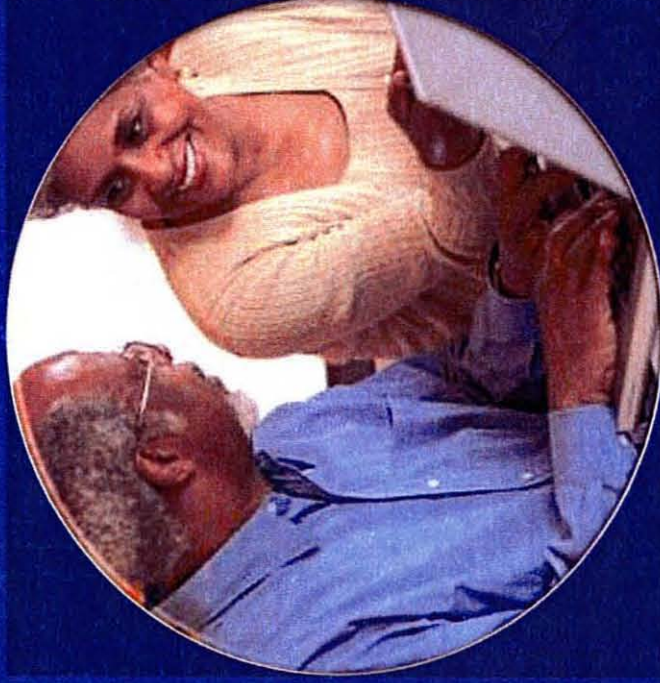
ATTACHMENT 1:
OLDER ADULT POPULATION STATISTICS IN SEQUOIA HEALTHCARE DISTRICT
2010 US Census

	Belmont 94002	San Carlos 94070	Redwood City 94061 94063 94065	Woodside 94062	Atherton 94027	Portola Valley 94028	Menlo Park 94025*	TOTAL	% of total population
Total Population	25,992	29,166	78,553	25,876	7,089	6,534	40,526	213,736	
Age									
65-69	1,124	1,218	2,350	1,322	467	425	1,549	8,455	4%
70-74	789	935	1,629	890	333	336	1,196	6,108	3%
75-79	669	690	1,224	620	267	291	978	4,739	2%
80-84	570	608	992	540	241	257	832	4,040	2%
85+	704	748	1,237	577	292	298	1,066	4,922	2%
Total 65+	3,856	4,199	7,432	3,949	1,600	1,607	5,621	28,264	13%
Ethnicity									
White	17,455	23,132	43,904	21,134	5,705	5,842	28,775	145,947	68%
African American	423	233	1,903	286	75	24	1,659	4,603	2%
American Indian/Native	72	65	610	60	7	10	188	1,012	0%
Asian	5,151	3,349	7,885	1,743	937	385	3,923	23,373	11%
Pacific Islander	198	73	928	97	45	2	508	1,851	1%
Two or more	1,572	1,482	4,229	1,140	222	179	1,863	10,687	5%
Latino	2,977	2,917	36,884	3,578	281	307	7,715	54,659	26%
<i>White, not Hispanic</i>	<i>15,831</i>	<i>21,372</i>	<i>28,876</i>	<i>19,207</i>	<i>5,535</i>	<i>5,648</i>	<i>25,275</i>	121,744	57%
Poverty Rates	5.5%	4.4%	9.0%	4.6%	3.6%	0.0%	6.1%	5%	
Median Income	\$ 102,895	\$ 118,021	\$ 74,419	\$ 212,917	\$ 239,886	\$ 154,743	\$ 112,262	\$ 145,020	

70 STRONG MODEL



Tier #1: Website



Easy access
and
navigation

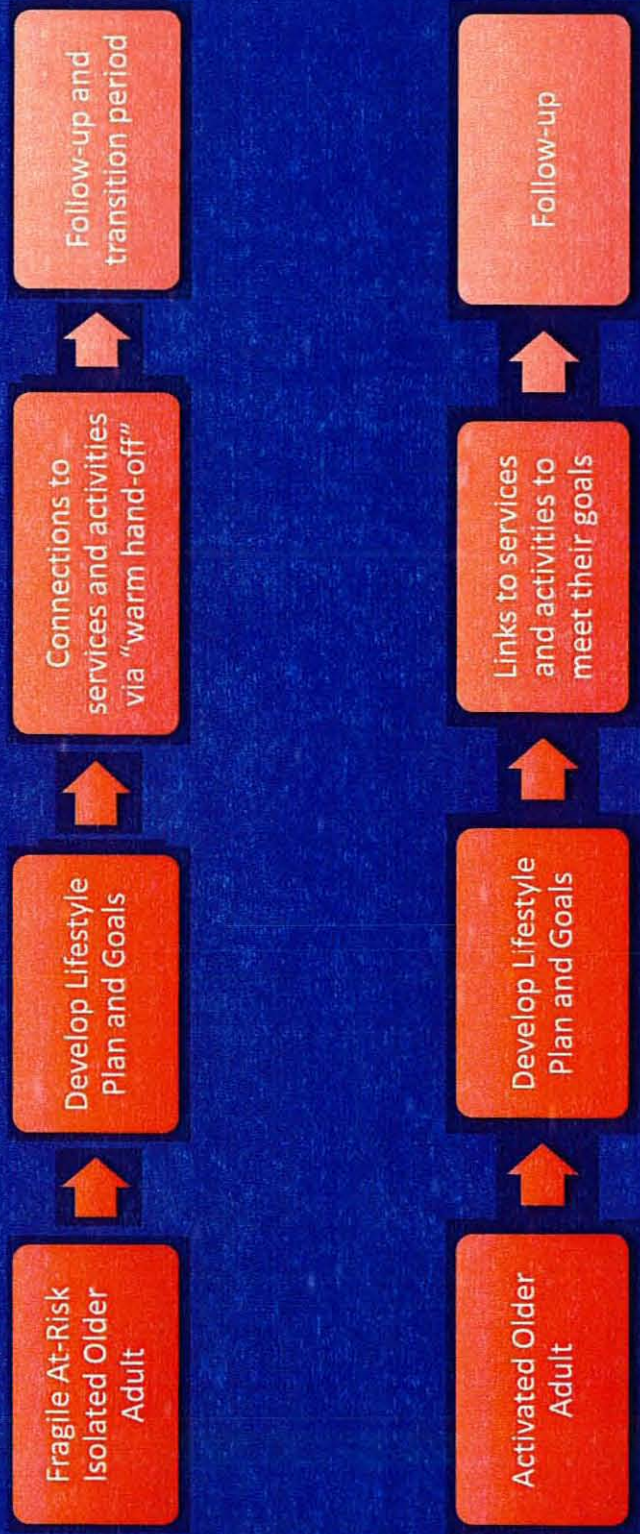
Attractive
website (i.e.,
larger fonts,
clear design)

Tracking
needs and
connections
(CRM)

Tier #2:
Phone/
In-person
Drop In



Tier #3: Navigator



Lifestyle
Assessment

ATTACHMENT3

Advisory Board Roster- *Sequoia 70* Tuesday, January 12, 2016

An initiative of Sequoia Healthcare District In Partnership with Peninsula Family Service

Name	Organization	Initials
Baker-Venturini, Marilyn	Meals on Wheels, Peninsula Volunteers	
Biland, Carmen	Portola Valley Resident, Senior Peer Counseling	
Brown, Gloria	African American Community Health Advisory Committee, Mills-Peninsula Hospital Foundation	
Edgerly, Elizabeth Ph.D.	Alzheimer's Association	
Kalt, Barbara	Rosener House, Peninsula Volunteers	
Kurtzman, Pamela	Sequoia Healthcare District	
Makino, Michelle	Commissions and Provider Services Unit, Aging and Adult Services, San Mateo County Health System	
Mangrum, Selma	San Mateo County OASIS, Behavioral Health and Recovery Services	
McMullin, Scott	Sequoia Village	
Michelson, Lee	CEO, Sequoia Healthcare District	
Sandifer, Kristen	Peninsula Family Service and retired LCSW	
Schutzman, Judy	San Mateo County Behavioral Health & Recovery Services	
Serafin-Dickson, Francine	Hospital Consortium, Fall Prevention Task Force and Community Needs	
Sheats, Jylana MPH, Ph. D.	Stanford Healthy Aging Research & Technology Solutions (HARTS) Lab	
Shefren, Jerry MD.	Sequoia Healthcare	
Violet, Marie	Sequoia Health and Wellness Center, Dignity Health Sequoia Hospital	
Wheeler, Jeanette	San Carlos Resident and Evaluation Consultant	

Staff and Consultants		
Name	Organization	Initials
Croce, Arne	Peninsula Family Service	
Houston, Susan	Peninsula Family Service	
Solomon, Tessa	Peninsula Family Service	
Swartzel, Laura	Peninsula Family Service	
Colvig, Lisa	Applied Survey Research	
Child, Holly	Applied Survey Research	
Dougherty, Wendy	Devenir Consulting	
Juergens, Julie	Devenir Consulting	

ATTACHMENT 4
70 STRONG RESOURCE MAPPING

Resource	Counseling	Transport	Social Events	Exercise Classes	Meals	Education Classes (health etc.)	Referrals or Navigation support	Fee for Service?	Languages?	Any Other Comments?
PFS Senior Peer Counseling	X (peer)							No	Mandarin, Cantonese, Spanish, Tagalog	55+ and LGBTQ friendly
Sequoia Village		X	X				X	Yes \$60/mnth		55+
Fair Oaks Adult Activity Center			X	X	X	X		No	Mandarin, Cantonese, Spanish, Tagalog, Korean	60+
Peninsula Volunteers				X	X	X	X	For Some Services	Spanish	60+, Adult Day Care services and Housing services also
Redwood Shores Library			X (Book Club)					No		
FISH		X (to medical appts.)						No		Only if you live in RWC/San Carlos, Belmont area
RediWheels		X (Paratransit)						Yes	Spanish	Must have a qualifying disability
Lyft		X						Yes		Must have smartphone app
Sequoia YMCA				X				Yes \$130/yr		Older Adult specific exercise classes
PJCC, Foster City		X	X	X		X		Yes \$130/yr	Yiddish	

Resource	Counseling	Transport	Social Events	Exercise Classes	Meals	Education Classes (health etc.)	Referrals or Navigation support	Fee for Service?	Languages?	Any Other Comments?
Foster City Rec		X (some)	X	X	X	X		Yes, for classes and meals		60+
Foster City Village		X	X			X	X	Yes \$365/yr		55+
San Carlos Adult Activity Center	X (support group)		X	X	X	X		Yes, for some services	Mandarin, Cantonese	60+, health screenings, Chinese weekly social
Belmont Twin Pines Center		X (to center)		X	X	X		Yes, for some services		60+
Vets Senior Center		X (to center)		X	X	X		Yes, for some services		60+
PFS Info and Assistance							X	No	Spanish	60+, Belmont to E. Palo Alto
Elder Talk, Doris Oneal, LCSW	X							No for Group Counseling, Sliding Scale for Individual	English only	60+, Group and Individual Sessions
Platica, Fair Oaks, RWC	X (support groups)							No		60+
Aging and Adult Services							X	No if you qualify		IHSS and MSSP, 24 hour emergency line
San Mateo County Fall Prevention Task Force				X		X		No	English only	Fall prevention exercise classes and other services
Get Healthy San Mateo County						X	X	Yes, for some classes		
SMC Behavioral Health	X					X	X	Yes, for some services		
Alzheimer's Association	X (support groups)					X	X	Yes, for some workshops and classes	Many languages other than English	

Resource	Counseling	Transport	Social Events	Exercise Classes	Meals	Education Classes (health etc.)	Referrals or Navigation support	Fee for Service?	Languages?	Any Other Comments?
Home Safety Services						X	X	Yes, for some services		Home safety assessments and installation of modifications
Center for Independence	X (counseling and peer support)					X	X			Home care, respite care, home modification installation
Rebuilding Together Peninsula								No, if you meet income eligibility requirements	Many languages other than English	Home repairs and enhancement to improve safety and wellbeing
Farewell to Falls				X (home-based)		X (medication review)		No		65+, currently in independent living, home safety assessment, medication review, home exercise program
Network of Care, San Mateo County				X (online)		X (online)	X	No		
Help at Home, SMC Health							X	No	Chinese and Spanish	
PVI Meals on Wheels					X (delivered)	X (nutrition)		No, if you qualify	Spanish	
San Mateo Community College Adult Ed Program						X		Yes		

Resource	Counseling	Transport	Social Events	Exercise Classes	Meals	Education Classes	Referrals or Navigation support	Fee for Service?	Languages?	Any Other Comments?
SamTrans		X						Yes		Discounted fare for 65+
PVI Rosener House			X	X (PT and OT)	X	X		Yes, sliding scale	Spanish	Adult day care for adults with functional or cognitive impairments
Two Pines Senior Center										
PVI Little House Adult activity Center			X	X	X	X	X	Yes, \$65/mnth		
Menlo Park Shoppers Shuttle		X						No		Free for Menlo Park residents (W and Sat 9:30-1)
Catholic Charities, CYO, San Carlos			X	X		X		Yes		
Family Caregiver Alliance	X					X	X	No, for the majority of programs	Chines and Spanish	Programs are generally for family caregivers
San Carlos Library			X	X		X	X	No		

ATTACHMENT 5

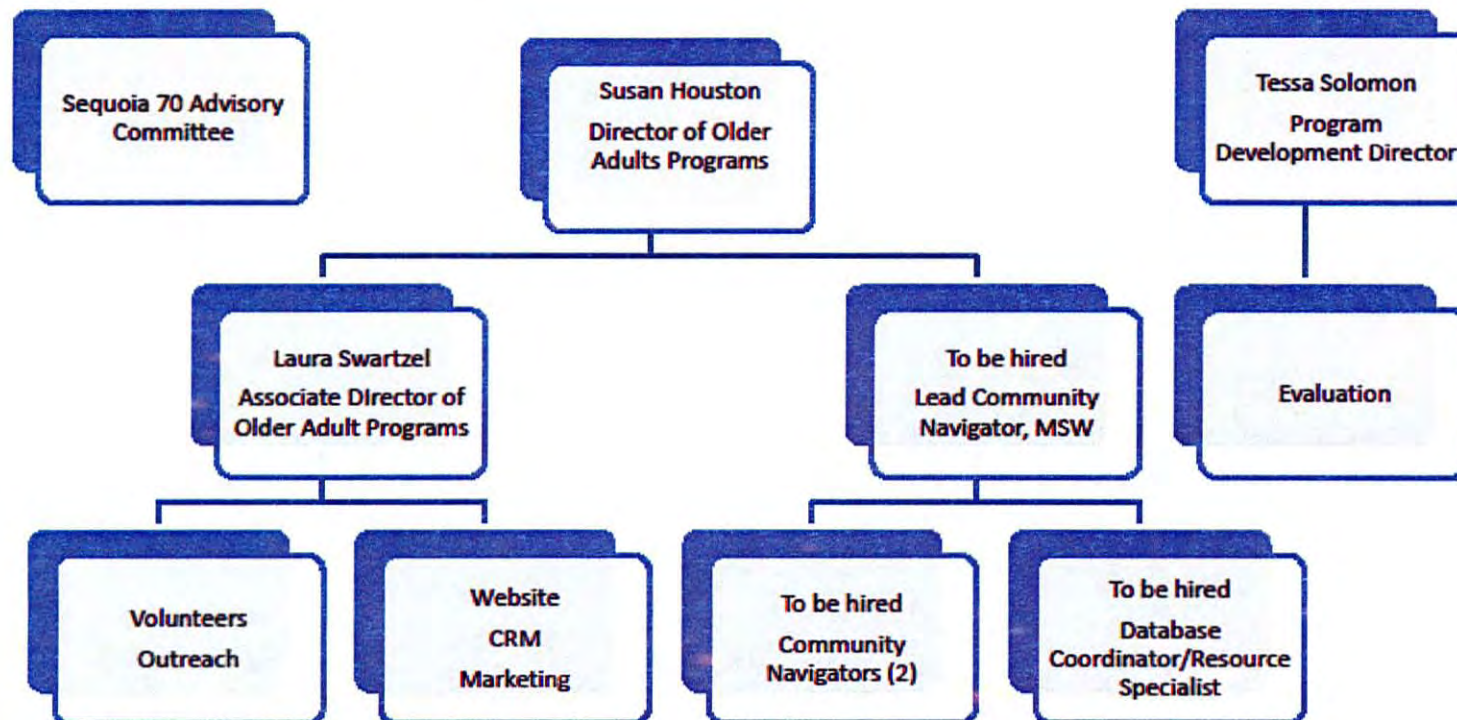
70 STRONG Recommended Funding

	FY 16/17	FY 17/18
Personnel	\$312,000	\$449,000
Operating	\$110,000	\$106,000
Marketing	\$115,000*	\$60,000
Website/CRM	\$110,000*	\$45,000
Evaluation	\$45,000	\$45,000
Administration	\$104,000	\$106,000
Total	\$796,000	\$811,000

**Includes the following start up costs:*

- Marketing program development: \$55,000
- Development of website/CRM: \$65,000
- Work Stations: \$36,000

70 STRONG PROPOSED ORGANIZATIONAL CHART



ATTACHMENT 6

70 STRONG Logic Model

Promote health and wellness to older adults ages 70-75.

- Common issues to prevent or intervene:
- Isolation
- Not aware of/accessing services
- Emotional health issues
- Not prepared to age
- Inactive
- Need health literacy
- Unhealthy diet
- Health care expenses
- Caregivers needs support

STRATEGIES

- SYSTEM:
- Asset mapping
 - Network of care
 - Shared values across providers

- INDIVIDUAL:
- Outreach/Marketing
 - Community Navigation

PROCESS MEASURES

- SYSTEM:
- Number of partners

- INDIVIDUAL:
- Number of older adults served

SHORT-TERM OUTCOMES

- SYSTEM:
- Resource guide

- INDIVIDUAL:
- Access/use of medical care
 - Knowledge and demonstration of a healthy lifestyle
 - Socially embedded/activated
 - Coping skills

INTERMEDIATE OUTCOMES

- SYSTEM:
- Reduced health care costs
 - Increased community support and awareness

- INDIVIDUAL:
- Independence
 - Self-efficacy
 - Improved physical health
 - Improved emotional health
 - Improved resiliency

IMPROVED QUALITY OF LIFE FOR OLDER ADULTS

Apple Tree Dental Update: January 27, 2016

Background:

The Sequoia Healthcare district committed \$500,000 in 2014 to help launch Apple Tree Dental with special focus on their mobile program designed to serve District residents in community settings. The Board also indicated that they would consider another request for \$500,000 during fiscal year 2015-16 to further their expansion of the mobile program within District boundaries.

Request:

Apple Tree Dental requests a grant of \$500,000 to be paid this fiscal year for dental services for District residents.

Update:

Apple Tree Dental has one confirmed community based contract with the Mental Health Association of San Mateo County. Three additional contracts are expected to be signed prior to our Board meeting with Carlmont Gardens Skilled Nursing Facility, Casa de Redwood (a low-income senior housing unit) and Silverado Belmont Memory Care facility.

Additionally, the following sites are reviewing contracts: Kensington Place Memory Care, San Carlos Elms senior housing, the College of San Mateo and are in discussion with the Redwood City School District and Redwood City Children's Development Center.

They are also in discussion with Kainos Group Home and Brookdale Assisted Living.

Lee Michelson