

PUBLIC NOTICE

CITY OF ALAMEDA HEALTH CARE DISTRICT BOARD OF DIRECTORS

SPECIAL MEETING AGENDA

Monday, May 14, 2018

CLOSED SESSION: 4:00 P.M.

OPEN SESSION: 6:30 P.M.

Location:

Closed Session:
2 East Board Room
Open Session:
Dal Cielo Conference Room
Alameda Hospital
2070 Clinton Avenue, Alameda, CA 94501

Office of the Clerk: (510) 814-4001

Members of the public who wish to comment on agenda items will be given an opportunity before or during the consideration of each agenda item. Those wishing to comment must complete a speaker card indicating the agenda item that they wish to address and present to the District Clerk. This will ensure your opportunity to speak. Please make your comments clear and concise, limiting your remarks to no more than three (3) minutes.

- I. **Call to Order** Michael Williams
- II. **Roll Call** Kristen Thorson
- III. **General Public Comments**
- IV. **Adjourn into Executive Closed Session**
- V. **Closed Session Agenda**
 - A. Call to Order
 - B. Discussion on Appointment of Executive Director Gov't Code Sec 54957(b)(10)
 - C. Adjourn into Open Session
- VI. **Reconvene to Public Session (Expected to start at 6:30 p.m. – Dal Cielo Conference Room)**
 - A. Announcements from Closed Session Michael Williams
- VII. **General Public Comment**

VIII. Regular Agenda

A. District & Operational Updates

1) District Liaison Reports

INFORMATIONAL

a. President's Report

Michael Williams

i. City | District Liaison Meeting Report

b. Community Liaison Report

Dennis Popalardo

c. Alameda Health System Liaison Report

Tracy Jensen

✓ d. Alameda Hospital Liaison Report

Robert Deutsch

i. Ad Hoc Seismic and Facilities Planning Committee **ENCLOSURE (PAGE 4)**

e. Other District Outreach Reports and Member Updates

✓ 2) Acceptance of Minutes of March 19, 2018

ACTION ITEM ENCLOSURE (PAGES 5-10)

✓ 3) Acceptance of February 2018 Financial Statements

ACTION ITEM ENCLOSURE (PAGES 11-17)

✓ 4) Acceptance of March 2018 Financial Statements

ACTION ITEM ENCLOSURE (PAGES 26-32)

✓ 5) Review and Approval of Audit Engagement Agreement with JWT and Associates

ACTION ITEM ENCLOSURE (PAGES 18-21)

✓ 6) Review and Acceptance of FYE June 30, 2019 Operating Budget

ACTION ITEM ENCLOSURE (PAGES 22-25)

✓ 7) Approval of April 2018 Parcel Tax Installment Transfer to Alameda Health System

ACTION ITEM ENCLOSURE (PAGES 33-34)

C. June 11, 2018 Agenda Preview

Kristen Thorson

INFORMATIONAL - SUBJECT TO CHANGE

Action Items

1) Acceptance of May 14, 2018 Minutes

2) Acceptance of April Financial Statements

3) Review and Approval of FYE Ending June 30, 2019 Parcel Tax Budget from Alameda Health System

4) Annual Election of Officers and Appointment to Liaison Positions

5) Adoption of Parcel Tax Levy Resolution

6) Review and Approval of Mutual Certification and Indemnification Agreement

7) Review and Approval of FY Ending June 30, 2019 Insurance Renewals (Property and D&O)

8) Review and Approval of Contract with Executive Director

Informational Items

- 1) YTD AHS Reporting (CAO/Hospital, Quality, Financial, Medical Staff Reports)
- 2) November Election Updates and Filing Timelines

IX. General Public Comments

X. Board Comment

XI. Adjournment

<p>Next Scheduled Meeting Dates (2nd Monday, every other month or as scheduled)</p> <p>June 11, 2018 August 13, 2018</p>	<p>Open Session 5:30 PM Dal Cielo Conference Room Alameda Hospital</p>
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CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: May 14, 2018

TO: City of Alameda Health Care District, Board of Directors

FROM: Robert Deutsch, Director and Committee Chair
Gayle Codiga, Director and Committee Member
Thomas Driscoll, District Legal Counsel

SUBJECT: Summary of Ad Hoc Seismic and Facilities Planning Committee –
5-2-18

The Ad Hoc Seismic and Facilities Planning Committee met on May 2, 2018 with the following representatives from Alameda Health System

- Luis Fonseca, COO
- James Jackson, CAO
- Ahmad Azizi, Associate General Counsel
- Sa Ha, Chief Engineer

The following represents a summary of the discussion and next steps for the committee.

- The Committee reviewed a draft charter for the committee that will outline membership, background information, goals and objective and meeting frequency. The committee is providing further input on the charter and will finalize it at the next meeting.
- The Committee discussed meeting at least quarterly and it has been determined that there is a need and desire to meet every other month (6 times per year) as there is significant work and discussion that needs to occur.
- There was discussion regarding the Alameda Hospital and the Seismic Assessment Report that was prepared by Degenkolb, which assessed the Alameda Health System facilities and the steps required to upgrade ratings of the buildings at all campuses for use until 2030 and beyond.
- As a result of this discussion, the Committee membership agreed that the District will explore the required soil testing to further determine feasibility of building on the current footprint. The Committee Chair has engaged Degenkolb to provide an estimate for the soil testing and associated work. It is anticipated that the quote will be received in approximately 30 days.
- In addition, there was significant discussion on the future state of healthcare on the island, including for acute care services and Alameda Hospital. There was agreement by the Committee that the District should begin discussions immediately and engage appropriate consultants to determine the planning process for 2030 and for the projected need for acute care services in the City of Alameda.
- It was noted that once an Executive Director has been hired that planning for 2030 and beyond will need to be a priority for that individual.

Board Members Present		Legal Counsel Present	Excused / Absent
Robert Deutsch, MD Gayle Godfrey Codiga Tracy Jensen	Dennis Popalardo Michael Williams	Thomas Driscoll, Esq.	
Submitted by: Kristen Thorson, District Clerk			
Topic	Discussion	Action / Follow-Up	
I. Call to Order	The meeting was called to order at 5:35 p.m.		
II. Roll Call	Kristen Thorson called roll, noting a quorum of Directors was present.		
III. General Public Comments	None		
IV. Regular Agenda			
A. Alameda Health System and Alameda Hospital Updates		No action taken.	
1)	FY 2017-2018 YTD AHS Financial Report <ul style="list-style-type: none"> Contracting Update Update provided through Chief Administrative Officers Report.		
2)	Hospital / Quality / CAO Report Mr. James Jackson, Chief Administrative Officer provided an update on Alameda Hospital and Alameda Health System. He announced that CFO, David Cox has left the organization and that a search had begun for a new CFO. Dr. Nicholas Pirnia, President of Alameda Health Partners provided an update on the Alameda primary care clinic noting that the clinic was scheduled to open on April 2, a practice manager was in place, 2 medical assistants in place and are working to place the physician. Additional resources, such as behavior health, case management and social work are still needed and AHS	No action taken.	

	<p>ad AHP are working with stakeholders to put those support services in place. President Williams asked about advertising and an open house to which Dr. Pirnia replied that plans are being developed and that they want the clinic running smoothly before a broader announcement and opening ceremonies are planned. Director Codiga asked what the hours were and he noted that the clinic would be open Monday through Friday 9 am – 5pm with the potential for flex hours of evening and weekend schedules.</p> <p>Mr. Jackson reviewed the report that was distributed at the meeting. Copies will be posted with the materials online. He noted net patient service revenue was below budget. Director Codiga asked how Alameda Hospital compares to other facilities on the collection ratio to which Mr. Jackson replied that he would look into that and report back to the Board. Director Jensen asked about the decrease in in surgeries. Dr. Pirnia noted that in healthcare and physician practice, there is a drive to do more outpatient surgeries thus decreasing inpatient volumes. Mr. Jackson also noted the fall prevention program and the work that has gone into reducing falls across the system and also the decrease in re-admission rates which is in part due to the work with the Alameda Fire Department and the Community paramedicine program. Director Popalardo inquired about the contract with Anthem. Mr. Jackson informed the Board that rates are still being exchanged and that Mahera Azizi was leading the negotiating efforts on behalf of AHS.</p>	
3)	<p>Alameda Hospital Medical Staff Report</p> <p>Dr. Magalong provide an update on the activities of the Almaeda Hospital Medical Staff highlighting that there will be an emergency physician transition from Sound to Oakcare on April 1, 2018. The Medical Staff is interviewing candidates for Medical Director of the Emergency Department at Alameda Hospital. Medical Staff is engaging Dr. Babaria, CAO of Ambulatory Services to discuss a pathway to specialty services, clinics and primary care within the system as there are challenges for physicians and patients for post discharge care and follow-up. Medical Staff is in the process of updating by-laws to align with the two the Medical Staffs (Highland and San Leandro).</p>	
B.	District & Operational Updates	No action taken.
1)	District Executive Director Search	
a.	<p>Final Job Description for Executive Director</p> <p>The job description for the Executive Director was reviewed. The following additions in red were proposed. There was discussion from the Board regarding the inclusion of language in the job description regarding</p>	<p>With the changes proposed, Director Codiga made a motion to approve the final job description for the Executive Director Position. Director Jensen seconded the motion. The motion carried.</p>

	<p>2030 seismic compliance and the need to have this specific area identified in multiple locations. Director Deutsch requested additional language as noted below in the Position Summary regarding 2030 seismic compliance.</p> <p>Section: Position Summary</p> <p>Sentence <i>“Of particular importance will be external relationships with community health stakeholders, Alameda Hospital and its CAO, and leaders at AHS and who can impact the health and well-being of our community as well as ensuring that the State of California mandated seismic requirements are met for 2020 and 2030.”</i></p> <p>Director Popalardo requested the following changes under Position Summary.</p> <p>Section: Position Summary</p> <p>Sentence <i>“The Executive Director will be directly supported by support as determined by the Executive Director personnel as necessary within the parameters authorized by the District and will have access to legal counsel as needed.”</i></p> <p>Director Jensen requested an addition to the Responsibilities as indicated below.</p> <p>Section: Responsibilities</p> <p><i>19. To seek out grants to fund community health projects under direction of the Board, write grants and administer grants as needed under guidelines of the State of California, District policy and grant terms.</i></p>	
	<p>b. Proposed Communication Plan for Executive Director</p>	<p>Director Jensen made a motion to approve the communication plan. Director Popalardo seconded the motion. The motion carried.</p>
	<p>c. Ad Hoc Search Committee and Timeline</p> <p>The Board reviewed the memorandum regarding the formation of an Ad Hoc Search Committee and timeline for selecting an Executive Director. The Board felt the timeline was realistic and agreed to continue to move forward as outlined.</p>	<p>No action taken.</p>
2)	<p>Review and Approval of Engagement with CHW, LLP for Accounting and business Consulting</p>	<p>Director Popalardo made a motion to approve the with CHW, LLP for Accounting Services as an increased monthly rate of \$1,300 with a one year</p>

	Director Codiga inquired about the indemnification clause. Mr. Driscoll informed the Board that this was a common clause in this type of an agreement for services.	term from the date signed. Director Jensen seconded the motion. The motion carried.
3)	<p>Update on Insurance Renewal: General and Excess Property Insurance for Jaber Properties for Renewal Year 3/19/18 to 3/19/19</p> <p>Ms. Thorson reviewed the General and Excess Property Insurance renewal for the Jaber Properties. There was discussion and questions by the Board regarding the pet endorsement on the policy, the lease agreements and allowance of pets at the residential properties, and difficult breed dogs as it related to the insurance policy. The District Clerk will follow-up with the insurance broker, property management and provide a response to the Board regarding the questions. Ms. Thorson noted that the appropriate documents to bind the insurance had been signed and premiums for the renewal had been issued.</p>	No action taken.
4)	Acceptance of Minutes of December 11, 2017	Director Popalardo made a motion to accept the Minutes of December 11, 2017 as presented. Director Jensen seconded the motion. The motion carried.
5)	Acceptance of Minutes of January 29, 2018	Director Jensen made a motion to accept the Minutes of January 29 as presented. Director Popalardo seconded the motion. The motion carried.
6)	Acceptance of December 2017 and January 2018 Financial Statements	Director Jensen made a motion to accept the December 2017 and January 2018 Financial Statements as presented. Director Codiga seconded the motion. The motion carried.
7)	District Liaison Reports	
a.	<p>Alameda Health System Liaison Report</p> <p>Director Jensen reported on the Residency Program at Highland Hospital and the new class of residents. There were 910 applications, 140 interviews and 12 selected into the program. Of the 12, there are 2 Fulbright scholars and 1 Rhodes scholars. She also reported that Dr. Barry Zorthian stepped down from the Board of Trustees as the representative from the Medical Staff. Dr. Taft Bhuket was appointed to the Board of Trustees to replace Dr. Zorthian.</p>	No action taken.

	b.	<p>Alameda Hospital Liaison Report</p> <ul style="list-style-type: none"> Ad Hoc seismic and Facilities Planning Committee <p>Director Deutsch reported that a committee meeting is being scheduled to discuss Sesimic planning for the future. He also noted that with the emergency department physician changes, he remains hopeful and assured that the transition will be smooth. He is also encouraged by an onsite Medical Director that will be engage and involved.</p>	No action taken.
	c.	<p>Community Liaison Report</p> <p>No report at this time.</p>	No action taken.
	d.	<p>President's Report</p> <ul style="list-style-type: none"> City District Liaison Meeting Report <p>President Williams noted that the liaison committee with the City met and updates were given on hospital operations, the District's efforts to recruit an Executive Director and the Community Paramedicine through the Alameda Fire Department.</p>	No action taken.
	e.	Other District Outreach Reports and Member Updates	No action taken.
C.	<p>April 9, 2018 Agenda Preview</p> <p>The Board discussed canceling the April 9, 2018 Meeting. Agenda items would be moved to the May 14, 2018 Regular Meeting</p>		<p>Director Jensen made a motion to cancel the April 9, 2018 meeting. Director Codiga seconded the motion. Motion carried.</p>
Action Items			
1) Acceptance of March 19, 2018 Minutes			
2) Review and Approve Annual Audit Engagement			
3) Acceptance of Financial Statements			
4) Review and Approval of District FY 2018-2019 Operating Budget			
Informational Items			
1) YTD AHS Reporting (CAO/Hospital, Quality, Financial, Medical Staff Reports)			

V. General Public Comments

VI. Board Comments

None.

VII. Adjournment

Being no further business the meeting was adjourned at 7:15 p.m.

Approved: _____

DRAFT

CITY OF ALAMEDA HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD February 28, 2018

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of <u>6/30/2017</u>	As of <u>2/28/2018</u>
Assets		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 481,704	\$ 371,132
Grant and other receivables	295,780	924,281
Prepaid expenses and deposits	34,697	66,709
Total current assets	<u>812,181</u>	<u>1,362,122</u>
Assets limited as to use	754,413	504,572
Capital Assets, net of accumulated depreciation	<u>3,277,695</u>	<u>3,112,644</u>
	4,844,289	4,979,338
Other Assets	<u>11,952</u>	<u>10,458</u>
Total assets	<u>\$ 4,856,240</u>	<u>\$ 4,989,795</u>

Liabilities and Net Position

Current liabilities:

Current maturities of debt borrowings	\$ 29,804	\$ 29,804
Accounts payable and accrued expenses	1,964	4,964
Total current liabilities	<u>31,768</u>	<u>34,768</u>
Debt borrowings net of current maturities	<u>973,525</u>	<u>952,873</u>
Total liabilities	1,005,292	987,641

Net position:

Invested in capital assets, net of related debt	729,366	644,830
Restricted, by contributors	2,298,196	2,070,159
Unrestricted (deficit)	<u>823,386</u>	<u>1,287,165</u>
Total net position (deficit)	<u>3,850,948</u>	<u>4,002,155</u>
Total liabilities and net position	<u>\$ 4,856,240</u>	<u>\$ 4,989,795</u>

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2017	Actual YTD 2/28/2018	Budget YTD 2/28/2018	Variance	
Revenues and other support					
District Tax Revenues	\$ 5,844,087	\$ 3,902,250	\$ 3,903,834	1,584	0%
Rents	183,188	139,565	130,189	(9,377)	-7%
Other revenues	14	6	1,181	1,176	
Total revenues	6,027,289	4,041,821	4,035,204	(6,617)	
Expenses					
Salaries, wage and benefits	-	-	113,333	113,333	100%
Professional fees	98,692	59,467	67,000	7,533	11%
Supplies	3,380	1,404	4,667	3,263	70%
Purchased services	5,600	3,571	3,000	(571)	-19%
Repairs and maintenance	22,247	12,992	11,333	(1,659)	-15%
Rents	25,634	17,483	17,667	183	1%
Utilities	10,038	7,875	7,093	(782)	-11%
Insurance	57,699	32,707	31,183	(1,523)	-5%
Depreciation and amortization	260,269	166,545	269,616	103,071	
Interest	48,954	32,200	31,784	(416)	-1%
Travel, meeting and conferences	260	1,500	7,333	5,833	80%
Other expenses	8,097	5,129	23,747	18,618	78%
Total expenses	540,868	340,872	587,757	246,885	
Operating gains	5,486,421	3,700,949	3,447,447	(253,502)	-7%
Transfers	(5,258,297)	(3,549,743)	(3,318,726)		
Increase in net position	228,124	151,206	128,721		
Net position at <i>beginning of the year</i>	3,622,825	3,850,948	3,850,948		
Net position at the <i>end of the period</i>	\$ 3,850,948	\$ 4,002,155	\$ 3,979,670		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2017	Actual YTD 2/28/2018	Budget YTD 2/28/2018
Increase in net position	\$ 228,124	\$ 151,206	\$ 128,721
Add Non Cash items			
Depreciation	260,269	166,545	269,616
Changes in operating assets and liabilities			
Grant and other receivables	(1,858)	(628,501)	-
Prepaid expenses and deposits	(14,987)	(32,012)	-
Accounts payable and accrued expenses	(6,736)	3,000	-
Net Cash provided(used) by operating activities	464,811	(339,762)	398,337
Cash flows from investing activities			
Acquisition of Property Plant and Equipment	(0)	(0)	-
Changes in assets limited to use	(426,172)	249,841	-
Net Cash used in investing activities	(426,172)	249,841	-
Cash flows from financing activities			
Principal payments on debt borrowings	(28,527)	(20,652)	(19,869)
Net cash used by financing activities	(28,527)	(20,652)	(19,869)
Net change in cash and cash equivalents	10,113	(110,573)	378,468
Cash at the beginning of the year	471,592	481,704	292,794
Cash at the end of the period	<u>\$ 481,704</u>	<u>\$ 371,132</u>	<u>\$ 671,262</u>

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2017	Jaber 6/30/2017	As of 6/30/2017	District 2/28/2018	Jaber 2/28/2018	As of 2/28/2018
Assets						
<u>Current assets:</u>						
Cash and cash equivalents	\$ 481,704	\$ -	\$ 481,704	\$ 371,132	\$ -	\$ 371,132
Grant and other receivables	295,780	0	295,780	924,281	0	924,281
Prepaid expenses and deposits	31,434	3,263	34,697	16,709	50,000	66,709
Total current assets	808,918	3,263	812,181	1,312,122	50,000	1,362,122
Due To Due From	4,480	(4,480)	0	4,480	(4,480)	0
Assets limited as to use	0	754,413	754,413	0	504,572	504,572
Capital Assets, net of accumulated depreciation	1,732,695	1,545,000	3,277,695	1,592,577	1,520,067	3,112,644
	2,546,093	2,298,196	4,844,289	2,909,179	2,070,159	4,979,338
Other Assets	11,952	0	11,952	10,458	0	10,458
Total assets	2,558,045	2,298,196	4,856,240	2,919,636	2,070,159	4,989,795
Liabilities and Net Position						
<u>Current liabilities:</u>						
Current maturities of debt borrowings	29,804	0	29,804	29,804	0	29,804
Accounts payable and accrued expenses	1,964	0	1,964	4,964	0	4,964
Total current liabilities	31,768	0	31,768	34,768	0	34,768
Debt borrowings net of current maturities	973,525	0	973,525	952,873	0	952,873
Total liabilities	1,005,292	0	1,005,292	987,641	0	987,641
Net position:						
Invested in capital assets, net of related debt	729,366	0	729,366	644,830	0	644,830
Restricted, by contributors	0	2,298,196	2,298,196	0	2,070,159	2,070,159
Unrestricted (deficit)	823,386	0	823,386	1,287,165	0	1,287,165
Total net position (deficit)	1,552,752	2,298,196	3,850,948	1,931,995	2,070,159	4,002,155
Total liabilities and net position	\$2,558,045	\$2,298,196	\$4,856,240	\$2,919,636	\$2,070,159	\$4,989,795

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual			Actual		
	District 6/30/2017	Jaber 6/30/2017	YTD 6/30/2017	District 2/28/2018	Jaber 2/28/2018	YTD 2/28/2018
Revenues and other support						
District Tax Revenues	5,844,087	0	5,844,087	3,902,250	0	3,902,250
Rents	380	182,808	183,188	0	139,565	139,565
Other revenues	14	0	14	6	0	6
Total revenues	5,844,481	182,808	6,027,289	3,902,256	139,565	4,041,821
Expenses						
Salaries, wage and benefits	0	0	0	0	0	0
Professional fees	88,976	9,716	98,692	53,068	6,399	59,467
Supplies	3,380	0	3,380	1,404	0	1,404
Purchased services	5,600	0	5,600	3,571	0	3,571
Repairs and maintenance	0	22,247	22,247	0	12,992	12,992
Rents	25,634	0	25,634	17,483	0	17,483
Utilities	1,144	8,893	10,038	620	7,255	7,875
Insurance	56,068	1,631	57,699	29,444	3,263	32,707
Depreciation and amortization	222,869	37,400	260,269	141,612	24,933	166,545
Interest	48,954	0	48,954	32,200	0	32,200
Travel, meeting and conferences	260	0	260	1,500	0	1,500
Other expenses	5,682	2,415	8,097	0	5,129	5,129
Total expenses	458,565	82,302	540,868	280,901	59,971	340,872
Operating gains	5,385,916	100,505	5,486,421	3,621,355	79,594	3,700,949
Transfers	(5,258,297)	0	(5,258,297)	(3,242,112)	(307,631)	(3,549,743)
Increase in net position	127,619	100,505	228,124	379,243	(228,037)	151,206
Net position at <i>beginning of the year</i>	1,425,134	2,197,690	3,622,825	1,552,752	2,298,196	3,850,948
Net position at the <i>end of the period</i>	1,552,752	2,298,196	3,850,948	1,931,995	2,070,159	4,002,155

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual			Actual		
	District 6/30/2017	Jaber 6/30/2017	YTD 6/30/2017	District 2/28/2018	Jaber 2/28/2018	YTD 2/28/2018
Increase in net position	127,619	100,505	228,124	379,243	(228,037)	151,206
Add Non Cash items						
Depreciation	222,869	37,400	260,269	141,612	24,933	166,545
Changes in operating assets and liabilities						
Grant and other receivables	(1,858)	0	(1,858)	(628,501)	0	(628,501)
Prepaid expenses and deposits	(11,724)	(3,263)	(14,987)	14,724	(46,737)	(32,012)
Due To Due From	(291,530)	291,530	0	(0)	0	0
Accounts payable and accrued expenses	(6,736)	0	(6,736)	3,000	0	3,000
Net Cash provided(used) by operating activities	38,639	426,172	464,811	(89,922)	(249,840)	(339,762)
Cash flows from investing activities						
Acquisition of Property Plant and Equipment	0	0	(0)	(0)	(0)	(0)
Changes in assets limited to use	0	(426,172)	(426,172)	0	249,841	249,841
Net Cash used in investing activities	0	(426,172)	(426,172)	(0)	249,841	249,841
Cash flows from financing activities						
Principal payments on debt borrowings	(28,527)	(0)	(28,527)	(20,652)	0	(20,652)
Net cash used by financing activities	(28,527)	(0)	(28,527)	(20,652)	0	(20,652)
Net change in cash and cash equivalents	10,112	0	10,112	(110,572)	0	(110,573)
Cash at the beginning of the year	471,592	(0)	471,592	481,704	(0)	481,704
Cash at the end of the period	481,704	(0)	481,704	371,132	0	371,132

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

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Fresno, California 93720
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March 14, 2018

Board of Directors
City of Alameda Health Care District
2070 Clinton Avenue
Alameda, California 94501

We are pleased to confirm our understanding of the services we are providing for the City of Alameda Health Care District (the "District") for the year ended June 30, 2018

We will audit the balance sheet of the District as of June 30, 2018, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole.

We will conduct our audit in accordance with U.S. generally accepted auditing standards and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express an opinion that the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit engagement, we will not issue a report as a result of this engagement.

As part of our audit, we will obtain an understanding of the organization's internal control to plan the audit and to determine the nature, timing, and extent of auditing procedures necessary for the expressing of our opinion concerning the financial statements. Our audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the Board or the Audit Committee of any matters involving internal control and its operation that we consider reportable conditions under standards established by the American Institute of Certified Public Accountants. The management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In fulfilling this responsibility, estimates and judgments by the management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal control are to provide

management with reasonable, but not absolute, assurances that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles.

Management's responsibility includes the establishment and maintenance of adequate records and effective internal controls over financial reporting and compliance, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We understand that you will provide us with the basic information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for them remains with you. This responsibility includes maintaining adequate records and related internal control policies and procedures, selecting and applying accounting principles, accepting actuarial methods and assumptions used by the actuary, and safeguarding assets. Management is also responsible for identifying and ensuring the organization complies with applicable laws and regulations.

As part of our engagement, we may also propose standard, adjusting, or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. It is our understanding that management has designated qualified individuals with the necessary expertise to be responsible and accountable for overseeing the services performed as part of this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, may include tests of the physical existence of inventories, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected funding sources, creditors, and financial institutions. We will request written representations from your attorneys (if applicable) as part of the engagement, and they may bill you for responding to the inquiry. At the conclusion of our audit, we will also request certain written representation from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material

errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. We will inform you, however, of any matters of that nature of which we become aware during our engagement.

Our responsibility as auditors' is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, copies, or telephone calls), except that we agree that our gross professional fee will not exceed \$10,500. All travel and out-of-pocket expenses will be billed separately. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered periodically as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules of Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign and return a copy to us. Thank you.

Sincerely,

JW7 & Associates, LLP

APPROVED:

Name and Title

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: May 14, 2018

TO: City of Alameda Health Care District, Board of Directors

FROM: Kristen Thorson, District Clerk

SUBJECT: Review and Acceptance of FYE June 30, 2019 Operating Budget

Action

Recommendation to accept Fiscal Year Ending June 30, 2019 City of Alameda Health Care District Operating Budget

Overview

The proposed budget was prepared in consultation with the District financial consultant and with input from the Board of Directors. The Budget is presented for your review and discussion at the May 14, 2018 meeting of the Board of Directors.

Per the JPA (Section 2.2 Parcel Tax Revenue), *“District shall be permitted to withhold and retain, from the Parcel Tax Revenue an amount equal to the reasonable out-of-pocket costs and expenses actually incurred by District for its statutorily required operations, including without limitation expenses of administrative, legal and accounting services, cost of elections, meetings, strategic planning, insurance, administration and collection of the parcel tax, and payment of legal obligations, if any (known or unknown), unrelated to the administration and operation of Alameda Hospital (“District Expenses”); provided, however, that in no event shall the amounts withheld and retained by District in accordance with the foregoing exceed what is reasonably required for such District Expenses during any fiscal year without the prior written approval of AHS.”*

There are two Operating Budget, one for the operations of the District and one for the operation of the Jaber Properties.

Total Revenues are budgeted at \$5,895,297 and total Operating Expenses are budgeted at \$1,234,720.14 which includes depreciation. As a reminder, the District does not fund depreciation. After removing depreciation and adding in the principal on loan with Bank of Marin, the total District uses for the year are \$900,384 an increase from prior year of \$343,489. This increase is due to several key areas, including election year expenses, legal fees and 2030 seismic planning. Key notes on the operating expenses are listed below for reference.

- Executive Director Position at \$95,000 moved to Professional Fees/Consultant Fees due to the nature of the planned employment model
- District Clerk Support in the amount of 75,000 was moved to new cost center, Registry to anticipate the employment model for hiring support staff for the ED through an agency which has been estimated at base hourly rate \$25-\$30 plus agency fees.

CITY OF ALAMEDA HEALTH CARE DISTRICT

- Legal Fees: An increase over prior year has been budgeted due to anticipated legal fees as the District begins discussions regarding 2030 Seismic compliance and the future state of Alameda Hospital.
- Consultant Fees: Increase in consulting fees related to 2030 seismic planning
- Annual Audit fees are flat over prior year.
- Expenses for Board Meetings (Video, Food, Stipends) budgeted at ten (10) meetings (seven (7) regular meetings, three (3) Special Meetings and 6 Ad Hoc Committee meetings)
- Rent for the District office includes CPI increase eff 4/1/19 (est. @ 3%)
- Increase in Utilities as the District Office is utilized more with the addition of an Executive Director and support staff. Estimates for Water and Garbage/Recycling. These items were not included in prior years budget as the District did not have a need for service.
- Insurance
 - Crime Policy: Premium is \$1,200/year. Flat over prior year.
 - D&O Policy: Flat over prior year as premium was under budget from FY18 and \$15,500 has room for a 5% increase while still staying under the budget amount.
 - Property Policy: Due to significant losses and catastrophic events in world, the insurance broker has advised est. 5-10% increase in premiums, budget 10% increase to be conservative and anticipate due to market changes.
- Election Year Expenses: there are 4 seats of for election in November 2018. The Registrar of Voters estimates the cost of consolidated election is \$3-6 per registered voter. Estimated \$6 at 47,000 (est. from 2016) registered voters in Alameda
- Other Expenses: Allocating \$250/month to cover mileage and mobile phone expense for executive Director.

The Jaber Properties Operating Budget includes an increase in revenues due to annual rent increases in accordance with City of Alameda rent ordinances. Maintenance and Repairs are budgeted higher than prior year as the District continues to make needed repairs to the properties as a result of the inspection in 2017.

See attached detailed budgets for Fiscal Year Ending June 30, 2019.

City of Alameda Health Care District
 FY 2018-2019 Proposed Operating Budget

	Budget FYE 6/30/2018	Budget FYE 6/30/2019 <i>Detail/Summary</i>	Variance from 6/30/2018
1 Revenues and other support			
2 District Tax Revenues	5,957,020	5,997,250	\$ 40,230
3 County Commission (1.7%)	(101,269)	(101,953)	(684)
4 Other revenues	-	-	-
5 Total Revenues	5,855,751	5,895,297	39,546
6			
7 Expenses			
8 Salaries, wage and benefits	270,500	-	(270,500)
9 0.5 FTE Executive Director	95,000	-	(95,000)
10 1.0 FTE Clerk / Administrative Support	75,000	-	(75,000)
11 Professional fees	100,500	420,350	319,850
12 Registry	-	75,000	75,000
13 1.0 FTE Clerk / Administrative Support	-	75,000	75,000
14 Accounting	15,000	15,600	600
15 CHW, LLP	-	15,600	15,600
16 Consultant Fees	25,000	219,250	194,250
17 0.5 FTE Executive Director	-	95,000	95,000
18 SCI Consulting	-	12,750	12,750
19 TCA partners	-	1,500	1,500
20 Other (TBD)	-	10,000	10,000
21 2030 Seismic Planning	-	100,000	100,000
22 Legal Fees	50,000	100,000	50,000
23 Thomas Driscoll	-	100,000	100,000
24 Annual Independent Audit	10,500	10,500	-
25 TCA Partners	-	10,500	10,500
26 Supplies	7,000	9,100	2,100
27 Office Expenses	4,000	4,000	-
28 Office Supplies, Laptop, Printing, Postage, etc.	-	4,000	4,000
29 Food/Meals	3,000	5,100	2,100
30 Meals provided at Meetings (Board & Committees)	-	5,100	5,100
31 Purchased services	4,500	4,500	-
32 Video / Meetings	4,500	4,500	-
33 Amy Demman	-	4,500	4,500
34 Repairs and maintenance	1,000	1,000	-
35 Maintenance (888 Willow)	1,000	1,000	-
36 Rents	26,500	27,188	688
37 Lease Expense Building (888 Willow)	26,500	27,188	688
38 Lease Expense Equipment	-	-	-
39 Utilities	1,140	2,880	1,740
40 Utilities, Phones, Internet	1,140	2,880	1,740
41 Utilities (Water, Garbage, Electric, 888 Willow)	-	1,800	1,800
42 Phone (888 Willow)	-	240	240
43 Internet (888 Willow)	-	840	840
44 Insurance	41,775	42,186	411
45 Crime (ACIP)	1,275	1,200	(75)
46 D&O (SLIP)	15,500	15,500	-
47 Property (HARPP)	25,000	25,486	486
48 Depreciation and amortization	367,024	367,024	-
49 Building	351,197	351,197	-
50 Equipment	15,827	15,827	-
51 Interest	47,676	44,792	(2,884)
52 Interest Expense	47,676	44,792	(2,884)
53 Travel, meeting and conferences	11,000	15,000	4,000
54 Travel	1,000	5,000	4,000
55 Education & Conferences	10,000	10,000	-
56 Other Expenses	15,500	300,700	285,200
57 Election Year Expenses	-	282,000	282,000
58 Dues & Subscriptions	5,000	5,000	-
59 Homeowners Association Dues	-	2,500	2,500
60 Other - TBD/as needed	-	2,500	2,500
61 Other Misc Operating Expense	2,000	3,000	1,000
62 ED mileage/phone Expense	-	3,000	3,000
63 Board Stipend	5,000	7,200	2,200
64 District Marketing, Promotions	2,500	2,500	-
65 Licenses and Taxes	1,000	1,000	-
66 Total Expenses	894,115	1,234,720	611,104.66
67			
68 Depreciation	(367,024)	(367,024)	-
69 Principal on Note	29,804	32,688	(2,884)
70			
71 Total Revenue Sources	5,855,751	5,895,297	39,546
72 Minus Total District Uses	556,895	900,384	343,489
73 Available Balance to Transfer to Alameda Health System	5,298,855	4,994,913	(303,943)
74 Reserve Fund for Unforseen Capital and Operating Expenses	-	(1,000,000)	\$(1,000,000)
75 Final Balance Transfer to Alameda Health System	-	3,994,913	(1,303,943)

City of Alameda health Care District
 FY 2018-2019 Proposed Operating Budget - Jaber Properties

	Budget FYE 6/30/2018	Budget FYE 6/30/2019	Variance from 6/30/2018
1 Revenue			
2 Rents	\$ 195,283	\$ 214,953	\$ 19,670
3 Other Revenues	\$ 1,772	\$ 2,500	\$ 728
4 Total Revenues	<u>\$ 197,054</u>	<u>\$ 217,453</u>	<u>\$ 20,399</u>
5			
6 Expense			
7 Repairs and Maintenance	\$ 16,000	\$ 30,000	\$ 14,000
8 Maintenance	\$ 16,000	\$ 30,000	\$ 14,000
9 Utilities	\$ 9,500	\$ 10,000	\$ 500
10 Utilities	\$ 9,500	\$ 10,000	\$ 500
11 Insurance	\$ 5,000	\$ 5,125	\$ 125
12 General/Excess Liability (Jaber)	\$ 5,000	\$ 5,125	
13 Depreciation and amortization	\$ 37,400	\$ 37,400	\$ -
14 Building	\$ 37,400	\$ 37,400	\$ -
15 Other Expenses	\$ 20,120	\$ 24,000	\$ 3,880
16 Mngt Fee	\$ 9,620	\$ 10,000	\$ 380
17 Landscaping	\$ 5,250	\$ 4,000	\$ (1,250)
18 Cleaning, Inspection, Repairs	\$ 2,625	\$ 10,000	\$ 7,375
19 Other	\$ 3,085	\$ -	\$ (3,085)
20 Toal Expenses	<u>\$ 88,020</u>	<u>\$ 106,525</u>	<u>\$ 18,505</u>
21			
22 Net Revenues over Expenses	\$ 109,034	\$ 110,928	\$ 1,894

CITY OF ALAMEDA HEALTH CARE DISTRICT

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD MARCH 30, 2018

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	As of <u>6/30/2017</u>	As of <u>3/31/2018</u>
Assets		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 481,704	\$ 347,431
Grant and other receivables	295,780	1,409,448
Prepaid expenses and deposits	34,697	17,938
Total current assets	<u>812,181</u>	<u>1,774,816</u>
Assets limited as to use	754,413	517,391
Capital Assets, net of accumulated depreciation	<u>3,277,695</u>	<u>3,092,012</u>
	4,844,289	5,384,219
Other Assets	<u>11,952</u>	<u>10,271</u>
Total assets	<u>\$ 4,856,240</u>	<u>\$ 5,394,490</u>

Liabilities and Net Position

Current liabilities:

Current maturities of debt borrowings	\$ 29,804	\$ 29,804
Accounts payable and accrued expenses	1,964	1,964
Total current liabilities	<u>31,768</u>	<u>31,768</u>
Debt borrowings net of current maturities	<u>973,525</u>	<u>950,680</u>
Total liabilities	<u>1,005,292</u>	<u>982,447</u>

Net position:

Invested in capital assets, net of related debt	729,366	644,830
Restricted, by contributors	2,298,196	2,029,453
Unrestricted (deficit)	<u>823,386</u>	<u>1,737,760</u>
Total net position (deficit)	<u>3,850,948</u>	<u>4,412,043</u>
Total liabilities and net position	<u>\$ 4,856,240</u>	<u>\$ 5,394,490</u>

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2017	Actual YTD 3/31/2018	Budget YTD 3/31/2018	Variance	
Revenues and other support					
District Tax Revenues	\$ 5,844,087	\$ 4,387,417	\$ 4,391,813	4,396	0%
Rents	183,188	157,515	146,462	(11,053)	-8%
Other revenues	14	6	1,329	1,323	
Total revenues	6,027,289	4,544,938	4,539,605	(5,334)	
Expenses					
Salaries, wage and benefits	-	-	127,500	127,500	100%
Professional fees	98,692	62,626	75,375	12,749	17%
Supplies	3,380	1,404	5,250	3,846	73%
Purchased services	5,600	4,821	3,375	(1,446)	-43%
Repairs and maintenance	22,247	13,387	12,750	(637)	-5%
Rents	25,634	19,732	19,875	143	1%
Utilities	10,038	8,540	7,980	(560)	-7%
Insurance	57,699	36,372	35,081	(1,291)	-4%
Depreciation and amortization	260,269	187,363	303,318	115,955	
Interest	48,954	36,863	35,757	(1,106)	-3%
Travel, meeting and conferences	260	1,500	8,250	6,750	82%
Other expenses	8,097	11,493	26,715	15,222	57%
Total expenses	540,868	384,100	661,226	277,126	
Operating gains	5,486,421	4,160,838	3,878,378	(282,459)	-7%
Transfers	(5,258,297)	(3,599,743)	(3,733,567)		
Increase in net position	228,124	561,095	144,812		
Net position at <i>beginning of the year</i>	3,622,825	3,850,948	3,850,948		
Net position at the <i>end of the period</i>	\$ 3,850,948	\$ 4,412,043	\$ 3,995,760		

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual YTD 6/30/2017	Actual YTD 3/31/2018	Budget YTD 3/31/2018
Increase in net position	\$ 228,124	\$ 561,095	\$ 144,811
Add Non Cash items			
Depreciation	260,269	187,363	303,318
Changes in operating assets and liabilities			
Grant and other receivables	(1,858)	(1,113,668)	-
Prepaid expenses and deposits	(14,987)	16,759	-
Accounts payable and accrued expenses	(6,736)	-	-
Net Cash provided(used) by operating activities	464,811	(348,451)	448,129
Cash flows from investing activities			
Acquisition of Property Plant and Equipment	(0)	(0)	-
Changes in assets limited to use	(426,172)	237,022	-
Net Cash used in investing activities	(426,172)	237,022	-
Cash flows from financing activities			
Principal payments on debt borrowings	(28,527)	(22,845)	(22,353)
Net cash used by financing activities	(28,527)	(22,845)	(22,353)
Net change in cash and cash equivalents	10,113	(134,273)	425,776
Cash at the beginning of the year	471,592	481,704	292,794
Cash at the end of the period	<u>\$ 481,704</u>	<u>\$ 347,431</u>	<u>\$ 718,571</u>

Balance Sheets

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District 6/30/2017	Jaber 6/30/2017	As of 6/30/2017	District 3/31/2018	Jaber 3/31/2018	As of 3/31/2018
Assets						
<u>Current assets:</u>						
Cash and cash equivalents	\$ 481,704	\$ -	\$ 481,704	\$ 347,431	\$ -	\$ 347,431
Grant and other receivables	295,780	0	295,780	1,409,448	0	1,409,448
Prepaid expenses and deposits	31,434	3,263	34,697	13,452	4,486	17,938
Total current assets	808,918	3,263	812,181	1,770,330	4,486	1,774,816
Due To Due From	4,480	(4,480)	0	9,374	(9,374)	0
Assets limited as to use	0	754,413	754,413	0	517,391	517,391
Capital Assets, net of accumulated depreciation	1,732,695	1,545,000	3,277,695	1,575,062	1,516,950	3,092,012
	2,546,093	2,298,196	4,844,289	3,354,767	2,029,453	5,384,219
Other Assets	11,952	0	11,952	10,271	0	10,271
Total assets	2,558,045	2,298,196	4,856,240	3,365,037	2,029,453	5,394,490
Liabilities and Net Position						
<u>Current liabilities:</u>						
Current maturities of debt borrowings	29,804	0	29,804	29,804	0	29,804
Accounts payable and accrued expenses	1,964	0	1,964	1,964	0	1,964
Total current liabilities	31,768	0	31,768	31,768	0	31,768
Debt borrowings net of current maturities	973,525	0	973,525	950,680	0	950,680
Total liabilities	1,005,292	0	1,005,292	982,447	0	982,447
Net position:						
Invested in capital assets, net of related debt	729,366	0	729,366	644,830	0	644,830
Restricted, by contributors	0	2,298,196	2,298,196	0	2,029,453	2,029,453
Unrestricted (deficit)	823,386	0	823,386	1,737,760	0	1,737,760
Total net position (deficit)	1,552,752	2,298,196	3,850,948	2,382,590	2,029,453	4,412,043
Total liabilities and net position	\$2,558,045	\$2,298,196	\$4,856,240	\$3,365,037	\$2,029,453	\$5,394,490

Statements of Revenues, Expenses and Changes in Net Position

CITY OF ALAMEDA HEALTHCARE DISTRICT

	Actual			Actual		
	District 6/30/2017	Jaber 6/30/2017	YTD 6/30/2017	District 3/31/2018	Jaber 3/31/2018	YTD 3/31/2018
Revenues and other support						
District Tax Revenues	5,844,087	0	5,844,087	4,387,417	0	4,387,417
Rents	380	182,808	183,188	0	157,515	157,515
Other revenues	14	0	14	6	0	6
Total revenues	5,844,481	182,808	6,027,289	4,387,423	157,515	4,544,938
Expenses						
Salaries, wage and benefits	0	0	0	0	0	0
Professional fees	88,976	9,716	98,692	55,418	7,209	62,626
Supplies	3,380	0	3,380	1,404	0	1,404
Purchased services	5,600	0	5,600	4,821	0	4,821
Repairs and maintenance	0	22,247	22,247	0	13,387	13,387
Rents	25,634	0	25,634	19,732	0	19,732
Utilities	1,144	8,893	10,038	620	7,920	8,540
Insurance	56,068	1,631	57,699	32,701	3,671	36,372
Depreciation and amortization	222,869	37,400	260,269	159,313	28,050	187,363
Interest	48,954	0	48,954	36,863	0	36,863
Travel, meeting and conferences	260	0	260	1,500	0	1,500
Other expenses	5,682	2,415	8,097	3,102	8,391	11,493
Total expenses	458,565	82,302	540,868	315,473	68,627	384,100
Operating gains	5,385,916	100,505	5,486,421	4,071,949	88,888	4,160,838
Transfers	(5,258,297)	0	(5,258,297)	(3,242,112)	(357,631)	(3,599,743)
Increase in net position	127,619	100,505	228,124	829,837	(268,743)	561,095
Net position at <i>beginning of the year</i>	1,425,134	2,197,690	3,622,825	1,552,752	2,298,196	3,850,948
Net position at the <i>end of the period</i>	1,552,752	2,298,196	3,850,948	2,382,590	2,029,453	4,412,043

Statements of Cash Flows

CITY OF ALAMEDA HEALTHCARE DISTRICT

	District	Jaber	Actual	District	Jaber	Actual
	6/30/2017	6/30/2017	YTD 6/30/2017	3/31/2018	3/31/2018	YTD 3/31/2018
Increase in net position	127,619	100,505	228,124	829,837	(268,743)	561,095
Add Non Cash items						
Depreciation	222,869	37,400	260,269	159,313	28,050	187,363
Changes in operating assets and liabilities						
Grant and other receivables	(1,858)	0	(1,858)	(1,113,668)	0	(1,113,668)
Prepaid expenses and deposits	(11,724)	(3,263)	(14,987)	17,981	(1,224)	16,759
Due To Due From	(291,530)	291,530	0	(4,894)	4,894	0
Accounts payable and accrued expenses	(6,736)	0	(6,736)	0	0	0
Net Cash provided(used) by operating activities	38,639	426,172	464,811	(111,430)	(237,022)	(348,451)
Cash flows from investing activities						
Acquisition of Property Plant and Equipment	0	0	(0)	0	0	(0)
Changes in assets limited to use	0	(426,172)	(426,172)	0	237,022	237,022
Net Cash used in investing activities	0	(426,172)	(426,172)	0	237,022	237,022
Cash flows from financing activities						
Principal payments on debt borrowings	(28,527)	(0)	(28,527)	(22,845)	0	(22,845)
Net cash used by financing activities	(28,527)	(0)	(28,527)	(22,845)	0	(22,845)
Net change in cash and cash equivalents	10,112	0	10,112	(134,273)	0	(134,273)
Cash at the beginning of the year	471,592	(0)	471,592	481,704	(0)	481,704
Cash at the end of the period	481,704	(0)	481,704	347,432	0	347,431

CITY OF ALAMEDA HEALTH CARE DISTRICT

MEETING DATE: May 14, 2018
TO: City of Alameda Health Care District, Board of Directors
FROM: Kristen Thorson, District Clerk
SUBJECT: Recommendation and Approval of April 2018 Parcel Tax Instalment Transfer to Alameda Health System

Action

Recommendation to transfer the April 2018 parcel tax installment to Alameda Health System in the amount of \$1,908,333.03 via wire transfer.

Background

The December 2017 parcel tax remittance of \$2,930,626 was received on December 14, 2017 and 7.8% or \$228,589 was held back to fund the remaining fiscal year expenses. The percentage represents the ratio of expenses to parcel revenue. With this hold-back of the December installment, it was anticipated that 100% of the April Installment would be available to be transferred to AHS. The December hold back has left the District with sufficient cash flow for the remainder of the fiscal year.

The April Installment was received on April 12, 2018 in the amount of \$1,908,333.03. This amount in net of the commission taken by Alameda County for collecting the parcel tax. Alameda County Auditor Agency noted that due to the Tax Cuts and Jobs Act that became law on December 22, 2017, many homeowners paid their 2nd installment in December 2017. Since our March remittance included the actual collections through February, the March remittance was larger than a normal year. To ensure we do not pay more than what will be collected for the year, we have made an adjustment to the April Advance payment. The June payment you receive will be based on the actual collections for non-teeter entities and final charges for teeter entities through May and the August payment will cover collections/charges through June. Note that the District is a teeter entity.

Cash Flow Projections - General Operating Account

Bank Balance as of 4/30/18	2,249,407.82
April Install Transfer - Proposed for 5/14/18 BOD MTG	1,908,333.03
<u>Available Balance after transfer - General Operating Account</u>	<u>341,074.79</u>
FYE June 30, 2018 Operating Budget (District Only)	456,395
Annualized through 4-30-18 (District Only)	350,525
	<u>(Variance)</u> 105,869

CITY OF ALAMEDA HEALTH CARE DISTRICT

The District is not expected to have out of the ordinary expenses for the next 3 months and feel that there is sufficient funding to carry the District's operating expenses through until the August Installment.

The August Installment will go toward the partial funding of the FYE June 30, 2019 operating budget. The District will evaluate cash flow and expenses when the December Installment is received and prior to transfer to Alameda Health System. Also note that possessory interest payments are being received and the receipt of the payments will impact cash on hand for the District.

Funds not used from the District's operating budget are trued up after the end of the fiscal year and after the annual audit and then transferred to Alameda Health System per the normal procedure.

As a reminder, parcel tax installments are received in April, August (\$200,000 – \$300,000) and December of each fiscal year. Each transfer to Alameda Health System is board approved.