

**SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 2 (DbA: LOPEZ ISLAND HOSPITAL DISTRICT)**

**2021 PROPOSED BUDGET**

BARS Number (subject to update prior to submission to SJC)	Item	2020 Forecast w/Actuals thru 9/30/20	2020 Budget, per Resolution	Difference '20 Budget vs. '20 Forecast	2021 Proposed Budget	Difference '21 Budget vs. '20 Budget	Description
1	6531.00. 308.80.00.0000 <i>Beginning Cash</i>	\$ 296,444	\$ 240,458	55,986	\$ 255,826	15,368	Starting cash in 2021 is based on Ending Cash in the 2020 Forecast and is used to support District operations early in the year before April tax proceeds are received.
2	<b>INCOME</b>						
3	6531.00. 311.10.00.0000 <b>Property Tax Revenue</b>	824,392	824,392	-	832,636	8,244	The calculated property tax amount is discounted by 4% when estimating Revenue since not 100% of the levy is collected due to discounts, exemptions and other programs that are available to seniors and disabled persons. The Maximum Allowable Levy limits the Levy increase to 1% increase plus amounts for estimated new construction. Since the amounts for new construction aren't yet finalized, the budget is only applying the 1% increase for 2021. As of 10/01/20 amount for new construction is \$6,301.56.
4	6531.00. 332.93.20.0000 <b>Medicare Incentive Program</b>	1,000	-	1,000	-	-	Expect to receive again in 2021 but not guaranteed.
5	6531.00. 337.20.00.0000 <b>Leasehold Tax</b>	653	-	653	-	-	Applies in lieu of property tax when persons or businesses lease or occupy publicly-owned real or personal property. SJC unable to estimate how much will be collected on an annual basis.
6	6531.00. 398.10.00.6541 <b>Insurance Recoveries</b>	6,000	6,000	-	6,000	-	Premium contribution received from Orcas Island Health Care District for PEBB health benefits. Reimbursement to LIHD for remitting OIHCD's portion of Superintendent's benefit payment. Refer to Line 29 for additional detail.
7	6531.00. 369.91.00.0000 <b>CWMA Reimbursement</b>	875	1,200	(325)	1,200	-	Associated with 50% of publication costs for HealthMatters 2.0.
8	6531.00. 334.00.30.0000 <b>State Grants</b>	-	-	-	-	-	The LIHD will pursue grant opportunities yet dollar amounts are unknown at this time.
9	6531.00. 337.40.00.0000 <b>Timber Harvest Tax - Private Land</b>	-	-	-	-	-	There are special tax classifications for land managed as open space according to state requirements for public benefit, farm/ag and commercial timber. Actual revenue is unknown.
10	<b>INCOME TOTALS</b>	832,920	831,592	1,328	839,836	8,244	<b>Does NOT include Beginning Cash.</b>
11							
12	<b>EXPENSES</b>						
13	6531.00. 561.00.41.0000 <b>Payments to UW Medicine - subsidy</b>	547,056	547,056	-	602,846	55,790	The amount budgeted for FY '20 represents the final cap in the original Clinical Service Agreement (CSA). FY '21 represents UWNC's FY '21 budget cap.
14	6531.00. 561.00.41.0002 <b>Accounting Expenses</b>	4,277	7,500	(3,223)	5,500	(2,000)	Accounting services to help with 5-year Cash Flow & Reserve Analysis, and SJC fees to process warrants and payroll.
15	6531.00. 561.10.41.0002 <b>State Audit Expenses</b>	-	-	-	8,000	8,000	In 2021 represents the cost for Accountability Audit conducted by the Office of the WA State Auditor and covers the two-year period 2019-2020.
16	6531.00. 561.00.41.0003 <b>Legal Services</b>	-	12,000	(12,000)	2,000	(10,000)	Contingency fund for unknown legal needs.
17	6531.00. 561.00.41.0004 <b>Technology Services</b>	2,774	1,500	1,274	3,178	1,678	Cost associated with NW Technology contract.
18	6531.00. 561.00.41.0005 <b>Independ. Contractor Agreements</b>	-	10,000	(10,000)	10,000	-	FY '21 is a contingency for consultant support to Board development and strategic planning.
19	6531.00. 561.00.41.0006 <b>Promotion &amp; Advertising</b>	1,800	500	1,300	1,800	1,300	Advertising in Islands' Weekly for Community Engagement meetings and Public Hearing on Budget and Levy in November. Total cost of publishing of HealthMatters 2.0 is offset by CWMA Reimbursement of 50%, amount shown on Line 7.

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20	6531.00.561.00.41.0007	Physical Therapy Contract	36,886	37,892	(1,006)	50,000	12,108	As outlined in the Lopez Island Physical Therapy Clinical Services Agreement (CSA), the total amount for support over the 3-year term is \$70,000. Schedule of payments was accelerated and the bulk of the current CSA is expected to be exhausted in January 2020. At their 9/23 meeting the Board voted to approve the request for an additional \$30,000 subsidy in 2020 and \$50,000 ongoing.
21	561.00.41	Professional Services Total	592,793	616,448	(23,655)	683,324	66,876	
22	6531.00.561.00.10.0001	Commissioners	9,728	15,360	(5,632)	15,360	-	Salary for four Commissioners who don't have a salary waiver in effect. Rate of compensation is set at \$128/meeting.
23	6531.00.561.00.10.0002	Superintendent	39,000	39,000	-	40,950	1,950	5% approved salary increase in 2021 and no change in benefits allowance.
24	561.00.10	Salary & Wages Total	48,728	54,360	(5,632)	56,310	1,950	
25	6531.00.561.00.20.0001	FICA & Medicare Tax	3,728	4,156	(428)	4,308	152	7.65% of Base Compensation
27		WA Paid Family Medical Leave	73	84		84		.15% of Gross Wages
28	6531.00.561.00.20.0002	Dept of Labor & Industries	168	204	(36)	216	12	\$.15 rate/hour. Supt 80 hrs and Comm hrs will vary.
29	6531.00.561.00.20.0006	Medical Insurance Premium	15,600	15,600	-	15,600	-	Total Medical Insurance Premium includes \$6,000 to be reimbursed by Orcas Island Health Care District (see Line 6).
30	561.00.20	Personnel Benefits Total	19,569	20,044	(464)	20,208	164	
31	6531.00.561.00.31.0000	Office Supplies	326	500	(174)	500	-	Largely printer ink and misc. supplies.
32	6531.00.561.00.31.0010	Janitorial Supplies Only	-	100	(100)	100	-	Minimal cleaning supplies needed for District Office.
33	561.00.31	Supplies Total	326	600	(274)	600	-	
34	6531.00.561.00.35.0000	Small Tools & Equipment	-	525	(525)	525	-	Placeholder for any additional office needs.
35	561.00.35	Small Tools & Equipment Total	-	525	(525)	525	-	
36	6531.00.561.00.42.0010	Postage & Shipping	429	750	(321)	750	-	Estimate for any community mailing.
37	6531.00.561.00.42.0020	Telephone & Internet	1,200	1,200	-	1,200	-	Phone and internet service totals \$100/month.
38	6531.00.561.00.42.0030	Website/Email Services	1,110	760	350	760	-	In 2020 new Web Manager contract in place to manage and host WordPress site. FY '20 included website migration and upgrade, with monthly service as of July. Annual contract \$720.
39	561.00.42	Communication Total	2,739	2,710	29	2,710	-	
40	6531.00.561.00.43.0020	Travel	500	7,575	(7,075)	7,575	-	Annual AWAPHD Superintendent Training (split with OIHCD) & Rural Hospital Leadership Conferences for Commissioners and Superintendent. Also ferry cost. Cancelled in 2020 due to COVID.
41	561.00.43	Travel Total	500	7,575	(7,075)	7,575	-	
42	6531.00.561.00.45.0000	Operating Rentals and Leases	4,275	4,275	-	4,275	-	District Office lease: \$350/month, and \$75/year for PO Box.
43	561.00.45	Operating Rents & Leases Total	4,275	4,275	-	4,275	-	
44	6531.00.561.00.46.0002	Property & Liability Insurance	-	-	-	-	-	Combined policy (see Line 45).
45	6531.00.561.00.46.0003	Board & Officers Insurance	2,352	2,445	(93)	2,423	(22)	Policy renews in May; assume 3% renewal increase.
46	561.00.46	Insurance Premiums & Recoveries Total	2,352	2,445	(93)	2,423	(22)	
47	6531.00.561.00.49.0000	Printing/Graphics	1,861	2,550	(689)	2,550	-	HealthMatters 2.0 expense is offset w/reimbursement from CWMA (Line 7).
48	6531.00.561.00.49.0001	Meeting Expenses	-	90	(90)	90	-	2019 includes cost of Lopez Center for June community meeting
49	6531.00.561.00.49.0002	Bank Service Charge	-	-	-	-	-	Move fiscal agent fee to Debt Issue Costs
50	6531.00.561.00.49.0010	Dues & Subscriptions	1,095	1,095	-	1,095	-	Association of WA PHDs dues and any other for FY '21.
51	6531.00.561.00.49.0020	Subscriptions & Publication	-	100	(100)	100	-	Purchased Survey Monkey license in 2019 for surveys.
52	6531.00.561.00.49.0030	Conferences and Training	150	2,250	(2,100)	2,250	-	Leadership Conference. Superintendent reg split w/ OIHCD. Cancelled in 2020 due to COVID.

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53	561.00.49 Miscellaneous Total	3,106	6,085	(2,979)	6,085	-	
54	6531.00. 561.00.51.0000 Election Services	2,178	-	2,178	5,000	5,000	Two seats up for re-election in 2021, plus term vacated by Commissioner Presley. 2019 Election cost billed in early 2020.
55	561.00.41.0149 Intergovernmental Services Total	2,178	-	2,178	5,000	5,000	
56	6531 592.61.89.0000 Debt Issue Costs	5,170	170	5,000	170	-	US Bank Fiscal Agent fee of \$170 due in October. FY '20 includes estimated cost for GO Bond refinance of \$5,000.
57	592.61.84 Debt Issues Costs Total	5,170	170	5,000	170	-	
58	6534.00. 592.61.81.0000 Interest Payments on CWMA Loan	-	-	-	-	-	Paid in full as of 12.07.18 with final GO Bond draw.
59	6534.00. 592.61.83.2037 Interest Payment-Islanders GO Bond	13,166	15,072	(1,906)	10,652	(4,420)	Original GO Bond: 4.35% interest rate; 20-year term matures December 2037. Islanders' confirmed rate reduction to 3.25% retro to 6/1/20 with no other change in terms or bank fees. Amounts reflect revised amortization schedule.
60	6534.00. 592.61.83.0000 Interest Payments -San Juan County Loan	-	-	-	-	-	Paid in full as of 9.03.18 with first and second GO Bond draws.
61	6534.00. 591.61.81.0001 Interest Payments - Islanders Bank LOC	-	-	-	-	-	Never accessed LOC and this loan is closed.
62	6534.00. 591.61.77.0000 Principal Payments on CWMA Loan	-	-	-	-	-	Paid off as of 12.07.18 with final GO Bond draw.
63	6534.00. 591.61.77.0001 Principal Payment-Islanders Bank GO Bond	17,526	15,620	1,906	17,816	2,196	Made once a year in December.
64	6534.00. 591.61.78.0000 Principal Payments -San Juan County Loan	-	-	-	-	-	Loan paid in full as of 9.03.18 w/first 2 GO Bond draws.
65	6534.00. 591.61.77.0001 Principal Payments - Islanders Bank ST Loan	-	-	-	-	-	Short term loan never needed for 2017 start-up expenses.
66	591.61.71, 77, 78, 81 & 83 Bonds, Notes & Intergov't Loans	30,692	30,692	0	28,468	(2,224)	
67	6531.00. 594.61.64.0001 Computer Hardware	-	-	-	-	-	
68	6531.00. 594.61.64.0002 Computer Software	11,110	10,870	240	300	(10,570)	BoardDocs will be terminated as of 1.1.21. NW Technology provides tech and email support. This represents reimbursement to OICD for 50% of annual Zoom and DocuSign license.
69	6531.00. 594.61.64.0003 Furniture & Fixtures	-	1,000	1,000	500	(500)	Placeholder for any additional office needs.
70	594.61.64 Machinery & Equipment Total	11,110	11,870	1,240	800	(11,070)	
71	<b>Total Income</b>	<b>1,129,364</b>	<b>1,072,050</b>	<b>57,314</b>	<b>1,095,662</b>	<b>23,612</b>	Cash basis accounting method records income when cash is received and expenses are recorded when cash is paid out. The County requires a balanced budget meaning annual revenue equals annual expense plus ending cash. This total includes Beginning Cash.
72	<b>Total Expenses</b>	<b>723,538</b>	<b>757,799</b>	<b>(34,261)</b>	<b>818,473</b>	<b>60,674</b>	Operating Expenses PLUS Debt Service. Some of the larger expenses in the FY '21 budget include increases in UW and LIPT subsidies, an election expense and a State Audit expense.

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73	6531.00. 508.80.00.0000	Ending Cash (not adjusted for reserve)	405,826	314,251	91,575	277,189	(37,062)	This is the Beginning Cash for the start of the 2021 Fiscal Year and is needed to fund Expenses until Property Tax revenue is received.
74	6531.00. 508.80.00.0000	Ending Cash (adjusted for reserve)	255,826	164,251	91,575	127,189	(37,062)	Budget includes a semi-annual allocation to the Reserve Fund of \$75,000 or \$150,000/year. Contributions will be made in May/Nov to plan for: (1) any future change in UW Medicine contract; (2) other services identified in anticipated community needs assessment; (3) possibility of early payoff of GO Bond; and (4) contingency if there was an economic downturn that impacted Revenue or other unforeseen events. As of 12/31/21 reserve balance expected to be \$450,000. There need to be funds in the General Fund to carry the District from Nov through March in between times when property taxes are paid. This represents approx. 13% of expected annual revenue.
75								
76								
77		<b>Category</b>		<b>As a % of Revenue Budgeted FY 20</b>		<b>As a % of Revenue Proposed FY 21</b>		
78								
79		UW Medicine/LIPT Subsidy Payments		55.1%		60.9%		
80		Administration (without indep contractor/audit/election)		12.4%		10.6%		
81		Debt Service		2.9%		2.7%		
82		Ending Cash		15.5%		11.9%		
83		Reserve		14.1%		14.0%		
84				100%		100%		
85								
86		<b>Category</b>		<b>Budget FY '20</b>		<b>Proposed FY '21</b>		
87								
88		UW Medicine/LIPT Subsidy Payments		\$584,948		\$652,846	\$67,898	
89		Administration (without indep contractor/audit/election)		\$132,159		\$114,159	-\$18,000	
90		Debt Service		\$30,692		\$28,468	-\$2,224	
91		Ending Cash		\$164,251		\$127,189	-\$37,062	
92		Reserve		\$150,000		\$150,000	\$0	
93		<b>TOTAL EXPENSES</b>		<b>1,062,050</b>		<b>1,072,662</b>	<b>\$10,612</b>	