

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

2020 PROPOSED BUDGET - Presented November 6, 2019

Item	2019 Forecast w/Actuals thru 8/31/19	2019 Budget, per Resolution	Difference '19 Budget vs. '19 Forecast	2020 Proposed Budget	Difference '20 Budget vs. '19 Budget	Description
1 Beginning Cash	\$ 299,343	\$ 210,454	88,889	\$ 240,458	30,004	Starting cash in 2020 is based on Ending Cash in the 2019 Forecast and is used to support District operations early in the year before April tax proceeds are received. The difference in 2019 Budgeted Beg Cash versus Actual is largely associated with the delayed subsidy payment to UW from their FY '18 of \$78,999.
2 INCOME						
3 Property Tax Revenue	816,230	816,230	-	824,392	8,162	The preliminary 2019 Total Assessed Value (AV) used in determining the 2020 Budget Revenue is \$1,276,493,689. This is 11% higher than the 2018 AV of \$1,136,440,525 used in calculating 2019 Revenue. 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 2020.
4 Medicare Incentive Program	500	-	500		-	Expect to receive again in 2020 but not guaranteed.
5 Leasehold Tax	814	-	814	-	-	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 Insurance Recoveries	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 CWMA Reimbursement	1,474	-	1,474	1,200		Associated with publication costs for HealthMatters 2.0.
8 Grants	13,000	-	13,000	-		The LIHD will pursue grant opportunities yet dollar amounts are unknown at this time.
9 Timber Harvest Tax - Private Land	35	-	35	-	-	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 INCOME TOTALS	838,053	822,230	15,823	831,592	9,362	Does NOT include Beginning Cash.
11						
12 EXPENSES						
13 Payments to UW Medicine - subsidy	554,527	536,254	18,273	547,056	10,802	Fy '19 payment includes a balance due from FY '18 of \$78,999 PLUS the Actual FY'19 loss determined of \$475,528. The amount budgeted for FY '20 represents the final cap in the original Clinical Service Agreement (CSA).
14 Accounting Expenses	7,500	8,360	(860)	7,500	(860)	Accounting services to help with 5-year Cash Flow & Reserve Analysis, and SJC fees to process warrants and payroll.
15 State Audit Expenses	4,147	4,000	147	-	(4,000)	In 2019 represents the cost for annual Accountability Audit conducted by the Office of the WA State Auditor. The next Audit will be conducted in 2021 and cover 2019-2020.

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16 Legal Services	5,500	5,500	-	12,000	6,500	Contingency fund for unknown legal needs that might arise as we get closer to the end of the current UW Medicine contract.
17 Technology Services	2,500	2,500	-	1,500	(1,000)	Cost associated with any technical support needed.
18 Independ. Contractor Agreements	5,000	5,000	-	10,000	5,000	Contingency for consultant support to possible needs as District approaches next CSA with UWNC and/or Board development/strategic planning.
19 Promotion & Advertising	1,857	500	1,357	500	-	Advertising in Islands' Weekly for Community Engagement meetings and Public Hearing on Budget and Levy in November.
20 Physical Therapy Contract	27,108	35,000	(7,892)	37,892	2,892	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 10/23 meeting the Board voted to approve the request for an additional \$30,000 subsidy in 2020.
21 561.00.41 Professional Services Total	608,139	597,114	11,025	616,448	19,334	
22 Commissioners	4,608	5,750	(1,142)	15,360	9,610	Salary for two Commissioners who don't have a salary waiver in effect is reflected in 2019. For 2020, the budget assumes no salary waivers in effect and all Commissioners attend 24 meetings/year at \$128/meeting.
23 Superintendent	37,500	37,500	-	39,000	1,500	Employed position .5 FTE; 4% approved salary increase in 2020 and no change in benefits allowance.
24 561.00.10 Salary & Wages Total	42,108	43,250	(1,142)	54,360	11,110	
25 FICA & Medicare Tax	3,220	3,315	(95)	4,156	841	7.65% of Base Compensation
27 WA Paid Family Medical Leave	61	-	-	84	-	.15% of Gross Wages
28 Dept of Labor & Industries	155	180	(25)	204	24	\$.15 rate/hour. Supt 80 hrs and Comm hrs will vary.
29 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	19,036	19,095	(120)	20,044	949	
31 Office Supplies	500	500	-	500	-	Largely printer ink and misc. supplies.
32 Janitorial Supplies Only	100	100	-	100	-	Minimal cleaning supplies needed for District Office.
33 561.00.31 Supplies Total	600	600	-	600	-	
34 Small Tools & Equipment	525	525	-	525	-	Placeholder for any additional office needs.
35 561.00.35 Small Tools & Equipment Total	525	525	-	525	-	
36 Postage & Shipping	750	1,050	(300)	750	(300)	Estimate for any community mailing.
37 Telephone & Internet	1,200	1,140	60	1,200	60	Phone and internet service totals \$100/month, changed to fiber in September 2019 at \$80/month.
38 Website/Email Services	1,126	1,030	96	760	(270)	Prepaid GoDaddy Website hosting for 5 years through 2023 and 2019 renewed ICD Soft at \$96 for email. In 2020 new Web Manager contract in place to manage and host WordPress site.

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39 561.00.42 Communication Total	3,076	3,220	(144)	2,710	(510)	
40 Travel	5,384	10,260	(4,876)	7,575	(2,685)	Annual AWAPHD Superintendent Training (split with OIHCD) & Rural Hospital Leadership Conferences for Commissioners and Superintendent. Also ferry cost.
41 561.00.43 Travel Total	5,384	10,260	(4,876)	7,575	(2,685)	
42 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 Property & Liability Insurance	-	-	-	-	-	Combined policy see Line 45.
45 Board & Officers Insurance	2,374	2,385	(11)	2,445	60	Policy runs through May 2020; assume 3% renewal increase.
46 561.00.46 Insurance Premiums & Recoveries	2,374	2,385	(11)	2,445	60	
47 Printing/Graphics	3,959	3,850	109	2,550	(1,300)	2019 costs were higher due to Community Conversation/2019 Health Care Survey. HealthMatters 2.0 expense is offset w/reimbursement from CWMA (Line 7).
48 Meeting Expenses	621	90	531	90	-	2019 includes cost of Lopez Center for June community meeting
49 Bank Service Charge	100	100	-	-	(100)	Move fiscal agent fee to Debt Issue Costs
50 Dues & Subscriptions	1,095	1,095	-	1,095	-	Association of WA PHDs dues & Lopez Chamber of Commerce
51 Subscriptions & Publication	415	100	315	100	-	Purchased Survey Monkey license in 2019 for survey.
52 Conferences and Training	2,550	2,550	-	2,250	(300)	Annual AWAPHD Superintendent Conference & Rural Hospital Leadership Conference. Superintendent reg split w/ OIHCD.
53 561.00.49 Miscellaneous Total	8,740	7,785	955	6,085	(1,700)	
54 Election Services	5,000	5,000	-	-	(5,000)	Two seats up for re-election in '19. Next election will be 2021.
55 561.00.51 Intergovernmental Services Total	5,000	5,000	-	-	(5,000)	
56 Debt Issue Costs	-	-	-	170	170	US Bank Fiscal Agent fee of \$170
57 592.61.84 Debt Issues Costs Total	-	-	-	-	-	
58 Interest Payments on CWMA Loan	-	-	-	-	-	Paid in full as of 12.07.18 with final GO Bond draw.
59 Interest Payment-Islanders GO Bond	15,705	15,805	(100)	15,072	(733)	Based on 4.35% interest rate; 20-year term.
60 Interest Payments -San Juan County Loan	-	-	-	-	-	Paid in full as of 9.03.18 with first and second GO Bond draws.
61 Interest Payments - Islanders Bank LOC	-	-	-	-	-	Never accessed LOC and this loan is closed.
62 Principal Payments on CWMA Loan	-	-	-	-	-	Paid off as of 12.07.18 with final GO Bond draw.
63 Principal Payment-Islanders Bank GO Bond	15,283	12,095	(3,188)	15,620	3,525	Made one a year in December
64 Principal Payments -San Juan County Loan	-	-	-	-	-	Loan paid in full as of 9.03.18 w/first 2 GO Bond draws.
65 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 & Intergo	30,988	27,900	(3,288)	30,692	2,792	
67 Computer Hardware	1,400	1,000	400	-	(1,000)	In 2019 had to replace laptop for Superintendent.
68 Computer Software	14,053	12,250	1,803	10,870	(1,380)	BoardDocs manages public records requests, security, records retention. 2019 cost subsidized by \$13,000 grant.
69 Furniture & Fixtures	1,000	1,000	-	1,000	-	Placeholder for any additional office needs.
70 594.61.64 Machinery & Equipment Total	16,453	14,250	2,203	11,870	(2,380)	

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71	Total Income	1,137,396	1,032,684	104,712	1,072,050	39,366	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	Total Expenses	746,938	735,659	11,279	757,629	21,970	Operating Expenses PLUS Debt Service
73	Ending Cash (not adjusted for reserve)	390,458	297,025	93,433	314,421	17,396	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	Ending Cash (2019 adjusted for reserve)	240,458	147,025	93,433	164,421	17,396	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.

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75						
76						
77	Category	As a % of Revenue		As a % of Revenue		
78		Budgeted FY 19		Proposed FY 20		
79	UW Medicine/LIPT Subsidy Payments	55.3%		54.6%		
80	Administration	13.2%		13.2%		
81	Debt Service	2.7%		2.9%		
82	Ending Cash	14.2%		15.3%		
83	Reserve	14.5%		14.0%		
84		100%		100%		
85						
86	Category	Budget FY '19		Proposed FY '20		
87						
88	UW Medicine/LIPT Subsidy Payments		\$571,254		\$584,948	\$13,694
89	Administration		\$136,505		\$141,989	\$5,484
90	Debt Service		\$27,900		\$30,692	\$2,792
91	Ending Cash		\$147,025		\$164,421	\$17,396
92	Reserve		\$150,000		\$150,000	\$0
93	TOTAL EXPENSES		1,032,684		1,072,050	\$39,366