
PUBLIC NOTICE

Bloss Memorial Healthcare District, A Public Entity • 3605 Hospital Road, • Atwater, California 95301 •
(209) 722-4102 or (209) 381-2000 x 7002 • fax: (209) 722-9020

Date: October 20, 2023

Phone: (209) 724-4102

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Bloss Memorial Healthcare District will hold their next **Finance Committee** meeting on Thursday, October 26, 2023 at 1:30 pm in the Board Room at 3605 Hospital Road, Atwater, CA 95301.

Bloss Memorial Healthcare District will hold their next Board of Directors meeting on Thursday, October 26, 2023 at 2:00 pm in the Board Room at 3605 Hospital Road, Atwater, CA 95301.

I, Fily Cale, Executive Assistant of Bloss Memorial Healthcare District, do hereby certify that a copy of the foregoing agenda was posted at Bloss Memorial Healthcare District a minimum of 72 hours prior to the meeting.

In compliance with the federal Americans with Disabilities Act of 1990, upon request, the agenda can be provided in an alternative format to accommodate special needs. If you require special accommodations to participate in a Board of Directors or Finance Committee meeting due to a disability, please contact the Executive Assistant a minimum of three (3) business days in advance of the meeting at (209) 724-4102 or (209) 381-2000 ext 7000. You may also send the request by email to calef@cfhcinc.org.

BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
3605 Hospital Road, Atwater, CA 95301
FINANCE COMMITTEE MEETING
BOARD ROOM
Thursday, October 26, 2023
1:30 pm.

AGENDA FOR PUBLIC SESSION

I. CALL TO ORDER	<u>ACTION</u>	<u>EXHIBIT</u>
II. APPROVAL OF AGENDA	*	
III. PUBLIC COMMENTS Comments can be made concerning any matter within the Committee’s jurisdiction; but if the matter is not on the agenda, there will be no Committee discussion of the issue. Anyone wishing to address the Committee on any issue please stand and comment.		
IV. APPROVAL OF FINANCE COMMITTEE MINUTES		
A. September 27, 2023 Finance Committee Minutes	*	1
V. REVIEW OF SEPTEMBER DISTRICT FINANCIALS	*	2
VI. WARRANTS & PAYROLL		
A. September Payroll, Electronic Payments & Check Register	*	3
B. Recommendation of FYE 2023 Draft Audit	*	4
VII. OLD BUSINESS		
VIII. DISCUSSION		
IX. AGENDA FOR CLOSED SESSION		
X. NEXT MEETING DATE		
XI. ADJOURNMENT		

SB 343 NOTICE

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the office of the Executive Assistant at Bloss Memorial Healthcare District during normal business at 3605 Hospital Road.

If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda at 3605 Hospital Road.

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
FINANCE COMMITTEE MEETING
BOARD ROOM
Wednesday, September 27, 2023
1:30 p.m.**

Committee: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Alfonse Peterson, Committee Chair and Kory Billings, Committee Member

Others Present: None

Absent: None

CALL TO ORDER

Alfonse Peterson, Committee Chair, called the meeting to order at 1:30 p.m. in the Board Room.

APPROVAL OF AGENDA

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve the September 27, 2023 agenda as presented. Motion carries.

PUBLIC COMMENTS

None.

APPROVAL OF FINANCE COMMITTEE MINUTES

A. August 31, 2023 Finance Committee Minutes, Exhibit 1

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve the August 31, 2023 Finance Committee minutes as presented, Exhibit 1. Motion carries.

REVIEW OF AUGUST DISTRICT FINANCIAL, EXHIBIT 2

Dawnita Castle reported that the Cash Balance was at \$3,812,973 and Days Cash on Hand did increase to 772 days compared to 705 the prior month. The increase was due to CFHC prepaid their rent for September in the amount of \$121,000 also quarterly property tax payment from Merced County in the amount of \$46,084 for fiscal year end.

August had a loss after depreciation of \$48,630. There was a capital net gain net loss of \$33,199; the Merced Scholarship and the Bloss Repairs & Facilities had a gain of \$10,096 on both, but the Capital Projects had a decrease of \$40,273 and the other grants was at \$13,188 decrease. What does not affect the bottom line is the Ung Goodwin fund, but is had a gain as well of \$1,695.

There is an annual disbursement from the Ung Goodwin account that is done annually, but BMHD didn't disburse anything last year. David Goforth, ThiesenDueker, had spoken to her about how BMHD wants to proceed with that. This may be an agenda item as the board will need how to distribute out funds for the scholarship for Merced County and the Facility Repairs.

Alfonse Peterson commented that usually the Ung Goodwin funds are used for flu shots. Dawnita Castle replied that its for the senior citizens and whatever BMHD decides to do. There has been flu shots, eye exam and sometimes debt forgiveness. In the past it was \$7,000 when it was set up with Wells Fargo. Fily Cale added that December 20, 2021 was the late time the required minimum distribution (RMD) from the annual taxes, which was set up through Wells Fargo Bank was distributed. Now that the Ung Goodwin Trust is no longer through Wells Fargo and is through ThiesenDueker, this would be something the board of directors may want to address.

Edward Lujano stated that it could be left one more year to get the full cycle, there is money set aside for other grants, why touch the fund. Kory Billings responded that as of August 31, 2023 it is \$267,000 and maybe as an option take the \$7,000. In order to keep it at ThiesenDueker the balance needs to be at \$250,000.

Ung Goodwin will be agendized for December meeting to discuss how to proceed with the distribution.

Alfonse Peterson commented that the accounts that had more performance, had more money in fixed accounts than the others. Kory Billings added that they were invested in different terms. The grants and facility repairs are a little higher and the scholarship were invested with income with moderate growth results. The capital project account was a growth investment. The strategies were slightly different in each of those.

Dawnita Castle added that ThiesenDueker wants to meet with BMHD to go over the investments and the policies and procedures need to be revised to however the board want it. She will set up a date for the first part of November. She also mentioned that the Bloss Trust had a loss for the month, but since January since was almost a gain of \$1.9M.

YTD, BMHD had a gain of \$40,074.

Kory Billings added that in February we need to look at the investment to determine how much will be pulled for medical scholarships. March and April students can apply and distribute by May.

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve the Review of August District Financial Statements, Exhibit 2. Motion carries.

WARRANTS & PAYROLL

A. August Payroll, Electronic Payments & Check Register, Exhibit 2

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve the August 2023 Payroll in the amount of \$9,652.76; Accounts Payable in the amount of \$350,773.42 and Check Register of \$360,426.18, Exhibit 3. Motion carries.

OLD BUSINESS

None.

DISCUSSION

None.

AGENDA FOR CLOSED SESSION

None.

NEXT MEETING DATE/ADJOURNMENT

The next Finance Committee meeting will be held Thursday, October 26, 2023 at 1:30 pm.

As there was no further business, the meeting adjourned at 1:47 pm.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Committee Chair

**BLOSS MEMORIAL HEALTHCARE DISTRICT
FINANCE COMMITTEE MEETING
Period Ended September 2023**

Operations Summary Statement (white)

Financial Statements

Prior Month Detail Balance Sheet (**yellow**)

Prior Month Comparison Profit & Loss (**lilac**)

Profit & Loss YTD Comparison (**pink**)

Sierra Kings Dental Surgery Center (**blue**)

Budget to Actual Variance (**gray**)

BMHD had a total net gain before depreciation of \$10,280 for the month compared to a loss of \$104 last year. Net income after depreciation was a loss of \$219,038.

Expenses include \$9,743 of SKDSC costs.

The September, Operating Cash Balance was \$3,733,999 and Days Cash On Hand an increased to 797 Days*. In August the DCH was 772 Days.

* Days Cash on Hand (DCH) = Operating Cash / Average Daily Expense (excluding depreciation). DCH indicates Bloss's ability to cover operating expenses. The Benchmark for Health Centers is a minimum of 90 Days.

A summary comparison of operations for the month and the prior year is as follows :

	Sep-23	Sep-22	VARIANCE *	%	Y-T-D Sep-23	Y-T-D Sep-22	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	0	0	NA	0	0	0	N/A
Other Operating Revenue	150,827	142,271	8,556	NA	465,304	434,107	31,198	7.19%
Total Net Operating Revenue	150,827	142,271	8,556	NA	465,304	434,107	31,198	7.19%
Operating Expenses Excluding Depreciation	140,547	142,375	1,828	1.28%	467,647	414,525	(53,122)	-12.82%
Net Operating Income (Loss) Before Depreciation	10,280	(104)	10,385	9946.92%	(2,343)	19,582	(21,924)	111.96%
Net Non Operating-Gains/Losses								
Gain/Loss on Investments	(208,854)	(105,341)	(103,514)	98.27%	(149,433)	(74,645)	(74,788)	100.19%
Grant Donation Expense	(7,800)	(9,540)	(1,740)		(33,900)	(27,726)	(6,174)	
All Other Non-Operating Gains/Losses	47,364	39,389	(7,975)	-20.25%	142,137	118,137	24,000	20.32%
Total Net Non-Operating Income: Losses/Gains	(169,291)	(75,492)	(93,798)	-124.25%	(41,196)	15,766	(56,962)	-361.29%
Total Net Income (Loss) Before Depreciation	(159,010)	(75,597)	(83,414)	110.34%	(43,538)	35,348	(78,886)	-223.17%
Depreciation Expense	60,028	60,593	(565)	-0.93%	184,056	181,706	2,350	1.29%
Net Income (Loss) After Depreciation	(219,038)	(136,189)	(82,849)	60.83%	(227,594)	(146,357)	(81,237)	55.51%

* Note: unfavorable variances are indicated by parenthesis ().

Bloss Memorial HealthCare District
 Operations Summary Report
 Three Months Ending September 30, 2023

BMHD FULL TIME EQUIVALENTS SUMMARY :
 (See FTE report included in Financial Reports for detail)

	Sep-23	YTD Sep-23	YTD Sep-22	VARIANCE	%	Y-T-D Sep-23	Y-T-D Sep-22	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	1.00	1.00	1.00	0.00	0.00%	1.00	1.00	0.00	1.54%
CONTRACT FTE'S	3.64	3.78	0.14	0.14	3.70%	4.51	4.01	(0.50)	-13.09%
TOTAL FTE'S	4.64	4.78	0.14	0.14	2.93%	5.51	5.01	(0.50)	-9.81%

* Note: unfavorable variances above are indicated by parenthesis ().

Full Time Equivalent - Employees for the month are 0.00% the same as the prior year with 1.00 FTE'S

The major (>1 fte) Total Employee FTE increases for the month are comprised primarily of the following :

Department	Cur. Mo. (Increase) DECREASE	YTD (Increase) DECREASE	Reason
Administration	0.00	0.00	
All other departments < 1 fte var	0.00	0.00	Various departments less than 1 fte variance.
	0.00	0.00	Brackets () indicate a decrease (favorable) variance

Bloss Memorial Healthcare District

Balance Sheet

10/19/23

As of September 30, 2023

Accrual Basis

	Sep 30, 23	Aug 31, 23	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1001 Cash General Checking	1,726,007.37	1,805,094.93	-79,087.56	-4.4%
1002 Cash - Payroll	8,699.28	8,699.28	0.00	0.0%
1003 CDSC Cash Gen Chking	0.20	0.20	0.00	0.0%
1005 Cash Laif Savings	2,005,063.01	2,004,949.95	113.06	0.0%
1010 Investment Cap Improv	1,572,554.85	1,633,432.47	-60,877.62	-3.7%
1010 Investment Grants	1,134,951.99	1,247,662.68	-112,710.69	-9.0%
1011 NURSING & MD SCHOLARSHIPS	1,510,145.05	1,527,778.14	-17,633.09	-1.2%
1012 FACILITY MINOR REPAIRS	1,510,080.34	1,527,713.37	-17,633.03	-1.2%
Total Checking/Savings	9,467,502.09	9,755,331.02	-287,828.93	-3.0%
Accounts Receivable				
1060 Rent Receivable	262.31	-1,033.07	1,295.38	125.4%
1063 Prop Tax Receivable	141,782.58	94,531.72	47,250.86	50.0%
Total Accounts Receivable	142,044.89	93,498.65	48,546.24	51.9%
Other Current Assets				
1101 Prepaid Insurance	85,337.28	94,819.20	-9,481.92	-10.0%
1103 Prepaid Rent	29,229.18	38,972.24	-9,743.06	-25.0%
1108 Prepaid Expense	26,353.66	11,270.84	15,082.82	133.8%
Total Other Current Assets	140,920.12	145,062.28	-4,142.16	-2.9%
Total Current Assets	9,750,467.10	9,993,891.95	-243,424.85	-2.4%
Fixed Assets				
1200 Land	2,205,996.23	2,205,996.23	0.00	0.0%
1221 Bloss Building and Improve	1,670,214.68	1,670,214.68	0.00	0.0%
1221 Castle Build and Impr	21,204,811.22	21,161,219.40	43,591.82	0.2%
1224 Park Lot & Improve	138,713.06	138,713.06	0.00	0.0%
1225 Communication Lines	13,678.05	13,678.05	0.00	0.0%
1225 Equipment Fixed	131,929.29	131,929.29	0.00	0.0%
1271 Accum Depr Build & Im	-9,829,085.04	-9,771,256.12	-57,828.92	-0.6%
1275 Accum Dep Fixed Equip	-162,342.62	-160,143.81	-2,198.81	-1.4%
Total Fixed Assets	15,373,914.87	15,390,350.78	-16,435.91	-0.1%
Other Assets				
1510 UNG Goodwin Trust	264,740.18	267,976.48	-3,236.30	-1.2%
Total Other Assets	264,740.18	267,976.48	-3,236.30	-1.2%
TOTAL ASSETS	25,389,122.15	25,652,219.21	-263,097.06	-1.0%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 Accounts Payable Vendor	25,774.69	35,693.85	-9,919.16	-27.8%
2020 Accounts Payable Accrual	0.00	33,506.90	-33,506.90	-100.0%
2029 Accounts Payable Other	14,574.40	13,674.40	900.00	6.6%
2029 Blue Cloud Payable	5,770.87	5,770.87	0.00	0.0%
2029 CFHC Inc Payable	32,116.17	26,630.49	5,485.68	20.6%
Total Accounts Payable	78,236.13	115,276.51	-37,040.38	-32.1%

Bloss Memorial Healthcare District

Balance Sheet

As of September 30, 2023

10/19/23

Accrual Basis

	Sep 30, 23	Aug 31, 23	\$ Change	% Change
Other Current Liabilities				
2030 Accrued Salary Wages	4,166.67	4,166.67	0.00	0.0%
2031 Accrued Vacation	18,410.11	17,609.15	800.96	4.6%
2036 FICA Payable	318.75	318.69	0.06	0.0%
2038 Pension Plan Accrual	1,158.27	5,741.61	-4,583.34	-79.8%
2039 Other Payroll Payable	99.04	99.04	0.00	0.0%
Total Other Current Liabilities	24,152.84	27,935.16	-3,782.32	-13.5%
Total Current Liabilities	102,388.97	143,211.67	-40,822.70	-28.5%
Long Term Liabilities				
2570 UNG GOODWIN TRUST	264,740.18	267,976.48	-3,236.30	-1.2%
Total Long Term Liabilities	264,740.18	267,976.48	-3,236.30	-1.2%
Total Liabilities	367,129.15	411,188.15	-44,059.00	-10.7%
Equity				
2310 Capital BMHCD	4,930,743.06	4,930,743.06	0.00	0.0%
2330 Donated Capital	20,318,844.00	20,318,844.00	0.00	0.0%
Net Income	-227,594.06	-8,556.00	-219,038.06	-2,560.1%
Total Equity	25,021,993.00	25,241,031.06	-219,038.06	-0.9%
TOTAL LIABILITIES & EQUITY	25,389,122.15	25,652,219.21	-263,097.06	-1.0%

Bloss Memorial Healthcare District
Profit & Loss
September 2023

10/19/23

Accrual Basis

	Sep 23	Aug 23	\$ Change	% Change
Ordinary Income/Expense				
Income				
5779 Rental Income	149,334.32	164,850.56	-15,516.24	-9.4%
5780 Misc Other Operating	1,492.86	0.00	1,492.86	100.0%
Total Income	150,827.18	164,850.56	-14,023.38	-8.5%
Gross Profit	150,827.18	164,850.56	-14,023.38	-8.5%
Expense				
6000 Management and Supervision	8,333.34	8,333.34	0.00	0.0%
6010 Fica	637.50	637.50	0.00	0.0%
6015 Pension Plan	416.66	416.66	0.00	0.0%
6018 Vacation Expense	800.96	31.73	769.23	2,424.3%
6022 Consultig & MGT	2,583.30	2,467.48	115.82	4.7%
6024 Accounting/Audit	900.00	900.00	0.00	0.0%
6026 Other Contracted Services	29,172.80	20,210.47	8,962.33	44.3%
6043 Food	5.49	11.97	-6.48	-54.1%
6046 Office Supplies	78.64	127.44	-48.80	-38.3%
6049 Other Minor Equipment	0.00	-8,589.14	8,589.14	100.0%
6052 Freight on Purchases	59.42	59.48	-0.06	-0.1%
6062 Repairs & MTC	3,805.61	5,265.48	-1,459.87	-27.7%
6064 Management Services	900.00	600.00	300.00	50.0%
6069 Other Purchased Services	44,396.29	51,044.06	-6,647.77	-13.0%
6071 Deprec-Land & Improvements	1,161.25	1,161.25	0.00	0.0%
6072 Deprec-Buildings and Impro	56,667.66	55,941.13	726.53	1.3%
6074 Deprec-Equipment	2,198.82	2,198.82	0.00	0.0%
6075 SKDSCBuilding Rent Expense	9,743.06	9,743.06	0.00	0.0%
6077 Electricity	24,629.10	36,126.97	-11,497.87	-31.8%
6077 Radiology Electricity	200.30	309.90	-109.60	-35.4%
6078 Natural Gas	515.11	100.51	414.60	412.5%
6079 Water	600.90	2,640.83	-2,039.93	-77.3%
6080 Utilities-Other	1,824.33	2,299.55	-475.22	-20.7%
6082 Insurance Expense	9,963.87	19,072.75	-9,108.88	-47.8%
6083 Tax and Licenses	0.00	580.00	-580.00	-100.0%
6085 Telephone Expense	222.65	0.00	222.65	100.0%
6086 Dues and Subscriptions	304.33	347.33	-43.00	-12.4%
6088 Travel Expense	4.99	16.68	-11.69	-70.1%
6089 Advertising	400.00	400.00	0.00	0.0%
6090 Bank Service Charges	48.35	47.95	0.40	0.8%
Total Expense	200,574.73	212,503.20	-11,928.47	-5.6%
Net Ordinary Income	-49,747.55	-47,652.64	-2,094.91	-4.4%
Other Income/Expense				
Other Income				
9060 Interest Income	113.06	120.85	-7.79	-6.5%
9061 Gain on Investments	0.00	20,193.44	-20,193.44	-100.0%
9160 Property Tax Revenue	47,250.86	47,280.86	-30.00	-0.1%
Total Other Income	47,363.92	67,595.15	-20,231.23	-29.9%
Other Expense				
9025 Non Operating CFHC	7,800.00	15,180.00	-7,380.00	-48.6%
9030 Loss on Marketable Securit	208,854.43	53,392.07	155,462.36	291.2%
Total Other Expense	216,654.43	68,572.07	148,082.36	216.0%
Net Other Income	-169,290.51	-976.92	-168,313.59	-17,229.0%
Net Income	-219,038.06	-48,629.56	-170,408.50	-350.4%

Bloss Memorial Healthcare District Profit & Loss YTD Comparison July through September 2023

10/19/23

Accrual Basis

	Jul - Sep 23	Jul - Sep 22	\$ Change	% Change
Ordinary Income/Expense				
Income				
5779 Rental Income	463,746.51	434,041.87	29,704.64	6.8%
5780 Misc Other Operating	1,557.50	64.64	1,492.86	2,309.5%
Total Income	465,304.01	434,106.51	31,197.50	7.2%
Gross Profit	465,304.01	434,106.51	31,197.50	7.2%
Expense				
6000 Management and Supervision	25,000.02	25,000.02	0.00	0.0%
6010 Fica	1,912.50	1,912.56	-0.06	0.0%
6011 Unemployment Insurance	400.00	1,200.00	-800.00	-66.7%
6015 Pension Plan	1,249.98	1,200.00	49.98	4.2%
6016 Workers Compensation	0.00	100.35	-100.35	-100.0%
6018 Vacation Expense	2,034.14	-1,074.52	3,108.66	289.3%
6022 Consultig & MGT	7,009.81	6,176.19	833.62	13.5%
6024 Accounting/Audit	2,700.00	2,700.00	0.00	0.0%
6026 Other Contracted Services	69,153.74	72,576.31	-3,422.57	-4.7%
6043 Food	35.43	41.17	-5.74	-13.9%
6046 Office Supplies	312.88	416.42	-103.54	-24.9%
6049 Other Minor Equipment	5,288.29	0.00	5,288.29	100.0%
6050 Other Non-Medical Supply	0.00	0.00	0.00	0.0%
6052 Freight on Purchases	118.90	0.00	118.90	100.0%
6062 Repairs & MTC	36,540.29	27,392.91	9,147.38	33.4%
6064 Management Services	2,500.00	3,100.00	-600.00	-19.4%
6069 Other Purchased Services	123,472.53	87,586.30	35,886.23	41.0%
6071 Deprec-Land & Improvements	3,600.36	2,919.54	680.82	23.3%
6072 Deprec-Buildings and Impro	173,859.09	169,466.76	4,392.33	2.6%
6073 Deprec-Leasehold Improv	0.00	779.28	-779.28	-100.0%
6074 Deprec-Equipment	6,596.46	8,540.08	-1,943.62	-22.8%
6075 SKDSCBuilding Rent Expense	29,229.18	28,987.09	242.09	0.8%
6077 Electricity	95,068.58	104,137.77	-9,069.19	-8.7%
6077 Radiology Electricity	665.15	402.67	262.48	65.2%
6078 Natural Gas	1,148.68	2,076.24	-927.56	-44.7%
6079 Water	10,419.63	8,435.95	1,983.68	23.5%
6080 Utilities-Other	16,345.52	10,681.76	5,663.76	53.0%
6082 Insurance Expense	31,997.52	27,776.34	4,221.18	15.2%
6083 Tax and Licenses	580.00	0.00	580.00	100.0%
6085 Telephone Expense	890.60	667.95	222.65	33.3%
6086 Dues and Subscriptions	955.99	1,594.51	-638.52	-40.0%
6087 Training	1,238.59	0.00	1,238.59	100.0%
6088 Travel Expense	35.10	0.00	35.10	100.0%
6089 Advertising	1,200.00	1,200.00	0.00	0.0%
6090 Bank Service Charges	143.60	236.75	-93.15	-39.4%
Total Expense	651,702.56	596,230.40	55,472.16	9.3%
Net Ordinary Income	-186,398.55	-162,123.89	-24,274.66	-15.0%
Other Income/Expense				
Other Income				
9060 Interest Income	354.75	387.97	-33.22	-8.6%
9061 Gain on Investments	112,813.66	64,934.45	47,879.21	73.7%
9160 Property Tax Revenue	141,782.58	117,749.13	24,033.45	20.4%
Total Other Income	254,950.99	183,071.55	71,879.44	39.3%
Other Expense				
9025 Non Operating CFHC	33,900.00	20,500.00	13,400.00	65.4%
9030 Loss on Marketable Securit	262,246.50	139,579.13	122,667.37	87.9%
9050 Donations Expense	0.00	7,225.95	-7,225.95	-100.0%
Total Other Expense	296,146.50	167,305.08	128,841.42	77.0%
Net Other Income	-41,195.51	15,766.47	-56,961.98	-361.3%
Net Income	-227,594.06	-146,357.42	-81,236.64	-55.5%

Bloss Memorial Healthcare District
SKDSC Department
September 2023

	<u>SKDSC Site</u>	<u>TOTAL</u>
Ordinary Income/Expense		
Expense		
6075 SKDSC Building Rent Expense	<u>9,743.06</u>	<u>9,743.06</u>
Total Expense	<u>9,743.06</u>	<u>9,743.06</u>
Net Ordinary Income	<u>-9,743.06</u>	<u>-9,743.06</u>
Net Income	<u><u>-9,743.06</u></u>	<u><u>-9,743.06</u></u>

DETAILED Bloss Memorial Healthcare District, A Public Entity	FY 24 BUDGET	YTD July -September 23 FY 24 Actual	Variance
REVENUE			
RENTAL INCOME	1,736,180	463,747	-1,272,433
MISC OTHER OPERATING REVENUE	536	1,558	1,022
TOTAL OTHER OPERATING REVENUE	536	1,558	1,022
TOTAL NET OPERATING REVENUE	1,736,716	465,304	(1,271,412)
EXPENSES			
SALARIES			
MANAGEMENT AND SUPERVISION	100,000	25,000	75,000
ACCOUNTING AND ADMINISTRATIVE CLERK	52,364	0	52,364
MAINTENANCE	73,934	0	73,934
VACATION EXPENSE	3,223	2,034	1,189
TOTAL SALARIES	229,520	27,034	202,486
BENEFITS			
FICA	17,214	1,913	15,302
UNEMPLOYMENT INSURANCE	4,800	400	4,400
HEALTH INSURANCE	59,000	0	59,000
LIFE INSURANCE	2,000	0	2,000
PENSION PLAN	9,181	1,250	7,931
WORKERS COMP	4,590	0	4,590
TOTAL BENEFITS	96,785	3,562	93,223
TOTAL SALARIES AND BENEFITS	326,306	30,597	295,709
PROFESSIONAL FEES			
CONSULTING & MANAGEMENT	15,836	7,010	8,826
LEGAL	12,995	0	12,995
ACCOUNTING/AUDIT	10,800	2,700	8,100
OTHER CONTRACTED SERVICE	121,578	69,154	52,424
TOTAL PROFESSIONAL FEES	161,209	78,864	82,346
SUPPLIES			
FOOD	500	35	465
OFFICE SUPPLIES	2,438	313	2,125
OTHER MINOR EQUIPMENT	2,678	5,288	(2,610)
OTHER NON-MEDICAL SUPPLIES	1,968	0	1,968
FREIGHT ON PURCHASES	368	119	249
TOTAL SUPPLIES	7,952	5,756	2,197
PURCHASED SERVICES			
REPAIRS AND MAINTENANCE	220,949	36,540	184,409
JANITORIAL EXPENSE	12,880	0	12,880
MANAGEMENT SERVICES	9,100	2,500	6,600
OTHER PURCHASED SERVICES	360,195	123,473	236,722
TOTAL PURCHASED SERVICES	603,124	162,513	440,611

DEPRECIATION

DEPREC-BUILDINGS & IMPROVEMENT	791,995	173,589	618,406
DEPREC-LEASEHOLD IMPROVEMENT	3,117	3,600	0
DEPREC-EQUIPMENT	47,537	6,596	0

TOTAL DEPRECIATION	842,649	183,786	618,406
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RENTS AND LEASES

RENTAL - BUILDING SIERRA KINGS	58,458	29,229	29,229
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TOTAL RENTS AND LEASES	58,458	29,229	29,229
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UTILITIES

ELECTRICITY	291,662	95,069	196,594
RADIOLOGY ELECTRICITY	4,745	665	4,080
NATURAL GAS	78,987	1,149	77,838
WATER	24,234	10,420	13,814
UTILITIES - OTHER	38,616	16,346	22,271

TOTAL UTILITIES	438,245	123,648	314,597
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OTHER OPERATING EXPENSES

INSURANCE	102,000	31,998	70,002
TAX AND LICENSE	249	580	(331)
TRAINING	4,000	1,239	2,761
TELEPHONE	6,000	891	5,109
SUBSCRIPTIONS & DUES	7,066	956	6,110
ADVERTISING	4,200	1,200	3,000
BANK FEES	800	144	656
OTHER EXPENSE	1,200	305	895

TOTAL OTHER OPERATING EXPENSE	125,515	37,311	88,204
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TOTAL OPERATING EXPENSE	2,563,457	651,702	1,911,755
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NET INCOME FROM OPERATIONS	(826,742)	(186,398)	(3,183,167)
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NON-OPERATING REVENUES

BLOSS TRUST	543,130	0	(543,130)
INTEREST INCOME	1,517	355	(1,163)
PROPERTY TAX REVENUE	518,008	141,783	(376,225)
GAIN ON INVESTMENT	401,106	112,814	(288,292)

TOTAL NON-OPERATING REVENUE	1,463,761	254,951	(1,208,810)
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NON-OPERATING EXPENSE

LOSS ON INVESTMENT	326,865	262,247	64,619
DONATIONS	108,145	33,900	74,245

TOTAL NON-OPERATING EXPENSE	435,011	296,147	138,864
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NET NON-OPERATING INCOME	1,028,751	(41,196)	(1,069,946)
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TRANSFERS FOR CAPITAL EXPENDITURES	100,000	0	(100,000)
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NET INCOME (LOSS)	102,009	(227,594)	(329,603)
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**SEPTEMBER PAYROLL, ELECTRONIC PAYMENTS
& CHECK REGISTER**

Bloss Memorial Healthcare District
Payroll, Accounts Payable and Funds Disbursements - Summary
Month of September-23

Payroll		\$9,168.86
Total Payroll		<u><u>\$9,168.86</u></u>
Accounts Payable:		
A/P Checks	\$188,890.54	<u>\$188,890.54</u>
BLOSS		
Auto Debits	\$48.35	
Total Auto Debits and Electronic Transfers	<u>\$48.35</u>	<u>\$48.35</u>
Electronic Payments	<u>\$30,511.61</u>	<u>\$30,511.61</u>
Total Accounts Payable		<u><u>\$219,450.50</u></u>
Grand Total Disbursements		<u><u>\$228,619.36</u></u>

BLOSS	Payroll Disbursements for		September-23
	Payroll dated		
	09/05/23	09/20/23	Total
Earnings			
Regular	-	-	-
Overtime			-
Vacation			-
Sick			-
Holiday			-
Salary	4,166.67	4,166.67	8,333.34
Double Time			-
Call In			-
On Call			-
Other			-
			-
Total	4,166.67	4,166.67	8,333.34
			-
Deductions			
FICA (+)	318.69	318.75	637.44
Insurance (-)			-
Emp Deduction(-)/Reimb(+)	-		-
Christmas Fund (-)			-
Process Fee (+)	99.04	99.04	198.08
			-
Total	417.73	417.79	835.52
			-
			-
Net Payroll	\$ 4,584.40	\$ 4,584.46	9,168.86

Bloss Memorial Healthcare District
Check Detail
September 2023

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Paid Amount</u>	<u>Class</u>
Bill Pmt -Check	39956	09/06/2023	A-1-A/Preston's Lock Shop		
Bill	25351	09/01/2023		-6.53	Castle Site
				-6.53	
Bill Pmt -Check	39957	09/06/2023	Alfonse Peterson		
Bill	Aug23-BRDMTG	08/31/2023		-200.00	Administration
				-200.00	
Bill Pmt -Check	39958	09/06/2023	Guardco		
Bill	15236	09/01/2023		-6,208.65	Castle Site
Bill	15235	09/01/2023		-8,955.45	Bloss Site
				-15,164.10	
Bill Pmt -Check	39959	09/06/2023	Kathleen Flaherty		
Bill	Aug23-BRDMTG	08/31/2023		-100.00	Administration
				-100.00	
Bill Pmt -Check	39960	09/06/2023	Kory Billings		
Bill	Aug23-BRDMTG	08/31/2023		-200.00	Administration
				-200.00	
Bill Pmt -Check	39961	09/06/2023	Merced County - Castle Airport		
Bill	53571	09/01/2023		-2,640.83	Castle Site
				-2,759.20	Castle Site
				-222.65	Castle Site
				-15.00	Castle Site
				-5,637.68	
Bill Pmt -Check	39962	09/06/2023	MERCED COUNTY ELECTIONS		
Bill	CHKRQST-82823	08/28/2023		-42.00	Administration
				-42.00	
Bill Pmt -Check	39963	09/06/2023	Natural Gardens		
Bill	2412	09/01/2023		-765.00	Bloss Site
Bill	2413	09/01/2023		-2,280.00	Castle Site
				-3,045.00	
Bill Pmt -Check	39964	09/06/2023	PG&E		
Bill	Sept23-82162-5	08/28/2023		-8,573.25	Castle Site
				-100.51	Castle Site
				-8,673.76	
Bill Pmt -Check	39965	09/06/2023	Robert Boesch		

Bloss Memorial Healthcare District
Check Detail
September 2023

Bill	Aug23-BRDMTG	08/31/2023		<u>-100.00</u>	Administration
				-100.00	
Bill Pmt -Check	39966	09/06/2023	Ward Bro's Tree		
Bill	1233	09/01/2023		<u>-8,700.00</u>	Castle Site
				-8,700.00	
Bill Pmt -Check	39967	09/06/2023	West Coast Gas Company, Inc.		
Bill	1182-0923	09/01/2023		<u>-515.11</u>	Castle Site
				-515.11	
Bill Pmt -Check	39968	09/12/2023	ASSA ABLOY Entrance Systems US Inc.		
Bill	CSI-2028	08/08/2023		-22,415.40	Castle Site
Bill	CSI-2058-RTN	08/08/2023		<u>-2,490.60</u>	Castle Site
				-24,906.00	
Bill Pmt -Check	39969	09/12/2023	Chemsearch		
Bill	8294618	08/05/2023		<u>-581.19</u>	Bloss Site
				-581.19	
Bill Pmt -Check	39970	09/12/2023	Secretary of State		
				0.00	
Bill Pmt -Check	39971	09/19/2023	Beta Healthcare Group		
Bill	BL-230358004	09/19/2023		<u>-481.95</u>	Administration
				-481.95	
Bill Pmt -Check	39972	09/19/2023	Castle Family Health Centers, Inc.		
Bill	AUG 23 SPORTS PHYISC	09/19/2023		-7,800.00	Administration
Bill	AUGUST 2023 INV	09/19/2023		<u>-26,630.49</u>	Administration
				-34,430.49	
Bill Pmt -Check	39973	09/19/2023	Hoffman Security		
Bill	637247	09/19/2023		-391.95	Castle Site
Bill	637248	09/19/2023		-233.95	Bloss Site
Bill	637249	09/19/2023		-77.00	Bloss Site
Bill	639216	09/19/2023		<u>-10.88</u>	Bloss Site
				-713.78	
Bill Pmt -Check	39974	09/19/2023	Johnson Controls		
Bill	23727334	09/19/2023		-689.93	Castle Site
Bill	51209520	09/19/2023		<u>-23,034.75</u>	Castle Site
				-23,724.68	

Bloss Memorial Healthcare District
Check Detail
September 2023

Bill Pmt -Check	39975	09/19/2023	Make the Connection		
Bill	600	09/19/2023		<u>-1,200.00</u>	Administration
				-1,200.00	
Bill Pmt -Check	39976	09/19/2023	Nova Heating and Air Conditioning		
Bill	1800	09/19/2023		<u>-328.00</u>	Bloss Site
				-328.00	
Bill Pmt -Check	39977	09/19/2023	Octane Advertising Design		
Bill	web1154	09/19/2023		<u>-400.00</u>	Administration
				-400.00	
Bill Pmt -Check	39978	09/25/2023	Empower Annuity Co. of America		
Bill	403BMTCH-2023	09/25/2023		<u>-5,000.00</u>	Administration
				-5,000.00	
Bill Pmt -Check	39979	09/26/2023	ABM ELECTRICAL POWER SERVICES		
Bill	18298062	09/21/2023		<u>-7,560.00</u>	Castle Site
				-7,560.00	
Bill Pmt -Check	39980	09/26/2023	Castle Family Health Centers, Inc.		
				0.00	
Bill Pmt -Check	39981	09/26/2023	Chemsearch		
Bill	8373931	09/11/2023		-537.38	Bloss Site
				<u>-59.42</u>	Bloss Site
				-596.80	
Bill Pmt -Check	39982	09/26/2023	Clark		
Bill	33969612	09/15/2023		<u>-557.00</u>	Bloss Site
				-557.00	
Bill Pmt -Check	39983	09/26/2023	Hoffman Security		
Bill	639514	09/26/2023		<u>-220.00</u>	Bloss Site
				-220.00	
Bill Pmt -Check	39984	09/26/2023	Johnson Controls		
Bill	91323	09/13/2023		<u>-20,557.07</u>	Castle Site
				-20,557.07	
Bill Pmt -Check	39985	09/26/2023	Merced Commercial Sweeping		
Bill	023571	09/15/2023		<u>-420.00</u>	Castle Site
				-420.00	

Bloss Memorial Healthcare District
Check Detail
September 2023

Bill Pmt -Check	39986	09/26/2023	Merced Irrigation District		
Bill	Sep23-1302	09/14/2023		-24,629.10	Castle Site
Bill	Sep23-1303	09/14/2023		-200.30	Castle Site
				<u>-24,829.40</u>	
			Grand Total	<u><u>-188,890.54</u></u>	

CASTLE FAMILY HEALTH CENTER INC
 3605 HOSPITAL RD, SUITE H
 ATWATER, CA 95301

INVOICE

DATE	INVOICE #
10/19/2023	August-23

BILL TO
BLOSS MEMORIAL HEALTHCARE DISTRICT 3605 HOSPITAL ROAD ATWATER, CA 95301

DESCRIPTION	AMOUNT
CASTLE SERVICES TO BLOSS	\$ 22,677.95
Vanguard Cleaning Systems	\$ 1,019.50
Postage	\$ 127.44
LOWES	\$ 226.09
SAVEMART JULY 23	\$ 11.97
FILY MILEAGE AUGUST 23	\$ 16.68
Live Scan	\$ 10.00
Home Depot Outsite Umbrellas	\$ 445.77
Home Depot 3 Portagle Evaporative Coolers	\$ 1,274.55
Home Depot 2 Portagle Evaporative Coolers	\$ 820.54
BLOSS PAYABLE TO CASTLE	
Total	\$ 26,630.49

CASTLE FAMILY HEALTH CENTER INC
 CASTLE SERVICES PROVIDED TO BLOSS MEMORIAL HEALTHCARE

August-23

DEPT	EMPLOYEE	BLOSS HOURS	TOTAL COST
MAINTANCE	Supervisor - RR	124.19	7,389.35
90%	Maint - VE	0.00	0.00
	Maint -	0.00	0.00
8460	Maint - KS	182.72	5,018.21
	Maint - ZX	193.05	7,011.37
DEPT TOTAL		499.96	19,418.93
PURCHASING	Supervisor-MT	0.00	0.00
	Clerical _JS	0.00	0.00
8400	Clerical-JV	0.00	0.00
DEPT TOTAL		0.00	0.00
ADMINISTRATION			
8610	Exec Asslt - FC	11.05	381.16
DEPT TOTAL		11.05	381.16
DEPT TOTAL		0.00	0.00
ACCOUNTING / A/P			
8510	CFO - DC	33.00	2,467.48
	Tech - CA	7.50	321.32
	Accountant	0.00	0.00
	Acct/Business Tec -SC	0.90	26.99
	Acct Clerk -	2.50	62.06
DEPT TOTAL		43.90	2,877.86
	GRAND TOTAL	554.91	22,677.95
	GEIL - HOUSEKEEPING - BLOSS		1,019.50

Bloss Memorial Healthcare District
September-23

Bloss Electronic Transfers

Bloss Auto Debits

Bank Fees - Bloss	48.35
Total	<u>48.35</u>

Bloss Electronic Payments

MID	27,553.72
City of Atwater	2,957.89
Total	<u>30,511.61</u>

Grand Total	<u>\$30,559.96</u>
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RECOMMENDATION OF FYE 2023 DRAFT AUDIT

DRAFT AUDIT

Audited Financial Statements
BLOSS MEMORIAL
HEALTHCARE DISTRICT
June 30, 2023 and 2022

JWT & Associates, LLP
Advisory Assurance Tax

Bloss Memorial Healthcare District

Audited Financial Statements

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JWT & Associates, LLP

Advisory Assurance Tax

1111 East Herndon, Suite 211, Fresno, California 93720

Voice: (559) 431-7708 Fax:(559) 431-7685

Report of Independent Auditors

The Board of Directors
Bloss Memorial Healthcare District
Atwater, California

Opinion

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of Bloss Memorial Healthcare District (the District), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of the District, as of June 30, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 15, 2023, 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 solely 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 the effectiveness of the District's 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.

JWT & Associates, LLP

Fresno, California
September 15, 2023

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2023

The management of Bloss Memorial Healthcare District ("BMHD") has prepared the following analysis and discussion of the financial performance of the District for the fiscal Year ended June 30, 2023 to accompany the financial statements prepared in accordance with the Governmental Accounting Standards Board Statement Numbers 34, 37 and 38. This discussion and the associated schedules are intended to provide an analysis, explanation, and historical basis of comparison for the reporting of financial results of the District for the Fiscal Year 2023. The audited financial statements included herewith have been prepared and submitted with an unqualified opinion from the District's independent auditor.

BMHC completed another successful year during fiscal year 2023. While continuing partnerships with local health care agencies, BMHD provides much needed grant resources to better assist the community they serve.

BMHD has continued their affiliation with Castle Family Health Centers, Inc. (CFHC), which provided health, dental, behavioral, and optical services to 148,125 patient visits during FY 2023. The affiliation with CFHC has allowed BMHD to continue its mission in the provision of healthcare services to the community. During FY 2023 BMHD provided grant funds to CFHC in the amount of \$24,040 to organize free sports physicals to children with low income families in the Atwater and Winton community.

BMHD sponsored \$5,000 to American Cancer Society for Lights of Hope Across America. Lights of Hope is dedicated to honoring those who have been touched by cancer and sends a visible reminder to Congress to assist in the fight against this disease.

During FY23 BMHD donated an additional \$80,420 to the Goodwin Trust Fund. The Goodwin Trust provides annual funds to provide free healthcare services to the Senior Citizens that resides in the community. The annual funds have provided free eye exams, flu shots, and bad debt forgiveness to the senior community that resides in Merced County.

Although BMHD provided the necessary grant assistance, BMHD had a net gain for FY 2023 of \$690,283 which includes \$720,620 of depreciation expense.

Comments on the Statement Net Position

Total Cash and Cash Equivalents had an increase by \$1,064,166 and is up 12.1% from the prior year. Accounts Receivable increased by \$26,840 FY 2023 receivables include Property Tax of \$46,085 from Merced County. Other Current Assets include prepaid rent for the Sierra Kings facility located in Parlier, Ca. BMHD entered into a lease agreement with M-D Ventures that will term on December 31, 2023.

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2023

DRAFT AUDIT

Table 1
Condensed Statements of Net Position:

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and Other Assets	\$ 10,271,167	\$ 8,872,977	\$ 1,398,190	15.76%
Capital Assets, Net	<u>15,381,375</u>	<u>16,018,659</u>	<u>(637,284)</u>	<u>-3.98%</u>
Total Assets	<u>25,652,542</u>	<u>24,891,636</u>	<u>760,906</u>	<u>3.06%</u>
Long-term Debt	-	-	-	-
Other Liabilities	<u>140,621</u>	<u>165,038</u>	<u>(24,417)</u>	<u>-14.80%</u>
Total Liabilities	<u>140,621</u>	<u>165,038</u>	<u>(24,417)</u>	<u>-</u>
Net Position Invested in Capital Assets, Net of Related Debt	15,381,375	16,018,659	(637,284)	-3.98%
Temporarily restricted	264,119	184,583	79,537	43.09%
Unrestricted	<u>9,866,427</u>	<u>8,540,645</u>	<u>1,325,782</u>	<u>15.52%</u>
Total Net Position	<u>\$ 25,511,921</u>	<u>\$ 24,743,887</u>	<u>\$ 768,035</u>	<u>3.10%</u>

Property Plant and Equipment

Fixed Assets decreased by \$637,284 (3.98%) during FY 2023 over the prior year. The decrease is A Summary of changes in Fixed Assets is as follows:

Capital Expenditures:	
Building Upgrades and Repairs	\$ (312,052)
Equipment Fixed	\$ (490,508)
Equipment Minor	\$ 80,389
Land Improvements	<u>\$ 84,887</u>

Net Change in fixed assets \$ (637,284)

Total Liabilities as of June 30, 2022 of \$140,621 decreased from the prior year by \$24,417, 14.80%. A result of the decrease in the CFHC Inc. payable by \$19,432 and accounts payable accruals decreased a total of \$11,866.

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2023

DRAFT AUDIT

Comments on the Statement of Revenue and Expenses

BMHD Income consists of miscellaneous revenue of small dividends in the amount of \$1,827 and the Bloss Trust in the amount of \$662,500.

Total expenses in FY 2023 was \$2,384,277 an increase of \$359,329 from the prior year. The increase is attributable due to the repairs on the Castle Facility located at 3605 Hospital Road. During FY23 the building needed repairs on the cooling system that uses a chiller system to cool the facility. The majority of the repairs increased the expense in Other Contracted Services, Repairs and Maintenance, and Other Purchased Services. Utility Expense significantly increased from the prior year due to the repairs on the chillers. BHMD provided portable cooling units to assist the tenants in cooling working areas while they were completing the repairs.

Non-Operating Revenues in FY 2023 are Property Tax Revenue of \$520,925, Rental Income of \$1,713,685 in FY 23 compared to \$1,602,048 in FY 22. That is an increase of \$106,942 from the prior year.

Table 2

Condensed Statements of Revenues, Expenses and Changes in Net Position:

	2023	2022	Dollar Change	Percent Change
Operating Revenues	\$ 664,327	\$ 647,925	\$ 16,402	2.53%
Nonoperating Revenues	2,410,233	1,952,622	457,611	23.44%
Total Revenues	<u>3,074,560</u>	<u>2,600,547</u>	<u>474,013</u>	<u>18.23%</u>
Depreciation Expense	720,620	733,860	(13,240)	-1.80%
Other Operating Expenses	1,663,657	1,291,088	372,569	28.86%
Total Expenses	<u>\$ 2,384,277</u>	<u>\$ 2,024,948</u>	<u>\$ 359,329</u>	<u>17.75%</u>

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the District's customers, investors and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information; please contact the Bloss Memorial Healthcare District's Office Manager at 3605 Hospital Road Suite F, Atwater, CA 95301.

Bloss Memorial Healthcare District

Statements of Net Position

June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 9,891,673	\$ 8,645,925
Other receivables	46,085	34,748
Prepaid expenses and deposits	71,074	25,010
Total current assets	<u>10,008,832</u>	<u>8,705,683</u>
Capital assets, net of accumulated depreciation	15,381,375	16,018,659
Assets whose use is limited	264,119	184,583
Total assets	<u><u>\$ 25,654,326</u></u>	<u><u>\$ 24,908,925</u></u>
Liabilities and Net Position		
Current liabilities		
Accounts payable and accrued expenses	\$ 114,751	\$ 140,797
Accrued payroll and related liabilities	25,869	24,241
Total current liabilities	<u>140,620</u>	<u>165,038</u>
Total liabilities	<u>140,620</u>	<u>165,038</u>
Net position		
Temporarily restricted	264,119	184,583
Invested in capital assets, net of related debt	15,381,375	16,018,659
Unrestricted	9,868,212	8,540,643
Total net position	<u>25,513,706</u>	<u>24,743,885</u>
Total liabilities and net position	<u><u>\$ 25,654,326</u></u>	<u><u>\$ 24,908,923</u></u>

See accompanying notes to the financial statements

Bloss Memorial Healthcare District

Statements of Revenues, Expenses and Changes in Net position

For The Years Ended June 30, 2023 and 2022

	2023	2022
Operating revenues		
Donations	\$ 662,500	\$ 643,130
Other operating revenue	1,627	4,795
Total operating revenues	<u>664,127</u>	<u>647,925</u>
Operating expenses		
Salaries & wages	98,129	101,166
Employee benefits	16,112	10,862
Professional Fees	291,722	193,170
Purchased services	388,515	335,311
Supplies	3,273	9,065
Repairs & maintenance	117,362	81,807
Utilities	435,762	331,522
Rentals and leases	77,894	116,387
Depreciation & amortization	720,620	733,860
Insurance	105,826	99,471
Other operating expenses	24,401	12,327
Total operating expenses	<u>2,279,616</u>	<u>2,024,948</u>
Operating income (loss)	<u>(1,615,489)</u>	<u>(1,377,023)</u>
Nonoperating revenues (expenses)		
District tax revenues	520,925	470,997
Rental income	1,711,858	1,602,048
Investment income	1,468	30,242
Other non-operating income (expense)	71,521	(150,665)
Total nonoperating revenues (expenses)	<u>2,305,772</u>	<u>1,952,622</u>
Excess of revenues (expenses)	<u>690,283</u>	<u>575,599</u>
Net change in temporarily restricted position	79,536	(25,304)
Increase in net position	<u>769,819</u>	<u>550,295</u>
Net position, beginning of the year	24,743,887	24,193,592
Net position, end of year	<u>\$ 25,513,706</u>	<u>\$ 24,743,887</u>

See accompanying notes to the financial statements

Bloss Memorial Healthcare District

Statements of Cash Flows

For The Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Cash received for operations	\$ 652,790	\$ 664,039
Cash payments to suppliers and contractors	(1,516,865)	(1,254,758)
Cash payments to employees and benefit programs	(112,613)	(115,665)
Net cash used in operating activities	<u>(976,688)</u>	<u>(706,384)</u>
Cash flows from non-capital and related financing activities		
District tax revenue	520,925	470,997
Net cash provided by non-capital and related financing activities	<u>520,925</u>	<u>470,997</u>
Cash flows from capital and related financing activities		
Purchase of property, plant & equipment	(91,474)	(436,037)
Loss on disposal of capital asstes	8,138	82,389
Net cash used in capital and related financing activities	<u>(83,336)</u>	<u>(353,648)</u>
Cash flows from investing activities		
Payments from notes receivable	-	2,150,000
Rental income	1,711,858	1,602,048
Investment income	1,468	30,242
Other non-operating income (expense)	71,521	(150,665)
Net cash provided by investing activities	<u>1,784,847</u>	<u>3,631,625</u>
Increase in cash and cash equivalents	<u>1,245,748</u>	<u>3,042,590</u>
Cash and cash equivalents at beginning of year	<u>8,645,925</u>	<u>5,603,335</u>
Cash and cash equivalents at end of year	<u><u>\$ 9,891,673</u></u>	<u><u>\$ 8,645,925</u></u>

See accompanying notes to the financial statements

Bloss Memorial Healthcare District
 Statements of Cash Flows (continued)
 For The Years Ended June 30, 2023 and 2022

	2023	2022
Reconciliation of operating income (loss) to net cash		
provided by operating activities		
Operating loss	\$ (1,615,489)	\$ (1,377,023)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	720,620	733,860
Changes in operating assets and liabilities		
Other receivables	(11,337)	16,114
Prepaid expenses	(46,064)	(2,644)
Accounts payable and accrued expenses	(26,046)	(73,054)
Accrued payroll and related expenses	1,628	(3,637)
Net cash used in operating activities	\$ (976,688)	\$ (706,384)

See accompanying notes to the financial statements

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES

Reporting Entity: Bloss Memorial Healthcare District (the District) is a public entity organized under Local District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The District is governed by a five member Board of Directors, elected from within the healthcare district to four year terms of office. The District is located in Atwater, California. The District provides support to a local health care clinic located in Atwater, California which provides primary health care services primarily to individuals who reside in the local geographic area.

Basis of Preparation: The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses proprietary fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Pursuant to Government Accounting Standard Board ("GASB") Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board ("FASB") and AICPA Pronouncements*, the District's proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements as well as codified pronouncements issued on or before November 30, 1989. The District has elected to apply the provisions of all relevant pronouncements as the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Financial Statement Presentation: The District applies the provisions of GASB 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (Statement 34), as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement 38, *Certain Financial Statement Note Disclosures*. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. The impact of this change was related to the format of the financial statements; the inclusion of management's discussion and analysis; and the preparation of the statement of cash flows on the direct method. The application of these accounting standards had no impact on the total net assets.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Management's Discussion and Analysis: Statement 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the District's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis provided in the annual reports of organizations in the private sector.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Investments: The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in non-operating revenues when earned.

Supplies: Supply inventories are stated at cost, which is determined using the first-in, first-out method.

Assets Limited as to Use: Assets limited as to use include donor restricted funds. Assets limited as to use consist primarily of deposits on hand with banking and investment institutions.

Capital Assets: Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 30 years for buildings and improvements, and 3 to 10 years for equipment. The District periodically reviews its capital assets for value impairment. As of June 30, 2023 and 2022, the District has determined that no capital assets are impaired.

Compensated Absences: District employees earn vacation benefits at varying rates depending on years of service. Employees also earn sick leave benefits based on varying rates depending on years of service. Both benefits can accumulate up to specified maximum levels. Employees are not paid for accumulated sick leave benefits if they leave either upon termination or before retirement. However, accumulated vacation benefits are paid to an employee upon either termination or retirement. Accrued vacation liabilities as of June 30, 2023 and 2022 are \$16,376 and \$14,857, respectively.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Risk Management: The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters.

Net Position: Net position (formally net assets) is presented in three categories. The first category is net position “invested in capital assets, net of related debt”. This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is “restricted” net position. This category consists of externally designated constraints placed on assets by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

The third category is “unrestricted” net position. This category consists of net assets that do not meet the definition or criteria of the previous two categories.

District Tax Revenues: The District receives financial support from property taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Property taxes are levied by the County on the Hospital’s behalf during the year, and are intended to help finance the Hospital’s activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date.

Grants and Contributions: From time to time, the District receives grants from various governmental agencies and private organizations. The District also receives contributions from related foundation and auxiliary organizations, as well as from individuals and other private organizations. Revenues from grants and contributions are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net assets.

Operating Revenues and Expenses: The District’s statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District’s principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Non-operating revenues and expenses are those transactions not considered directly linked to providing health care services.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Reclassifications: Certain financial statement amounts as presented in the prior year financial statements have been reclassified in these, the current year financial statements, in order to conform to the current year financial statement presentation.

NOTE 2 – CASH AND CASH EQUIVALENTS

As of June 30, 2023 and 2022, the District had deposits invested in various financial institutions in the form of cash and cash equivalents amounting to \$9,891,73 and \$8,645,925, respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

Investments consist of equity securities and real estate funds invested through an investment broker and are stated at quoted market values. Changes in market value between years are reflected as a component of investment income in the accompanying statement of revenues, expenses and changes in net assets.

NOTE 3 - INVESTMENTS

The District's investment balances and average maturities were as follows at June 30, 2023 and 2022:

	2023			
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 2,004,708	\$ 2,004,708	\$ -	\$ -
Money market accounts	201,745	201,745	-	-
Mutual funds	5,939,539	5,939,539	-	-
Total investments	<u>\$ 8,145,992</u>	<u>\$ 8,145,992</u>	<u>\$ -</u>	<u>\$ -</u>

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 3 – INVESTMENTS (continued)

	2022			
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 2,003,286	\$ 2,003,286	\$ -	\$ -
Money market accounts	513,369	513,369	-	-
Mutual funds	1,481,184	1,481,184	-	-
Total investments	<u>\$ 3,997,839</u>	<u>\$ 3,997,839</u>	<u>\$ -</u>	<u>\$ -</u>

The District's investments are reported at fair value as previously discussed. The District's investment policy allows for various forms of investments generally set to mature within a few months to others over 15 years. The policy identifies certain provisions which address interest rate risk, credit risk and concentration of credit risk.

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's exposure to interest rate risk is minimal as 100% of their investments have a maturity of less than one year. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the preceding schedules that shows the distribution of the District's investments by maturity.

Credit Risk: Credit risk is the risk that the 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, such as Moody's Investor Service, Inc. The District's investments in such obligations are in U.S. government obligations, money market accounts and mutual funds. The District believes that there is minimal credit risk with these obligations at this time.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer), the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investments are generally held by banks or investment companies. The District believes that there is minimal custodial credit risk with their investments at this time. District management monitors the entities which hold the various investments to ensure they remain in good standing.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investments are held as follows: government agencies 50% and investment companies 50%. The District believes that there is minimal custodial credit risk with their investments at this time. District management monitors the entities which hold the various investments to ensure they remain in good standing.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 4 - ASSETS LIMITED AS TO USE

Assets limited as to use as of June 30, 2023 and 2022 were comprised of cash and cash equivalents and mutual funds held as donor restricted funds. Interest income, dividends, and both realized and unrealized gains and losses are recorded as investment income. Total investment income was \$1,468 and \$30,242 for the years ended June 30, 2023 and 2022, respectively. Total investment income includes both income from unrestricted and assets limited as to use. Debt securities, when present, are recorded at market price or the fair market value as of the date of each balance sheet.

NOTE 5 - OTHER RECEIVABLES

Other receivables as of June 30, 2023 and 2022 were comprised of the following:

	<u>2023</u>	<u>2022</u>
District tax revenue	\$ 46,085	\$ 34,748
	<u>\$ 46,085</u>	<u>\$ 34,748</u>

NOTE 6 – NOTES RECEIVABLES

In May 2018, the District entered into three notes receivable agreements totaling \$2,150,000 with Dental Surgery Center of America for the purchase of certain dental surgery center assets and operations owned by the District. The interest rate on the loan was 6% per annum. Interest only was payable in 36 monthly installments beginning in June 2018 and principle and any unpaid interest was due by May 31, 2022. The notes receivable were paid off in May 2022 and there is no remaining amount due at June 30, 2023.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 7 - CAPITAL ASSETS

Capital assets as of June 30, 2023 and 2022 were comprised of the following:

	Balance at June 30, 2022	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2023
Land and land improvements	\$ 2,275,611	\$ -	\$ (69,614)	\$ 2,205,997
Buildings and improvements	24,739,902	91,474	(1,980,555)	22,850,821
Equipment	7,595,388		(7,463,459)	131,929
Totals at historical cost	<u>34,610,901</u>	<u>\$ 91,474</u>	<u>\$ (9,513,628)</u>	<u>25,188,747</u>
Less accumulated depreciation	(18,592,242)	<u>\$ (720,620)</u>	<u>\$ 9,505,490</u>	(9,807,372)
Capital assets, net	<u>\$ 16,018,659</u>			<u>\$ 15,381,375</u>
	Balance at June 30, 2021	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2022
Land and land improvements	\$ 2,257,611	\$ 18,000	\$ -	\$ 2,275,611
Buildings and improvements	24,501,463	350,039	(111,600)	24,739,902
Equipment	7,594,136	67,998	(66,746)	7,595,388
Totals at historical cost	<u>34,353,210</u>	<u>\$ 436,037</u>	<u>\$ (178,346)</u>	<u>34,610,901</u>
Less accumulated depreciation	(17,954,339)	<u>\$ (733,860)</u>	<u>\$ 95,957</u>	(18,592,242)
Capital assets, net	<u>\$ 16,398,871</u>			<u>\$ 16,018,659</u>

NOTE 8 - RETIREMENT PLANS

The District sponsors a 403(b) defined contribution plan (the Plan). The District is the Plan's administrator as defined by section 316 of the Employee Retirement Income Security Act of 1974 (ERISA). All plan assets are held in a retirement trust with legal title held by the District's Board of Directors as Trustees. All employees are eligible to participate in the Plan except for those who belong to a union, where the retirement benefits have been the subject of collective bargaining or contract negotiation or work less than 2,000 hours per year for the District. For the years ended June 30, 2023 and 2022, the District contributed \$4,908 and \$4,800 to the Plan. The District also offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457. The plan is generally available to all District employees and permits them to defer a portion of their income. The compensation deferred is generally not available to employees until termination, retirement, death or certain hardship situations.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 9 – INCOME TAXES

The District is a political subdivision of the state of California organized under the Local Health Care District Law as set forth in the Health and Safety Code of the State of California. The District has been determined to be exempt from income taxes under Local Health Care District Law. Accordingly, no provision for income taxes is included in the accompanying financial statements

Accounting principles generally accepted in the United States require District management to evaluate uncertain tax positions taken by the District. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. District management has analyzed the tax positions taken by the District, and has concluded that as of June 30, 2023, there are no uncertain positions taken or expected to be taken. The District has recognized no interest or penalties related to uncertain tax positions. The District is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Operating Leases: The District leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2023 and 2022, were \$77,894 and \$116,387, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2023, with initial or remaining lease terms in excess of one year are not considered material.

Litigation: The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2023 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

Workers Compensation Program: The District is a participant in the Association of California Healthcare District's ALPHA Fund which administers a self-insured worker's compensation plan for employees of its member districts. The District pays a premium to the ALPHA Fund which is adjusted annually. If participation in the ALPHA Fund is terminated by the District, the District would be liable for its share of any additional premiums necessary for final disposition of all claims and losses covered by the ALPHA Fund.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2023 and 2022

NOTE 10 - COMMITMENTS AND CONTINGENCIES (continued)

Health Insurance Portability and Accountability Act: The Health Insurance Portability and Accountability Act (HIPAA) was enacted August 21, 1996, to ensure health insurance portability, reduce health care fraud and abuse, guarantee security and privacy of health information, and enforce standards for health information. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in the regulations. District management continues to evaluate the impact of this legislation on its operations including future financial commitments that will be required.

NOTE 11-SUBSEQUENTEVENTS

District management has evaluated events subsequent to June 30, 2023 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 15, 2023, the date these financial statements were available to be issued.

JWT & Associates, LLP

Advisory Assurance Tax

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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

The Board of Directors
Bloss Memorial Healthcare District
Atwater, California

We have audited, in accordance with the 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, the financial statements of Bloss Memorial Healthcare District (the District), which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated November 30, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JWT & Associates, LLP

Fresno, California
September 15, 2023

Bloss Memorial Healthcare District

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2023

I. Summary of Auditor's Results

Type of auditor's report issued:	Qualified	
Internal Control over financial reporting:		
Material weakness identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

II. Current Year Audit Findings and Questioned Costs

Financial Statement Findings

None reported

III. Prior Year Audit Findings and Questioned Costs

None reported