

---

# PUBLIC NOTICE

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

**Date:** September 23, 2021

**Phone:** (209) 724-4102

**Fax:** (209) 722-9020

Bloss Memorial Healthcare District will hold a their next **Finance Committee** meeting on September 30, 2021 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, September 30, 2021 at 2:00 pm in the Board Room at 3605 Hospital Road, Atwater, Ca 95301.

I, Fily Cale, posted a copy of the agenda of the Board of Directors of Bloss Memorial Healthcare District, said time being at least 24 hours in advance of the meeting of the Board of Directors.

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)**  
**3605 Hospital Road, Atwater, CA 95301**  
**FINANCE COMMITTEE MEETING**  
**BOARD ROOM**  
**Thursday, September 30, 2021**  
**1:30 pm.**

**AGENDA FOR PUBLIC SESSION**

<b>I. CALL TO ORDER</b>	<b><u>ACTION</u></b>	<b><u>EXHIBIT</u></b>
<b>II. APPROVAL OF AGENDA</b>	*	
<b>III. PUBLIC COMMENTS</b> 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 approach the microphone.		
<b>IV. APPROVAL OF FINANCE COMMITTEE MINUTES</b>		
A. August 26, 2021 Finance Committee Minutes	*	1
<b>V. REVIEW OF DISTRICT FINANCIAL STATEMENTS</b>	*	2
<b>VI. WARRANTS &amp; PAYROLL</b>		
A. August Payroll, Electronic Payments & Check Register	*	3
B. Recommendation of FYE 2021 Draft Audit	*	4
C. ThiesenDueker Financial Consulting Group Review		
<b>VII. OLD BUSINESS</b>		
<b>VIII. DISCUSSION</b>		
<b>IX. AGENDA FOR CLOSED SESSION</b>		
<b>X. NEXT MEETING DATE</b>		
<b>XI. ADJOURNMENT</b>		

- ❖ **Assistance for those with disabilities: If you have a disability and need accommodation to participate in the meeting, please call Fily Cale at (209) 724-4102 or (209) 381-2000 extension 7000 for assistance so that any necessary arrangements may be made.**
- ❖ **Any written materials relating to an agenda item to be discussed in open session of a regular meeting that is distributed within the 72 hours prior to the meeting is available for public inspection at the time the record is distributed to all, or a majority of all,**

**members of the Board. These documents are available from the Executive Assistant in Administration at 3605 Hospital Road, Atwater, California 95301.**

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)  
FINANCE COMMITTEE MEETING  
BOARD ROOM  
Thursday, August 26, 2021  
1:30 p.m.**

Committee: Edward Lujano, CEO; Dawnita Castle, Chief Financial Officer;  
Fily Cale, Executive Assistant; 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 August 26, 2021 agenda as presented. Motion carried.**

**PUBLIC COMMENTS**

None.

**APPROVAL OF FINANCE COMMITTEE MINUTES**

A. July 29, 2021 Finance Committee Meeting Minutes, Exhibit 1

**A motion was made / seconded, (Kory Billings / Edward Lujano) to approve the July 29, 2021 Finance Committee meeting minutes as presented, Exhibit 1. Motion carried.**

**REVIEW OF FEBRUARY FINANCIAL STATEMENTS, EXHIBIT 2**

Dawnita Castle, CFO, reported that for July 2021, BMHD had a total net gain before depreciation of \$56,439 compared to a net gain last year of \$80,746. The net income was a loss after depreciation of \$3,804. There were \$49,000 worth of more expenditures, the repairs and maintenance for the cooling towers and doors. This month the repairs and maintenance was almost doubled at \$8,000 in total. BMHD only covered about \$6,600 of the repairs that were done in July \$4,000 more for repairs and maintenance versus last month.

Also, last month was a record high electricity and this month it decreased by \$300. The total Operation Cash Balance was at \$3,323,050 and Days Cash on Hand did increase to 852 days for a 12 day increase. BMHD had \$50,000 that was paid last month in repairs and this month only \$6,000 paid in repairs.

Expenses do include \$10,564 of SKDSC costs.

Alfonse Peterson asked if rent is considered operating revenue. Dawnita Castle replied that it is under Non Operating Revenue, this can be changed as before it was always underneath that to keep the line item consistent. He was only wondering where it was carried.

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

### **WARRANTS AND PAYROLL**

#### **A. July 2021 Payroll, Electronic Payments & Check Register, Exhibit 4**

**A motion was made/seconded, (Kory Billings / Edward Lujano) to approve and accept the July 2021 Total Payroll in the amount \$9,158.42 and Total Accounts Payable in the amount of \$162,646.60 for a total Grand Total Disbursement of \$171,805.02, Exhibit 4. Motion carried.**

Alfonse Peterson mentioned that on the LPL the new accounts BMHD is in, including Blackrock Emerging Markets, Blackrock Equity Dividend and there are several accounts in there that have unrealized capital loss. The way they manage is that they managed them for the risk number and his understanding is that it would be of funds that were at the top of the scale.

It was recommended that ThiesenDueker provide a brief overview next month.

### **OLD BUSINESS**

None.

### **DISCUSSION**

None.

### **AGENDA FOR CLOSED SESSION**

None.

### **NEXT MEETING DATE/ADJOURNMENT**

The next Finance Committee meeting will be held on Thursday, September 30, 2021 at 1:30 pm.

---

As there was no further business, the meeting adjourned at 1:40 p.m.

Respectfully Submitted,

---

Fily Cale  
Executive Assistant

---

Alfonse Peterson  
Committee Chair

**BLOSS MEMORIAL HEALTHCARE DISTRICT  
FINANCE COMMITTEE MEETING  
Period Ended August 2021**

**Operations Summary Statement (white)**

**Financial Statements**

Detail Balance Sheet (**yellow**)

Summary Income Statement Prior Year Comparison (**lilac**)

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

**Statistics**

FTE Report (**gray**)

BMHD had a total net gain before depreciation of \$72,511 for the month compared to a net gain of \$74,545 last year. Net income after depreciation was a gain of \$11,092.

Expenses include \$10,612 of SKDSC costs.

The August, Operating Cash Balance was \$3,075,290 and Days Cash On Hand decreased to 765 Days\*. In July the DCH was 852 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 :

	Aug-21	Aug-20	VARIANCE *	%	Y-T-D Aug-21	Y-T-D Aug-20	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	0	0	NA	0	0	0	N/A
Other Operating Revenue	0	1,637	(1,637)	NA	62	1,694	(1,632)	-96.34%
Total Net Operating Revenue	0	1,637	(1,637)	NA	62	1,694	(1,632)	-96.34%
Operating Expenses Excluding Depreciation	124,644	114,918	(9,726)	-8.46%	245,516	224,813	(20,703)	-9.21%
Net Operating Income (Loss) Before Depreciation	(124,644)	(113,281)	(11,363)	-10.03%	(245,454)	(223,119)	(22,335)	-10.01%
Net Non Operating-Gains/Losses								
Gain/Loss on Investments	23,021	32,978	(9,957)	-30.19%	28,671	71,094	(42,423)	-59.67%
Grant Donation Expense	0	14,535			0	29,535		
All Other Non-Operating Gains/Losses	174,134	140,314	(33,820)	-24.10%	345,733	277,783	67,950	24.46%
Total Net Non-Operating Income: Losses/Gains	197,155	187,826	(9,329)	-4.97%	374,404	378,412	(4,008)	-1.06%
Total Net Income (Loss) Before Depreciation	72,511	74,545	(2,034)	-2.73%	128,950	155,293	(26,343)	-16.96%
Depreciation Expense	61,419	59,074	2,345	3.97%	121,662	117,780	3,882	3.30%
Net Income (Loss) After Depreciation	11,092	15,471	(4,379)	-28.30%	7,288	37,513	(30,225)	-80.57%

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



Bloss Memorial HealthCare District  
 Operations Summary Report  
 Two Months Ending August 31, 2021

**BMHD FULL TIME EQUIVALENTS SUMMARY :**

(See FTE report included in Financial Reports for detail)

	Aug-21	Aug-20	VARIANCE	%	Y-T-D Aug-21	Y-T-D Aug-20	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	1.00	1.00	0.00	0.00%	1.00	1.00	0.00	0.00%
CONTRACT FTE'S	4.93	4.04	(0.90)	-22.28%	4.97	3.96	(1.00)	-25.25%
TOTAL FTE'S	5.93	5.04	(0.90)	-17.86%	5.97	4.96	(1.01)	-20.36%

\* 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, A PUBLIC ENTITY.  
 DETAIL BALANCE SHEET  
 PRIOR MONTH COMPARISON  
 AUG 2021

	CURRENT MO. AUG 2021	PRIOR MONTH JUL 2021	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2020
ASSETS					
CURRENT ASSETS					
CASH AND EQUIVALENTS					
CASH - GENERAL CHECKING	1,713,434	1,958,391	(244,957)	(12.51)%	1,278,635
CDSC CASH - NEW GENERAL CHK	122	147	(25)	(16.98)%	1,442
CDSC CASH - GENERAL CHECKING	19,865	18,921	944	4.99%	9,052
CCDS-GENERAL CHECKING	0	0	0	0.00%	3,474
CCDSC-GENERAL CHECKING	0	0	0	0.00%	20,609
CASH - PAYROLL ACCOUNT	8,699	8,699	0	0.00%	8,699
CASH - LAIF SAVINGS ACCOUNT	952,185	952,098	87	0.01%	1,084,778
LAIF - FUNDED DEPRECIATION	449,946	449,946	0	0.00%	316,358
CASH-BBVA MONEY MARKET ACCOUNT	510,251	510,242	9	0.00%	509,916
MARKETABLE SECURITIES CAP IMP	1,077,311	1,059,295	18,016	1.70%	635,998
MARKETABLE SECURITIES GRANTS	639,463	634,458	5,005	0.79%	353,998
TOTAL CASH AND EQUIVALENTS	5,371,275	5,592,196	(220,921)	(3.95)%	4,222,958
PATIENT ACCOUNTS RECEIVABLE					
ALLOWANCES					
TOTAL ALLOWANCES	0	0	0	0.00%	0
OTHER RECEIVABLES					
DSCA RECEIVABLE	10,750	10,750	0	0.00%	10,750
RENT RECEIVABLE	(2,893)	(3,124)	231	(7.39)%	40,246
PROPERTY TAX RECEIVABLE	64,090	72,157	(8,067)	(11.18)%	64,090
CFHC INC RECEIVABLE	17,140	0	17,140		389
DSCA CAPTIAL NOTE RECEIVABLE	200,000	200,000	0	0.00%	200,000
DSCA ATWATER NOTE RECEIVABLE	1,750,000	1,750,000	0	0.00%	1,750,000
DSCA STOCKTON NOTE RECEIVABLE	200,000	200,000	0	0.00%	200,000
OTHER ACCOUNTS RECEIVABLE	98,274	0	98,274		0
ALLOWANCES FOR OTHER RECEIVABLES					
NET OTHER ACCOUNTS RECEIVABLE	2,337,361	2,229,782	107,579	4.82%	2,265,476
INVENTORY					
PREPAID EXPENSES AND DEPOSITS					

BLOSS MEMORIAL HEALTHCARE DISTRICT, A PUBLIC ENTITY.  
 DETAIL BALANCE SHEET  
 PRIOR MONTH COMPARISON  
 AUG 2021

	CURRENT MO. AUG 2021	PRIOR MONTH JUL 2021	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2020
PREPAID INSURANCE	74,944	5,792	69,153	1,194.04%	30,473
PREPAID RENT	19,390	0	19,390		0
PREPAID EXPENSE - SYSTEM	0	0	0	0.00%	417
PREPAID EXPENSE - MANUAL	10,987	12,592	(1,606)	(12.75)%	3,987
<b>TOTAL PREPAID EXPENSES AND DEPOSITS</b>	<b>105,321</b>	<b>18,384</b>	<b>86,937</b>	<b>472.90%</b>	<b>34,876</b>
<b>TOTAL CURRENT ASSETS</b>	<b>7,813,957</b>	<b>7,840,362</b>	<b>(26,405)</b>	<b>(0.34)%</b>	<b>6,523,311</b>
<b>NON-CURRENT ASSETS</b>					
<b>PROPERTY, PLANT, AND EQUIPMENT</b>					
LAND	2,205,996	2,205,996	0	0.00%	2,205,996
LAND IMPROVEMENTS	51,615	51,615	0	0.00%	51,615
BUILDING AND IMPROVEMENTS	21,968,557	21,897,706	70,851	0.32%	21,823,951
CASTLE BUILDING AND IMPROVEMEN	1,404,762	1,392,603	12,158	0.87%	1,353,689
SKDSC BUILDING AND IMPROVEMENT	20,705	20,705	0	0.00%	20,705
BLOSS REMODLE	832,986	832,986	0	0.00%	832,986
CASTLE REMODEL-EAST WING FY 03	126,551	126,551	0	0.00%	126,551
PRKNG LOT & IMPROVEMENTS	138,713	138,713	0	0.00%	138,713
EQUIPMENT - FIXED	1,268,247	1,268,247	0	0.00%	1,268,247
COMMUNICATION LINES FY 03	452,829	452,829	0	0.00%	452,829
SKDSC EQUIPMENT-FIXED	66,746	66,746	0	0.00%	66,746
LEASEHOLD IMPROVEMENTS	17,063	17,063	0	0.00%	17,063
SKDSC LEASEHOLD IMPROVEMENTS	90,895	90,895	0	0.00%	90,895
EQUIPMENT - MAJOR MOVABLE	4,650,180	4,650,180	0	0.00%	4,638,963
MEDITECH HARDWARE	223,353	223,353	0	0.00%	223,353
MEDITECH IMPLEMENTATION COSTS	222,216	222,216	0	0.00%	222,216
EQUIPMENT - MINOR	468,073	468,073	0	0.00%	463,214
MEDITECH SOFTWARE	277,372	277,372	0	0.00%	277,372
<b>TOTAL PROPERTY PLANT AND EQUIPMENT</b>	<b>34,486,858</b>	<b>34,403,849</b>	<b>83,009</b>	<b>0.24%</b>	<b>34,275,104</b>
<b>ACCUMULATED DEPRECIATION</b>					
ACCUM DEPREC - LAND IMPROVMNTS	(144,157)	(143,030)	(1,127)	0.79%	(130,636)
ACCUM DEPREC - BLDGS & IMPROV	(10,652,814)	(10,600,069)	(52,745)	0.50%	(10,031,482)
SKDSC DEPREC-BLDGS & IMPROV	(13,803)	(13,228)	(575)	4.35%	(6,902)
ACCUM DEPREC - FIXED EQUIP	(2,047,469)	(2,045,741)	(1,728)	0.08%	(2,026,729)
SKDSC ACCUM DEPREC-FIXED EQUIP	(3,340)	(3,240)	(101)	3.10%	(2,135)
ACCUM DEPREC - LEASEHOLD IMPRV	(75,069)	(73,953)	(1,116)	1.51%	(60,861)
SKDSCACCUM DEPREC-LEASH IMPROV	(39,546)	(39,304)	(242)	0.62%	(36,645)
ACCUM DEPREC - MAJOR MOVE EQPT	(4,524,267)	(4,520,562)	(3,705)	0.08%	(4,486,913)
ACCUM DEPREC - MINOR EQUIPMENT	(575,536)	(575,455)	(81)	0.01%	(575,455)
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>(18,076,000)</b>	<b>(18,014,581)</b>	<b>(61,419)</b>	<b>0.34%</b>	<b>(17,357,756)</b>

BLOSS MEMORIAL HEALTHCARE DISTRICT, A PUBLIC ENTITY.  
 DETAIL BALANCE SHEET  
 PRIOR MONTH COMPARISON  
 AUG 2021

	CURRENT MO. AUG 2021	PRIOR MONTH JUL 2021	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2020
NET PROPERTY, PLANT, AND EQUIPMENT	16,410,858	16,389,268	21,590	0.13%	16,917,348
ASSETS LIMITED AS TO USE					
CASH - UNG GOODWIN TRUST	212,503	209,887	2,617	1.25%	164,006
TOTAL RESTRICTED ASSETS	<u>212,503</u>	<u>209,887</u>	<u>2,617</u>	<u>1.25%</u>	<u>164,006</u>
OTHER ASSETS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL ASSETS LIMITED AS TO USE	16,623,361	16,599,155	24,207	0.15%	17,081,354
TOTAL ASSETS	<u>24,437,318</u>	<u>24,439,517</u>	<u>(2,199)</u>	<u>(0.01)%</u>	<u>23,604,665</u>
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE - VENDORS	54,134	42,172	(11,961)	28.36%	27,812
ACCOUNTS PAYABLE - ACCRUALS	29,123	37,231	8,108	(21.78)%	40,501
ACCOUNTS PAYABLE - OTHER	25,583	24,283	(1,300)	5.35%	19,468
CASTLE INC PAYABLE	34,814	51,431	16,618	(32.31)%	31,326
DSCA PAYABLE	68,960	65,151	(3,809)	5.85%	31,713
TOTAL ACCOUNTS PAYABLE	<u>212,613</u>	<u>220,269</u>	<u>7,656</u>	<u>(3.48)%</u>	<u>150,820</u>
ACCRUED PAYROLL					
ACCRUED SALARY AND WAGES	4,167	8,975	4,808	(53.57)%	4,167
ACCRUED VACATION	15,293	14,492	(801)	5.53%	16,066
FICA PAYABLE	319	687	368	(53.57)%	319
PENSION PLAN ACCRUAL	800	5,200	4,400	(84.62)%	5,849
OTHER PAYROLL PAYABLES	631	107	(524)	490.46%	94
TOTAL ACCRUED PAYROLL	<u>21,209</u>	<u>29,460</u>	<u>8,251</u>	<u>(28.01)%</u>	<u>26,494</u>
OTHER CURRENT LIABILITIES	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

RUN DATE: 09/22/21  
 RUN TIME: 1310  
 RUN USER: DAMEDA

BLOSS MEMORIAL HEALTHCARE DISTRICT, A PUBLIC ENTITY.  
 DETAIL BALANCE SHEET  
 PRIOR MONTH COMPARISON  
 AUG 2021

	CURRENT MO. AUG 2021	PRIOR MONTH JUL 2021	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2020
INTERCORPORATE TRANSFERS					
TOTAL CURRENT LIABILITIES	233,822	249,729	15,907	(6.37)%	177,314
LONG TERM LIABILITIES					
SBA PPE FUND	0	0	0	0.00%	16,358
TOTAL LONG TERM LIABILITIES	0	0	0	0.00%	16,358
TOTAL LIABILITIES	233,822	249,729	15,907	(6.37)%	193,672
FUND BALANCES					
UNG GOODWIN TRUST	212,503	209,887	(2,617)	1.25%	164,006
TOTAL RESTRICTED FUND BALANCE	212,503	209,887	(2,617)	1.25%	164,006
UNRESTRICTED FUND BALANCE					
CAPITAL - BMHCD	3,664,861	3,664,861	0	0.00%	2,890,630
DONATED CAPITAL	20,318,844	20,318,844	0	0.00%	20,318,844
CURRENT YR NET INCOME (LOSS)	7,288	(3,804)	(11,092)	(291.60)%	37,513
TOTAL FUND BALANCE	24,203,496	24,189,788	(13,708)	0.06%	23,410,993
TOTAL LIABILITIES AND FUND BALANCES	24,437,318	24,439,517	2,199	(0.01)%	23,604,665

BLOSS MEMORIAL HEALTHCARE DISTRICT  
 SUMMARY INCOME STATEMENT  
 PRIOR YEAR COMPARISON  
 AUG. 2021

	AUG. 2021 ACTUAL	AUG. 2020 ACTUAL	\$ VARIANCE	% VARIANCE	AUG. 2021 YTD ACTUAL	AUG. 2020 YTD ACTUAL	\$ VARIANCE	% VARIANCE
PATIENT SERVICES REVENUE								
DEDUCTIONS FROM REVENUE								
TOTAL DEDUCTIONS FROM REVENUE	0	0	0.00	0%	0	0	0	0.00%
NET PATIENT REVENUE	0	0	0.00	0%	0	0	0	0.00%
OTHER REVENUE	0	1,637	(1,637.00)	(100)%	62	1,694	(1,632)	(96.36)%
TOTAL NET OPERATING REVENUE	0	1,637	(1,637.00)	(100)%	62	1,694	(1,632)	(96.36)%
OPERATING EXPENSES								
SALARIES AND WAGES	9,134	8,750	(384.62)	(4)%	18,269	17,884	(385)	(2.15)%
EMPLOYEE BENEFITS	1,438	1,543	106.06	7%	3,054	3,086	32	1.04%
PROFESSIONAL FEES	4,656	3,530	(1,126.65)	(32)%	6,575	8,269	1,694	20.48%
SUPPLIES	622	59	(563.25)	(961)%	938	3,653	2,714	74.31%
PURCHASED SERVICES	50,453	53,161	2,707.82	5%	110,021	95,786	(14,235)	(14.86)%
DEPRECIATION	61,419	59,074	(2,344.45)	(4)%	121,662	117,780	(3,882)	(3.30)%
RENTS AND LEASES	9,695	9,695	(0.23)	0%	19,342	19,293	(48)	(0.25)%
UTILITIES	33,290	33,840	550.07	2%	66,511	68,848	2,337	3.39%
INSURANCE	12,884	3,467	(9,416.56)	(272)%	17,714	6,826	(10,889)	(159.53)%
OTHER EXPENSES	2,473	873	(1,599.51)	(183)%	3,091	1,168	(1,923)	(164.59)%
TOTAL OPERATING EXPENSE	186,063	173,992	(12,071.32)	(7)%	367,178	342,593	(24,585)	(7.18)%
NET INCOME FROM OPERATIONS	(186,063)	(172,355)	(13,708.32)	8%	(367,116)	(340,899)	(26,217)	7.69%
NON-OPERATING REVENUE	197,155	202,361	(5,205.90)	(3)%	374,404	407,947	(33,542)	(8.22)%
NON-OPERATING EXPENSE	0	14,535	14,534.58	100%	0	29,535	29,535	100.00%
NET NON-OPERATING INCOME	197,155	187,826	9,328.68	5%	374,404	378,412	(4,008)	(1.06)%
NET INCOME	11,092	15,471	(4,379.64)	(28)%	7,288	37,513	(30,225)	(80.57)%

NOTE: UNFAVORABLE VARIANCES ARE SHOWN IN PARENTHESES

SIERRA KINGS DENTAL SURGERY CENTER  
MONTHLY OPERATING REPORT SUMMARY  
7210 SKDSC

	AUG 2021 ACTUAL	AUG 2020 ACTUAL	\$ VARIANCE	% VARIANCE	AUG 2021 YTD ACTUAL	AUG 2020 YTD ACTUAL	\$ VARIANCE	% VARIANCE
PATIENT SERVICES REVENUE								
DEDUCTIONS FROM REVENUE								
TOTAL DEDUCTIONS FROM REVENUE	0	0	0.00	0%	0	0	0	0.00%
NET PATIENT REVENUE	0	0	0.00	0%	0	0	0	0.00%
OTHER REVENUE			0.00	0%			0	0.00%
OPERATING EXPENSES								
DEPRECIATION	917	982	64.18	7%	1,835	1,963	128	6.54%
RENTS AND LEASES	9,695	9,695	(0.23)	0%	19,342	19,293	(48)	(0.25)%
TOTAL OPERATING EXPENSE	10,612	10,676	63.95	1%	21,176	21,256	80	0.38%
NET INCOME FROM OPERATIONS	(10,612)	(10,676)	63.95	(1)%	(21,176)	(21,256)	80	(0.38)%
NON-OPERATING EXPENSE			0.00	0%			0	0.00%
NET NON-OPERATING INCOME			0.00	0%			0	0.00%
NET INCOME	(10,612)	(10,676)	63.95	(1)%	(21,176)	(21,256)	80	(0.38)%

		CRP-00 FTE'S BY DEPARTMENT					
	AUG-2021	AUG-2020	(UN) FAVORABLE VARIANCE	YTD AUG-2021	YTD AUG-2020	(UN) FAVORABLE VARIANCE	% VARIANCE
*** EMPLOYEE FULL TIME EQUIVALENTS ***							
8610 ADMINISTRATION	1.00	1.00	0.00	1.00	1.00	0.00	0.00%
TOTAL EMPLOYEE FTE'S	1.00	1.00	0.00%	1.00	1.00	0.00%	0.00%
*** CONTRACT FULL TIME EQUIVALENTS ***							
PURCHASING	0.01	0.04	0.03	0.01	0.04	0.03	71.84%
MAINTENANCE & PLANT OPERATIONS	4.54	3.76	(0.77)	4.65	3.69	(0.96)	(25.98)%
ACCOUNTING	0.26	0.15	(0.10)	0.20	0.15	(0.05)	(37.12)%
ADMINISTRATION	0.12	0.07	(0.05)	0.10	0.07	(0.03)	(38.95)%
CLINIC ADMINISTRATION	0.01	0.01	0.00	0.01	0.01	0.00	(1.75)%
TOTAL CONTRACT FTE'S	4.93	4.04	(0.90)	4.97	3.96	(1.01)	(25.54)%
*** TOTAL FULL TIME EQUIVALENTS ***							
PURCHASING	0.01	0.04	0.03	0.01	0.04	0.03	71.84%
MAINTENANCE & PLANT OPERATIONS	4.54	3.76	(0.77)	4.65	3.69	(0.96)	(25.98)%
ACCOUNTING	0.26	0.15	(0.10)	0.20	0.15	(0.05)	(37.12)%
ADMINISTRATION	1.12	1.07	(0.05)	1.10	1.07	(0.03)	(2.63)%
CLINIC ADMINISTRATION	0.01	0.01	0.00	0.01	0.01	0.00	(1.75)%
TOTAL FTE'S	5.93	5.04	(0.90)	5.97	4.96	(1.01)	(20.40)%



AUGUST PAYROLL, ELECTRONIC PAYMENTS  
& CHECK REGISTER

Bloss Memorial Healthcare District  
 Payroll, Accounts Payable and Funds Disbursements - Summary  
 Month of August-21

Payroll			<u>\$14,347.23</u>
<b>Total Payroll</b>			<u><u>\$14,347.23</u></u>

Accounts Payable:

A/P Checks	Bloss	<u>\$424,107.05</u>	<u>\$424,107.05</u>
------------	-------	---------------------	---------------------

**BLOSS**

Auto Debits		\$48.30	
Electronic Payment on Credit Card		\$865.00	
Total Auto Debits and Electronic Transfers		<u>\$913.30</u>	<u>\$913.30</u>

Electronic Payments - ACH		<u>\$0.00</u>	<u>\$0.00</u>
---------------------------	--	---------------	---------------

<b>Total Accounts Payable</b>			<u><u>\$425,020.35</u></u>
-------------------------------	--	--	----------------------------

<b>Grand Total Disbursements</b>			<u><u>\$439,367.58</u></u>
----------------------------------	--	--	----------------------------

BLOSS	Payroll Disbursements for		August-21
	Payroll dated		
	08/05/21	08/20/21	Total
<b>Earnings</b>			
Regular	-	-	-
Overtime			-
Vacation	4,808.00		4,808.00
Sick			-
Holiday			-
Salary	4,166.67	4,166.67	8,333.34
Double Time			-
Call In			-
On Call			-
Other			-
			-
Total	8,974.67	4,166.67	13,141.34
			-
<b>Deductions</b>			
FICA (+)	686.56	318.75	1,005.31
Insurance (-)			-
Emp Deduction(-)/Reimb(+)			-
Christmas Fund (-)			-
Process Fee (+)	106.79	93.79	200.58
			-
Total	793.35	412.54	1,205.89
			-
			-
Net Payroll	\$ 9,768.02	\$ 4,579.21	14,347.23

RUN DATE: 09/01/21  
 RUN TIME: 1425  
 RUN USER: COOKS

Castle Family Health Centers AP \*\*LIVE\*\*  
 CHECK REGISTER BY DATE

C  
 FROM 08/01/21 TO 08/31/21

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
08/06/21	039213	B0072	BETA HEALTHCARE GROUP	ISSUED	08/06/21	875.00	
			COMMENT: REPLACES PMT NO: D131283				
08/06/21	039214	B0109	KORY BILLINGS	ISSUED	08/06/21	200.00	
08/06/21	039215	B0001	CARRIER CORPORATION	ISSUED	08/06/21	685.50	
08/06/21	039216	B0048	CENTRAL VALLEY DISPOSAL	ISSUED	08/06/21	397.98	
08/06/21	039217	B0134	CITY OF ATWATER PAYMENT CENTER	ISSUED	08/06/21	1556.63	
08/06/21	039218	B0132	CLARK PEST CONTROL	ISSUED	08/06/21	795.00	
08/06/21	039219	B0016	GUARDCO SECURITY SERVICES	ISSUED	08/06/21	13004.20	
08/06/21	039220	B0030	HD SUPPLY FACILITIES MAINTENANCE	ISSUED	08/06/21	380.01	
08/06/21	039221	B0304	KATHLEEN FLAHERTY	ISSUED	08/06/21	100.00	
08/06/21	039222	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	08/06/21	4497.17	
08/06/21	039223	B0212	JAVIER L MENDOZA	ISSUED	08/06/21	2775.00	
			REMITTED TO: NATURAL GARDENS				
08/06/21	039224	B0064	PETERSON, ALFONSE	ISSUED	08/06/21	200.00	
08/06/21	039225	B0260	ROBERT F. BOESCH	ISSUED	08/06/21	100.00	
08/06/21	039226	B0302	SAN JOAQUIN GLASS OF MERCED, INC	ISSUED	08/06/21	1589.00	
08/06/21	039227	B0229	SECRETARY OF STATE	ISSUED	08/06/21	1.00	
08/06/21	039228	B0282	VIVIAN M PASSWATERS	ISSUED	08/06/21	100.00	
08/06/21	039229	B0303	TRAVELERS CL REMITTANCE CENTER	ISSUED	08/06/21	83615.00	
08/13/21	039230	B0005	A-1-A/PRESTON'S LOCK SHOP	ISSUED	08/13/21	728.46	
			REMITTED TO: A-1-A PRESTON'S LOCK SHOP				
08/13/21	039231	B0233	COMMERCIAL CONSTRUCTION CO.	ISSUED	08/13/21	2325.12	
08/13/21	039232	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	08/13/21	104.95	
08/13/21	039233	B0225	HOFFMAN SECURITY	ISSUED	08/13/21	694.90	
08/18/21	039234	B0197	MASS MUTUAL	ISSUED	08/18/21	4800.00	
08/23/21	039235	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	08/23/21	51431.41	
08/23/21	039236	B0289	CHEMSEARCHFE	ISSUED	08/23/21	532.97	
08/23/21	039237	B0058	WEST COAST ENERGY SYSTEMS	ISSUED	08/23/21	3946.46	
			REMITTED TO: WEST COAST ENERGY SYSTEMS LLC				
08/23/21	039238	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	08/23/21	218.68	
08/23/21	039239	B0253	JOHNSON CONTROLS FIRE PROTECTION LP	ISSUED	08/23/21	12158.39	
08/23/21	039240	B0133	MERCED COMMERCIAL SWEEPING	ISSUED	08/23/21	240.00	
08/23/21	039241	B0218	JOHN P. NIEMOTKA	ISSUED	08/23/21	400.00	
			REMITTED TO: OCTANE ADVERTISING & DESIGN				
08/23/21	039242	B0014	PG&E (4705482162-5)	ISSUED	08/23/21	6674.11	
08/23/21	039243	B0302	SAN JOAQUIN GLASS OF MERCED, INC	ISSUED	08/23/21	959.00	
08/23/21	039244	B0013	WEST COAST GAS CO, INC.	ISSUED	08/23/21	371.30	
08/25/21	039245	K0003	M-D VENTURES	ISSUED	08/25/21	19390.11	
08/27/21	039246	B0001	CARRIER CORPORATION	ISSUED	08/27/21	1118.00	
08/27/21	039247	B0027	CITY OF ATWATER PAYMENT CENTER	ISSUED	08/27/21	1626.70	
08/27/21	039248	B0134	CITY OF ATWATER PAYMENT CENTER	ISSUED	08/27/21	654.34	
08/27/21	039249	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	08/27/21	1936.01	
08/27/21	039250	B0253	JOHNSON CONTROLS FIRE PROTECTION LP	ISSUED	08/27/21	8193.73	
08/27/21	039251	B0305	LAYMAN ELECTRIC INC.	ISSUED	08/27/21	22367.99	
08/27/21	039252	B0025	MERCED IRRIGATION DISTRICT	ISSUED	08/27/21	21576.10	
08/27/21	039254	B0016	GUARDCO SECURITY SERVICES	ISSUED	08/31/21	12903.00	
08/27/21	039255	K0003	M-D VENTURES	ISSUED	08/31/21	19390.11	

RUN DATE: 09/01/21  
RUN TIME: 1425  
RUN USER: COOKS

Castle Family Health Centers AP \*\*LIVE\*\*  
CHECK REGISTER BY DATE

C  
FROM 08/01/21 TO 08/31/21

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
08/27/21	039256	B0290	VANGUARD CLEANING SYSTEMS OF THE	ISSUED	08/31/21	17140.00	
08/31/21	039253	B0275	BELFOR USA GROUP, INC.	ISSUED	08/31/21	101353.72	
TOTAL \$						424107.05	

Bloss Memorial Healthcare District

August-21

**Bloss Electronic Transfers**

**Bloss Auto Debits**

Electronic Payment on Credit Card	865.00
Bank Fees - Bloss	48.30
<b>Total</b>	<u><u>913.30</u></u>

<b>Total</b>	<u><u>0.00</u></u>
--------------	--------------------

<b>Grand Total</b>	<u><u>913.30</u></u>
--------------------	----------------------

RECOMMENDATION OF FYE 2021 DRAFT AUDIT

Audited Financial Statements  
BLOSS MEMORIAL  
HEALTHCARE DISTRICT

June 30, 2021 and 2020

JWT & Associates, LLP  
Advisory Assurance Tax

DRAFT



Bloss Memorial Healthcare District

Audited Financial Statements

Table of Contents

**Report of Independent Auditors..... 1**

**Management’s Discussion and Analysis, Year ended June 30, 2021..... 3**

**Audited Financial Statements**

Statements of Net Position..... 6

Statements of Revenues, Expenses and Changes in Net Position..... 7

Statements of Cash Flows..... 8

Notes to Financial Statements..... 10

DRAFT

# **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

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Bloss Memorial Healthcare District (the District) as of June 30, 2021 and 2020, which comprise the statement of net position as of June 30, 2021 and 2020, and the related statements of operations and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in accordance with the State Controller's Minimum Audit Requirements for Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the 2021 and 2020 financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Required Supplementary Information*

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*JWT & Associates, LLP*

Fresno, California  
September 30, 2021

DRAFT

# Bloss Memorial Healthcare District

## Management's Discussion and Analysis

June 30, 2021

The management of Bloss Memorial Healthcare District ("Bloss") has prepared the following analysis and discussion of the financial performance of the District for the fiscal Year ended June 30, 2021 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 2021. The audited financial statements included herewith have been prepared and submitted with an unqualified opinion from the District's independent auditor.

Fiscal Year 2021 completed another successful year for BMHD. While continuing partnerships with local health care agencies, BMHD provides much needed resources to better assist the community they serve. BMHD provided a total of \$96,000 worth of grants to health care agencies to serve the Atwater community.

BMHD has continued its affiliation with Castle Family Health Centers, Inc. (CFHC), which provided services to 171,117 patient visits during FY 2021. The affiliation with CFHC has allowed BMHD to continue its mission in the provision of healthcare services to the community. During FY 2021 BMHD provided grant funds of \$7,000 from its Goodwin Trust to CFHC. The grant funds was used to provide Flu Shots and bad debt forgiveness to the Senior Citizens that resides in the community. BMHD further assisted CFHC with screening protocols located at BMHD two facilities. BMHD granted \$50,000 to assist in contracted labor and screening supplies assisting CFHC in absorbing the additional costs due to COVID. BMHD provided CFHC \$15,000 to organize free sports physicals to children with low income families in the Atwater community.

During FY21 BMHD granted Day Break Adult Health Care (Day Break) \$24,000 to prepare and deliver meals to elderly and disable residents of the Community. Day Break severed over 3,200 meals to elderly disadvantage residents located in Atwater, California.

Although BMHD provided the necessary grant assistance, BMHD had a net gain for FY 2021 of \$774,230 which includes \$714,362 of depreciation expense.

# Bloss Memorial Healthcare District

## Management's Discussion and Analysis

June 30, 2021

### Comments on the Statement Net Position

Total Cash and Cash Equivalents had an increase by \$1,459,832 and is up 35.23% from the prior year. Other Receivables decreased by \$25,382 with a 1.14% below the prior year. FY 2021 Other Receivables Property Tax of \$40,112 from Merced County, Dental Surgery Centers of America (DSCA) of \$10,750, and three Note Receivable from DSCA totaling \$2,150,000 from the sale of two surgery centers in May 2018.

Table 1  
Condensed Statements of Net Position:

	2021	2020	Dollar Change	Percent Change
Current and Other Assets	\$ 8,036,449	\$ 6,560,802	\$ 1,475,647	22.49%
Capital Assets, Net	16,398,872	16,996,730	(597,858)	-3.52%
<b>Total Assets</b>	<b>24,435,321</b>	<b>23,557,532</b>	<b>877,789</b>	<b>3.73%</b>
Long-term Debt	-	-	-	-
Other Liabilities	-	184,051	(184,051)	-100.00%
<b>Total Liabilities</b>	<b>-</b>	<b>184,051</b>	<b>(184,051)</b>	<b>-100.00%</b>
Net Position Invested in Capital Assets, Net of Related Debt	16,398,871	16,996,730	(597,859)	-3.52%
Temporarily restricted	209,887	164,006	45,881	27.97%
Unrestricted	7,584,834	6,212,745	1,372,089	22.09%
<b>Total Net Position</b>	<b>\$ 24,193,592</b>	<b>\$ 23,373,481</b>	<b>\$ 820,111</b>	<b>3.51%</b>

### Property Plant and Equipment

Fixed Assets decreased by \$597,858 (3.52%) during FY 2021 over the prior year. The decrease is A Summary of changes in Fixed Assets is as follows:

Capital Expenditures:	
Building Upgrades and Repairs	\$ (568,519)
Equipment	\$ (29,339)
Net Change in fixed assets	<u>\$ (597,858)</u>

Total Liabilities as of June 30, 2021 of \$209,887 increased from the prior year by \$57,678 31.34%. A result of an increase in the Dental Surgery Centers of America payable for final reconciled payments.

# Bloss Memorial Healthcare District

## Management's Discussion and Analysis

June 30, 2021

### Comments on the Statement of Revenue and Expenses

BMHCD other operating revenue consists of miscellaneous revenue of small dividends of \$2,971 compared to \$111,739 in FY 2020. Other Operating Revenues also include the Bloss Trust in the amount of \$572,954.

Total expenses in FY 2021 was \$2,106,518 a decrease of \$104,901 from the prior year. The decrease was due to a sublease of Sierra Kings Dental Surgery Center located in Parlier, Ca. BMHCD lease agreement with MD Ventures ends July 2023. DSCA has subleased the space to provide dental surgery services to the children in the surrounding area.

Major sources of Non-Operating Revenues in FY 2021 are Rental Income of \$1,477,490, Property Tax Revenue of \$443,301, and Interest Income of \$130,692 for Promissory Note at 6% interest on from the three Notes Receivable DSCA.

**Table 2**

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

	2020	2020	Dollar Change	Percent Change
Operating Revenues	\$ 575,925	\$ 700,239	\$ (124,314)	-17.75%
Nonoperating Revenues	2,304,824	2,084,408	220,416	10.57%
<b>Total Revenues</b>	<b>2,880,749</b>	<b>2,784,647</b>	<b>96,102</b>	<b>3.45%</b>
Depreciation Expense	714,362	696,339	18,023	2.59%
Other Operating Expenses	1,392,156	1,515,080	(122,924)	-8.11%
<b>Total Expenses</b>	<b>\$ 2,106,518</b>	<b>\$ 2,211,419</b>	<b>\$ (104,901)</b>	<b>-4.74%</b>

### 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, 2021 and 2020

	2021	2020
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 5,603,335	\$ 4,143,503
Other receivables	50,862	76,244
Prepaid expenses and deposits	22,366	27,049
Total current assets	5,676,563	4,246,796
Capital assets, net of accumulated depreciation	16,398,871	16,996,730
Notes receivable	2,150,000	2,150,000
Assets whose use is limited	209,887	164,006
Total assets	\$ 24,435,321	\$ 23,557,532
<b>Liabilities and Net Position</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 213,851	\$ 159,574
Accrued payroll and related liabilities	27,878	24,477
Total current liabilities	241,729	184,051
Total liabilities	241,729	184,051
Net position		
Temporarily restricted	209,887	164,006
Invested in capital assets, net of related debt	16,398,871	16,996,730
Unrestricted	7,584,834	6,212,745
Total net position	24,193,592	23,373,481
Total liabilities and net position	\$ 24,435,321	\$ 23,557,532

*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, 2021 and 2020

	2021	2020
<b>Operating revenues</b>		
Donations	\$ 572,954	\$ 588,500
Other operating revenue	2,971	111,739
Total operating revenues	575,925	700,239
<b>Operating expenses</b>		
Salaries & wages	108,458	80,220
Employee benefits	20,310	18,814
Professional Fees	45,680	23,514
Purchased services	510,434	458,129
Supplies	11,730	11,646
Repairs & maintenance	60,891	61,240
Utilities	333,520	385,098
Rentals and leases	115,712	129,535
Depreciation & amortization	714,362	696,339
Insurance	40,408	60,595
Other operating expenses	14,283	4,954
Total operating expenses	1,975,788	1,930,084
Operating income (loss)	(1,399,863)	(1,229,845)
<b>Nonoperating revenues (expenses)</b>		
District tax revenues	443,301	418,356
Rental income	1,477,490	1,448,622
Investment income	130,692	137,983
Other non-operating income (expense)	122,610	(201,889)
Total nonoperating revenues (expenses)	2,174,093	1,803,072
Excess of revenues (expenses)	774,230	573,227
Net change in temporarily restricted position	45,881	(5,920)
Increase in net position	820,111	567,307
Net position, beginning of the year	23,373,481	22,806,174
Net position, end of year	\$ 24,193,592	\$ 23,373,481

*See accompanying notes to the financial statements*



Bloss Memorial Healthcare District

Statements of Cash Flows

For The Years Ended June 30, 2021 and 2020

	2021	2020
<b>Cash flows from operating activities</b>		
Cash received for operations	\$ 601,307	\$ 677,692
Cash payments to suppliers and contractors	(1,073,698)	(1,380,209)
Cash payments to employees and benefit programs	(125,367)	(136,425)
Net cash used in operating activities	(597,758)	(838,942)
<b>Cash flows from non-capital and related financing activities</b>		
District tax revenue	443,301	418,356
Net cash provided by non-capital and related financing activities	443,301	418,356
<b>Cash flows from capital and related financing activities</b>		
Purchase of property, plant & equipment	(116,503)	(238,140)
Net cash used in capital and related financing activities	(116,503)	(238,140)
<b>Cash flows from investing activities</b>		
Rental income	1,477,490	1,448,622
Investment income	130,692	137,983
Other non-operating income (expense)	122,610	(201,889)
Net cash provided by investing activities	1,730,792	1,384,716
Increase in cash and cash equivalents	1,459,832	725,990
Cash and cash equivalents at beginning of year	4,143,503	3,417,513
Cash and cash equivalents at end of year	<u>\$ 5,603,335</u>	<u>\$ 4,143,503</u>

See accompanying notes to the financial statements

Bloss Memorial Healthcare District

Statements of Cash Flows (continued)

For The Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating loss	\$ (1,399,863)	\$ (1,229,845)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	714,362	696,339
Changes in operating assets and liabilities		
Other receivables	25,382	(22,547)
Prepaid expenses	4,683	(15,719)
Accounts payable and accrued expenses	54,277	(229,779)
Accrued payroll and related expenses	3,401	(37,391)
Net cash used in operating activities	<u>\$ (597,758)</u>	<u>\$ (838,942)</u>

See accompanying notes to the financial statements

DRAFT

# Bloss Memorial Healthcare District

## Notes to Financial Statements

June 30, 2021 and 2020

### 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, 2021 and 2020

### 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, 2021 and 2020, 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, 2021 and 2020 are \$18,499 and \$14,849, respectively.

# Bloss Memorial Healthcare District

## Notes to Financial Statements

June 30, 2021 and 2020

### 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, 2021 and 2020

### 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, 2021 and 2020, the District had deposits invested in various financial institutions in the form of cash and cash equivalents amounting to \$5,603,335 and \$4,143,503, 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, 2021 and 2020:

	2021			
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 1,400,967	\$ 1,400,967	\$ -	\$ -
Money market accounts	515,115	515,115	-	-
Mutual funds	485,623	485,623	-	-
Total investments	<u>\$ 2,401,705</u>	<u>\$ 2,401,705</u>	<u>\$ -</u>	<u>\$ -</u>

# Bloss Memorial Healthcare District

## Notes to Financial Statements

June 30, 2021 and 2020

### NOTE 3 – INVESTMENTS (continued)

	2019			
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 500,494	\$ 500,494	\$ -	\$ -
Money market accounts	506,632	506,632	-	-
Mutual funds	477,391	477,391	-	-
Total investments	<u>\$ 1,484,517</u>	<u>\$ 1,484,517</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 58% and investment companies 42%. 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, 2021 and 2020

### NOTE 4 - ASSETS LIMITED AS TO USE

Assets limited as to use as of June 30, 2021 and 2020 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 \$130,573 and \$137,983 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020 were comprised of the following:

	2021	2020
District tax revenue	\$ 40,112	\$ 27,533
Rents	-	11,662
Dental Surgery Centers of America	10,750	37,049
Castle Family Health Center	-	-
	<u>\$ 50,862</u>	<u>\$ 76,244</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 is 6% per annum. Interest only is payable in 36 monthly installments beginning in June 2018 and principle and any unpaid interest initially to be due by May 31, 2021. The notes were amended by the District's board of directors in June 2021, to extend the final due date of the notes to May 2022. All other terms of the notes remain the same. The total note receivable balance for all three notes receivable at June 30, 2021 and 2020 is \$2,150,000.



## Bloss Memorial Healthcare District

### Notes to Financial Statements

June 30, 2021 and 2020

#### NOTE 7 - CAPITAL ASSETS

Capital assets as of June 30, 2021 and 2020 were comprised of the following:

	Balance at June 30, 2020	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2021
Land and land improvements	\$ 2,257,611	\$ -	\$ -	\$ 2,257,611
Buildings and improvements	24,430,279	71,184	-	24,501,463
Equipment	7,548,817	45,319	-	7,594,136
Totals at historical cost	<u>34,236,707</u>	<u>\$ 116,503</u>	<u>\$ -</u>	<u>34,353,210</u>
Less accumulated depreciation	(17,239,977)	\$ (714,362)	\$ -	(17,954,339)
Capital assets, net	<u>\$ 16,996,730</u>			<u>\$ 16,398,871</u>
	Balance at June 30, 2019	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2020
Land and land improvements	\$ 2,257,611	\$ -	\$ -	\$ 2,257,611
Buildings and improvements	24,256,127	174,152	-	24,430,279
Equipment	7,519,052	63,988	(34,223)	7,548,817
Totals at historical cost	<u>34,032,790</u>	<u>\$ 238,140</u>	<u>\$ (34,223)</u>	<u>34,236,707</u>
Less accumulated depreciation	(16,577,861)	\$ (696,339)	\$ 34,223	(17,239,977)
Capital assets, net	<u>\$ 17,454,929</u>			<u>\$ 16,996,730</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, 2021 and 2020, the District contributed \$5,124 and \$14,318 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, 2021 and 2020

### 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, 2021, 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, 2021 and 2020, were \$115,712 and \$129,535, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2021, 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, 2021 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.

**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.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2021 and 2020

**NOTE 11-SUBSEQUENTEVENTS**

District management has evaluated events subsequent to June 30, 2021 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 30, 2021, the date these financial statements were available to be issued.

DRAFT