
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: November 23, 2022

Phone: (209) 724-4102

Fax: (209) 722-9020

Bloss Memorial Healthcare District will hold their next Finance Committee meeting, Wednesday, November 30, 2022 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 Wednesday, November 30, 2022 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
BOARD OF DIRECTORS MEETING
BOARD ROOM
Wednesday, November 30, 2022
2:00 pm

AGENDA FOR PUBLIC SESSION

Members of the public may listen to the meeting and offer public comment telephonically by calling 1-681-999-0313 and entering Access Code 328959. Please turn your cell phone or other electronic device to non-audible mode or mute.

I. CALL TO ORDER

Make findings in accordance with AB 361 for teleconferenced meeting. *
In compliance with AB 361 (2021) and in order to conduct teleconference meetings not subject to the usual Brown Act teleconference rules, the Board will consider the circumstances regarding the state of emergency declared by the Governor regarding the COVID-19 pandemic which continues in existence; and the continued recommendations or impositions by State and local officials to promote social distancing; and whether the continued presence of COVID-19 in the State directly impacts the ability of the Board to meet in person.

II. ROLL CALL

ACTION EXHIBIT

III. APPROVAL OF AGENDA

*

IV. PUBLIC COMMENTS

Comments can be made concerning any matter within the Board's jurisdiction; but if the matter is not on the agenda, there will be no Board discussion of the issue. Anyone wishing to address the Board on any issue, please stand and comment.

V. APPROVAL OF MINUTES

A. Approval of October 25, 2022 Board of Directors Minutes	*	1
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VI. FINANCIAL REPORT

A. Approval of October 25, 2022 Finance Committee Minutes	*	2
B. October Chief Financial Officer Report		3
C. October Payroll, Electronic Payments & Check Register	*	4

VII. CHIEF EXECUTIVE OFFICER REPORT

A. HVAC System
B. Backflow Water Valve at Bloss Site

VIII. OLD BUSINESS

A. October Castle Family Health Centers, Inc Report		5
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- IX. NEW BUSINESS**
- A. Ermalinda Martinez, Zumba Tenant * 6
- B. Grant Request from The Hope Church * 7
- C. Open Ung D. Goodwin Account with ThiesenDueker *
- D. Open New Accounts for Nursing and Physician Scholarships *
- E. Open New Account for Minor Facility Repairs *
- F. Add an Additional \$610,000 to the Capital Account *
- G. Add an Additional \$610,000to the Grant Account *
- H. New and Revised Investment Policies *
- I. Appointment of Nominating Committee *
- J. Approval of FYE 2022 Audit * 8

X. BOARD MEMBER REPORTS

XI. APPOINTMENTS / CEREMONIAL MATTERS *

XII. AGENDA FOR CLOSED SESSION

It is the intention of the Board to meet in Closed Session pursuant to Government Code Section 54957: Public Employee Performance Evaluation Title: CEO

XIII. NEXT MEETING DATE

IX. 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 (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Tuesday, October 25, 2022
2:00 pm**

CALL TO ORDER

Kory Billings, Board Chair, called the meeting to order at 2:00 pm.

Members of the public may listen to the meeting and offer public comment telephonically by calling 1-681-999-0313 and entering Access Code 328959. Please turn your cell phone or other electronic device to non-audible mode or mute.

Make findings in accordance with AB 361 for teleconferenced meeting. In compliance with AB 361 (2021) and in order to conduct teleconference meetings not subject to the usual Brown Act teleconference rules, the Board will consider the circumstances regarding the state of emergency declared by the Governor regarding the COVID-19 pandemic which continues in existence; and the continued recommendations or impositions by State and local officials to promote social distancing; and whether the continued presence of COVID-19 in the State directly impacts the ability of the Board to meet in person.

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to accept Make Findings in accordance with AB 361 for teleconferenced meeting. Motion carried.

ROLL CALL

Board Members Present: Kory Billings, Chair, Zone 2; Bob Boesch, Vice Chair, Zone 5; Vivian Passwaters, Board Secretary, Zone 1; Al Peterson, Treasurer, Zone 4 and Kathy Flaherty, Board Member, Zone 3

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Tom Ebersole, Legal Counsel; Cora Gonzales, CFHB Board Vice Chair; Peter Mojarras, CFHC COO @ 2:04 pm and Sabrina Cooksey, HR @ 2:06 pm

Absent: Jenna Anderson, Legal Counsel

APPROVAL OF AGENDA

A motion was made / seconded, (Bob Boesch / Vivian Passwaters) to approve the October 25, 2022 agenda as presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

A. Approval of September 29, 2022 Board of Directors Meeting, Exhibit 1

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to accept the September 29, 2022 Board of Directors Meeting minutes as presented, Exhibit 1. Motion carried.

FINANCIAL REPORT

A. Approval of September 29, 2022 Finance Committee Minutes, Exhibit 2

A motion was made / seconded, (Alfonse Peterson / Kathy Flaherty) to approve the September 29, 2022 Finance Committee Minutes as presented, Exhibit 2. Motion carried.

B. September Chief Financial Officer Report, Exhibit 3

Dawnita Castle informed the board that the audit will be presented next month. The auditor is going through the Meditech system to ensure that the correct numbers were brought over into the QuickBook system. When you transition from one system to another it can be prone to errors and he is ensuring that all is correct.

For September, BMHD had a net loss before depreciation of \$76,433 compared to last year it was \$12,310. Last year had a small loss in gains and investments. Net income after depreciation was a loss of \$137,025. The income statement is up \$18,000 in expense, which was due to Guardco invoices that were due in August however AP coded it in September and she did not catch it in her reconciliation.

Expenses do include \$9,646 of Sierra Kings costs and for September the Cash Balance was at \$6,625,416 and Days Cash on Hand did decrease to 1,388. The decrease was due to the higher expense for the month and divided by 30 days in the month.

YTD, BMHD is looking at a loss of \$147,193; there were donation expenses of \$27,726 and gains and losses of investments was at \$74,645.

C. August Payroll, Electronic Payments & Check Register, Exhibit 4

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to accept the September total payroll of \$9,168.86; total accounts payable of \$133,803.62 for a grand total disbursement of \$142,972.48, Exhibit 4. Motion carried.

CHIEF EXECUTIVE OFFICER REPORT

A. HVAC System

Edward Lujano provided updates on several projects. Carrier completed the HVAC site plan and is now helping him develop the RFP as there is a lot of language and jargon he is unfamiliar with. Once the RFP is complete it will go out to bid and they may be one of the bidders.

He asked Carrier for a ballpark figure for the cost of the project, they replied that it would be about \$1.8M for just the equipment and double that for the labor. This does not include the interior portions and the thermostats will also need to be replaced. The best option is to install the HVAC units on the ground and run the ducting up the sides into the existing penthouses. The building itself has potentially asbestos and they don't want to touch that.

Mr. Peterson asked how many companies around do this time of work. Edward Lujano responded that when it initially went out it went to Donald P. Dick Air Conditioning, Central Air Heating, Melton Air Conditioning, Patton Air Conditioning and American Air, they all refused to bid as they thought the project was too much for them.

B. Update on Fire Sprinklers

Johnson Controls has completed the piping and it will make it easier to shut off the water to the facility in case of any emergency.

Last week, two of the water units were received to replace the old water fountains within the Castle facility. The new units are not retrofitted and the current piping do not match up. The P-trap is embedded into the wall and does not reach the unit. Additional piping cannot be used due to the filterization in the unit. The two units will be returned and the order for the rest will be cancelled. Other options will be reviewed when the maintenance supervisor returns from medical leave.

The homeless are returning to the Bloss Site, he has reached out to Guardco to look closer and not just drive through.

OLD BUSINESS / REPORTS

A. September Castle Family Health Centers, Inc Report, Exhibit 5

Peter Mojarras, CFHC, COO reported that these past months, CFHC had a 15% decrease in visits, a lot is around COVID. They will continue to market and promote their services in the community to get people to come back in and see their providers in person.

California is moving in the direction that February 28th is the day that the Public Health Order will be removed pertaining to the guidance of COVID. The level of hospital admissions and deaths are very low, which has guided CDC.

Castle Site continues to have issues with masks, as people don't want to put their masks on and this causes conflicts in at the entrance.

CFHC has applied for a grant to become a test and treat site and this means if awarded, CFHC would have the opportunity to dispense Paxlovid, which counters the virus so that it does not advance as many patients experience early on. Instead of going to a pharmacy, the medication would be onsite.

A health fair was held at the Winton Site with lots of activities, 27 vendors, including flu shots and immunizations. CFHC along with the Alliance and other community members have been working collaboratively to get many of the children in Merced County immunized. They were able to give 102 flu shots and 14 COVID shots. The next event will be in Spring at the Bloss Site.

CFHC is developing a remote patient monitoring, which will provide tools for people who are home to do blood pressure, weight, etc and then it is sent into the doctor to provide better care. This is for telemedicine visits.

The optometry center will be going through a temporary closure as CFHC recruits for optometrists. CFHC is working with Dignity Health and collaborative efforts to get more people to come in. CFHC is also recruiting for dentists.

Dignity Health has given significant funding and resources to recruit physicians, CFHC has six spots. They're also working with Dignity Health with every specialist that comes into the county, they will provide services or presentations at CFHC. Stanford Hospital will also have some specialist providing services and/or telemedicine visits at CFHC.

B. Grove Avenue Signage

Kathy Flaherty reported that she along with Vivian Passwaters and CFHB Board members Cora Gonzales and Vicky Solis had met last week to discuss signage options for the Bloss Site on Grove Avenue.

She shared the latest revision from Edward Lujano, which has two options. Option one has CFHC on top and BMHD below and option two has BMHD on top and CFHC below. Both of the fonts are 4" which had been a concern. CFHC is agreeable to having Bloss Memorial Healthcare District on top as Bloss is the owner of the building. There is additional space below to add future tenants and the full address will be added at the very bottom of the sign.

Recommendation from Kathy Flaherty and Vivian Passwaters is to go with option two with BMHD on the top and Cora Gonzales and Vicky Solis agree. Cora Gonzales added that they want to have this continued friendship and continue to have this collaboration with BMHD.

Kory Billings asked about adding "Bloss" before Complex so that if BMHD wants to utilize the same signage elsewhere, specifically here at the Castle Site, it would say at that point, "Castle Complex".

A motion was made / seconded, (Kathy Flaherty /Vivian Passwaters) to proceed with Option two and add "Bloss" in front of Complex. Motion carried.

NEW BUSINESS

A. Ermalinda Martinez, Zumba Tenant, Exhibit 6

Kory Billings state that Ermalinda Martinez's contract is due to expire at the end of November and she is asking to extend her lease and is asking for Saturdays. She was unable to attend the meeting today.

This item will be tabled to the November meeting.

BOARD MEMBER REPORT REPORTS

Kory Billings reported that the Investment Committee had met with ThiesenDueker regarding where the market is and potentially investing some of the cash on hand. It was decided to leave \$2.5M in the account; \$182,000 will be pulled for the Goodwin Account and boosted to \$250,000 to easily get \$7,000 every year for senior services.

There are continual updates for the buildings and it was determined to take another \$1.5M and set it aside, at the return on investment is \$45,000 - \$50,000 a year to turnaround and utilize to improve the buildings. To start using the return on investment rather than utilizing all of the cash.

Kory Billings made a recommendation to the committee, as the Bloss Family valued health care and education. Merced College has one of the best nursing programs in the State and UC Merced is starting their medical programs next year. BMHD will set \$1.5M aside for scholarships for those two. Scholarships will very specifically go to residents of Merced County who want to participate in those programs. These will be recommendations for the board of directors. Jenna Anderson, Legal Counsel, had advised that BMHD could not invest in the annuities of those organizations, but BMHD could invest within the organization and provide them with a check for the scholarships. Once the proposal has been put together legal counsel will review them. This would be about \$40,000 per year to give away for scholarships.

There are two other investment accounts, and one is for building emergencies and these funds will be boosted by \$650,000 and the other account for grants.

A full investment committee report will be coming with action items.

Alfonse Peterson added that interest rates paid out are moving up a little, so BMHD may be able to make some money. The federal bond rate returns are about 10% and there are good opportunities for safe money. A lot of stock also pays good dividends, instruction was given to the advisors to look at some of the high dividend stock.

Cora Gonzales, CFHC Vice Board Chair, asked if BMHD had carved out in their health care budget for CFHC in any form, health care and education as part of the Bloss legacy. Kory Billings responded that as part of the legacy, BMHD has traditionally given grants to CFHC, such as the \$7,000 previously mentioned which has gone to CFHC. Some of the other grants CFHC has come up with proposal of ideas, when CFHC built their new clinic, BMHD funded a piece, there is always potential for CFHC to be a strong participant with BMHD.

Peter Mojarras mentioned that if the board would considerate, they can present the opportunity of building a school-based clinic at Atwater High School, something that has been evaluated and would be great to bring services to the campus.

APPOINTMENTS / CEREMONIAL MATTERS

None

AGENDA FOR CLOSED SESSION

It is the intention of the Board to meet in Closed Session pursuant to Government Code Section 54957: Public Employee Performance Evaluation Title: CEO

NEXT MEETING DATE

The next Board of Directors meeting will be held on Wednesday, November 30, 2022 at 2:00 pm in the Board Room.

There will be no meeting in December 2022.

The Board of Directors will meet on Thursday, January 5, 2023 and Thursday, January 26, 2023 at 2:00 pm.

ADJOURNMENT

As there was no further business, the meeting adjourned at 2:41 pm and went into Closed Session.

The meeting reconvened into public session and adjourned at 3:13 pm. No reportable action taken in closed session.

Respectfully Submitted,

Fily Cale
Executive Assistant

Vivian Passwaters
Board Secretary

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
FINANCE COMMITTEE MEETING
BOARD ROOM
Tuesday, October 25, 2022
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.

Members of the public may listen to the meeting and offer public comment telephonically by calling 1-681-999-0313 and entering Access Code 328959. Please turn your cell phone or other electronic device to non-audible mode or mute.

APPROVAL OF AGENDA

A motion was made/seconded, (Edward Lujano / Kory Billings) to approve the October 25, 2022 agenda as presented. Motion carried.

Make findings in accordance with AB 361 for teleconferenced meeting. In compliance with AB 361 (2021) and in order to conduct teleconference meetings not subject to the usual Brown Act teleconference rules, the Board will consider the circumstances regarding the state of emergency declared by the Governor regarding the COVID-19 pandemic which continues in existence; and the continued recommendations or impositions by State and local officials to promote social distancing; and whether the continued presence of COVID-19 in the State directly impacts the ability of the Board to meet in person.

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve Make findings in accordance with AB 361 for teleconferenced meetings. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF FINANCE COMMITTEE MINUTES, Exhibit 1

A. September 29, 2022 Finance Committee Meeting Minutes, Exhibit 1

A motion was made / seconded, (Edward Lujano / Vivian Passwaters) to approve the September 29, 2022 Finance Committee meeting minutes as presented, Exhibit 1.

REVIEW OF AUGUST FINANCIAL STATEMENTS, EXHIBIT 2

Dawnita Castle provided an updated on the audit, as BMHD moved from Meditech to QuickBooks the audit is taking additional time to review to ensure the numbers were copied into QuickBooks the way they should be recorded. She will be reviewing it and present it at the next finance meeting.

The Goodwin Fund is completely out of Wells Fargo and the fund of \$182,580 is listed on the Balance Sheet. Once BMHD decides on how they will fund that investments, then it will come out of the cash in the general checking account.

For September, MBHD had a total net loss before depreciation of \$76,433 compared to a net gain of \$12,310 last year. Net income after depreciation was a loss of \$137,025. On Gains and Investments, there was a loss of \$105,341. Also compared to last month expenses were up about \$18,000 due to purchased services; \$17,000 to Guardco which should have been in August financials. Hoffman Security did some updates / repairs to the security cameras.

Operating Cash Balance was at \$6,625,416 and Days Cash on Hand did decrease to 1,388 days. Decrease was due to expenses being up this month and they are divided by 30 and the daily averages go up. In expenses are also \$9,646 of Sierra Kings costs. YTD is a loss of \$147,193 after depreciation.

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

A. September Payroll, Electronic Payments & Check Register, Exhibit 3

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve the September Payroll in the amount of \$9,168.86; Accounts Payable in the amount of \$133,803.62 and Check Register of \$142,972.48, Exhibit 3. Motion carried.

OLD BUSINESS

None.

DISCUSSION

Alfonse Peterson commented that a meeting was held with the financial advisors. Dawnita Castle spoke to David Goforth and he will on a plan and what their fees are.

AGENDA FOR CLOSED SESSION

None.

NEXT MEETING DATE/ADJOURNMENT

The next Finance Committee meeting will be held on Wednesday, November 30, 2022 at 1:30 pm.

As there was no further business, the meeting adjourned at 1:39 p.m.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Committee Chair

OCTOBER CHIEF FINANCIAL OFFICER REPORT

BMHD had a total net gain before depreciation of \$115,807 for the month compared to a net gain of \$45,154 last year. Net income after depreciation was a gain of \$55,578.

Expenses include \$9,743 of SKDSC costs.

The October, Operating Cash Balance was \$6,616,452 and Days Cash On Hand increased to 1,660 Days*. In September the DCH was 1,388 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 :

	Oct-22	Oct-21	VARIANCE *	%	Y-T-D Oct-22	Y-T-D Oct-21	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	0	0	NA	0	0	0	N/A
Other Operating Revenue	143,439	136,340	7,100	NA	577,546	529,291	48,255	9.12%
Total Net Operating Revenue	143,439	136,340	7,100	NA	577,546	529,291	48,255	9.12%
Operating Expenses Excluding Depreciation	123,588	167,955	44,368	26.42%	538,948	404,285	(134,663)	-33.31%
Net Operating Income (Loss) Before Depreciation	19,851	(31,616)	51,467	162.79%	38,597	125,006	(86,409)	69.12%
Net Non Operating-Gains/Losses								
Gain/Loss on Investments	63,576	44,592	18,983	42.57%	(11,069)	25,231	(36,300)	-143.87%
Grant Donation Expense	0	0	0		(27,726)	0		
All Other Non-Operating Gains/Losses	32,380	32,178	(203)	-0.63%	150,518	161,192	(10,675)	-6.62%
Total Net Non-Operating Income: Losses/Gains	95,956	76,770	(19,186)	-24.99%	111,723	186,423	(74,700)	-40.07%
Total Net Income (Loss) Before Depreciation	115,807	45,154	70,653	156.47%	150,320	311,429	(161,109)	-51.73%
Depreciation Expense	60,230	0	60,230	#DIV/0!	241,935	218,857	23,078	10.54%
Net Income (Loss) After Depreciation	55,578	45,154	10,424	23.08%	(91,616)	92,572	(184,188)	-198.97%

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

Bloss Memorial HealthCare District
 Operations Summary Report
 Three Months Ending October 31, 2022

BMHD FULL TIME EQUIVALENTS SUMMARY :

(See FTE report included in Financial Reports for detail)

	Oct-22	Oct-21	VARIANCE	%	Y-T-D Oct-22	Y-T-D Oct-21	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	1.00	1.00	0.00	0.00%	1.00	9.98	8.98	1.54%
CONTRACT FTE'S	3.23	2.66	(0.57)	-21.43%	3.82	3.94	0.12	-13.09%
TOTAL FTE'S	4.23	3.66	(0.57)	-15.57%	4.82	13.92	9.10	-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

As of October 31, 2022

11/15/22

Accrual Basis

	Oct 31, 22	Sep 30, 22	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1001 Cash General Checking	4,603,987.53	4,619,346.38	-15,358.85	-0.3%
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	1,539,176.43	1,539,055.65	120.78	0.0%
1005 Laif Funded Deprec	464,588.75	464,588.75	0.00	0.0%
1006 PNC Money Market Acct	510,408.54	510,398.54	10.00	0.0%
1010 Investment Cap Improv	902,691.66	855,067.41	47,624.25	5.6%
1010 Investment Grants	567,423.54	551,472.25	15,951.29	2.9%
Total Checking/Savings	8,596,975.93	8,548,628.46	48,347.47	0.6%
Accounts Receivable				
1060 Rent Receivable	1,785.00	-17,323.02	19,108.02	110.3%
1063 Prop Tax Receivable	149,998.84	117,749.13	32,249.71	27.4%
1064 CFHC Inc Receivable	114,089.99	114,089.97	0.02	0.0%
Total Accounts Receivable	265,873.83	214,516.08	51,357.75	23.9%
Other Current Assets				
1101 Prepaid Insurance	67,215.00	76,063.12	-8,848.12	-11.6%
1103 Prepaid Rent	19,487.06	9,743.06	9,744.00	100.0%
1108 Prepaid Expense	5,996.32	18,595.40	-12,599.08	-67.8%
Total Other Current Assets	92,698.38	104,401.58	-11,703.20	-11.2%
Total Current Assets	8,955,548.14	8,867,546.12	88,002.02	1.0%
Fixed Assets				
1200 Land	2,205,996.23	2,205,996.23	0.00	0.0%
1219 Land Improvements	69,615.00	69,615.00	0.00	0.0%
1221 Bloss Remodel	832,986.24	832,986.24	0.00	0.0%
1221 Bloss Building and Improve	22,067,530.49	22,067,530.49	0.00	0.0%
1221 Castle Build and Impr	1,477,349.44	1,477,349.44	0.00	0.0%
1221 Castle Remodel	126,551.17	126,551.17	0.00	0.0%
1224 Park Lot & Improve	138,713.06	138,713.06	0.00	0.0%
1225 Communication Lines	452,828.86	452,828.86	0.00	0.0%
1225 Equipment Fixed	1,268,246.66	1,268,246.66	0.00	0.0%
1230 Leasehold Improvement	99,810.62	99,810.62	0.00	0.0%
1241 Equipment Major Move	4,655,179.59	4,655,179.59	0.00	0.0%
1241 Meditech Hardware	223,352.74	223,352.74	0.00	0.0%
1241 Meditech Implement	222,215.72	222,215.72	0.00	0.0%
1242 Equipment Minor	496,192.45	496,192.45	0.00	0.0%
1242 Meditech Software	277,371.76	277,371.76	0.00	0.0%
1261 Accum Depr Land Impr	-158,395.09	-157,421.95	-973.14	-0.6%
1271 Accum Depr Build & Im	-11,427,712.42	-11,371,544.33	-56,168.09	-0.5%
1275 Accum Dep Fixed Equip	-2,066,330.62	-2,065,907.95	-422.67	0.0%
1280 Accum Dep Lease Imp	-41,276.21	-41,034.46	-241.75	-0.6%
1291 Accum Major Move	-4,561,629.26	-4,559,768.57	-1,860.69	0.0%
1292 Accum Dep Minor Equip	-578,833.45	-578,270.14	-563.31	-0.1%
Total Fixed Assets	15,779,762.98	15,839,992.63	-60,229.65	-0.4%
TOTAL ASSETS	24,735,311.12	24,707,538.75	27,772.37	0.1%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 Accounts Payable Vendor	23,593.30	36,303.92	-12,710.62	-35.0%
2020 Accounts Payable Accrual	4,851.24	400.00	4,451.24	1,112.8%
2029 Accounts Payable Other	16,671.69	15,371.69	1,300.00	8.5%
2029 CFHC Inc Payable	19,144.79	30,129.98	-10,985.19	-36.5%
2029 DSCA Payable	0.00	6,274.75	-6,274.75	-100.0%
Total Accounts Payable	64,261.02	88,480.34	-24,219.32	-27.4%

Bloss Memorial Healthcare District

Balance Sheet

11/15/22

As of October 31, 2022

Accrual Basis

	Oct 31, 22	Sep 30, 22	\$ Change	% Change
Other Current Liabilities				
2030 Accrued Salary Wages	4,166.67	4,166.67	0.00	0.0%
2031 Accrued Vacation	14,583.67	13,782.70	800.97	5.8%
2036 FICA Payable	318.81	318.81	0.00	0.0%
2038 Pension Plan Accrual	1,600.00	6,000.00	-4,400.00	-73.3%
2039 Other Payroll Payable	112.04	99.04	13.00	13.1%
2572 UNG GOODWIN FUND	182,580.50	182,580.50	0.00	0.0%
Total Other Current Liabilities	203,361.69	206,947.72	-3,586.03	-1.7%
Total Current Liabilities	267,622.71	295,428.06	-27,805.35	-9.4%
Total Liabilities	267,622.71	295,428.06	-27,805.35	-9.4%
Equity				
2310 Capital BMHCD	4,240,460.11	4,240,460.11	0.00	0.0%
2330 Donated Capital	20,318,844.00	20,318,844.00	0.00	0.0%
Net Income	-91,615.70	-147,193.42	55,577.72	37.8%
Total Equity	24,467,688.41	24,412,110.69	55,577.72	0.2%
TOTAL LIABILITIES & EQUITY	24,735,311.12	24,707,538.75	27,772.37	0.1%

Bloss Memorial Healthcare District

Profit & Loss

October 2022

	Oct 22	Sep 22	\$ Change	% Change
Ordinary Income/Expense				
Income				
5779 Rental Income	142,305.93	142,270.90	35.03	0.0%
5780 Misc Other Operating	1,133.12	0.00	1,133.12	100.0%
Total Income	143,439.05	142,270.90	1,168.15	0.8%
Gross Profit	143,439.05	142,270.90	1,168.15	0.8%
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%
6011 Unemployment Insurance	400.00	400.00	0.00	0.0%
6015 Pension Plan	400.00	400.00	0.00	0.0%
6018 Vacation Expense	800.97	400.48	400.49	100.0%
6022 Consultig & MGT	1,981.46	2,542.26	-560.80	-22.1%
6024 Accounting/Audit	900.00	900.00	0.00	0.0%
6026 Other Contracted Services	14,957.36	22,955.71	-7,998.35	-34.8%
6043 Food	11.81	24.37	-12.56	-51.5%
6046 Office Supplies	56.20	160.27	-104.07	-64.9%
6050 Other Non-Medical Supply	1,868.29	0.00	1,868.29	100.0%
6062 Repairs & MTC	6,927.64	2,823.73	4,103.91	145.3%
6064 Management Services	1,300.00	700.00	600.00	85.7%
6069 Other Purchased Services	24,966.85	43,208.87	-18,242.02	-42.2%
6071 Deprec-Land & Improvements	973.14	973.20	-0.06	0.0%
6072 Deprec-Buildings and Impro	56,150.08	56,512.93	-362.85	-0.6%
6073 Deprec-Leasehold Improv	259.76	259.76	0.00	0.0%
6074 Deprec-Equipment	2,846.67	2,846.70	-0.03	0.0%
6075 SKDSCBuilding Rent Expense	9,936.96	9,646.11	290.85	3.0%
6077 Electricity	30,707.11	32,959.52	-2,252.41	-6.8%
6077 Radiology Electricity	140.14	140.14	0.00	0.0%
6078 Natural Gas	1,249.99	757.31	492.68	65.1%
6079 Water	2,757.57	2,646.46	111.11	4.2%
6080 SKDSC Utilities-Other	468.74	0.00	468.74	100.0%
6080 Utilitiles-Other	4,929.54	3,623.94	1,305.60	36.0%
6082 Insurance Expense	8,848.12	8,867.12	-19.00	-0.2%
6085 Telephone Expense	222.65	222.65	0.00	0.0%
6086 Dues and Subscriptions	338.17	338.17	0.00	0.0%
6089 Advertising	400.00	400.00	0.00	0.0%
6090 Bank Service Charges	47.30	123.35	-76.05	-61.7%
Total Expense	183,817.36	203,803.89	-19,986.53	-9.8%
Net Ordinary Income	-40,378.31	-61,532.99	21,154.68	34.4%
Other Income/Expense				
Other Income				
9060 Interest Income	130.78	139.05	-8.27	-6.0%
9061 Gain on Investments	63,575.54	0.00	63,575.54	100.0%
9160 Property Tax Revenue	32,249.71	39,249.71	-7,000.00	-17.8%
Total Other Income	95,956.03	39,388.76	56,567.27	143.6%
Other Expense				
9025 Non Operating CFHC	0.00	9,540.00	-9,540.00	-100.0%
9030 Loss on Marketable Securit	0.00	105,340.89	-105,340.89	-100.0%
Total Other Expense	0.00	114,880.89	-114,880.89	-100.0%
Net Other Income	95,956.03	-75,492.13	171,448.16	227.1%
Net Income	55,577.72	-137,025.12	192,602.84	140.6%

Exhibit 4

OCTOBER PAYROLL, ELECTRONIC PAYMENTS
& CHECK REGISTER

Bloss Memorial Healthcare District
Payroll, Accounts Payable and Funds Disbursements - Summary
Month of October-22

Payroll		\$9,168.92
Total Payroll		<u><u>\$9,168.92</u></u>
Accounts Payable:		
A/P Checks	<u>\$128,556.80</u>	<u>\$128,556.80</u>
BLOSS		
Auto Debits	<u>\$47.30</u>	
Total Auto Debits and Electronic Transfers	<u><u>\$47.30</u></u>	<u>\$47.30</u>
Electronic Payments	<u>\$1,993.00</u>	<u>\$1,993.00</u>
Total Accounts Payable		<u><u>\$130,597.10</u></u>
Grand Total Disbursements		<u><u>\$139,766.02</u></u>

BLOSS	Payroll Disbursements for		October-22
	Payroll dated		
Earnings	10/05/22	10/20/22	Total
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 (+)	318.75	318.75	637.50
Insurance (-)			-
Emp Deduction(-)/Reimb(+)			-
Christmas Fund (-)			-
Process Fee (+)	99.04	99.04	198.08
			-
Total	417.79	417.79	835.58
			-
			-
Net Payroll	\$ 4,584.46	\$ 4,584.46	9,168.92

Bloss Memorial Healthcare District
Check Detail
October 2022

Type	Num	Date	Name	Item	Paid Amount
Bill Pmt -Check	39640	10/12/2022	Alfonse Peterson		
Bill	SEP22-BRDMTG	09/16/2022			-200.00
TOTAL					<u>-200.00</u>
Bill Pmt -Check	39641	10/12/2022	Beta Healthcare Group		
Bill	BL-220358005	09/01/2022			-446.25
TOTAL					<u>-446.25</u>
Bill Pmt -Check	39642	10/12/2022	Chemsearch		
Bill	7960991	10/01/2022			-578.52
TOTAL					<u>-578.52</u>
Bill Pmt -Check	39643	10/12/2022	City of Atwater		
Bill	SEP22-GARB	09/01/2022			-654.34
Bill	SEP22-10448	09/01/2022			-1,500.34
TOTAL					<u>-468.74</u> <u>-2,623.42</u>
Bill Pmt -Check	39644	10/12/2022	Clark		
TOTAL					0.00
Bill Pmt -Check	39645	10/12/2022	Guardco		
Bill	14438	09/30/2022			-9,261.00
TOTAL					<u>-6,480.00</u> <u>-15,741.00</u>
Bill Pmt -Check	39646	10/12/2022	Hoffman Security		
Bill	592640	09/20/2022			-391.95
TOTAL					<u>-308.95</u> <u>-700.90</u>
Bill Pmt -Check	39647	10/12/2022	Kathleen Flaherty		
Bill	SEP22-BRDMTG	09/16/2022			-100.00
TOTAL					<u>-100.00</u>
Bill Pmt -Check	39648	10/12/2022	Kory Billings		
Bill	SEP22-BRDMTG	09/16/2022			-100.00
TOTAL					<u>-100.00</u>
Bill Pmt -Check	39649	10/12/2022	M-D Ventures		
Bill	BACKRENT-2022	10/07/2022			-193.90

Bloss Memorial Healthcare District
Check Detail
October 2022

	<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Item</u>	<u>Paid Amount</u>
TOTAL						-193.90
	Bill Pmt -Check	39650	10/12/2022	Merced County - Castle Airport		
	Bill	52254	10/01/2022			-1,717.05
						-4,275.20
						-222.65
						-15.00
TOTAL						-6,229.90
	Bill Pmt -Check	39651	10/12/2022	Natural Gardens		
	Bill	2146	09/22/2022			-2,280.00
	Bill	2145	09/22/2022			-765.00
TOTAL						-3,045.00
	Bill Pmt -Check	39652	10/12/2022	Octane Advertising Design		
	Bill	WEB926	10/06/2022			-400.00
TOTAL						-400.00
	Bill Pmt -Check	39653	10/12/2022	ODP Business Solutions LLC		
	Bill	230822342001	09/01/2022			-1,868.29
TOTAL						-1,868.29
	Bill Pmt -Check	39654	10/12/2022	PG&E		
	Bill	SEP22-2162-5	09/28/2022			-7,367.17
						-233.23
TOTAL						-7,600.40
	Bill Pmt -Check	39655	10/12/2022	Robert Boesch		
	Bill	SEP22-BRDMTG	09/16/2022			-100.00
TOTAL						-100.00
	Bill Pmt -Check	39656	10/12/2022	Vivian Passwaters		
	Bill	SEP22-BRDMTG	09/16/2022			-200.00
TOTAL						-200.00
	Bill Pmt -Check	39657	10/12/2022	West Coast Gas Company, Inc.		
	Bill	SEP22-1182	09/30/2022			-1,016.76
TOTAL						-1,016.76
	Bill Pmt -Check	39658	10/13/2022	Empower Annuity Co. of America		
TOTAL						0.00
	Bill Pmt -Check	39659	10/20/2022	Empower Annuity Co. of America		

Bloss Memorial Healthcare District
Check Detail
October 2022

Type	Num	Date	Name	Item	Paid Amount
Bill	403BMTCH-2022	10/14/2022			-4,800.00
TOTAL					<u>-4,800.00</u>
Bill Pmt -Check	39660	10/21/2022	A-1-A/Preston's Lock Shop		
Bill	25147	10/20/2022			-12.99
TOTAL					<u>-12.99</u>
Bill Pmt -Check	39661	10/21/2022	Blue Cloud		
Bill	102622-REFUND	10/11/2022			-6,274.75
TOTAL					<u>-6,274.75</u>
Bill Pmt -Check	39662	10/21/2022	Carrier		
Bill	90229011	10/11/2022			-712.05
TOTAL					<u>-712.05</u>
Bill Pmt -Check	39663	10/21/2022	Castle Family Health Centers, Inc.		
Bill	SEP22	10/21/2022			-30,162.01
TOTAL					<u>-30,162.01</u>
Bill Pmt -Check	39664	10/21/2022	City of Atwater		
Bill	OCT22-010448	10/01/2022			-1,040.52
					-468.74
Bill	OCT22-020161	10/01/2022			-654.34
TOTAL					<u>-2,163.60</u>
Bill Pmt -Check	39665	10/21/2022	Clark		
Bill	31947672	10/11/2022			-321.00
Bill	31947667	10/11/2022			-515.00
TOTAL					<u>-836.00</u>
Bill Pmt -Check	39666	10/21/2022	Fedex		
Bill	7-922-23867	10/21/2022			-16.63
TOTAL					<u>-16.63</u>
Bill Pmt -Check	39667	10/21/2022	M-D Ventures		
Bill		10/27/2022			-19,487.06
TOTAL					<u>-19,487.06</u>
Bill Pmt -Check	39668	10/21/2022	Merced Commercial Sweeping		
Bill	023382	10/11/2022			-420.00
TOTAL					<u>-420.00</u>

Bloss Memorial Healthcare District
Check Detail
October 2022

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Item</u>	<u>Paid Amount</u>
Bill Pmt -Check	39669	10/21/2022	Merced Irrigation District		
Bill	SEP22-1303-00	10/14/2022			-140.14
Bill	SEP22-1302-00	10/14/2022			-22,387.23
TOTAL					<u>-22,527.37</u>
			Grand Total		<u><u>-128,556.80</u></u>

Bloss Memorial Healthcare District
October-22

Bloss Electronic Transfers

Bloss Auto Debits

Bank Fees - Bloss

Total

48.35

48.35

Bloss Electronic Payments

Clark Pet Control for Bloss and Castle

Total

1,993.00

1,993.00

Grand Total

\$2,041.35

Exhibit 5

OCTOBER CASTLE FAMILY HEALTH CENTERS, INC
REPORT

Castle Family Health Centers Inc.
 Operations Summary Report
 Four Months Ending October 31, 2022

Total encounters for the month are 12,775 compared to 13,298 last year 3.93% decrease.

Department	Oct-22	Oct-21	VARIANCE	%	Y-T-D Oct-22	Y-T-D Oct-21	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	5,235	5,652	(417)	-7.36%	19,149	22,638	(3,489)	-15.41%
Specialty Clinic	977	1,063	(86)	-8.09%	4,035	4,096	(61)	-1.49%
Bloss Clinic	788	710	78	10.99%	2,374	2,847	(473)	-16.61%
Winton Clinic	1,348	1,320	28	2.12%	5,230	4,791	439	9.16%
Urgent Care	401	828	(427)	-51.57%	2,048	4,437	(2,389)	-53.84%
Lab	1,905	2,027	(122)	-6.02%	7,226	9,960	(2,734)	-27.45%
Radiology	831	538	293	54.46%	2,998	2,108	890	42.22%
Behavioral Health	366	305	61	20.00%	1,533	1,003	530	52.84%
Optometry	38	369	(331)	-89.70%	464	1,828	(1,364)	-74.62%
Winton Dental	393	289	104	35.99%	1,447	1,351	96	7.11%
Castle Dental	477	182	295	162.09%	1,871	610	1,261	206.72%
Castle Cosmetics	16	15	1	6.67%	61	28	33	117.86%
TOTAL ENCOUNTERS	12,775	13,298	(523)	-3.93%	48,436	55,697	(7,261)	-13.04%

October-22 Working Days 21
 October-21 Working Days 21

Exhibit 6

ERMALINDA MARTINEZ, ZUMBA TENANT

Fily Cale

From: Ermalinda Martinez <ermalindamartinez1971@gmail.com>
Sent: Tuesday, October 04, 2022 5:07 PM
To: Fily Cale
Subject: Zumba GOLD Contract
Attachments: 20220927_124533.jpg

ALERT: This message originated from an external network. BE CAUTIOUS before clicking any link or attachment.

Good Evening Fily 😊. I'm planning out more Zumba Gold classes for the future per participant request 🙏🙏, however I also have several questions.

Am I able to renew my contract for say December, January & February.....or does it have to b January, February & March same year? Do I need to go represent myself @ The Bloss Board Meeting? Very interested in early 7am & Saturdays 9am, so pretty sure this w/b up to the Board to decide right?

Thanks so much,
Ermalinda ❤️

**LEASE BETWEEN BLOSS MEMORIAL HEALTHCARE DISTRICT
&
ERMALINDA MARTINEZ**

BLOSS MEMORIAL HEALTHCARE DISTRICT, a public entity, hereinafter called “LESSOR”, hereby leases to ERMALINDA MARTINEZ hereinafter called “LESSEE” certain real property located at 3605 Hospital Road, Atwater, California for use of Zumba classes on the following terms and conditions:

1. USE OF PROPERTY

LESSEE is permitted to use space in the “West Wing” located at 3605 Hospital Road, Atwater, California (hereinafter “premises”) to teach Zumba exercise classes during the following days and times (Tuesday and Thursday 12:15 pm – 12:45 pm and Wednesday 5:30 pm – 6:30 pm). LESSEE shall not use the space other than to teach Zumba classes as detailed by this Agreement. LESSEE shall obtain participation waivers from all participants in the Zumba classes and maintain record of these waivers for at least one-hundred and twenty (120) days after the last person’s participation.

2. TERM & COMPENSATION

LESSEE shall be permitted to use the premises for ninety (90) days from the full execution of this Agreement free of charge. Should LESSEE desire to use the premises past the ninety (90) day period, LESSEE should make an additional request to the Bloss Memorial Healthcare District Board.

Either party may terminate this Agreement at any time without cause or legal excuse by providing the other party twenty-four (24) hours’ notice in writing.

3. INSURANCE

Prior to entry and use of the premises, LESSEE shall purchase and maintain the following types of insurance for minimum limits indicated during the term of this Agreement and provide a Certificate of Endorsement from LESSEE’s Insurance Carrier guaranteeing such coverage to Bloss Memorial Healthcare District.

a) Commercial General Liability: \$1,000,000 per occurrence and \$2,000,000 annual aggregate covering products and completed operations, bodily injury, personal injury and property damage. Bloss Memorial Healthcare District and its officers, employees and agents shall be endorsed to above policies as additional insured, using ISO form CG2026 or an alternate form that is at least as broad as form CG2026, as to any liability arising from the performance of this Agreement.

b) Insurance is to be primary and non-contributory with any insurance of the BMHD and placed with admitted insurers rated by A.M. Best Co. as A:VII or higher.

c) Each of the above required policies shall be endorsed to provide Bloss Memorial Healthcare District with thirty (30) days prior written notice of cancellation. Bloss Memorial Healthcare District is not liable for the payment of premiums or assessments on the policy. No cancellation provisions in the insurance policy shall be construed in derogation of the continuing duty of LESSEE to furnish insurance during the term of this Agreement.

d) If LESSEE maintains broader coverage and/or higher limits than the minimums shown above, Bloss Memorial Healthcare District requires and shall be entitled to the broader coverage and/or the higher limits maintained by LESSEE. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to Bloss Memorial Healthcare District.

4. HOLD HARMLESS

Bloss Memorial Healthcare District is to be free from all liability and claims for damages by reason of any injury to any person or persons, including LESSEE, or property of any kind whatsoever to whomsoever belonging, including LESSEE from any cause or causes whatsoever while in, upon or in any way connected with the Premises during the term of this lease or any occupancy hereunder.

5. INDEMNIFICATION

LESSEE agrees to hold harmless, defend and indemnify Bloss Memorial Healthcare District, its officers, agents, and employees from any and all claims and losses arising out of the conditions of the premises, which are under the LESSEE's control pursuant to this Lease, or occurring or resulting from the acts and omissions of LESSEE, its agents, or employees, contractor or sub-contractors, in connection with the performance of this Lease.

6. CONDITION OF PREMISES

LESSEE accepts the Premises as being in good order, condition and repair and agrees that on the last day of the term, or the earlier termination of this lease, to surrender up to Bloss Memorial Healthcare District the Premises in the same condition as when received.

The LESSEE shall make no repairs, changes, and/or alterations or post signs to the leased Premises without first obtaining prior consent from Bloss Memorial Healthcare District in writing.

7. LOSSES AND DAMAGE TO THE PREMISES

Bloss Memorial Healthcare District will not be responsible for losses or damage to personal property, equipment or materials of LESSEE and all damages to the premises shall be reported to Bloss Memorial Healthcare District Board immediately upon discovery.

8. SUBLEASE – ASSIGNMENT

This Agreement and any of the privileges, permits, obligations, and benefits granted herein, cannot be assigned or otherwise disposed of by LESSEE without the written consent of Bloss Memorial Healthcare District.

9. APPLICABLE LAW; VENUE

All parties agree that this Agreement and all documents issued or executed pursuant to this Agreement as well as the rights and obligations of the parties hereunder are subject to and governed by the laws of the State of California in all respects as to interpretation, construction, operation, effect and performance.

10. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties, and any amendment to this Agreement must be in writing and signed by both parties.

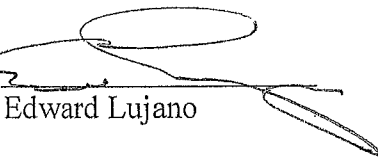
11. BREACH

Upon breach of this Agreement by LESSEE, Bloss Memorial Healthcare District shall have all remedies available to it both in equity and/or at law.

12. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable or invalid, in whole or in part, for any reason, the validity and enforceability of the remaining provisions, or portion of them, will not be affected.

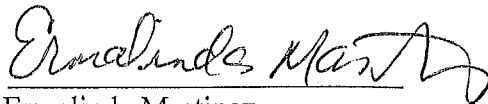
**BLOSS MEMORIAL HEALTHCARE
DISTRICT**

By 
Edward Lujano

Chief Executive Officer

Dated

ERMALINDA MARTINEZ

By 
Ermalinda Martinez



Instructor

8/31/22

Dated

263904.docx

Exhibit 7

GRANT REQUEST FROM THE HOPE CHURCH



the hope

"Restoring hope through the story of God."

November 9, 2022

Dear Bloss Memorial Healthcare District Board of Directors,

My name is Mayra Garcia and I am the church Board Secretary for The Hope. We are submitting this grant in request for \$2,171 for the purchase of fitness and nutrition-wellness items for The Hope's Hope Wellness ministry. Hope Wellness is currently offering Yoga and Fitness classes, open to all who would like to come and participate.

1. The Wellness Revelation book – quantity: 16 – 16 x \$20 = \$320
2. Yes4All Slam Balls for Strength, Power and Crossfit Workout – 15 lb. Slam Medicine Ball – quantity: 4 – 4 x \$30 = \$120
3. AUXSOUL 1 Pack Dumbbell Rack Stand, 3 Tier Dumbbells Weights Handle Stand Hand Weight Tower Stand, Dumbbell Bracket Free Weight Stand – quantity: 2 – 2 x \$35 = \$70
4. Yoga Blocks 9"x6"x3" , 4 Pack High Density Yoga Brick Foam Blocks to Improve Strength, Flexibility and Balance, Light Weight and Non-Slip Surface for Yoga, Pilates and Meditation – quantity: 4 – 4 x \$35 = \$140
5. Yes4All Slam Balls (Tread Black, Blue, Teal, Orange & Glossy) 10-40lbs for Strength, Power and Crossfit Workout – 20 lb. Slam Medicine Ball – quantity: 3 – 3 x \$33 = \$99
6. Jeenone 6 Tier A-Frame Dumbbell Rack Stand, Free Weights Dumbbell Holder Only, Compact Weights Storage Racks – quantity: 1 - \$100
7. Weight Rack for Dumbbells, Dumbbell Rack Weight Stand, VOPEAK Home Gym Storage Rack for Yoga Mat Kettlebells and Strength Training Equipment, Weight Storage Holder Rack for Dumbbells with Wheels – quantity 1 - \$150
8. Battle Ropes Jump Rope Battle Rope for Exercise Workout Rope Battle Rope for Home Gym Rope Exercise Rope Heavy Ropes for Exercise Training Ropes for Working Out Weighted Workout Rope – quantity: 2 – 2 x \$90 = \$180
9. Yes4All Slam Balls (Tread Black, Blue, Teal, Orange & Glossy) 10 lbs for Strength, Power and Crossfit Workout – Slam Medicine Ball – quantity: 4 – 4 x \$33 = \$132
10. Sporzon! Wide Grip Kettlebell Exercise Fitness Weight Set, 50 lb Set – quantity: 4 – 4 x \$60 = \$240
11. TechStone Resistance Bands Set for Men and Women, Pack of 5 Different Resistance Levels Elastic Band for Home Gym Long Exercise Workout – Great Fitness Equipment for Training, Yoga – Free Carrying Bag – quantity: 4 – 4 x \$15 = \$60
12. Titan Fitness Youth Heavy Foam Plyometric Box, 12in 14in 16in, Pro-Duty Foam Plyo Box, Step-Up, Box Squat, Home Garage Gym Training – quantity: 4 – 4 x \$90 = \$360
13. Sunshine Yoga Voyage Yoga Mats - Wholesale 10 Pack - (72" x 24" x 5mm) - Easy to Clean - Anti-Tear - Thick - Studio Performance – quantity: 1 - \$150



the hope

"Restoring hope through the story of God."

14. Sunshine Yoga 10-Pack of 6-Foot Yoga Straps - Wholesale Pricing - Adjustable D-Ring Buckle - for Stretching, Flexibility and Exercise - Durable, Thick Cotton – quantity: 1 - \$50

We are excited to host Hope Wellness at The Hope. Exercise, Nutrition, Mindfulness, and Self-care are essential for our Temple (body) in walking like Jesus. Mila Hoban-Munden and Shandy Tarkman lead our Wellness classes, which take place every week Monday through Thursday, with Cardio Fitness Class are offered Mondays and Wednesdays from 5:30pm-6:30pm and Mat (Yoga) Wellness class is offered Tuesdays and Thursdays from 5:30pm-6:30pm. A donation of \$10 per week is suggested, for this ministry, but not required.

The Hope Wellness mission is to love God through our mind, body, heart, and soul. Striving to do so through physical fitness, meditation/prayer, and nutrition. Allowing for all individuals to value their temple (body) as God would want us to do. Our goal is to be an example to others to live like Jesus.

Here at The Hope, we are a community of people following Jesus, seeking to learn the teachings of Jesus and the practices of the early church, and apply the teachings and practices to the soil of our community, Atwater and surrounding areas. We seek the renewal of our city by restoring hope through the story of God and His redeeming power.

Our church's mission is to love people, see them raised to life in Christ, and help them become His fully devoted followers. Our church's core values are to Pray, Give, Invite, Gather, and Serve to support our mission.

At The Hope we believe that it is in loving our community that true transformation takes place, in and out of our church building. We gather in our church building on Sunday mornings, and during the rest of the week for various weekly activities including serving our community through Vacation Bible School during one week in the summer, through Fruitland Christian Preschool, and Hope Coffee. Our gatherings serve to explore what it means to follow Jesus in our cultural context and moment. On Sundays, we serve church members and visitors as young as infants through adulthood. We are a church for people of all ages, from the young of age to the young at heart. Our goal is to help each other follow Jesus by providing spaces for adults and children to grow in their knowledge of God's love for them.

With your help and generosity, your donation of \$2,171 for the purchase of fitness and nutrition-wellness items for Hope Wellness ministry will be a tremendous support to our church and our local community we serve in providing equipment that is needed for our wellness classes that support exercise, nutrition, mindfulness, and self-care for each person in our community that participates.



the hope

"Restoring hope through the story of God."

Thank you, Bloss Memorial Healthcare District Board of Directors, for your time and consideration of The Hope's Hope Wellness Ministry's grant request!

With thanks and appreciation,

Mayra Garcia
The Hope
Church Board Secretary

Cc: Daniel Sarmiento, Church Pastor at The Hope

APPROVAL OF FYE 2022 AUDIT

Audited Financial Statements
BLOSS MEMORIAL
HEALTHCARE DISTRICT

June 30, 2022 and 2021

JWT & Associates, LLP
Advisory Assurance Tax

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Bloss Memorial Healthcare District

Audited Financial Statements

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JWT & Associates, LLP

Advisory Assurance Tax

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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, 2022 and 2021, 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, 2022 and 2021, 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 November 30, 2022, 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
November 30, 2022

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Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2022

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, 2022 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 2022 (FY 2022). The audited financial statements included herewith have been prepared and submitted with an unmodified opinion from the District's independent auditor.

FY 2022 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 \$43,060 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 158,604 patient visits during FY 2022. The affiliation with CFHC has allowed BMHD to continue its mission in the provision of healthcare services to the community. During FY 2022 BMHD provided grant funds of \$7,000 from its Goodwin Trust to CFHC. The grant funds were used to provide Flu Shots and bad debt forgiveness to the Senior Citizens that resides in the community. BMHD provided CFHC \$26,580 to organize free sports physicals to children with low income families in the Atwater and Winton community.

During FY22 BMHD granted Day Break Adult Health Care (Day Break) \$25,000 to prepare and deliver meals to elderly and disabled residents of the Community. Day Break served over 1,088 meals to elderly disadvantage residents located in Atwater, California.

Although BMHD provided the necessary grant assistance, BMHD had a net gain for FY 2022 of \$575,599 which includes \$733,860 of depreciation expense.

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2022

Comments on the Statement Net Position

Total Cash and Cash Equivalents had an increase by \$3,042,590 and is up 54.3% from the prior year. Other Receivables decreased by \$2,166,114 with a 98.42% below the prior year. During FY 22 BMHD received three Note Receivables from DSCA totaling \$2,150,000 from the sale of the surgery centers to Blue Cloud Pediatric Surgery Center. FY 2022 receivables include Property Tax of \$34,747 from Merced County.

Condensed Statements of Net Position:

	2022	2021	Dollar Change	Percent Change
Current and Other Assets	\$ 8,872,977	\$ 8,036,449	\$ 836,528	10.41%
Capital Assets, Net	16,018,659	16,398,872	(380,213)	-2.32%
Total Assets	24,891,636	24,435,321	456,315	1.87%
Long-term Debt	-	-	-	-
Other Liabilities	165,038	241,729	(76,691)	-31.73%
Total Liabilities	165,038	241,729	(76,691)	-
Net Position Invested in Capital Assets, Net of Related Debt	16,018,659	16,398,871	(380,212)	-2.32%
Temporarily restricted	184,583	209,887	(25,304)	-12.06%
Unrestricted	8,540,645	7,584,834	955,811	12.60%
Total Net Position	\$24,743,887	\$24,193,592	\$ 550,295	2.27%

Property Plant and Equipment

Fixed Assets decreased by \$380,213 (2.3%) during FY 2022. The decrease in Fixed Assets is as follows:

Capital expenditures and disposals:	
Building Upgrades and Repairs	\$ (305,811)
Fixed Equipment	\$ (111,656)
Minor Equipment	\$ 31,853
Land Improvements	\$ 5,401
Net Change in fixed assets	<u>\$ (308,213)</u>

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2022

Total liabilities as of June 30, 2022 were \$165,038 and decreased from the prior year by \$76,691 or 31.73%. A result of the decrease in the Dental Surgery Centers of America payable of \$58,175 and accounts payable accruals decreased a total of \$44,967.

Comments on the Statement of Revenue and Expenses

BMHCD income consists of miscellaneous revenue of small dividends in the amount of \$1,770 and accounts payable discounts of \$2,925. BMHCD's major source of operating income consists of the Bloss Trust in the amount of \$643,130.

Total expenses in FY 2022 were \$2,175,613 which was an increase of \$199,825 from the prior year. The increase is attributable to the loss on marketable securities in the amount of \$150,655 recorded in other non-operating expense.

Non-operating revenues in FY 2022 are property tax revenue of \$470,997 and interest income of \$30,242 related to a promissory notes receivable from DSCA at 6% interest. Other operating revenue also includes rental income of \$1,602,048 in FY 22 compared to \$1,477,490 in FY 21. That is an increase of \$124,559 from the prior year.

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

	2022	2021	Dollar Change	Percent Change
Operating Revenues	\$ 647,925	\$ 575,925	\$ 72,000	12.50%
Nonoperating Revenues	1,952,622	2,174,093	(221,471)	-10.19%
Total Revenues	\$ 2,600,547	\$ 2,750,018	(149,471)	-5.44%
Depreciation Expense	733,860	714,362	19,498	2.73%
Other Operating Expenses	1,291,088	1,261,426	29,662	2.35%
Total Expenses	\$ 2,024,948	\$ 1,975,788	\$ 49,160	2.49%

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, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 8,645,925	\$ 5,603,335
Other receivables	34,748	50,862
Prepaid expenses and deposits	25,010	22,366
Total current assets	8,705,683	5,676,563
Capital assets, net of accumulated depreciation	16,018,659	16,398,871
Notes receivable	-	2,150,000
Assets whose use is limited	184,583	209,887
Total assets	\$ 24,908,925	\$ 24,435,321
Liabilities and Net Position		
Current liabilities		
Accounts payable and accrued expenses	\$ 140,797	\$ 213,851
Accrued payroll and related liabilities	24,241	27,878
Total current liabilities	165,038	241,729
Total liabilities	165,038	241,729
Net position		
Temporarily restricted	184,583	209,887
Invested in capital assets, net of related debt	16,018,659	16,398,871
Unrestricted	8,540,645	7,584,834
Total net position	24,743,887	24,193,592
Total liabilities and net position	\$ 24,908,925	\$ 24,435,321

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues		
Donations	\$ 643,130	\$ 572,954
Other operating revenue	4,795	2,971
Total operating revenues	<u>647,925</u>	<u>575,925</u>
Operating expenses		
Salaries & wages	101,166	108,458
Employee benefits	10,862	20,310
Professional Fees	193,170	45,680
Purchased services	335,311	510,434
Supplies	9,065	11,730
Repairs & maintenance	81,807	60,891
Utilities	331,522	333,520
Rentals and leases	116,387	115,712
Depreciation & amortization	733,860	714,362
Insurance	99,471	40,408
Other operating expenses	12,327	14,283
Total operating expenses	<u>2,024,948</u>	<u>1,975,788</u>
Operating income (loss)	<u>(1,377,023)</u>	<u>(1,399,863)</u>
Nonoperating revenues (expenses)		
District tax revenues	470,997	443,301
Rental income	1,602,048	1,477,490
Investment income	30,242	130,692
Other non-operating income (expense)	(150,665)	122,610
Total nonoperating revenues (expenses)	<u>1,952,622</u>	<u>2,174,093</u>
Excess of revenues (expenses)	<u>575,599</u>	<u>774,230</u>
Net change in temporarily restricted position	(25,304)	45,881
Increase in net position	<u>550,295</u>	<u>820,111</u>
Net position, beginning of the year	24,193,592	23,373,481
Net position, end of year	<u>\$ 24,743,887</u>	<u>\$ 24,193,592</u>

See accompanying notes to the financial statements

Bloss Memorial Healthcare District

Statements of Cash Flows

For The Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Cash received for operations	\$ 664,039	\$ 601,307
Cash payments to suppliers and contractors	(1,254,758)	(1,073,698)
Cash payments to employees and benefit programs	(115,665)	(125,367)
Net cash used in operating activities	<u>(706,384)</u>	<u>(597,758)</u>
Cash flows from non-capital and related financing activities		
District tax revenue	470,997	443,301
Net cash provided by non-capital and related financing activities	<u>470,997</u>	<u>443,301</u>
Cash flows from capital and related financing activities		
Purchase of property, plant & equipment	(436,037)	(116,503)
Loss on disposal of capital assets	82,389	-
Net cash used in capital and related financing activities	<u>(353,648)</u>	<u>(116,503)</u>
Cash flows from investing activities		
Payments from notes receivable	2,150,000	-
Rental income	1,602,048	1,477,490
Investment income	30,242	130,692
Other non-operating income (expense)	(150,665)	122,610
Net cash provided by investing activities	<u>3,631,625</u>	<u>1,730,792</u>
Increase in cash and cash equivalents	<u>3,042,590</u>	<u>1,459,832</u>
Cash and cash equivalents at beginning of year	<u>5,603,335</u>	<u>4,143,503</u>
Cash and cash equivalents at end of year	<u>\$ 8,645,925</u>	<u>\$ 5,603,335</u>

See accompanying notes to the financial statements

Bloss Memorial Healthcare District
 Statements of Cash Flows (continued)
 For The Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating loss	\$ (1,377,023)	\$ (1,399,863)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	738,860	714,362
Changes in operating assets and liabilities		
Other receivables	16,144	25,382
Prepaid expenses	(2,644)	4,683
Accounts payable and accrued expenses	(73,054)	54,277
Accrued payroll and related expenses	(3,637)	3,401
Net cash used in operating activities	<u>\$ (706,384)</u>	<u>\$ (597,758)</u>

See accompanying notes to the financial statements

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Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021, 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, 2022 and 2021 are \$14,857 and \$18,499, respectively.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021, the District had deposits invested in various financial institutions in the form of cash and cash equivalents amounting to \$8,645,925 and \$5,603,335, 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, 2022 and 2021:

	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	\$ 3,997,839	\$ 3,997,839	\$ -	\$ -

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 3 – INVESTMENTS (continued)

	2021			
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 1,401,962	\$ 1,401,962	\$ -	\$ -
Money market accounts	519,344	519,344	-	-
Mutual funds	1,888,879	1,888,879	-	-
Total investments	<u>\$ 3,810,185</u>	<u>\$ 3,810,185</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, 2022 and 2021

NOTE 4 - ASSETS LIMITED AS TO USE

Assets limited as to use as of June 30, 2022 and 2021 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 \$30,242 and \$130,573 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021 were comprised of the following:

	2022	2021
District tax revenue	\$ 34,748	\$ 40,112
Dental Surgery Centers of America	-	10,750
	<u>\$ 34,748</u>	<u>\$ 50,862</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, 2022.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2022 and 2021

NOTE 7 - CAPITAL ASSETS

Capital assets as of June 30, 2022 and 2021 were comprised of the following:

	Balance at June 30, 2021	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2021
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)	\$ (733,860)	\$ 95,957	(18,592,242)
Capital assets, net	<u>\$ 16,398,871</u>			<u>\$ 16,018,659</u>

	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>

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, 2022 and 2021, the District contributed \$4,800 and \$5,124 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, 2022 and 2021

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, 2022, 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, 2022 and 2021, were \$116,387 and \$115,712, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2022 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, 2022 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, 2022 and 2021

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-SUBSEQUENT EVENTS

District management has evaluated events subsequent to June 30, 2022 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 30, 2022, the date these financial statements were available to be issued.

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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, 2022, 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, 2022.

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
November 30, 2022

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Bloss Memorial Healthcare District

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

I. Summary of Auditor's Results

Type of auditor's report issued:

Internal Control over financial reporting:

Material weakness identified?

Significant deficiency(ies) identified that are not considered to be material weaknesses?

Noncompliance material to financial statements noted?

Qualified

yes

no

yes

no

yes

no

II. Current Year Audit Findings and Questioned Costs

Financial Statement Findings

None reported

III. Prior Year Audit Findings and Questioned Costs

None reported

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