
PUBLIC NOTICE

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

Date: July 23, 2021

Phone: (209) 724-4102

Fax: (209) 722-9020

Bloss Memorial Healthcare District will hold a their next Finance Committee meeting on Thursday, July 29, 2021 at 1:30 pm in the Board Room at 3605 Hospital Road, Atwater, Ca 95301.

Bloss Memorial Healthcare District will hold their next **Board of Directors** meeting on Thursday, July 29, 2021 at 2:00 pm in the Board Room at 3605 Hospital Road, Atwater, Ca 95301.

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

BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
3605 Hospital Road, Atwater, CA 95301
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, July 29, 2021
2:00 pm

AGENDA FOR PUBLIC SESSION

- | | | | |
|--------------|---|----------------------|-----------------------|
| I. | CALL TO ORDER | | |
| II. | ROLL CALL | | |
| | | <u>ACTION</u> | <u>EXHIBIT</u> |
| 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 approach the microphone. | | |
| V. | APPROVAL OF MINUTES | | |
| | A. Approval of June 11, 2021 Board of Directors Special Meeting | * | 1 |
| | B. Approval of June 24, 2021 Board of Directors Meeting | * | 1a |
| VI. | FINANCIAL REPORT | | |
| | A. Approval of June 24, 2021 Finance Committee Meeting | * | 2 |
| | B. June Chief Financial Officer Report | | 3 |
| | C. June Payroll, Electronic Payments & Check Register | * | 4 |
| VII. | CHIEF EXECUTIVE OFFICER REPORT | | |
| | A. AAAHC Building Compliance Update | | |
| VIII. | OLD BUSINESS | | |
| | A. June Castle Family Health Centers, Inc Report | | 5 |
| | B. Bloss Board Member Report | | |
| IX. | NEW BUSINESS | | |
| | A. Next Step Strategic Meeting Recommendations | * | 6 |
| | B. Supplement to CFHC Lease Exhibit E to Affiliation Agreement* | | 7 |
| X. | APPOINTMENTS / CEREMONIAL MATTERS | * | |
| | A. Appointment and Installation of New Board Member | * | |
| XI. | AGENDA FOR CLOSED SESSION | | |
| XII. | NEXT MEETING DATE | | |

XIII. ADJOURNMENT

Assistance for those with disabilities: If you have a disability and need accommodation to participate in the meeting, please call Fily Cale at (209) 724-4102 or (209) 381-2000 extension 7000 for assistance so that any necessary arrangements may be made.

Any written materials relating to an agenda item to be discussed in open session of a regular meeting that is distributed within the 24 hours prior to the meeting is available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. These documents are available from the Executive Assistant in administration at 3605 Hospital Road, Suite F, Atwater, California 95301.

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Friday, June 11, 2021
10:00 am**

CALL TO ORDER

Kory Billings, Board Chair, called the meeting to order at 10:00 pm.

ROLL CALL

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

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; and Jenna Anderson, County Legal Counsel; Dawnita Castle, CFO; Vicky Mulvaney-Trask and Brett Avery, MJC

Absent: None

APPROVAL OF AGENDA

A motion was made / seconded, (Bob Boesch / Alfonse Peterson) to approve and accept the June 11, 2021 agenda as amended. Motion carried.

PUBLIC COMMENTS

None.

NEW BUSINESS

A. Strategic Plan for Future Developments within the Jurisdiction of the Board of Directors

Kory Billings welcomed Vickie Trask back to BMJD. She will be leading the planning session. Vickie Trask brought her associate, Brett Avery with her today.

Edward Lujano commented that he is hopeful that after today's presentation, Vickie Trask will be developing a written format which will be presented at the Board meeting.

Vickie Trask thanked everyone for having her here today. She also introduced Dr. Avery, his background is a strategist. In 2015 is when some real intrusive work was done with BMHD. A lot of work was done as far as developing thoughts and coming back everything that was said would be done was done.

Vickie Trask has a doctorate in education and with this she brings organizational development training. She goes into organizations and look at what they are doing right and what they need improvement on and showing where those gaps are.

AGENDA FOR CLOSED SESSION

A. None.

NEXT MEETING DATE

The next Board of Directors Meeting will be held on Thursday, June 24, 2021 at 2:00 p.m. in the Board Room.

ADJOURNMENT

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

Respectfully Submitted,

Fily Cale
Executive Assistant

Vivian Passwaters
Board Secretary

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, June 24, 2021
2:00 pm**

CALL TO ORDER

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

ROLL CALL

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

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; Jenna Anderson, County Legal Counsel; Kathy Flaherty, Public Member and David Thompson, DSCA

Absent: Peter Mojarras, CFHC COO

APPROVAL OF AGENDA

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to approve and accept the June 24, 2021 agenda presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

A. Approval of May 27, 2021 Board of Directors Meeting, Exhibit 1

A motion was made / seconded, (Bob Boesch / Vivian Passwaters) to approved and accept the May 27, 2021 Board of Directors Meeting minutes as presented, Exhibit 1. Motion carried.

FINANCIAL REPORT

A. Approval of May 27, 2021 Finance Committee Meeting, Exhibit 2

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approved and accept the May 27, 2021 Finance Committee Meeting minutes as presented, Exhibit 1. Motion carried.

B. May Chief Financial Officer Report, Exhibit 3

Dawnita Castle reported that additional funds added to the investments. Capital Projects now has \$1,055,463 and Grants has \$630,552. For May 2021, BMHD had a net gain before depreciation of \$107,784 compared to a net gain of \$61,530 last year. Net income after depreciation was a gain of \$47,874 and expenses included Sierra Kings at \$10,564 which remains consistent. Excluding investments the main operating cash balance was at \$3,321,971. This decreased the Days On Hand to 976 days. In April, BMHD had 1,110 days.

C. May 2021 Payroll, Electronic Payments and Check Register, Exhibit 4

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to approve and accept the May 2021 Payroll in the amount of \$9,158.42, Accounts Payable in the amount of \$972,836.72 for a Grant Total Disbursement of \$981,995.14, Exhibit 4. Motion carried.

CHIEF EXECUTIVE OFFICER REPORT

Edward Lujano reported that a letter had been received from a lady who had a son that was a patient at the Bloss Hospital 30 years ago. She had financial difficulties at that time and had to file bankruptcy and was now in a better financial position and sent BMHD a check in the amount of \$825.56 that she had owed at the time. A response was sent to her (copy attached).

A. AAAHC Building Compliance Update

Edward Lujano, CEO, reported that the 9 of the 13 fire doors are being put up in the surgery center.

Electricians are also working and David Thompson, DSCA did receive an extension through July 2021 from DHS for the completion of the deficiencies.

Zurich the current property insurance will not renew BMHD as of July 1, 2021 due to the \$1M loss with the fire at the surgery center. The year before we had a \$500,000 loss with the roof leak with another carrier that also dropped BMHD. He has had several carriers looking for someone to insure BMHD. The current broker, Alliant went out to 14 carriers and nobody wanted to insure BMHD. Mr. Lujano also contacted Leap Carpenter and Fluetsch and Busby who went to five carriers who also declined.

Alliant came back with two prospects which were really high. Sompo International with an estimated premium of \$521,000 with a \$50,000 deductible. The second one was Colony Travelers Insurance with premiums of \$103,000 with a \$25,000 deductible, but they wanted to ensure that BMHD had some compliances in place, including electrical repairs that are currently being done.

Leap Carpenter had been working with Travelers Insurance and yesterday they came back with a policy amount of \$83,615 with a \$25,000 deductible. The coverage is very comparable with Zurich and he is very comfortable with that.

Alfonse Peterson asked if Edward Lujano had contacted the State Insurance Department, their job is to make sure that people have access to insurance coverage.

Kory Billings mentioned that because the number is significant and over the limits that have been set for staff to be able to make approvals. This item will be added under New Business as an emergency action item because the insurance policy is expiring July 1, 2021.

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to add Travelers Insurance to the agenda as an emergency action item under New Business. Motion carried.

This will become item D under New Business.

OLD BUSINESS / REPORTS

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

Peter Mojarras is out today and his report is available for review.

B. Bloss Board Member Report

Kory Billings reported that a Special Board meeting was held in which the board went over strategic planning.

C. Approval of FYE 2022 Budget, Exhibit 6

Dawnita Castle reported that she is very conservative when it comes to the revenues and non-operating revenues. She calculated the Bloss Trust at \$100,000 less than what was received this year due to not knowing how the market is going to go. Property tax was done as actual for 2021, there are usually increases each year based on the trends. Interest Income is estimated at \$120,465 and includes the extension of DSCA for a year and their promissory note. Rental income was based at actual with a 2% increase based on CPI, at times it could be more. Also taken in account was CFHC additional leasing space at \$1.37 per square foot.

She added professional fees based off the strategic plan at \$25,000 for physician and \$25,000 for medical therapists. There was discussion to possibly contracting with providers to provider serviced to the citizens in the community. She added an extra \$50,000 to purchased services for repairs that do not go into depreciation, which would be a capital item. She also added an additional \$200,000 for buildings and improvements for depreciation expense.

Liability expense was budgeted at \$100,000, she added an additional \$40,000. Non-operating expense donation for grants is at \$35,000 and \$200,000 for unforeseen repairs. For a net income of \$113,100.

Kory Billings asked if Dawnita Castle, CFO, was comfortable with this budget and that it is fiscally conservation. Dawnita Castle replied that she is. He also asked Edward Lujano, CEO, if he is comfortable with what Dawnita Castle has presented. He replied that he is.

The recommendation from the Finance Committee is to approve.

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approve the FY 2021 -2022 budget as presented, Exhibit 6. Motion carried.

NEW BUSINESS

A. Amendment 1 to Agreement for Purchase and Sale of Assets Related to CCDSC and Exhibits B and D, Exhibit 7

Edward Lujano stated that both items A and B represent the promissory notes that currently exist between BMHD and David Thompson, DSCA. The request from David Thompson is to extend the promissory note for an additional year as his facilities were closed due to COVID.

A motion was made / seconded, (Kory Billings / Alfonse Peterson) to execute the Amendment 1 to Agreement for Purchase and Sale Agreement with CCDSC and Exhibits B and D, Exhibit 7. Motion carried.

B. Amendment 1 to Agreement for Purchase and Sale of Assets Related to CCDS and Exhibit B, Exhibit 8

A motion was made / seconded, (Kory Billings / Bob Boesch) to execute the Amendment 1 to Agreement for Purchase and Sale of Assets Related to CCDS and Exhibit B, Exhibit 8. Motion carried.

C. Amendment 1 to Supplement to Lease Exhibit B to Affiliation Agreement for Dental Services at Castle Site, Exhibit 9

Edward Lujano reported that BMHD had executed a lease with CFHC for the new dental area effective July 1, 2021. There have been delays and this request from CFHC is to push it out to August 1, 2021.

A motion was made / seconded, (Kory Billings / Vivian Passwaters) to accept the amendment and execute the amendment, Exhibit 9. Motion carried.

D. Travelers Insurance

Kory Billings stated that this needs to be approved today as it goes into effect July 1, 2021. Jenna Anderson, Legal Counsel, stated that this information came to us at a time after the posting of the agenda.

Edward Lujano reported that yesterday, BMHD heard from three brokers and two companies. Sampo International with a premium of \$521,218 and \$50,000 deductible; Colony at \$103,280 and \$25,000 deductible and Travelers Insurance at \$83,615 with a \$25,000 deductible. This is for all 3 properties, which include Bloss Site, Castle Site and Sierra Kings. It is \$34M building coverage, \$705,000 business loss; \$2.5M is for loss of rent and \$25,000 deductible on each of the properties. The tenants have their own coverage.

Staff recommends Travelers Insurance through Leap / Carpenter / Kemps Insurance Agency for \$83,615 with \$25,000 deductible.

Kory Billings has checked with Legal Counsel and BMHD does not need to go out for RFP on this. This is an emergency action item.

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to sign the binder with Leap / Carpenter / Kemps Insurance Agency for Travelers Insurance Company for liability carrier.

APPOINTMENTS / CEREMONIAL MATTERS

None.

AGENDA FOR CLOSED SESSION

None.

NEXT MEETING DATE

The next Board of Directors Meeting will be held on Thursday, July 29, 2021 at 2:00 p.m. in the Board Room.

Kory Billings introduced Kathy Flaherty who has expressed an interest in joining the Board of Directors and attended today's meeting to gather further information.

ADJOURNMENT

As there was no further business, the meeting adjourned at 2:29 pm.

Respectfully Submitted,

Fily Cale
Executive Assistant

Vivian Passwaters
Board Secretary

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
FINANCE COMMITTEE MEETING
BOARD ROOM
Thursday, June 24, 2021
1:30 p.m.**

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

Others Present: None

Absent: None

CALL TO ORDER

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

APPROVAL OF AGENDA

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve the June 24, 2021 agenda as presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF FINANCE COMMITTEE MINUTES

A. May 27, 2021 Finance Committee Meeting Minutes, Exhibit 1

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve the May 27, 2021 Finance Committee meeting minutes as presented, Exhibit 1. Motion carried.

REVIEW OF FEBRUARY FINANCIAL STATEMENTS, EXHIBIT 2

Dawnita Castle, CFO, reported that additional investment money has been added to both investments. The capital projects are now \$1,055,463 and the grants is \$630,553. The additional funds affected the operating cash balance. Operating Cash Balance for May 31, 2021 was at \$3,321,971 and Days Cash on Hand decreased to 976 days. Days Cash on Hand excludes investments.

BMHD had a net gain before depreciation of \$107,784 compared to a net gain last year of \$61,530. Net income after depreciation was \$47,874. Included in these expenses is Sierra Kings cost of \$10,564.

Alfonse Peterson asked if we are accruing the depreciation expenses. Dawnita Castle replied that the majority of depreciation expense is for the building. When BMHD inherited the building depreciation expense increased monthly. On the Balance Sheet under LAIF – Funded Depreciation \$444,236 is when BMHD has a profit. Funds are put aside in case BMHD needs to do any capital improvements.

Edward Lujano mentioned that he has started a needs list. The bearings went out on one of the handlers which was \$8,000 and 3 sliding doors need to be replaced at \$21,000 each.

Kory Billings stated that beside the depreciation account if BMHD was to look at the investment account BMHD should in a year be able to have \$52,000 interest alone without ever touching the principal. Interest could be utilized for some of the activities discussed.

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

A. Recommendation of FYE 2022 Budget, Exhibit 3

Dawnita Castle presented the FYE 2022 budget. The budget ends with a net profit of \$113,100. The majority of the revenues is in the Non-Operating Revenues, which includes the Bloss Trust. She excluded \$100,000 of actual trust revenue and budgeted \$472,954. Property Tax Revenue is budgeted at actual receipts for 2021 at \$418,353. She estimated interest income as DSCA extended their note for a year and this is the interest income at \$120,456. Rental income at 2% CPI increase for a budgeted amount of \$1,600.168.

Per discussion during the Strategic Planning meeting BMHD may possibly contract with physicians and other medical therapists to provide services, she increased pro fees to \$25,000 in each category.

In Purchased services she added at additional \$50,000 for building repairs, items that would not hit the capital expense. She also increased the depreciation expense by \$200,000

In Other Operating Expense she has an extra \$40,000 for liability insurance for \$100,000. She also has donations and grants in Non-Operating Expense as it would hit the expense. And ongoing \$200,000 to be invested or for unforeseen repairs.

Kory Billings asked if Dawnita Castle was comfortable with this budget, which she is. Edward Lujano mentioned that he and Dawnita Castle had discussed the budget and he is comfortable with the budget.

A motion was made / seconded, (Kory Billings / Edward Lujano) to recommend to the full Board of Directors for approval of the FY '21-'22 budget, Exhibit 3. Motion carried

Alfonse Peterson asked how much square footage is available if we renovate. Edward Lujano replied that at the Bloss Site it is 30,000 square feet and at the Castle Site 4,000 square foot.

WARRANTS AND PAYROLL

A. May 2021 Payroll, Electronic Payments & Check Register, Exhibit 4

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve and accept the May 2021 Total Payroll in the amount \$9,158.42 and Total Accounts Payable in the amount of \$972,836.72 for a total Grand Total Disbursement of \$981,995.14, Exhibit 4. Motion carried.

Kory Billings asked when the Guardco Security Services contract is due, we'll need to get new bids as its \$13,067.45 per month now.

OLD BUSINESS

None.

DISCUSSION

None.

AGENDA FOR CLOSED SESSION

None.

NEXT MEETING DATE/ADJOURNMENT

The next Finance Committee meeting will be held on Thursday, June 24, 2021 at 1:30 pm.

As there was no further business, the meeting adjourned at 1:48 p.m.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Committee Chair

JUNE CHIEF FINANCIAL OFFICER REPORT

BMHD had a total net gain before depreciation of \$57,100 for the month compared to a net gain of \$17,259 last year. Net income after depreciation was a loss of \$5,142.

Expenses include \$10,564 of SKDSC costs.

The June 30, Operating Cash Balance was \$3,342,467 and Days Cash On Hand decreased to 840 Days*. In May the DCH was 976 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 :

	Jun-21	Jun-20	VARIANCE *	%	Y-T-D Jun-21	Y-T-D Jun-20	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	0	0	NA	0	0	0	NA
Other Operating Revenue	826	0	826	NA	18,356	111,739	(93,383)	-83.57%
Total Net Operating Revenue	826	0	826	NA	18,356	111,739	(93,383)	-83.57%
Operating Expenses Excluding Depreciation	123,319	104,353	(18,966)	-18.17%	1,904,124	1,233,744	(670,380)	-54.34%
Net Operating Income (Loss) Before Depreciation	(122,493)	(104,353)	(18,140)	-17.38%	(1,885,768)	(1,122,065)	(763,763)	-68.07%
Net Non Operating-Gains/Losses								
Gain/Loss on Investments	2,086	17,584	(15,498)	-88.14%	237,957	168,447	69,510	41.27%
Grant Donation Expense	0	(50,000)	(72,000)		(72,000)	(239,000)		
All Other Non-Operating Gains/Losses	177,507	154,028	(23,479)	-15.24%	2,584,709	2,462,124	122,585	4.98%
Total Net Non-Operating Income: Losses/Gains	179,593	121,612	(57,981)	-47.88%	2,750,666	2,391,571	359,095	15.02%
Total Net Income (Loss) Before Depreciation	57,100	17,259	39,841	230.84%	864,898	1,259,566	(404,668)	-31.87%
Depreciation Expense	62,242	58,705	3,537	6.03%	71,462	696,339	(624,877)	-89.74%
Net Income (Loss) After Depreciation	(5,142)	(41,446)	36,304	-87.59%	793,436	573,227	220,209	38.42%

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

Bloss Memorial HealthCare District
 Operations Summary Report
 Twelve Months Ending June 30, 2021

BMHD FULL TIME EQUIVALENTS SUMMARY :

(See FTE report included in Financial Reports for detail)

	Jun-21	Jun-20	VARIANCE	%	Y-T-D Jun-21	Y-T-D Jun-20	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	1.00	1.00	0.00	0.00%	1.00	0.95	(0.05)	-5.26%
CONTRACT FTE'S	5.50	3.74	(1.76)	-47.06%	3.65	3.75	0.10	2.67%
TOTAL FTE'S	6.50	4.74	(1.76)	-37.13%	4.65	4.70	0.05	1.06%

* 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	0.05	
All other departments < 1 fte var	0.00	0.00	Various departments less than 1 fte variance.
	0.00	0.05	Brackets () indicate a decrease (favorable) variance

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

	CURRENT MO. JUN 2021	PRIOR MONTH MAY 2021	\$ CHANGE	% CHANGE	PRIOR YEAR JUN 2020
ASSETS					
CURRENT ASSETS					
CASH AND EQUIVALENTS					
CASH - GENERAL CHECKING	1,976,165	1,919,562	56,604	2.95%	1,275,961
CDSC CASH - NEW GENERAL CHK	172	197	(25)	(12.67)%	1,556
CDSC CASH - GENERAL CHECKING	18,000	13,940	4,060	29.12%	5,304
CCDS-GENERAL CHECKING	0	6,510	(6,510)	(100.00)%	2,679
CCDSC-GENERAL CHECKING	0	27,340	(27,340)	(100.00)%	19,903
CASH - PAYROLL ACCOUNT	8,699	8,699	0	0.00%	8,699
CASH - LAIF SAVINGS ACCOUNT	952,016	957,636	(5,620)	(0.59)%	1,098,377
LAIF - FUNDED DEPRECIATION	449,946	444,236	5,710	1.29%	302,590
CASH-BBVA MONEY MARKET ACCOUNT	510,234	510,210	24	0.00%	509,532
MARKETABLE SECURITIES CAP IMP	1,056,542	1,055,464	1,078	0.10%	591,703
MARKETABLE SECURITIES GRANTS	631,560	630,553	1,007	0.16%	327,200
TOTAL CASH AND EQUIVALENTS	5,603,335	5,574,346	28,988	0.52%	4,143,503
PATIENT ACCOUNTS RECEIVABLE					
ALLOWANCES					
TOTAL ALLOWANCES	0	0	0	0.00%	0
OTHER RECEIVABLES					
DSCA RECEIVABLE	10,750	10,750	0	0.00%	37,050
RENT RECEIVABLE	105,714	103,999	1,715	1.65%	11,662
PROPERTY TAX RECEIVABLE	41,303	0	41,303		27,533
DSCA CAPTIAL NOTE RECEIVABLE	200,000	200,000	0	0.00%	200,000
DSCA ATWATER NOTE RECEIVABLE	1,750,000	1,750,000	0	0.00%	1,750,000
DSCA STOCKTON NOTE RECEIVABLE	200,000	200,000	0	0.00%	200,000
ALLOWANCES FOR OTHER RECEIVABLES					
NET OTHER ACCOUNTS RECEIVABLE	2,307,767	2,264,749	43,018	1.90%	2,226,244
INVENTORY					
PREPAID EXPENSES AND DEPOSITS					
PREPAID INSURANCE	1,850	3,047	(1,197)	(39.28)%	27,049
PREPAID EXPENSE - SYSTEM	6,318	417	5,901	1,416.45%	0

RUN DATE: 07/22/21
 RUN TIME: 1618
 RUN USER: DAMEDA

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

	CURRENT MO. JUN 2021	PRIOR MONTH MAY 2021	\$ CHANGE	% CHANGE	PRIOR YEAR JUN 2020
PREPAID EXPENSE - MANUAL	14,198	12,144	2,054	16.91%	0
TOTAL PREPAID EXPENSES AND DEPOSITS	22,366	15,608	6,758	43.30%	27,049
TOTAL CURRENT ASSETS	7,933,468	7,854,704	78,764	1.00%	6,396,796
NON-CURRENT ASSETS					
PROPERTY, PLANT, AND EQUIPMENT					
LAND	2,205,996	2,205,996	0	0.00%	2,205,996
LAND IMPROVEMENTS	51,615	51,615	0	0.00%	51,615
BUILDING AND IMPROVEMENTS	21,868,579	21,865,059	3,520	0.02%	21,823,951
CASTLE BUILDING AND IMPROVEMEN	1,380,246	1,373,209	7,037	0.51%	1,353,689
SKDSC BUILDING AND IMPROVEMENT	20,705	20,705	0	0.00%	20,705
BLOSS REMODLE	832,986	832,986	0	0.00%	832,986
CASTLE REMODEL-EAST WING FY 03	126,551	126,551	0	0.00%	126,551
PRKNG LOT & IMPROVEMENTS	138,713	138,713	0	0.00%	138,713
EQUIPMENT - FIXED	1,268,247	1,268,247	0	0.00%	1,236,869
COMMUNICATION LINES FY 03	452,829	452,829	0	0.00%	452,829
SKDSC EQUIPMENT-FIXED	66,746	66,746	0	0.00%	66,746
LEASEHOLD IMPROVEMENTS	17,063	17,063	0	0.00%	17,063
SKDSC LEASEHOLD IMPROVEMENTS	90,895	90,895	0	0.00%	90,895
EQUIPMENT - MAJOR MOVABLE	4,645,885	4,645,885	0	0.00%	4,638,963
MEDITECH HARDWARE	223,353	223,353	0	0.00%	223,353
MEDITECH IMPLEMENTATION COSTS	222,216	222,216	0	0.00%	222,216
EQUIPMENT - MINOR	463,214	463,214	0	0.00%	456,194
MEDITECH SOFTWARE	277,372	277,372	0	0.00%	277,372
TOTAL PROPERTY PLANT AND EQUIPMENT	34,353,210	34,342,654	10,557	0.03%	34,236,707
ACCUMULATED DEPRECIATION					
ACCUM DEPREC - LAND IMPROVMNTS	(141,903)	(140,776)	(1,127)	0.80%	(128,382)
ACCUM DEPREC - BLDGS & IMPROV	(10,547,805)	(10,495,542)	(52,263)	0.50%	(9,928,524)
SKDSC DEPREC-BLDGS & IMPROV	(12,653)	(12,078)	(575)	4.76%	(5,751)
ACCUM DEPREC - FIXED EQUIP	(2,044,012)	(2,042,284)	(1,728)	0.08%	(2,023,272)
SKDSC ACCUM DEPREC-FIXED EQUIP	(3,139)	(3,039)	(101)	3.31%	(1,934)
ACCUM DEPREC - LEASEHOLD IMPRV	(72,838)	(71,722)	(1,116)	1.56%	(58,084)
SKDSCACCUM DEPREC-LEASH IMPROV	(39,063)	(38,821)	(242)	0.62%	(36,033)
ACCUM DEPREC - MAJOR MOVE EQPT	(4,517,471)	(4,514,380)	(3,091)	0.07%	(4,482,542)
ACCUM DEPREC - MINOR EQUIPMENT	(575,455)	(575,455)	0	0.00%	(575,455)
TOTAL ACCUMULATED DEPRECIATION	(17,954,338)	(17,894,096)	(60,242)	0.34%	(17,239,977)
NET PROPERTY, PLANT, AND EQUIPMENT	16,398,872	16,448,558	(49,686)	(0.30)%	16,996,730

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

	CURRENT MO. JUN 2021	PRIOR MONTH MAY 2021	\$ CHANGE	% CHANGE	PRIOR YEAR JUN 2020
ASSETS LIMITED AS TO USE					
CASH - UNG GOODWIN TRUST	173,570	173,570	0	0.00%	164,006
TOTAL RESTRICTED ASSETS	<u>173,570</u>	<u>173,570</u>	<u>0</u>	<u>0.00%</u>	<u>164,006</u>
OTHER ASSETS	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS LIMITED AS TO USE	16,572,442	16,622,128	(49,686)	(0.30)%	17,160,736
TOTAL ASSETS	<u>24,505,910</u>	<u>24,476,831</u>	<u>29,079</u>	<u>0.12%</u>	<u>23,557,532</u>
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE - VENDORS	42,234	35,369	(6,865)	19.41%	55,043
ACCOUNTS PAYABLE - ACCRUALS	46,399	36,397	(10,002)	27.48%	22,443
ACCOUNTS PAYABLE - OTHER	112,183	110,987	(1,196)	1.08%	17,132
CASTLE INC PAYABLE	38,204	29,631	(8,573)	28.93%	22,022
DSCA PAYABLE	62,532	56,148	(6,384)	11.37%	26,578
TOTAL ACCOUNTS PAYABLE	<u>301,551</u>	<u>268,531</u>	<u>(33,020)</u>	<u>12.30%</u>	<u>143,217</u>
ACCRUED PAYROLL					
ACCRUED SALARY AND WAGES	4,167	4,167	0	0.00%	4,167
ACCRUED VACATION	18,499	17,698	(801)	4.53%	14,849
FICA PAYABLE	319	319	0	0.00%	319
PENSION PLAN ACCRUAL	4,800	4,400	(400)	9.09%	5,049
OTHER PAYROLL PAYABLES	94	94	0	0.00%	94
TOTAL ACCRUED PAYROLL	<u>27,878</u>	<u>26,677</u>	<u>(1,201)</u>	<u>4.50%</u>	<u>24,477</u>
OTHER CURRENT LIABILITIES	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
INTERCORPORATE TRANSFERS	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

RUN DATE: 07/22/21
 RUN TIME: 1618
 RUN USER: DAMEDA

Castle Family Health Centers GL **LIVE**

PAGE 4

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

	CURRENT MO. JUN 2021	PRIOR MONTH MAY 2021	\$ CHANGE	% CHANGE	PRIOR YEAR JUN 2020
TOTAL CURRENT LIABILITIES	329,429	295,208	(34,221)	11.59%	167,694
LONG TERM LIABILITIES					
SBA PPE FUND	0	0	0	0.00%	16,358
TOTAL LONG TERM LIABILITIES	0	0	0	0.00%	16,358
TOTAL LIABILITIES	329,429	295,208	(34,221)	11.59%	184,052
FUND BALANCES					
UNG GOODWIN TRUST	173,570	173,570	0	0.00%	164,006
TOTAL RESTRICTED FUND BALANCE	173,570	173,570	0	0.00%	164,006
UNRESTRICTED FUND BALANCE					
CAPITAL - BMHCD	2,890,630	2,890,630	0	0.00%	2,890,630
DONATED CAPITAL	20,318,844	20,318,844	0	0.00%	20,318,844
CURRENT YR NET INCOME (LOSS)	793,436	798,578	5,142	(0.64)%	0
TOTAL FUND BALANCE	24,176,481	24,181,623	5,142	(0.02)%	23,373,481
TOTAL LIABILITIES AND FUND BALANCES	24,505,910	24,476,831	(29,079)	0.12%	23,557,532

BLOSS MEMORIAL HEALTHCARE DISTRICT
SUMMARY INCOME STATEMENT
PRIOR YEAR COMPARISON
JUN 2021

	JUN 2021 ACTUAL	JUN 2020 ACTUAL	\$ VARIANCE	% VARIANCE	JUN 2021 YTD ACTUAL	JUN 2020 YTD ACTUAL	\$ VARIANCE	% VARIANCE
PATIENT SERVICES REVENUE								
DEDUCTIONS FROM REVENUE								
TOTAL DEDUCTIONS FROM REVENUE	0	0	0.00	0%	0	0	0	0.00%
NET PATIENT REVENUE	0	0	0.00	0%	0	0	0	0.00%
OTHER REVENUE	826	0	825.56		18.356	111.739	(93.383)	(83.57)%
TOTAL NET OPERATING REVENUE	826	0	825.56		18.356	111.739	(93.383)	(83.57)%
OPERATING EXPENSES								
SALARIES AND WAGES	9,134	6,498	(2,636.71)	(41)%	108,458	80,220	(28,238)	(35.20)%
EMPLOYEE BENEFITS	1,543	1,148	(395.38)	(34)%	20,310	18,814	(1,496)	(7.95)%
PROFESSIONAL FEES	5,015	767	(4,247.40)	(554)%	45,680	23,514	(22,166)	(94.27)%
SUPPLIES	63	1,975	1,912.20	97%	11,730	11,646	(84)	(0.72)%
PURCHASED SERVICES	58,686	39,634	(19,051.15)	(48)%	571,325	519,369	(51,957)	(10.00)%
DEPRECIATION	60,242	58,705	(1,537.37)	(3)%	714,362	696,339	(18,023)	(2.59)%
RENTS AND LEASES	9,647	14,398	4,751.51	33%	115,712	129,535	13,823	10.67%
UTILITIES	33,354	34,808	1,454.56	4%	333,320	385,098	51,779	13.45%
INSURANCE	3,358	4,453	1,094.65	25%	40,408	60,595	20,187	33.31%
OTHER EXPENSES	4,519	672	(3,847.32)	(573)%	14,282	4,954	(9,328)	(188.31)%
TOTAL OPERATING EXPENSE	185,561	163,058	(22,502.41)	(14)%	1,975,586	1,930,083	(45,503)	(2.36)%
NET INCOME FROM OPERATIONS	(184,735)	(163,058)	(21,676.85)	13%	(1,957,231)	(1,818,345)	(138,886)	7.64%
NON-OPERATING REVENUE	179,593	171,612	7,980.52	5%	2,881,399	2,672,908	208,491	7.80%
NON-OPERATING EXPENSE	0	50,000	50,000.00	100%	130,732	281,336	150,604	53.53%
NET NON-OPERATING INCOME	179,593	121,612	57,980.52	48%	2,750,667	2,391,571	359,095	15.02%
NET INCOME	(5,142)	(41,446)	36,303.67	(89)%	793,436	573,227	220,209	38.42%

NOTE: UNFAVORABLE VARIANCES ARE SHOWN IN PARENTHESES

JUNE PAYROLL, ELECTRONIC PAYMENTS
& CHECK REGISTER

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

Payroll				\$9,158.42	
Total Payroll				<u>\$9,158.42</u>	
Accounts Payable:					
	A/P Checks	Bloss			
			<u>\$115,226.16</u>		<u>\$115,226.16</u>
	BLOSS				
	Auto Debits		<u>\$58.40</u>		
	Total Auto Debits and Electronic Transfers		<u>\$58.40</u>		<u>\$58.40</u>
	Electronic Payments - ACH		<u>\$0.00</u>		<u>\$0.00</u>
Total Accounts Payable					<u>\$115,284.56</u>
Grand Total Disbursements					<u>\$124,442.98</u>

BLOSS	Payroll Disbursements for		June-21
	Payroll dated		
Earnings	06/05/21	06/20/21	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 (+)	93.79	93.79	187.58
			-
Total	412.54	412.54	825.08
			-
			-
Net Payroll	\$ 4,579.21	\$ 4,579.21	9,158.42

RUN DATE: 06/30/21
 RUN TIME: 1642
 RUN USER: COOKS

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

C
 FROM 06/01/21 TO 06/30/21

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
06/01/21	039154	B0066	CAPITOL BUILDERS HARDWARE	ISSUED	06/01/21	6976.00	
06/01/21	039155	B0273	HERC RENTALS INC	ISSUED	06/01/21	155.14	
06/10/21	039156	B0186	ASSOCIATION OF CALIFORNIA	ISSUED	06/10/21	4058.00	
06/10/21	039157	B0109	KORY BILLINGS	ISSUED	06/10/21	200.00	
06/10/21	039158	B0225	HOFFMAN SECURITY	ISSUED	06/10/21	652.90	
06/10/21	039159	K0003	M-D VENTURES	ISSUED	06/10/21	19293.64	
06/10/21	039160	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	06/10/21	4297.07	
06/10/21	039161	B0283	MERCED COUNTY COUNSEL	ISSUED	06/10/21	1875.69	
06/10/21	039162	B0212	JAVIER L MENDOZA	ISSUED	06/10/21	3170.00	
			REMITTED TO: NATURAL GARDENS				
06/10/21	039163	B0064	PETERSON, ALFONSE	ISSUED	06/10/21	200.00	
06/10/21	039164	B0014	PG&E (4705482162-5)	ISSUED	06/10/21	3653.72	
06/10/21	039165	B0260	ROBERT F. BOESCH	ISSUED	06/10/21	100.00	
06/10/21	039166	B0013	WEST COAST GAS CO, INC.	ISSUED	06/10/21	503.16	
06/11/21	039167	B0139	VICKIE L. MULVANEY-TRASK	ISSUED	06/11/21	3900.00	
06/16/21	039168	B0289	CHEMSEARCHFE	ISSUED	06/16/21	532.94	
06/16/21	039169	B0233	COMMERCIAL CONSTRUCTION CO.	ISSUED	06/16/21	18000.00	
06/16/21	039170	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	06/16/21	512.03	
06/16/21	039171	B0133	MERCED COMMERCIAL SWEEPING	ISSUED	06/16/21	240.00	
06/18/21	039172	B0208	TAX TRUST ACCOUNT	ISSUED	06/18/21	104.00	
06/24/21	039173	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	06/24/21	29630.72	
06/24/21	039174	B0138	BEST ELECTRIC	ISSUED	06/24/21	3520.00	
06/24/21	039175	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	06/24/21	296.55	
06/24/21	039176	B0253	JOHNSON CONTROLS FIRE PROTECTION LP	ISSUED	06/24/21	7036.60	
06/29/21	039177	B0072	BETA HEALTHCARE GROUP	ISSUED	06/29/21	6318.00	
TOTAL \$						115226.16	

Bloss Memorial Healthcare District
June-21

Bloss Electronic Transfers

Bloss Auto Debits

Bank Fees - Bloss

	58.40
Total	<u>58.40</u>

	<u>0.00</u>
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Grand Total	<u>58.40</u>
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JUNE CASTLE FAMILY HEALTH CENTERS INC REPORT

Castle Family Health Centers Inc
 Operations Summary Report
 Twelve Months Ending June 30, 2021

Total encounters for the month are 12,090 compared to 12,223 last year 1.09% decrease.

Department	Jun-21	Jun-20	VARIANCE	%	Y-T-D Jun-21	Y-T-D Jun-20	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	4,857	4,830	27	0.56%	66,297	54,238	12,059	22.23%
Specialty Clinic	1,095	1,198	(103)	-8.60%	12,784	12,495	289	2.31%
Bloss Clinic	714	812	(98)	-12.07%	10,194	9,579	615	6.42%
Winton Clinic	974	1,163	(189)	-16.25%	13,296	13,121	175	1.33%
Urgent Care	451	434	17	3.92%	12,889	3,999	8,890	222.31%
Lab	2,120	2,155	(35)	-1.62%	33,300	22,931	10,369	45.22%
Radiology	601	478	123	25.73%	7,503	7,317	186	2.54%
Behavioral Health	228	423	(195)	-46.10%	3,559	2,473	1,086	43.91%
Adult Day Health Care	0	0	0		0	4,638	(4,638)	-100.00%
Optometry	644	479	165	34.45%	5,530	3,887	1,643	42.27%
Winton Dental	406	251	155	61.75%	5,765	4,560	1,205	26.43%
TOTAL ENCOUNTERS	12,090	12,223	(133)	-1.09%	171,117	139,238	31,879	22.90%

June-21 Working Days 22
 June-20 Working Days 22

NEW PATIENTS	Jun-21	Jun-20	VARIANCE *	%	Y-T-D Jun-21	Y-T-D Jun-20	Y-T-D VARIANCE *	Y-T-D %
	724	752	(28)	-3.72%	14,310	5,797	8,513	146.85%

NEXT STEP STRATEGIC MEETING RECOMMENDATIONS

BLOSS MEMORIAL HEALTHCARE DISTRICT
Next Step Strategic Recommendations
Dr. Vickie Mulvaney-Trask and Dr. Brett C Avery
6/28/2021

Summary: Bloss Memorial Healthcare District (BMHD) has significant roots within the community and has led in a number of crucial healthcare directives throughout its existence. In its current state, BMHD owns medical property, but does not directly provide medical or healthcare related services. BMHD acts as a property manager to its current renters, owns property that needs to be updated to meet Federal and State standards and provides medical grants and contract work to medical organizations. BMHD has 1 employee, a CEO, and 2 contracted staff a CFO and an Executive assistant who split time between 2 organizations. The current annual income comes from 3 sources: \$500,000 from a Trust, \$1,200,000 from Rental Property and \$300,000 from County Taxes for a total of approximately \$2,000,000 annual budget.

Focus: BMHD invited MJC Workforce Development Leadership Staff to guide a strategic conversation to develop next steps strategies for BMHD and identify opportunities for further engagement within the community. The following paragraphs are based upon the notes developed during this strategic conversation. For meeting notes – please see Addendum A.

Recommendations: *(see detailed explanation below)*

- 1. Fill the vacant board member seat.**
- 2. Define the future of the 34,000 sq. ft. of unused medical space.**
- 3. Board member training/development.**
- 4. Hold a Strategic Organizational Development conversation.**

1. Fill the vacant board member seat: The chairman indicated a possible candidate in the pipeline. The board should pursue this individual, if interest is mutual established and the candidate fits the profile of the board, then all legal policies and procedures should be followed to bring this individual on the board. Recommendations include identifying an individual with medical experience and cultural diversity from other board members. As the Board is required by law to have 5 members – this recommendation is the most critical.

2. Define the future of the 34,000 sq ft of unused medical space: BMHD Board indicated a desire to use their current assets to generate additional income for philanthropic purposes. BMHD currently holds 34,000 sq ft of unrented property that needs to be renovated in order to comply with current state and federal regulations. For the purpose of identifying and defining the future of this space, the following steps are recommended;

- 1). Develop and distribute or utilize and analyze a current community impact study to determine the most urgent medical needs of the community for medical real estate. Initial inquiries have indicated a need for medical space.
- 2). Based on the findings of the impact study, meet with County hospital boards and local community leadership and determine what Federal or local grants may be available to fund the necessary renovations. Some resources may be available from Covid-19 relief funds.
- 3). At the same time as #2 – create a series of local community Advisory Boards who could work collaboratively with board members to determine potential renters/clients who may be willing to absorb some or all of the renovation costs if a long-term rental contract could be established.
- 4). Once this data has been gathered the board chair should create a written proposal defining the future usage and potential rental income generated from the recommended usages. The board will then need to vote and execute the approved recommendations.

3. Board member training/development: Several board members indicated a personal lack of clarity around the purpose and scope of the Trust and their personal scope of work as a Board Member. Recommendations include;

- 1). Create a formal onboarding process which would include all appropriate written documents, a complete history of the organization, current financials and a clear list of the scope of work of board members.
- 2). The legal counsel should provide a written definition of the “Sandbox” (defined by the group as the fullest extent of what and how BMHD funds can be used). This definition should be provided to all board members and reviewed on a regular basis.
- 3). Board Specific Training could be provided by MJC Staff with direct attention given to the development and utilization of Advisory Boards and coaching in certain leadership skills specific for board function. A detailed proposal can be provided upon request. The cost for this training is \$1,000.00

4. Hold a Strategic Organizational Development conversation: The future is very bright for BMHD, however it is the belief of these Strategic Consultants that the staff support/structure for the organization is insufficient to support the organizational goals. It is our recommendation that the Board hold a 2-hour Organizational Development conversation that would provide a framework for the staffing positions necessary to accomplish the organization's goals. MJC Staff could facilitate this conversation. A detailed proposal can be provided upon request. The cost for this service is \$600.00

SUPPLEMENT TO CFHC LEASE EXHIBIT E TO
AFFILIATION AGREEMENT

SUPPLEMENT TO LEASE
EXHIBIT "E" TO AFFILIATION AGREEMENT

BLOSS MEMORIAL HEALTHCARE DISTRICT, a public entity, and CASTLE FAMILY HEALTH CENTERS, INC., a California Corporation, do hereby supplement their Lease Agreement for premises located at Castle as follows:

Commencing September 1, 2021, CASTLE FAMILY HEALTH CENTERS, INC shall lease an additional four hundred and forty-three square feet (443) prior VA office at a rate of (\$1.23 per square foot) from BLOSS MEMORIAL HEALTHCARE DISTRICT. Rent shall be in the sum of Five Hundred and Forty-Four Dollars and Eighty-Nine Cents (\$544.89) per month. This additional space will be used as a call center by Castle. Bloss will remodel the requested area to accommodate this new line of service and Castle will be responsible to furnish said area with equipment to provide a call center.

Commencing November 1, 2021, CASTLE FAMILY HEALTH CENTERS, INC shall lease an additional five hundred and ninety six square feet (596) prior CCDS reception office at a rate of (\$1.23 per square foot) from BLOSS MEMORIAL HEALTHCARE DISTRICT. Rent shall be in the sum of Seven Hundred and Thirty Three Dollars and Eight Cents (\$733.08) per month. This additional space will be used as a new administration entrance by Castle. Bloss will remodel the requested area to accommodate this new line of service and Castle will be responsible to furnish said area with equipment.

NOW, THEREFORE, it is mutually agreed that the Lease between the parties includes a total of 76,920 square feet at the Castle premises (which includes the new leased space above) and 9,790 square feet at the Grove Avenue premises expiring June 30, 2025 with the exception of 3,936 square feet at the Castle premises (new Dental Wing) which expires June 30, 2023.

This Supplement to Lease shall be subject to all other terms and conditions as set forth in the original LEASE AGREEMENT (Exhibit B to Affiliation Agreement) and subsequent term extensions.

Dated: _____

Dated: _____

BLOSS MEMORIAL
HEALTHCARE DISTRICT

CASTLE FAMILY HEALTH CENTERS
INC

By: _____
Kory Billings, Chair
Board of Directors

By: _____
Dorothy Bizzini, Chair
Board of Directors