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# 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:** February 22, 2019

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

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Bloss Memorial Healthcare District will hold their Finance Committee meeting on Thursday, February 28, 2019 at 1:30 pm in the Board Room at 3605 Hospital Road, Atwater, CA 95301.

Bloss Memorial Healthcare District will hold their **Board of Directors** meeting on Thursday, February 28, 2019 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)**  
**BOARD OF DIRECTORS MEETING**  
**BOARD ROOM**  
**Thursday, February 28, 2019**  
**2:00 pm**

**AGENDA FOR PUBLIC SESSION**

**I. CALL TO ORDER**

**II. ROLL CALL**

	<u>ACTION</u>	<u>EXHIBIT</u>
<b>III. APPROVAL OF AGENDA</b>	*	

**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.**

<b>V. APPROVAL OF MINUTES</b>		
A. January 29, 2019 Board of Directors Meeting	*	1

<b>VI. FINANCIAL REPORT</b>		
A. January 29, 2019 Finance Committee Minutes	*	2
B. Chief Financial Officer Report		3
C. January Payroll, Electronic Payments & Check Register	*	4

**VII. CHIEF EXECUTIVE OFFICER REPORT**

<b>VIII. OLD BUSINESS / REPORTS</b>		
A. Castle Family Health Centers, Inc Report		5
B. Bloss Board Member Report		
C. Roof Update		

<b>IX. NEW BUSINESS</b>		
A. Children’s Dental Surgery Center (CDSC) Final Audit Proposal*		6

**X. AGENDA FOR CLOSED SESSION**  
 Closed Session Items Pursuant the Brown Act will be:  
 Section 54954.5(h) Report Involving Trade Secrets – Regarding New Services.  
 Estimated date of public disclosure will be in 2019.  
 Section 54954.5 (c); 54956.9 Conference with Legal Counsel for Initiation of Litigation.  
 Section 1461 of the Health and Safety Code – Quality Management.  
 Section 54957 Personnel Actions.

**XI. NEXT MEETING DATE**

## **XII. 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 72 hours prior to the meeting is available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. These documents are available from the Executive Assistant in administration at 3605 Hospital Road, Suite F, Atwater, California 95301.

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)  
BOARD OF DIRECTORS MEETING  
BOARD ROOM  
Tuesday, January 29, 2019  
2:00 pm**

**CALL TO ORDER**

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

**ROLL CALL**

Board Members Present: Kory Billings, Chair Glenn Arnold, Vice Chair; Al Peterson, Secretary / Treasurer; Lloyd Weaver, Board Member and Bob Boesch, Board Member

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, CFO; David Thompson, DSCA; Ralph Temple, Jr., Legal Counsel and Peter Mojarras, CFHC COO @ 2:05 pm

Absent: None

**APPROVAL OF AGENDA**

**A motion was made / seconded, (Alfonse Peterson / Glenn Arnold) to approve the January 29, 2019 agenda with change. Motion carried.**

**PUBLIC COMMENTS**

None.

**APPROVAL OF MINUTES**

A. January 3, 2019 (December 2018) Board of Directors Meeting, Exhibit 1

**A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to approve and accept the January 3, 2019 (December 2018) Board of Directors Meeting minutes as presented, Exhibit 1. Motion carried.**

**FINANCIAL REPORT**

A. January 3, 2019 (December 2018) Finance Committee Meeting Minutes, Exhibit 2

**A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept the January 3, 2019 (December 2018) Finance Committee Meeting minutes as presented. Exhibit 2. Motion carried.**

B. Chief Financial Officer Report, Exhibit 3

Dawnita Castle, CFO, reported that she had spoken to Michael Muhareb, LPL Financial regarding moving the Ung Goodwin Trust to LPL Financial. He informed her that LPL would not take over the trust, it would be a third party and they charge from \$7,000 to \$8,000 annual. Currently Wells Fargo Bank charges \$1,000 annually. She has held off speaking to Wells Fargo Bank.

For December 2018, BMHD Operating Cash Balance was at \$2,613,408 and Days on Cash On Hand were at 714 days which was a slight increase. There were 2 roofing payments totaling \$620,576 for the Castle site and this is reflected in the Warrants and Payroll.

BMHD recorded a net gain of \$32,413 before depreciation and a loss of \$20,048 after depreciation expense of \$22,461. This expense did include \$24,575 for Sierra Kings, higher than the previous month as BMHD had some purchases for cleaning up the site, testing for alarm and sprinklers and getting it prepared for the sublease.

Ralph Temple, Legal Counsel, asked if the generator is the last item to be installed. Edward Lujano stated that there are still a few things that need to be done out there.

C. December 2018 Payroll, Electronic Payments and Check Register, Exhibit 4

**A motion was made / seconded, (Alfonse Peterson / Glenn Arnold) to approve and accept the December 2018 Payroll in the amount \$9,767.24 and Accounts Payable in the amount of \$1,082,046.64 for a total Disbursement of \$1,091,813.88, Exhibit 4. Motion carried.**

**CHIEF EXECUTIVE OFFICER REPORT**

Edward Lujano reported that the grass has come back and is flourishing at the Parlier site. He has not heard back from Wes Isaac on the ground cover, as BMHD will split the cost with him. Outside of this the CFHC maintenance department has reinstalled the OR lights and repaired some of the other lights that were cracked or broken. The exterior lighting have also been repaired and 2 sinks were purchased and will be installed next week and the generator is on order.

The five-year sprinkler inspection was done and there were some items that need to be repaired. A couple of sprinkler heads, signage and a valve that was not working properly, this will cost about \$3,500 and will be completed next week along with the alarm maintenance as it still keeps going off.

Edward Lujano is getting quotes on the MedVac system, which is the last unit we need to get in there and will ultimately be sold to the sublease.

Johnson Air came out and they were concerned over some of the air flow systems, but this was passed to Wes Isaac as it is his responsibility.

The installation of the generator and the MedVac system are the last 2 to be installed.

## OLD BUSINESS / REPORTS

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

Pete Mojarras reported that December had a decrease in patient volume due to the holiday time.

Dr. Reddy, OB/GYN will begin February 11<sup>th</sup>, Dr. Renedo, Endocrinology has already started seeing patients, Dr. Yu, Acupuncturist will be coming in February 5<sup>th</sup>. CFHC also had a contract offer sent to a dentist.

An ophthalmologist, Rosemarie Marks, has also expressed an interest when she saw CFHC's ad in a website for employment opportunities. She is originally from NY and most recently had a practice in the Sonoma / Petaluma area. Would like to relocate to this area and is purchasing property in Mariposa. She is Cornell and Columbia trained, but does not have a California license. She will also be a VA network provider and we are coming up with an agreement that she will lease space here initially and see the VA patients while she is working on getting her California license and Medi-Cal number. She will be doing 20-25 patients per month for disability evaluations for the VA.

CFHC had problems with the roof repair and the rain, several hallways had to be shut down due to leaks.

The Winton Clinic grand opening ceremony services will be held on March 13, 2019 from 11am to 3pm with services beginning on March 18, 2019.

Peter Mojarras also announced that they finally released the NAP Grant and CFHC will apply. They are providing 10 points which are given to the Look-A-Like centers and will put CFHC in a better position to score better. 75 applicants will be awarded. We will work with a consultant group out of Los Angeles to put the best application grant proposal that we'll submit. Announcements will be made in September.

### B. Bloss Board Member Report

Kory Billings announced the committee assignments for 2019. ByLaws Committee will be Kory Billings, Chair and Alfonse Peterson; Investment Committee will be Alfonse Peterson, Chair; Kory Billings, Edward Lujano and Dawnita Caste; Finance Committee will be Alfonse Peterson, Chair; Glenn Arnold, Edward Lujano and Dawnita Castle; Policy Committee will be Kory Billings, Chair and Bob Boesch.

### C. Roof Update

Edward Lujano reported that the rain caused CFHC to close down some of the hallways as the rain water was coming in. The entire flooring will need to be replaced in various hallways, because we don't have matching tile anymore. He along with Sabrina Cooksey had a conversation with the insurance and they said to do what needs to be done to put it back in the way it should have been, some of the walls will also need to be redone. We took this up with the insurance and they said to document all including the overtime and the weekends the maintenance people are putting in to do their part of it, which the insurance will pay. Our insurance said we are responsible to put out for the first \$10,000 of cost, which is the deductible and then we will get reimbursed from the other insurance carrier once everything is settled. An asbestos check was done and there was none.

They are still working on Section A and are 65% done and the Bloss site is at 20% done, as they just started.

Kory Billings asked if that is \$10,000 overall or \$10,000 for each site. Edward Lujano stated that there was no leakage at the Bloss site only here.

D. Parlier Sublease with Dental Surgery Centers of America, Exhibit 6

Ralph Temple, Legal Counsel, reported that essentially the subleasee is paying half of what BMHD's obligation is to Wes Isaac and covering all of the other additional costs. Most of that is set forth in Exhibit A, the term is the same as the rest of BMHD's term and ends at the same time.

The first 4 months are free to the subleasee, which will give BMHD time to get the generator and MedVac system in which will remain the property of BMHD and will need to be dealt with at the end of the term as well and will give DSCA a chance to start their accrediting and licensing process.

Kory Billings reported that there is a representative from DSCA. Ralph Temple stated that pursuant to the same terms of the sale, we had some guarantors in the situation for the lease as well. BMHD has the lease to Wes Isaacs and if the sublease is not paid it's on BMHD, which is why we have guarantors.

David Thompson asked about #20 ...For Sale sign on the premises, BMHD will delete...*at any time, and a FOR SALE sign on the Premise...* #16 we will add....plumbing, gardening..., #14 add comma after insurance.

**A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept the lease with corrections and authorized staff to execute said lease, Exhibit 6. Motion carried.**

Ralph Temple, Legal Counsel thanked Ms. Cale for her work on the lease.

**NEW BUSINESS**

A. Review / Approval of Ung Goodwin Trust Funds Policy, Exhibit 7

Kory Billings mentioned that the last time BMHD had looked at this policy was in 2004. The Investment Committee will be meeting and take a look at the policy prior to submitting it to the Policy Committee. The Investment Committee will be meeting in March 2019.

No motion made, this item will be Tabled to future.

**AGENDA FOR CLOSED SESSION**

Ralph Temple, Legal Counsel, stated that he will have a brief comment about litigation under Section 54954.5(c); 54956.9 Conference with Legal Counsel for Initiation of Litigation.

Also, Section 54957 Personnel Actions.

David Thompson, DSCA will stay for a portion of Closed Session.

**NEXT MEETING DATE**

The next Board of Directors Meeting will be held on Thursday, February 28, 2019 at 2:00 p.m. in the Board Room.

The Finance Committee will also meet on Thursday, February 28, 2019 at 1:30 p.m. in the Board Room.

**ADJOURNMENT**

As there was no further business, the meeting adjourned into Closed Session at 2:36 pm.

The meeting reconvened into public session at 3:02 pm and adjourned. No action taken.

Respectfully Submitted,

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Fily Cale  
Executive Assistant

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Alfonse Peterson  
Board Secretary



**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)  
FINANCE COMMITTEE MEETING  
BOARD ROOM  
Tuesday, January 29, 2019  
1:30 p.m.**

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

Others Present: Kory Billings, Board Chair

Absent: None

**CALL TO ORDER**

Alfonse Peterson, Committee Chair, called the meeting to order at 1:31 p.m. in the Board Room.

**APPROVAL OF AGENDA**

**A motion was made/seconded, (Edward Lujano / Glenn Arnold) to approve the January 29, 2019 agenda as presented. Motion carried.**

**PUBLIC COMMENTS**

None.

**APPROVAL OF FINANCE COMMITTEE MINUTES**

A. January 3, 2019 (December 2018) Finance Committee Minutes, Exhibit 1

**A motion was made / seconded, (Glenn Arnold / Edward Lujano) to approve and accept the January 3, 2019 (December 2018) Finance Committee Minutes as presented, Exhibit 1. Motion carried.**

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

Dawnita Castle, CFO, report that in December 2018 the market was not very good to BMHD investment. There was a total loss of \$17,673 for both capital lease and grant investment accounts from LPL Financial. Also the Ung Goodwin Trust had a decrease of \$21,000 excluding the \$230 fee and disbursement of \$6,000.

She spoke to Michael Muhareb of LPL Financial about taking over the Goodwin fund and he stated that they would not take over the Trust fund themselves, but that they had a third party that could do that. Their annual fee is anywhere from \$7,000 to \$8,000. Currently Wells Fargo Bank charges \$1,000 annually, it's under 1%.

Operating Cash Balance was at \$2,613,408 and Days Cash on Hand were 714 days. This was a small decrease, BMHD did have 2 Cool Roofing payments totaling \$620,576.

For December 2018, BMHD recorded a net gain of \$32,413 before depreciation and a loss of \$20,048 after depreciation with expense of \$52,461.

She is open to suggestions as to what the committee would like for her to research or discuss with Wells Fargo Bank at this point.

Kory Billings commented that the annual meeting with LPL is coming up and perhaps they can give us some suggestions or advise on the Goodwin Trust. We probably have more control over these funds versus the control they have over the Bloss Trust funds.

### **SKDSC FINANCIAL REPORT, EXHIBIT 3**

Dawnita Castle reported that SKDSC had expenses in the amount of \$24,575 for December 2018. There were some costs for the site cleanup, testing of alarms and sprinkler systems to prepare for the sublease.

Edward Lujano stated that there will be additional expenses this month. We just completed the 5-year sprinkler certification, there were some deficiencies, some signage had fallen off and the heads were not working, it was about \$3,200. Repairs will be completed this week and service the alarm system as it keeps going off. The generator has been ordered, which is a 2-month process and he is shopping for a central vac system and he was able to locate 2 sinks at \$400.

**A motion was made / seconded, (Edward Lujano / Glenn Arnold) to approve and accept**

### **WARRANTS AND PAYROLL**

A. December 2018 Payroll, Electronic Payments & Check Register, Exhibit 4

**A motion was made/seconded, (Glenn Arnold / Edward Lujano) to approve and accept the Review of District Financial Statements, Exhibit 2; SKDSC Financial Report, Exhibit 3 and December 2018 Total Payroll in the amount \$9,767.24 and Total Accounts Payable in the amount of \$1,082,046.64 for a total Grand Total Disbursement of \$1,091,813.88, Exhibit 4. Motion carried.**

### **DISCUSSION**

None.

**AGENDA FOR CLOSED SESSION**

There was no Closed Session item(s) for discussion.

**NEXT MEETING DATE/ADJOURNMENT**

The next Finance Committee meeting will be held on Thursday, February 28, 2019 at 1:30 pm.

As there was no further business, the meeting adjourned at 1:44 p.m.

Respectfully Submitted,

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Fily Cale  
Executive Assistant

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Alfonse Peterson  
Committee Chair

## CHIEF FINANCIAL OFFICER REPORT

BMHD had a total net gain before depreciation of \$59,406 for the month compared to a net gain of \$128,702 last year. Expenses include \$25,856 of SKDSC costs.

The January 31, Operating Cash Balance was \$2,851,332 and Days Cash On Hand was 715 Days\*. In December the DCH was 714 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 :

	Jan-19	Jan-18	VARIANCE *	%	Y-T-D Jan-19	Y-T-D Jan-18	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	312,341	(312,341)	-100.00%	(44,688)	1,546,488	(1,591,176)	-102.89%
Other Operating Revenue	590	686	(96)	-13.99%	(16,199)	12,678	(28,877)	-227.77%
Total Net Operating Revenue	590	313,027	(312,437)	-99.81%	(60,887)	1,559,166	(1,620,053)	-103.91%
Operating Expenses Excluding Depreciation	123,549	324,110	200,561	61.88%	965,717	2,281,381	1,315,664	57.67%
Net Operating Income (Loss) Before Depreciation	(122,959)	(11,083)	(111,876)	-1009.44%	(1,026,604)	(722,215)	(304,389)	-42.15%
Net Non Operating-Gains/Losses	21,636	12	21,624	180200.00%	(3,093)	28,711	(31,804)	-110.77%
Gain/Loss on Investments	0	(4,106)	(4,106)	100.00%	0	(299,029)	299,029	100.00%
CDSC Gain/Losses	160,729	143,879	(16,850)	-11.71%	1,096,988	903,216	193,772	21.45%
All Other Non-Operating Gains/Losses	182,365	139,785	(42,580)	-30.46%	1,093,895	632,898	460,997	72.84%
Total Net Non-Operating Income: Losses/Gains	59,406	128,702	(69,296)	-53.84%	67,291	(89,317)	156,608	-175.34%
Total Net Income (Loss) Before Depreciation	55,156	58,951	(3,795)	-6.44%	376,518	416,285	(39,767)	-9.55%
Depreciation Expense	4,250	69,751	(65,501)	-93.91%	(309,227)	(505,602)	196,375	-38.84%
Net Income (Loss) After Depreciation								

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

Bloss Memorial HealthCare District  
 Operations Summary Report  
 Seven Months Ending January 31, 2019

**BMHD FULL TIME EQUIVALENTS SUMMARY :**

(See FTE report included in Financial Reports for detail)

	Jan-19	Jan-18	VARIANCE	%	Y-T-D Jan-19	Y-T-D Jan-18	Y-T-D VARIANCE *	Y-T-D %
<b>EMPLOYEE FTE'S</b>	0.30	13.44	13.14	97.77%	0.40	13.12	12.72	96.95%
<b>CONTRACT FTE'S</b>	3.63	4.43	0.80	18.06%	3.73	4.11	0.38	9.25%
<b>TOTAL FTE'S</b>	3.93	17.87	13.94	78.01%	4.13	17.23	13.10	76.03%

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

Full Time Equivalent - Employees for the month are 97.77% less than the prior year with 13.14 less 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
CCDSC	13.09	12.81	Less Department
All other departments < 1 fte var	0.04	(0.09)	Various departments less than 1 fte variance.
	13.13	12.72	Brackets ( ) indicate a decrease (favorable) variance

**JANUARY PAYROLL, ELECTRONIC PAYMENTS  
& CHECK REGISTER**

Bloss Memorial Healthcare District  
 Payroll, Accounts Payable and Funds Disbursements - Summary  
 Month of January-19

Payroll		<u>\$10,701.51</u>
<b>Total Payroll</b>		<b><u><u>\$10,701.51</u></u></b>

Accounts Payable:

A/P Checks	Bloss	<u>\$95,727.35</u>	<u>\$95,727.35</u>
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**BLOSS**

Auto Debits	\$131.44
Electronic Payments to Castle on Payable	\$0.00
Electronic Payments to DSCA	<u>\$600,644.84</u>
Total Auto Debits and Electronic Transfers	<u><u>\$600,776.28</u></u>

**Dental Surgery Center**

**Auto Debits - Old Account**

Bank Fees CCDSC Old Acct	20.92
Bank Fees CDSC New Acct	<u>43.12</u>
Total Auto Debits and Electronic Transfers	<u><u>64.04</u></u>

<u>\$600,840.32</u>
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Electronic Payments - ACH	<u>\$0.00</u>	<u>\$0.00</u>
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<b>Total Accounts Payable</b>		<b><u><u>\$696,567.67</u></u></b>
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<b>Grand Total Disbursements</b>		<b><u><u>\$707,269.18</u></u></b>
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<b>BLOSS</b>	<b>Payroll Disbursements for</b>		<b>January-19</b>
	<b>Payroll dated</b>		
<b>Earnings</b>	01/05/19	01/20/19	Total
Regular			-
Overtime			-
Vacation			-
Sick			-
Holiday			-
Salary	4,333.33	4,541.67	8,875.00
Double Time			-
Call In			-
On Call			-
Other			-
			-
<b>Total</b>	<b>4,333.33</b>	<b>4,541.67</b>	<b>8,875.00</b>
			-
<b>Deductions</b>			-
FICA (+)	331.50	347.43	678.93
Insurance (-)	-	-	-
Emp Deduction(-)/Reimb(+)	100.00	-	100.00
Christmas Fund (-)			-
Process Fee (+)	953.79	93.79	1,047.58
			-
<b>Total</b>	<b>1,385.29</b>	<b>441.22</b>	<b>1,826.51</b>
			-
			-
<b>Net Payroll</b>	<b>\$ 5,718.62</b>	<b>\$ 4,982.89</b>	<b>10,701.51</b>

RUN DATE: 01/31/19  
 RUN TIME: 1636  
 RUN USER: COOKS

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

C  
 FROM 01/01/19 TO 01/31/19

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
01/04/19	038197	B0060	GLENN ARNOLD	ISSUED	01/04/19	200.00	
			REMITTED TO: ARNOLD, GLENN				
01/04/19	038198	B0109	KORY BILLINGS	ISSUED	01/04/19	100.00	
01/04/19	038199	B0016	GUARDCO SECURITY SERVICES	ISSUED	01/04/19	11421.00	
01/04/19	038200	B0225	HOFFMAN SECURITY	ISSUED	01/04/19	577.90	
01/04/19	038201	B0059	LLOYD WEAVER	ISSUED	01/04/19	100.00	
01/04/19	038202	K0003	M-D VENTURES	ISSUED	01/04/19	19102.14	
01/04/19	038203	B0064	PETERSON, ALFONSE	ISSUED	01/04/19	200.00	
01/04/19	038204	B0014	PG&E (4705482162-5)	ISSUED	01/04/19	4429.00	
01/04/19	038205	B0260	ROBERT F. BOESCH	ISSUED	01/04/19	100.00	
01/04/19	038206	B0056	CARDMEMBER SERVICE-XXXXXXXXXX9140	ISSUED	01/04/19	600.00	
01/04/19	038207	B0015	WINTON, WATER & SANITARY DISTRICT	ISSUED	01/04/19	72.80	
01/14/19	038208	B0265	PLATINUM ROOFING, INC.	ISSUED	01/14/19	26276.50	
01/14/19	038209	B0098	CASTLE AIR MUSEUM	ISSUED	01/14/19	137.50	
01/14/19	038210	B0132	CLARK PEST CONTROL	ISSUED	01/14/19	558.00	
01/14/19	038211	K0034	JOE S RODRIGUEZ	ISSUED	01/14/19	375.00	
01/14/19	038212	B0198	BANNER LIFE INSURANCE COMPANY	ISSUED	01/14/19	1100.00	
01/14/19	038213	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	01/14/19	1468.41	
01/14/19	038214	B0042	RALPH TEMPLE	ISSUED	01/14/19	1012.50	
01/14/19	038215	B0013	WEST COAST GAS CO, INC.	ISSUED	01/14/19	5268.23	
01/22/19	038216	B0159	CAHHS	ISSUED	01/22/19	264.00	
01/22/19	038217	B0027	CITY OF ATWATER (010448-000)	ISSUED	01/22/19	645.53	
01/22/19	038218	B0134	CITY OF ATWATER (020161-000)	ISSUED	01/22/19	654.34	
01/22/19	038219	K0035	CITY OF PARLIER	ISSUED	01/22/19	178.79	
01/22/19	038220	B0025	MERCED IRRIGATION DISTRICT	ISSUED	01/22/19	292.24	
01/22/19	038221	B0026	MERCED IRRIGATION DISTRICT	ISSUED	01/22/19	14501.78	
01/22/19	038222	B0133	MERCED/MODESTO COMMERCIAL SWEEPERS	ISSUED	01/22/19	240.00	
01/29/19	038223	B0268	BOVEE ENVIROMENTAL MANAGEMENT, INC	ISSUED	01/29/19	775.00	
01/29/19	038224	B0100	FEDEX	ISSUED	01/29/19	12.57	
01/29/19	038225	B0225	HOFFMAN SECURITY	ISSUED	01/29/19	577.90	
01/29/19	038226	B0018	PG&E (0665563335-9)	ISSUED	01/29/19	176.62	
01/29/19	038227	B0021	PG&E (1384254881-3)	ISSUED	01/29/19	236.28	
01/29/19	038228	B0019	PG&E (1832229927-4)	ISSUED	01/29/19	131.34	
01/29/19	038229	B0020	PG&E (1873896591-4)	ISSUED	01/29/19	163.90	
01/29/19	038230	K0044	PG&E (8300477674-2)	ISSUED	01/29/19	605.08	
01/29/19	038231	K0071	TRI-SIGNAL INTEGRATION, INC	ISSUED	01/29/19	3173.00	
<b>TOTAL \$</b>						<b>95727.35</b>	

Bloss Memorial Healthcare District  
January-19

**Bloss Electronic Transfers**

**Bloss Auto Debits**

Bank Fees - CCDSC Old Acct	20.92
Bank Fees - CDSC New Acct	43.12
Bank Fees - Bloss	131.44
<b>Total</b>	<b><u>195.48</u></b>

Electronic Payments to Castle on Payable	0.00
Electronic Payment to DSCA	600,644.84
Electronic Transfer to LAIF	0.00
<b>Total</b>	<b><u>600,644.84</u></b>

<b>Grand Total</b>	<b><u>600,840.32</u></b>
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CASTLE FAMILY HEALTH CENTERS, INC REPORT

Castle Family Health Centers Inc  
 Operations Summary Report  
 Seven Months Ending January 31, 2019

Total encounters for the month are 11,616 compared to 12,142 last year 4.33% decrease.

Department	Jan-19	Jan-18	VARIANCE	%	Y-T-D Jan-19	Y-T-D Jan-18	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	5,360	4,749	611	12.87%	31,249	27,783	3,466	12.48%
Specialty Clinic	683	601	82	13.64%	4,020	4,335	(315)	-7.27%
Bloss Clinic	788	1,222	(434)	-35.52%	6,576	6,444	132	2.05%
Winton Clinic	622	828	(206)	-24.88%	4,201	5,175	(974)	-18.82%
Urgent Care	376	422	(46)	-10.90%	2,214	2,216	(2)	-0.09%
Lab	2,006	2,005	1	0.05%	13,094	12,781	313	2.45%
Radiology	747	623	124	19.90%	4,440	3,802	638	16.78%
Behavioral Health	184	256	(72)	-28.13%	1,246	1,505	(259)	-17.21%
Adult Day Health Care	433	447	(14)	-3.13%	2,951	3,579	(628)	-17.55%
Optometry	417	627	(210)	-33.49%	2,283	3,312	(1,029)	-31.07%
Ophthalmology	0	362	(362)	-100.00%	1,505	2,416	(911)	-37.71%
<b>TOTAL ENCOUNTERS</b>	<b>11,616</b>	<b>12,142</b>	<b>(526)</b>	<b>-4.33%</b>	<b>73,779</b>	<b>73,348</b>	<b>431</b>	<b>0.59%</b>

Jan-19 Working Days 22 and 1 Holiday  
 Jan-18 Working Days 22 and 1 Holiday

NEW PATIENTS	Jan-19	Jan-18	VARIANCE *	%	Y-T-D Jan-19	Y-T-D Jan-18	Y-T-D VARIANCE *	Y-T-D %
	473	453	20	4.42%	2,695	3,091	(396)	-12.81%

**CHILDREN'S DENTAL SURGERY CENTER  
FINAL AUDIT PROPOSALS**

## **Children's Dental Surgery Center Final Audit Proposals**

Blomberg & Griffin Accountancy Corporation  
1013 North California Street, Stockton, California 95202

\$5,500

JWT & Associates, LLP  
1111 East Herndon Avenue, Suite 211, Fresno, California, 93720

\$5,500







**Blomberg & Griffin Accountancy Corporation**  
Certified Public Accountant

**INDEPENDENT AUDIT PROPOSAL  
(One Year Engagement)**

Board of Directors  
Children's Dental Surgery Center  
3605 Hospital Road,  
Atwater CA 95301

January 31, 2019

Dear Board of Directors:

Thank you for the opportunity to submit the following proposal to serve as independent auditor for the Children's Dental Surgery Center (Center).

We propose to conduct the audit of the financial statements of the Children's Dental Surgery Center for the year ended December 31, 2018.

We will plan and perform the audit in accordance with generally accepted auditing standards and will include tests of the accounting records and other procedures considered necessary under the circumstances. If our audit report is other than unqualified, we will fully discuss the reason with the CFO prior to presentation of the report. If during the audit we become aware of significant deficiencies in the design or operation of internal controls or of ways management practices can be improved, we will communicate such information to the Board of Directors in a separate letter.

We propose to begin the audit for the year ended December 31, 2018 as soon as the Center records are available. Setup, pre-list and certain other procedures would begin on notification of the contract. Fieldwork would begin soon after award notification. Our anticipated Audit report completion date is on or before April 15, 2018.

Our fee for the above services is based on hourly rates ranging from \$45 to \$95 per hour with maximum fee not to exceed \$5,500 for the year ended December 31, 2018.

**Children's Dental Surgery Center -Proposal-Page 2**

Our main office is located in Stockton, California. Since 1974 we have provided accounting, tax and audit services for over 40 years. Experienced staff includes 2 CPAs, 3 support staff and 2 clerical personnel. Audit experience includes over 40 years of primarily various governmental agencies and health care organizations.

This audit proposal is for a financial audit and the above fees include our entire out of pocket expenses including up to 10 bound copies of the audit report. Additional copies are available at \$10 each.


We will need the cooperation and assistance of Center personnel to successfully complete the audit. Such assistance will include obtaining copies of documents, contracts, invoices, etc., various audit inquiries and assistance with preparation of the audit confirmations and other standard auditing procedures.

We agree to respond promptly to successor auditor inquiries, and the audit report shall be delivered on or before April 15, 2013, 2019..

Should the Center need additional services, our fee assisting will be billed at the rate of \$125 per hour in addition to the audit fee discussed above. Such additional fees, if any, shall be discussed with the Center in advance of providing such services.

Should you need any additional information regarding this proposal please call John direct at (209) 466-3894.

Respectfully Submitted,

  
\_\_\_\_\_  
John E. Blomberg, CPA  
Blomberg & Griffin Accountancy Corporation

Approved By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Dated



# JWT & Associates, LLP

## Advisory Assurance Tax

1111 East Herndon Avenue, Suite 211, Fresno, California 93720  
Voice: (559) 431-7708 Fax: (559) 431-7685

February 14, 2019

Childrens Dental Surgery Center  
3605 Hospital Road  
Atwater, CA 95301

To the Board of Directors:

This engagement letter confirms our acceptance and understanding of the terms and objectives of our engagement and the nature and limitations of the services that JWT & Associates, LLP will provide to Childrens Dental Surgery Center (hereafter, "CDSC").

### **Scope and Objective of the Audit**

You have requested that we audit the financial statements of CDSC, which comprise the balance sheet of CDSC as of May 31, 2018 and the related statements of revenues, expenses and changes in partners' capital, and cash flows for the five-months then ended, and the related notes to the financial statements.

The objective of our audits is the expression of any opinion about whether CDSC's financial statements are fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles.

### **Responsibilities of the Auditor**

We will conduct our audits in accordance with U.S. generally accepted auditing standards (GAAS). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by CDSC's management, as well as evaluating the overall presentation of the financial statements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audits will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, test of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

An audit includes obtaining an understanding of the entity and its environment, including its internal control sufficient to assess the risks of material misstatement of the financial statements whether due to error or fraud and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, we are responsible for communicating to you and those charged with governance internal control related matters that are required to be communicated under Statements on Auditing Standards.

Our scheduling is contingent on the completion of the year-end closing and adjusting process prior to our arrival to begin the fieldwork. We may experience delays in completing our audit procedures as a result of your staff's availability or delays in your financial closing process.

### **Limitation of the Audits**

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audits are properly planned and performed in accordance with GAAS.

In making our risk assessments, we consider internal control relevant to CDSC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of CDSC's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

Our audits cannot be relied upon to disclose all errors, fraud, or illegal acts that may exist. However, we will inform CDSC of any material errors, fraud, or illegal acts that come to our attention, unless they are clearly inconsequential.

## **Management's Responsibilities**

Our audits will be conducted on the basis that CDSC's management and those charged with governance acknowledge and understand that they have the following responsibilities:

- a. The preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the establishment and maintenance of adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, and the safeguarding of assets.
- b. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; and
- c. To provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
  - ii. Additional information that we may request from management for the purpose of the audit; and
  - iii. Unrestricted access to persons within CDSC from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and those charged with governance written confirmation concerning representations made to us in connection with the audit. Management's and those charged with governance failure to provide representations to our satisfaction will preclude us from issuing our audit report. This management representation letter will confirm to us that the effects of any uncorrected misstatements aggregated by us during the audit engagement are immaterial, both individually and in the aggregate, to the financial statements as a whole.

## **Distribution of the Auditor's Report**

Our reports on the financial statements must be associated only with the financial statements that were the subject of our audit engagements. You may make copies of our report but only if the entire financial statements are reproduced and distributed with our report. You may not use our reports with any other financial statements that are not the subject of these audit engagements.

As a result of our audit engagements, we may be required or requested to provide information or documents to you or a third party in connection with governmental regulations or a legal proceeding. If it is ultimately determined that we must comply with such requirements or requests, our efforts in complying with such requests or demands will be deemed a part of these audit engagements, and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

## **Dispute Resolution**

This agreement shall be governed by the laws of the state of California. If a dispute arises out of the audit engagement described herein and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses and shall share equally in the mediator's fees and expenses.

## **Termination**

This agreement may be terminated by either party upon 90 days' written notice. In the event of termination: (a) you shall pay us for services rendered and expenses incurred through the effective date of termination, (b) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services, and (c) we will require any new accounting firm that you may retain to execute access letters satisfactory to us prior to reviewing our files.

## **Fees**

We estimate that our fees for the audit will be \$5,500 for the five-month period ended May 31, 2018. You will also be billed for out-of-pocket costs such as postage, travel, etc.

This fee estimate is based on anticipated cooperation from, and availability of, your personnel, the expectation that CDSC's records will be in good condition, and the assumption that unexpected circumstances will not be encountered during the audit. If we believe that significant additional time is likely to be necessary in order to complete our audit procedures, we will attempt to discuss it with you and arrive at a new fee estimate before we incur significant additional fees or costs.

If you request us to perform additional services not contemplated or described in this engagement letter, we will provide you with a separate agreement describing those additional services and related fees. However, unless otherwise stated in that separate agreement, the terms of the engagement letter shall also apply to the additional services and fees described in that separate agreement.

## **Reporting**

We will issue a written report upon the completion of our audits of CDSC's financial statements. Our report will be addressed to the board of directors of CDSC. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the audit engagement. If our opinion is modified, then we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits of your financial statements, we will not issue a report on such statements as a result of this engagement.

Our audits will be conducted for the purpose of forming an opinion on the financial statements as a whole. Any supplementary information will be presented for purposes of additional analysis and not as a required part of the basic financial statements. Such information is the responsibility of management and will be derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information will be subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. We will express an opinion about whether any supplementary information is fairly stated in all material respects to the financial statements as a whole.

Regardless of the level of any assistance we provide in connection with the preparation of the financial statements, whether in the normal course of the engagement or as part of a nonattest service, any preliminary draft financial statements (including supplementary information) available prior to the release date of the auditor's report should not be relied upon without our written consent.

If the above terms are acceptable to CDSC and the services outlined are in accordance with your understanding, then please sign the enclosed copy of this letter in the space provided and return it to us.

Regards,

*JWT & Associates, LLP*

ACCEPTED AND AGREED:

This engagement letter sets forth the entire understanding of Childrens Dental Surgery Center with respect to the services to be provided by JWT & Associates, LLP:

Authorized  
signature: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_