
PUBLIC NOTICE

Bloss Memorial Healthcare District, A Public Entity • 1691 Third Street, • Atwater, California 95301 •
(209) 349-0500 • fax: (209) 349-0600

Date: October 25, 2024

Phone: (209) 349-0500

Fax:

Bloss Memorial Healthcare District will hold their next **Board of Directors** meeting on Thursday, October 31, 2024 at 10:00 am in the Board Room at 1691 Third Street, 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) 349-0500. You may also send the request by email to filycale@bmhcd.org

BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
1691 Third Street, Atwater, CA 95301
BOARD OF DIRECTORS MEETING
Board Room
Thursday, October 31, 2024
10:00 am

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 state your comment.

V. APPROVAL OF MINUTES		
A. Approval of August 3, 2024 Board of Directors Minutes	*	1

VI. FINANCIAL REPORT		
A. September District Financials		2
B. September Payroll, Electronic Payments & Bill Payment List	*	3

VII. CHIEF EXECUTIVE OFFICER REPORT

- A. Facilities Report
- B. Roof Replacement Report

VIII. OLD BUSINESS		
A. Conflict of Interest Resolution 2024-2	*	4
B. 2024-2025 Sports Physicals	*	5

IX. NEW BUSINESS		
A. Approval of FYE 2024 Draft Audit	*	6
B. CFHC Request on Status of Castle Facility Appraisal		7
C. CFHC Request for Extension of Current Lease		8

X. BOARD MEMBER REPORTS

XI. APPOINTMENTS / CEREMONIAL MATTERS

- A. Oath of Office for Appointment in Lieu of Election for Gary Bacom, Zone 1; Buffy McDaniel, Zone 2 and Alfonse Peterson, Zone 4
- B. Appointment of Nominating Committee for 2025 Slate of Officers

XII. NEXT MEETING DATE

XIII. AGENDA FOR CLOSED SESSION

XIV. ADJOURNMENT

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 hours at 1691 Third Street, Atwater, CA 95301.

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 1691 Third Street, Atwater, CA 95301.

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, October 3, 2024
2:00 pm**

CALL TO ORDER

Kathy Flaherty, Chair, called the meeting to order at 2:02 pm.

ROLL CALL

Board Members Present: Gary Bacom, Zone 1; Buffy McDaniel, Zone 2; Kathy Flaherty, Chair, Zone 3; Al Peterson, Zone 4 and Bob Boesch, Secretary, Zone 5

Others Present: Kory Billings, CEO; Fily Cale, Executive Assistant and Jenna Anderson, Legal Counsel

Absent: Thomas Ebersole, Legal Counsel

APPROVAL OF AGENDA

Item IX.C Approval of Organizational Chart was added Under item IX. New Business. This item is part of the current audit process.

A motion was made / seconded, (Bob Boesch / Alfonse Peterson) to approve the October 3, 2024 agenda as amended. Motion carries.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

A. Approval of August 29, 2024 Board of Directors Meeting Minutes, Exhibit 1

A motion was made / seconded, (Buffy McDaniel / Bob Boesch) to approve the August 29, 2024 Board of Directors Meeting minutes as presented, Exhibit 1. Motion carries.

FINANCIAL REPORT

A. August District Financials, Exhibit 2

Kory Billings reported that these financials are informational only as we continue the accounting transition from CFHC to Stapp Accountancy, Inc. They are offering suggestions and ideas on how we can work the system ourselves and are pleased with the progress we're making in QuickBooks.

The checking account balance as of August 31, 2024, is \$4,397,209.78. Alfone Peterson asked if the checking account at Westamerica Bank has been changed over. Kory Billings replied that it will be changed when the outstanding checks have cleared.

The ThiesenDueker/LPL Financials investment accounts summary reflects an increase of \$120,000. This does not reflect the Bloss Trust.

The board requested adding a column to the summary form to reflect for beginning of the year to current. The entire investment packet is available for review at the leisure of the board of directors at any time in administration.

B. August Payroll, Electronic Payments & Bill Payment List, Exhibit 3

Kory Billings added that the last column in the Bill Payment List reflects which facility the vendor corresponds with. Some will cross facilities. This will also allow us to run separate reports when needed.

A motion was made / seconded, (Buffy McDaniel / Alfonse Peterson) to approve and accept the August total payroll in the amount of \$12,691.94; total accounts payable of \$49,915.45 for a grand total distribution of \$62,607.39, Exhibit 4. Motion carries.

CHIEF EXECUTIVE OFFICER REPORT

A. Facilities Report

Kory Billings reported that we continue with progress at the Bloss site to prepare for the next phase.

We received an application for the part-time maintenance position and will onboard at the end of the month.

There were some challenges with heating and air conditioning at the Castle Site. We have started to upgrade the system so that it is more autonomous and does not require someone to go over and turn on the heat or cold. We have made it so that it runs on a computer program. Just prior to turning it on, Carrier contacted Kory Billings and asked if he had changed the password, as it was not turning on. And it turns out that a mouse chewed through the cable and cut the internet connection at the Castle site. That was repaired yesterday, and Carrier is finalizing the program today. Kory Billings will be able to monitor the heating/cold program from his computer and not have to physically go out to Castle.

Carrier also had to go out to Castle as one of the chillers was leaking water everywhere. The chiller was turned off and the auxiliary chiller was switched on. They are working on this issue to get the primary chiller back on.

The final piece of financial information needed for the facility appraisal was received and forwarded to the appraisers. Hopefully we'll receive the appraisal in the very near future.

The lawns have been looking great at the Bloss site, we're making sure the sprinklers are in working order and manually moving sprinklers around in those areas without sprinklers. We've received positive feedback from the tenants on how well the facility looks.

This past week Vulcan Construction, who are working with PG&E replacing gas lines throughout the city, was replacing the line that comes in from the road down our parking lot. While they were trenching, they cut the electrical wires to our parking lot lights. They repaired it at no cost to us. They have put a cold patch on the trench and sometime between the completion of the job and two months later another crew will come in and remove the cold patch and properly replace the asphalt.

B. Senior Information Day

Kory Billings reported that senior information day was hugely successful. We had 27 vendors, and they were extremely happy for this first-time event. The public was slightly down, but vendors stated that this was normal for a first-time event. We spent less than \$2,000 on the entire event and provided lunch for everyone.

We have tentatively scheduled the 2025 Senior Information Day for the second Tuesday in September next year. Vendors want to return.

Kory Billings attended the ACHD Conference last week in Sacramento. It was well attended, and he made great contacts with the other CEO's. One CEO from another district had state that when she started with her district seven years ago they did not have any policies and procedures. She will be sending their policies to us so that we may use them as guidelines for our needs.

He also learned the importance of telling our story and letting the community know who we are. We will begin telling our story on our Facebook page and website. We'll do interviews with the local schools on physical sports and how it has benefited the community.

We are working on telling our story and the Atwater Historical Society is assisting us with this project by providing newspaper articles which they are able to obtain through newspapers.com.

OLD BUSINESS

A. 2024-2025 Sports Physicals Update, Exhibit 4

Kory Billings presented an update on the sports physicals provided by Dr. Boggs and his staff. To date Dr. Boggs has completed 1,029 sports physicals which has exceeded his expectations. It has made a huge difference to having the provider go to schools.

The school district is on board with us telling the story of how the youth of the community have benefited directly by having Dr. Boggs go directly to the school sites.

We used \$34,265.00 of the \$40,000.00 grant for physicals, which leaves \$5,735.00.

He is recommending that no action be taken at this time and wait to see how many physical are completed next month. Should we need to increase the amount this item can be brought back to the board for approval.

Ninety-one TB tests were done for the MA programs, and this will be reflected next month.

No action taken.

B. RFP for Roof Replacement, Exhibit 5

Kory Billings reported that Tru-Tech had provided the answer the board of directors had requested last month, including a map. All of the bids followed our guidelines and Tru-Tech is the lowest bid at about \$100,000.00 from the next lowest bid.

The staff recommendation is to go with Tru-Tech for the roof replacement with funding coming out of the facility funds account.

We will need to wait and see if there is any asbestos under the current roof, which is not part of the bid. Tru-Tech will bring in a company to do the asbestos testing.

A motion was made / seconded, (Alfonse Peterson / Bob Boesch) to accept staff's recommendation to accept Tru-Tech's bid of \$132,700.00 to replace the roof at the Bloss facility. Funding will come out of the facility funds account, Exhibit 5. Motion carried.

NEW BUSINESS

A. Draft Conflict of Interest Code, Exhibit 6

This item will be reviewed by legal counsel and brought back for approval. Tabled.

B. Resolution 2024-2 Adopting Conflict of Interest Code, Exhibit 7

This item will be reviewed by legal counsel and brought back for approval. Tabled.

C. Approval of Organizational Chart, Exhibit 8

This was a last-minute request from the auditor and was received after the agenda had gone out. It was suggested that maintenance needs to be added as reporting to the CEO.

A motion was made / seconded, (Alfonse Peterson / Gary Bacom) to approve the organizational chart for BMHD as amended, Exhibit 8. Motion carried.

BOARD MEMBER REPORTS

Kathy Flaherty reported that she had attended the ACS Conference in Washington, DC. She took 20 Lights of Hope bags with her for display, unfortunately it had rained all day and the bags were pretty wet for the ceremony. It was an emotional ceremony with 15,000 bags on display around the National Mall.

Kory Billings added that a Nominating Committee would need to be appointed at the next meeting for the 2025 Slate of Officers.

Fily Cale reminded the board of directors that Ethics Training is on Monday, October 8, 2024 from 9am to 11am in the Board of Supervisors chamber. Buffy McDaniel and Bob Boesch will participate via webinar on Monday, October 28, 2024 from 9am to 11am.

APPOINTMENTS / CEREMONIAL MATTERS

None.

NEXT MEETING DATE

The next Board of Directors meeting will be held on Thursday, October 24, 2024 at 2:00 pm in the Board Room.

AGENDA FOR CLOSED SESSION

None.

ADJOURNMENT

As there was no further business, the meeting was adjourned at 3:01 pm.

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Board Secretary

SEPTEMBER DISTRICT FINANCIALS

Financial Statements

Bank Account Summary (**white**)

Budget to Actual Variance (**gray**)

Investment and Account Summary (**white**)

Bank Account Summary

	A	B	C	D
		9/30/24		
	Account Name	Previous Balance (8/31/24)		Current Balance (9/30/24)
1				
2	1001 PNC Checking (4858)	\$ 351,208.75		\$ 398,161.60
3	1002 PNC Payroll (0402)	\$ 15,021.46		\$ 15,482.30
4	1005 PNC Savings (1441)	\$ 3,030,341.95		\$ 3,038,257.27
5	1001 WestAmerica Checking	\$ 997,055.02		\$ 994,958.35
6	1002 WestAmerica Payroll	\$ 3,117.92		\$ 3,117.92
7	Petty Cash	\$ 464.68		\$ 464.68
8	Total Cash on Hand	\$ 4,397,209.78		\$ 4,450,442.12

Bloss Memorial Healthcare District
 Budget vs. Actuals: FY_2024_2025 - FY25 P&L
 October 2024

	OCT 2024				TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income								
5779 Rental Income	149,982.70		149,982.70		\$149,982.70	\$0.00	\$149,982.70	0.00%
5780 Misc Other Operating	72.72		72.72		\$72.72	\$0.00	\$72.72	0.00%
Total Income	\$150,055.42	\$0.00	\$150,055.42	0.00%	\$150,055.42	\$0.00	\$150,055.42	0.00%
GROSS PROFIT	\$150,055.42	\$0.00	\$150,055.42	0.00%	\$150,055.42	\$0.00	\$150,055.42	0.00%
Expenses								
6000 Management and Supervision					\$0.00	\$0.00	\$0.00	0.00%
6005 Clerical					\$0.00	\$0.00	\$0.00	0.00%
6007 Maintenance					\$0.00	\$0.00	\$0.00	0.00%
6010 Fica					\$0.00	\$0.00	\$0.00	0.00%
6011 Unemployment Insurance					\$0.00	\$0.00	\$0.00	0.00%
6013 Health Insurance	154.71		154.71		\$154.71	\$0.00	\$154.71	0.00%
6014 Life Insurance					\$0.00	\$0.00	\$0.00	0.00%
6015 Pension Plan					\$0.00	\$0.00	\$0.00	0.00%
6016 Workers Compensation					\$0.00	\$0.00	\$0.00	0.00%
6018 Vacation Expense					\$0.00	\$0.00	\$0.00	0.00%
6022 Consulting & MGT					\$0.00	\$0.00	\$0.00	0.00%
6023 Legal	1,202.98		1,202.98		\$1,202.98	\$0.00	\$1,202.98	0.00%
6024 Accounting/Audit	921.47		921.47		\$921.47	\$0.00	\$921.47	0.00%
6026 Other Contracted Services	4,515.00		4,515.00		\$4,515.00	\$0.00	\$4,515.00	0.00%
6043 Food	1,006.71		1,006.71		\$1,006.71	\$0.00	\$1,006.71	0.00%
6046 Office Supplies	626.38		626.38		\$626.38	\$0.00	\$626.38	0.00%
6049 Other Minor Equipment	57.24		57.24		\$57.24	\$0.00	\$57.24	0.00%
6050 Other Non-Medical Supply					\$0.00	\$0.00	\$0.00	0.00%
6051 Computer Software QB					\$0.00	\$0.00	\$0.00	0.00%
6062 Freight on Purchases					\$0.00	\$0.00	\$0.00	0.00%
6062 Repairs & MTC	17,307.20		17,307.20		\$17,307.20	\$0.00	\$17,307.20	0.00%
6063 Janitorial Expense					\$0.00	\$0.00	\$0.00	0.00%
6064 Management Services					\$0.00	\$0.00	\$0.00	0.00%
6069 Other Purchased Services	2,921.16		2,921.16		\$2,921.16	\$0.00	\$2,921.16	0.00%
6071 Deprec-Land & Improvements					\$0.00	\$0.00	\$0.00	0.00%
6072 Deprec-Buildings and Impro					\$0.00	\$0.00	\$0.00	0.00%
6074 Deprec-Equipment					\$0.00	\$0.00	\$0.00	0.00%
6077 Electricity					\$0.00	\$0.00	\$0.00	0.00%
6077 Radiology Electricity	26,420.01		26,420.01		\$26,420.01	\$0.00	\$26,420.01	0.00%
6078 Natural Gas	29.97		29.97		\$29.97	\$0.00	\$29.97	0.00%
6079 Water					\$0.00	\$0.00	\$0.00	0.00%
6080 Utilities-Other	1,529.72		1,529.72		\$1,529.72	\$0.00	\$1,529.72	0.00%
6082 Insurance Expense	296.50		296.50		\$296.50	\$0.00	\$296.50	0.00%
6083 Tax and Licenses					\$0.00	\$0.00	\$0.00	0.00%
6085 Telephone Expense	0.05		0.05		\$0.05	\$0.00	\$0.05	0.00%
6086 Dues and Subscriptions					\$0.00	\$0.00	\$0.00	0.00%
6087 Training					\$0.00	\$0.00	\$0.00	0.00%
6088 Travel Expense	1,026.50		1,026.50		\$1,026.50	\$0.00	\$1,026.50	0.00%
6089 Advertising					\$0.00	\$0.00	\$0.00	0.00%
6090 Bank Service Charges	65.00		65.00		\$65.00	\$0.00	\$65.00	0.00%
6090 Other Expenses	1,275.29		1,275.29		\$1,275.29	\$0.00	\$1,275.29	0.00%
Payroll Expenses	16.00		16.00		\$16.00	\$0.00	\$16.00	0.00%
Company Contributions					\$0.00	\$0.00	\$0.00	0.00%
Retirement	591.64		591.64		\$591.64	\$0.00	\$591.64	0.00%
Total Company Contributions	591.64		591.64		\$591.64	\$0.00	\$591.64	0.00%
Taxes	905.20		905.20		\$905.20	\$0.00	\$905.20	0.00%
Wages	11,832.71		11,832.71		\$11,832.71	\$0.00	\$11,832.71	0.00%
Total Payroll Expenses	13,345.55		13,345.55		\$13,345.55	\$0.00	\$13,345.55	0.00%
Total Expenses	\$72,701.44	\$0.00	\$72,701.44	0.00%	\$72,701.44	\$0.00	\$72,701.44	0.00%
NET OPERATING INCOME	\$77,353.98	\$0.00	\$77,353.98	0.00%	\$77,353.98	\$0.00	\$77,353.98	0.00%
Other Income								
9040 Bloss Trust					\$0.00	\$0.00	\$0.00	0.00%
9060 Interest Income					\$0.00	\$0.00	\$0.00	0.00%

Bloss Memorial Healthcare District

Budget vs. Actuals: FY_2024_2025 - FY25 P&L

October 2024

	OCT 2024				TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
9061 Gain on Investments					\$0.00	\$0.00	\$0.00	0.00%
9160 Property Tax Revenue					\$0.00	\$0.00	\$0.00	0.00%
Total Other Income	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00%
Other Expenses								
9026 Non Operating Donation Exp	2,500.00		2,500.00		\$2,500.00	\$0.00	\$2,500.00	0.00%
9030 Loss on Marketable Securit					\$0.00	\$0.00	\$0.00	0.00%
Total Other Expenses	\$2,500.00	\$0.00	\$2,500.00	0.00%	\$2,500.00	\$0.00	\$2,500.00	0.00%
NET OTHER INCOME	\$ -2,500.00	\$0.00	\$ -2,500.00	0.00%	\$ -2,500.00	\$0.00	\$ -2,500.00	0.00%
NET INCOME	\$74,853.98	\$0.00	\$74,853.98	0.00%	\$74,853.98	\$0.00	\$74,853.98	0.00%

Investment Account Summary 9/30/24

	A	B	C	D	E
	Account Name	As of 1/1/2024	Previous Balance (8/31/24)	Market Change	Current Balance (9/30/24)
1					
2	1010 Capital Projects	\$1,707,596.34	\$ 1,889,849.31	\$ 21,193.99	\$ 1,911,043.20
3	1012 Bloss Facility Repair	\$1,554,192.21	\$ 1,653,155.22	\$ 14,620.31	\$ 1,667,775.53
4	1010 Grants	\$1,224,660.92	\$ 1,341,580.49	\$ 15,845.19	\$ 1,357,425.68
5	1011 Scholarships	\$1,554,256.99	\$ 1,653,220.27	\$ 14,620.31	\$ 1,667,840.51
6	Ung Goodwin	\$272,758.51	\$ 291,920.99	\$ 1,808.38	\$ 293,729.37
7	Portfolio	\$6,313,404.97	\$ 6,829,726.28	\$ 68,088.18	\$ 6,897,814.29
8					
9					
10					
11					
12	Bloss Trust	26,417,059.40	\$ 27,382,389.85	\$ 1,608,523.48	\$ 28,990,913.33

Exhibit 3

SEPTEMBER PAYROLL, ELECTRONIC PAYMENTS
& BILL PAYMENT LIST

Payroll, Electronic Payments & Bill Payment List

9/30/24

Payroll August

8/5/24	\$6,629.47
9/20/24	\$6,378.40
Total	<u>\$13,007.87</u>

Electronic Payments

\$0

Check Payments

\$94,996.31

Total Disbursements

\$108,004.18

Bloss Memorial Healthcare District

Bill Payment List

September 1-30, 2024

ACCOUNT	DATE	NUM	VENDOR	AMOUNT	PROPERTY
1001 PNC General Checking					
1001 PNC General Checking	09/04/2024	50008	Buffy McDaniel	-\$100.00	Admin
1001 PNC General Checking	09/04/2024	50009	Dr Brandon Boggs	-\$8,785.00	Admin
1001 PNC General Checking	09/04/2024	50010	Kathleen Flaherty	-\$100.00	Admin
1001 PNC General Checking	09/04/2024	50011	Robert Boesch	-\$100.00	Admin
1001 PNC General Checking	09/04/2024	50012	Technology Management Professionals Nevad	-\$646.50	Admin
1001 PNC General Checking	09/04/2024	50013	Natural Gardens	-\$3,835.00	Bloss
1001 PNC General Checking	09/04/2024	50014	PG&E	-\$8,411.38	Bloss
1001 PNC General Checking	09/04/2024	50015	Gary A. Bacom	-\$100.00	Admin
1001 PNC General Checking	09/04/2024	50016	Hoffman Security	-\$759.85	Castle
1001 PNC General Checking	09/04/2024	50017	Merced Irrigation District	-\$19,864.09	Castle
1001 PNC General Checking	09/04/2024	50018	Merced Irrigation District	-\$10,703.84	Castle
1001 PNC General Checking	09/12/2024	50019	Mid Valley Disposal	-\$1,529.72	Castle
1001 PNC General Checking	09/12/2024	50020	Team Wear Athletic	-\$65.25	Admin
1001 PNC General Checking	09/12/2024	50021	Johnson Controls	-\$1,680.73	Castle
1001 PNC General Checking	09/12/2024	50022	West Coast Gas Company, Inc.	-\$507.03	Castle
1001 PNC General Checking	09/20/2024	50023	Castle Family Health Centers, Inc.	-\$5,522.78	Admin
1001 PNC General Checking	09/20/2024	50024	PNC Bank	-\$16.00	Admin
1001 PNC General Checking	09/20/2024	50025	Merced Commercial Sweeping	-\$420.00	Castle
1001 PNC General Checking	09/20/2024	50026	Johnson Plumbing Inc	-\$307.00	Castle
1001 PNC General Checking	09/20/2024	50027	Amazon Capital Services	-\$73.50	Admin
1001 PNC General Checking	09/20/2024	50028	Valley Business Center	-\$76.15	Admin
1001 PNC General Checking	09/24/2024	50029	Castle Family Health Centers, Inc.	-\$250.00	Admin
1001 PNC General Checking	09/24/2024	50030	Merced Irrigation District	-\$8,473.29	Castle
1001 PNC General Checking	09/24/2024	50031	Clark	-\$1,896.00	Castle
1001 PNC General Checking	09/24/2024	50032	AT&T-BLO	-\$381.90	Admin
1001 PNC General Checking	09/24/2024	50033	City of Atwater	-\$996.97	Bloss
1001 PNC General Checking	09/24/2024	50034	Merced Irrigation District	-\$19,394.33	Castle
Total for 1001 PNC General Checking				-\$94,996.31	
<hr/>					
--	09/04/2024	To print	Merced Irrigation District	\$0.00	
Total for --				\$0.00	
				-\$94,996.31	

Exhibit 4

CONFLICT OF INTEREST RESOLUTION 2024-2

RESOLUTION 22-04 OF THE BOARD OF DIRECTORS OF
BLOSS MEMORIAL HEALTHCARE DISTRICT ADOPTING BY REFERENCE THE
MODEL CONFLICT OF INTEREST CODE SET FORTH IN TITLE 2, SECTION 18730 OF
THE CALIFORNIA CODE OF REGULATIONS

WHEREAS, pursuant to Section 87300 et. Seq. of the California Government Code, Bloss Memorial Healthcare District is required to adopt and promulgate a Conflict of Interest Code;

WHEREAS, Bloss Memorial Healthcare District desires to adopt a formal Conflict of Interest Code so as to comply with Section 87300 et. Seq. of the California Government Code and Title 2, Section 18730 of the California Code of Regulations;

WHEREAS, pursuant to Government Code Section 87302, the Conflict of Interest Code must specifically enumerate the positions within the District, other than those specified in Government Code Section 87200, that involve making or participating in making decisions that may have a reasonably foreseeable material effect upon any financial interest, and, for each such enumerated position, the Conflict of Interest Code must state the specific types of investments, business positions, interests in real property and sources of income that are reportable;

WHEREAS, Title 2, Section 18730 of the California Code of Regulations contains the terms of a Model Conflict of Interest Code developed by the Fair Political Practices commission ("FPPC") that agencies can adopt by reference, which may be amended from time to time by the FPPC after public notice and hearing to conform to amendments in the Political Reform Act; and,

WHEREAS, adopting by reference the terms of the FPPC's Model Conflict of Interest code set forth in the California Code of Regulations, and amendments thereto, as the Conflict of Interest Code of Bloss Memorial Healthcare District will meet the statutory requirements for adopting such a code and save the District the time and resources by minimizing the actions required to keep the Code in conformity with the Political Reform Act;

NOW THEREFORE, the Board of Directors of Bloss Memorial Healthcare District resolves as follows:

1.0 The Model Conflict of Interest Code set forth in Title 2, Section 18730 of the California Code of Regulations, which is incorporated herein by reference, and any amendments of the Model Conflict of Interest Code subsequently adopted by the FPPC, are hereby adopted by Bloss Memorial Healthcare District as its Conflict of Interest Code. The full text of Title 2, CCR Section 18730 may be found at:

<http://www.fppc.ca.gov/content/dam/fDpc/NSDocuments/Leal/Div/ZRzulations/Index/ChapterT/Article2/18730.pdf>

2.0 Exhibit A, which is attached hereto and incorporated herein, enumerates the positions within the District (in addition to any of those set forth in Government Code Section 87200) that are subject to the provision of the Conflict of Interest Code and their respective

disclosure categories. This resolution and the attached Exhibit A together constitute the Conflict of Interest Code of Bloss Memorial Healthcare District.

3.0 Pursuant to Section 4 of the Model Conflict of Interest Code adopted hereby, public officials and designated employees shall file Statements of Economic Interests with the Clerk of the Board of Directors of Bloss Memorial Healthcare District who shall be the district's filing official. If a statement is received in signed paper format, the district's filing official shall make and retain a copy and forward the original of this statement to the filing officer, the County of Merced Clerk of the Board of Supervisors. If a statement is electronically filed using the County of Merced's Form 700 e-filing system, both the district's filing official and the County of Merced Clerk of the Board of Supervisors will receive access to the e-filed statement simultaneously. Statements of Economic Interests shall be made on forms prescribed by the FPPC. The district shall make the statements available for public inspection and reproduction pursuant to Government Code Section 81008.

4.0 No Conflict of Interest Code shall be effective until it has been approved by the code reviewing body. Notwithstanding this effective date, the adoption of this Conflict of Interest Code shall not be considered an original adoption as to those designated officials or employees who have already been filing annual statements of economic interest. Those persons shall not be required to file again this year. Newly designated officials or employees who were not already required to file by law shall file statements within 30 days of the effective date of this Code, and all designated officials and employees shall continue to file statements upon assuming or leaving office as directed in Sections of the Model Conflict of Interest Code.

Passed and adopted at the Regular Meeting of the Board of Directors of Bloss Memorial Healthcare District held on the 31st of October of 2024, by the following vote:

AYES: Gary Bacom, Robert Boesch, Kathleen Flaherty, Buffy McDaniel, Alfonse Peterson

NOES: None

ASBSENT: None

ABSTAIN: None

Kathleen Flaherty
Bloss Memorial Healthcare District
Board Chair

Exhibit A

DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES

DESIGNATED PERSONS

Disclosure Categories:

Member of the Board of Directors

Category I, II, III

Chief Executive Officer

Category I, II, III

Consultants

Category IV

Category I: Persons in this category shall disclose all interest in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the agency.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

Category II: Persons in this category shall disclose all investments and business positions.

Category III: Persons in this category shall disclose all income (including gifts, loans, and travel payments) and business positions.

Category IV: Individuals who, under contract, participate in decisions which affect financial interests by providing information advice, recommendation or counsel to the agency which could affect financial interest shall be required to file Statements of Economic Interests, unless they fall within the Political Reform Act's exception to the definition of consultant. The level of disclosure shall be, as determined by the executive officer (or head) of the agency.

Exhibit 5

2024-2025 SPORTS PHYSICALS

2024 -2025 Sports Physical Report

Dr. Brandon Boggs

May 2024

Atwater High School (3 visits)	495	@	\$35	\$17325.00
Buhach High School (1 visit)	152	@	\$35	\$5320.00
				\$20895.00

June 2024

Atwater High School (1 visit)	20	@	\$35	\$700.00
Buhach High School (1 visit)	27	@	\$35	\$945.00
				\$1645.00

July 2024

Atwater High School (0 visits)	0	@	35	\$0
Buhach High School (0 visits)	0	@	35	\$0
Mitchell Senior (1 visit)	84	@	35	\$2940.00
				\$2940.00

August 2024

Atwater High School (1 visit)	46	@	35	\$1610.00
Buhach High School (1 visit)	56	@	35	\$1960.00
Middle Schools	138	@	35	\$4830.00
In office visits	11	@	35	\$385.00
				\$8785.00

September 2024

Atwater High School	0	@	35	\$0
Buhach High School	0	@	35	\$0
Middle Schools	37	@	35	\$1295.00
In office Visits	1	@	35	\$35
				\$1330

Running Total 1067 **Physicals** \$35595.00

Total Grant \$40,000.00

Used \$35,595.00

Remaining \$4,405.00

24-25 TB Testing Report

September 2024

TB Testing	91	@	35	\$3185.00
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Total Grant \$4,025.00

Used \$3,185.00

Remaining \$840.00

APPROVAL OF FYE 2024 DRAFT AUDIT

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2024

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, 2024 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 2024. The audited financial statements included herewith have been prepared and submitted with an unqualified opinion from the District's independent auditor.

BMHC completed another successful year during fiscal year 2024. While continuing partnerships with local health care agencies, BMHD provides much needed grant resources to better assist in overall health of the community they serve.

During FY 2024 BMHD provided grant funds from the Goodwin Trust to CFHC in the amount of \$7,500. The Goodwin funds were used for medical bad debt forgiveness to the Senior Citizens that reside in the community.

In addition to Goodwin funds Bloss provided CFHC \$52,860 to organized free sports physicals clinics located at their health centers for children with low-income families in the Atwater and Winton community.

BMHD extended free physical sports by hiring a local physician to visit the High Schools in the Atwater area. An additional \$21,060 of BMHD grant funds assisted in sponsoring an additional 664 sports physicals provided at Atwater and Buhach High School.

BMHD continued health awareness in the town of Atwater by sponsoring \$1,000 to Merced Running Club to promote and encourage running for fitness and overall wellbeing.

Although BMHD provided the necessary grant assistance, BMHD had a net gain for FY 2024 of \$728,165 which includes \$793,698 of depreciation expense.

Comments on the Statement Net Position

Total Cash and Cash Equivalents had an increase by \$698,950 and is up 7.06% from the prior year. FY24 Accounts Receivable increased by \$21,515 with Property Tax receivable of \$67,600 from Merced County

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2024

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Condensed Statements of Net Position:

	<u>2024</u>	<u>2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and Other Assets	\$ 11,003,217	\$ 10,272,951	\$ 730,266	7.11%
Capital Assets, Net	<u>15,340,818</u>	<u>15,381,375</u>	<u>(40,557)</u>	<u>-0.26%</u>
Total Assets	<u>26,344,035</u>	<u>25,654,326</u>	<u>689,709</u>	<u>2.69%</u>
Long-term Debt	-	-	-	-
Other Liabilities	<u>85,152</u>	<u>140,620</u>	<u>(55,468)</u>	<u>-39.45%</u>
Total Liabilities	<u>85,152</u>	<u>140,620</u>	<u>(55,468)</u>	<u>-</u>
Net Position Invested in Capital Assets, Net of Related Debt	15,340,818	15,381,375	(40,557)	-0.26%
Temporarily restricted	281,131	264,119	17,012	6.44%
Unrestricted	<u>10,636,934</u>	<u>9,868,212</u>	<u>768,722</u>	<u>7.79%</u>
Total Net Position	<u>\$ 26,258,883</u>	<u>\$ 25,513,706</u>	<u>\$ 745,177</u>	<u>2.92%</u>

Property Plant and Equipment

Fixed Assets decreased by \$40,557 (0.26%) during FY 2024 over the prior year. The decrease is A Summary of changes in Fixed Assets is as follows:

Capital Expenditures:	
Building Upgrades and Repairs	\$ (296,855)
Equipment Fixed	<u>\$ 256,298</u>
 Net Change in fixed assets	 <u>\$ (40,057)</u>

Total Liabilities as of June 30, 2024, of \$85,152 decreased from the prior year by \$55,683, 39.54%. A result of the decrease in CFHC Inc. Payable by \$23,219 and Accounts Payable accruals decreased a total of \$26,450. Other Current Liabilities decreased by \$13,516 in Vacation accrual and Pension Plan accrual with the retirement of BMHC Chief Executive Officer (CEO). District employees earn vacation benefits at various rates depending on the year of services and accumulated vacation benefits are paid to employees upon retirement. BMHD hired a new CEO on November 1st, 2024, beginning a new vacation accrual.

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2024

Comments on the Statement of Revenue and Expenses

BMHD Income consists of miscellaneous revenue of small dividends in the amount of \$3,329 and the Bloss Trust in the amount of \$521,523.

Total expenses in FY 2024 were \$2,505,723, an increase of \$226,107 from the prior year. Salaries & Wages increased by \$55,180 from FY23 with the addition of staffing for the new CEO. The overall expense increased with the remodeling of the Bloss Facility to add a new BMHC administration suite. The Castle Facility continued repairing the heating and cooling system located at 3605 Hospital Road, Atwater, CA 95301. During FY23 the Castle Facility was undergoing repairs on the chillier cooling system that carried over to FY24.

Non-Operating Revenues in FY 2024 are Property Tax Revenue of \$555,128, Rental Income of \$1,789,316 in FY 24 compared to \$1,711,858 in FY 23. That is an increase of \$77,458 from the prior year.

Table 2

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

	<u>2024</u>	<u>2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating Revenues	\$ 524,852	\$ 664,127	\$ (139,275)	-20.97%
Nonoperating Revenues	<u>2,709,036</u>	<u>2,305,772</u>	<u>403,264</u>	<u>17.49%</u>
Total Revenues	<u>3,233,888</u>	<u>2,969,899</u>	<u>263,989</u>	<u>8.89%</u>
Depreciation Expense	793,698	720,620	73,078	10.14%
Other Operating Expenses	<u>1,712,025</u>	<u>1,558,996</u>	<u>153,029</u>	<u>9.82%</u>
Total Expenses	<u>\$ 2,505,723</u>	<u>\$ 2,279,616</u>	<u>\$ 226,107</u>	<u>9.92%</u>

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the District's customers, investors and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Bloss Memorial Healthcare District's Office Manager at 1691 Third Street, Atwater, CA 95301 .

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2023

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

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

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

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

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

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

Comments on the Statement Net Position

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

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2023

Table 1
Condensed Statements of Net Position:

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

Property Plant and Equipment

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

Capital Expenditures:

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

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

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

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2023

Comments on the Statement of Revenue and Expenses

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

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

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

Table 2

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

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

ADDITIONAL FINANCIAL INFORMATION

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

Audited Financial Statements
BLOSS MEMORIAL
HEALTHCARE DISTRICT

June 30, 2024 and 2023

JWT & Associates, LLP
Advisory Assurance Tax

DRAFT

Bloss Memorial Healthcare District

Audited Financial Statements

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JWT & Associates, LLP

Advisory Assurance Tax

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

Report of Independent Auditors

The Board of Directors
Bloss Memorial Healthcare District
Atwater, California

Opinion

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of Bloss Memorial Healthcare District (the District), as of and for the years ended June 30, 2024 and 2023, 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, 2024 and 2023, 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 October 31, 2024, 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
October 31, 2024

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Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2024

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Bloss Memorial Healthcare District

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June 30, 2024

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Bloss Memorial Healthcare District

Management's Discussion and Analysis

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	2024	2023	Dollar Change	Percent Change
Operating Revenues	\$ 524,852	\$ 664,127	\$ (139,275)	-20.97%
Nonoperating Revenues	2,709,036	2,305,772	403,264	17.49%
Total Revenues	3,233,888	2,969,899	263,989	8.89%
Depreciation Expense	793,698	720,620	73,078	10.14%
Other Operating Expenses	1,712,025	1,558,996	153,029	9.82%
Total Expenses	\$ 2,505,723	\$ 2,279,616	\$ 226,107	9.92%

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 1691 Third Street, Atwater, CA 95301 .

Bloss Memorial Healthcare District

Statements of Net Position

June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 10,592,623	\$ 9,891,673
Other receivables	67,600	46,085
Prepaid expenses and deposits	61,863	71,074
Total current assets	10,722,086	10,008,832
Capital assets, net of accumulated depreciation	15,340,818	15,381,375
Assets whose use is limited	281,131	264,119
Total assets	\$ 26,344,035	\$ 25,654,326
Liabilities and Net Position		
Current liabilities		
Accounts payable and accrued expenses	\$ 72,799	\$ 114,751
Accrued payroll and related liabilities	12,353	25,869
Total current liabilities	85,152	140,620
Total liabilities	85,152	140,620
Net position		
Temporarily restricted	281,131	264,119
Invested in capital assets, net of related debt	15,340,818	15,381,375
Unrestricted	10,636,934	9,868,212
Total net position	26,258,883	25,513,706
Total liabilities and net position	\$ 26,344,035	\$ 25,654,326

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, 2024 and 2023

	2024	2023
Operating revenues		
Donations	\$ 521,523	\$ 662,500
Other operating revenue	3,329	1,627
Total operating revenues	524,852	664,127
Operating expenses		
Salaries & wages	153,309	98,129
Employee benefits	23,885	16,112
Professional Fees	146,765	291,722
Purchased services	425,085	388,515
Supplies	59,721	3,273
Repairs & maintenance	237,181	117,362
Utilities	440,841	435,762
Rentals and leases	58,458	77,894
Depreciation & amortization	793,698	720,620
Insurance	121,672	105,826
Other operating expenses	45,108	24,401
Total operating expenses	2,505,723	2,279,616
Operating income (loss)	(1,980,871)	(1,615,489)
Nonoperating revenues (expenses)		
District tax revenues	555,128	520,925
Rental income	1,789,316	1,711,858
Investment income	13,540	1,468
Other non-operating income (expense)	351,052	71,521
Total nonoperating revenues (expenses)	2,709,036	2,305,772
Excess of revenues (expenses)	728,165	690,283
Net change in temporarily restricted position	17,012	79,536
Increase in net position	745,177	769,819
Net position, beginning of the year	25,513,706	24,743,887
Net position, end of year	\$ 26,258,883	\$ 25,513,706

See accompanying notes to the financial statements

Bloss Memorial Healthcare District

Statements of Cash Flows

For The Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Cash received for operations	\$ 503,337	\$ 652,790
Cash payments to suppliers and contractors	(1,567,572)	(1,516,865)
Cash payments to employees and benefit programs	(190,710)	(112,613)
Net cash used in operating activities	(1,254,945)	(976,688)
Cash flows from non-capital and related financing activities		
District tax revenue	555,128	520,925
Net cash provided by non-capital and related financing activities	555,128	520,925
Cash flows from capital and related financing activities		
Purchase of property, plant & equipment	(753,141)	(91,474)
Loss on disposal of capital asstes	-	8,138
Net cash used in capital and related financing activities	(753,141)	(83,336)
Cash flows from investing activities		
Rental income	1,789,316	1,711,858
Investment income	13,540	1,468
Other non-operating income (expense)	351,052	71,521
Net cash provided by investing activities	2,153,908	1,784,847
Increase in cash and cash equivalents	700,950	1,245,748
Cash and cash equivalents at beginning of year	9,891,673	8,645,925
Cash and cash equivalents at end of year	<u>\$ 10,592,623</u>	<u>\$ 9,891,673</u>

See accompanying notes to the financial statements

Bloss Memorial Healthcare District

Statements of Cash Flows (continued)

For The Years Ended June 30, 2023 and 2022

	<u>2024</u>	<u>2023</u>
Reconciliation of operating income (loss) to net cash		
provided by operating activities		
Operating loss	\$ (1,980,871)	\$ (1,615,489)
Adjustments to reconcile operating income to net cash		
provided by operating activities		
Depreciation	793,698	720,620
Changes in operating assets and liabilities		
Other receivables	(21,515)	(11,337)
Prepaid expenses	9,211	(46,064)
Accounts payable and accrued expenses	(41,952)	(26,046)
Accrued payroll and related expenses	(13,516)	1,628
Net cash used in operating activities	<u>\$ (1,254,945)</u>	<u>\$ (976,688)</u>

See accompanying notes to the financial statements

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Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2024 and 2023

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, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023 are \$6,347 and \$16,376, respectively.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2024 and 2023

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, 2024 and 2023

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, 2024 and 2023, the District had deposits invested in various financial institutions in the form of cash and cash equivalents amounting to \$10,592,623 and \$9,891,673, 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, 2024 and 2023:

	2024			
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 2,018,248	\$ 2,018,248	\$ -	\$ -
Money market accounts	281,131	281,131	-	-
Mutual funds	6,288,577	6,288,577	-	-
Total investments	<u>\$ 8,587,956</u>	<u>\$ 8,587,956</u>	<u>\$ -</u>	<u>\$ -</u>

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2024 and 2023

NOTE 3 – INVESTMENTS (continued)

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

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, 2024 and 2023

NOTE 4 - ASSETS LIMITED AS TO USE

Assets limited as to use as of June 30, 2024 and 2023 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 \$13,540 and \$1,468 for the years ended June 30, 2024 and 2023, 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, 2024 and 2023 were comprised of the following:

	2024	2023
District tax revenue	\$ 67,600	\$ 46,085
	<u>\$ 67,600</u>	<u>\$ 46,085</u>

NOTE 7 - CAPITAL ASSETS

Capital assets as of June 30, 2024 were comprised of the following:

	Balance at June 30, 2023	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2024
Land and land improvements	\$ 2,205,997	\$ -	\$ -	\$ 2,205,997
Buildings and improvements	22,850,821	420,438	-	23,271,259
Equipment	131,929	332,703	-	464,632
Totals at historical cost	<u>25,188,747</u>	<u>\$ 753,141</u>	<u>\$ -</u>	<u>25,941,888</u>
Less accumulated depreciation	(9,807,372)	<u>\$ (793,698)</u>	<u>\$ -</u>	(10,601,070)
Capital assets, net	<u>\$ 15,381,375</u>			<u>\$ 15,340,818</u>

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2024 and 2023

NOTE 7 - CAPITAL ASSETS (continued)

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

	Balance at June 30, 2022	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2023
Land and land improvements	\$ 2,275,611	\$	\$ (69,614)	\$ 2,205,997
Buildings and improvements	24,739,902	91,474	(1,980,555)	22,850,821
Equipment	7,595,388	-	(7,463,459)	131,929
Totals at historical cost	<u>34,610,901</u>	<u>\$ 91,474</u>	<u>\$ (9,513,628)</u>	<u>25,188,747</u>
Less accumulated depreciation	(18,592,242)	<u>\$ (720,620)</u>	<u>\$ 9,505,490</u>	(9,807,372)
Capital assets, net	<u>\$ 16,018,659</u>			<u>\$ 15,381,375</u>

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, 2024 and 2023, the District contributed \$0 and \$4,908 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, 2024 and 2023

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, 2024, 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, 2024 and 2023, were \$58,458 and \$77,894, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2024, 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, 2024 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, 2024 and 2023

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, 2024 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through October 31, 2024, the date these financial statements were available to be issued.

JWT & Associates, LLP

Advisory Assurance Tax

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

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, 2024, 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 October 31, 2024.

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
October 31, 2024

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Bloss Memorial Healthcare District

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2024

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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Exhibit 7

**CFHC REQUEST ON STATUS OF CASTLE FACILITY
APPRAISAL**



Castle Family
Health Centers, Inc.

To: Bloss Board of Directors

From: Castle Family Health Centers Board of Directors

Date: September 26, 2024

Re: Status of appraisal and extension of current lease

I hope this letter finds you all well.

We are writing to inquire about the current status of the appraisal of the Castle 3605 Hospital Road building. As we are approaching some critical deadlines, an update would be greatly appreciated. As we continue to wait on the building appraisal of the Castle 3605 Hospital Road facility we would also like to request an extension of our current lease for an additional 3 years. Our current lease ends June 30th, 2025.

Castle Family Health Centers serves as the medical home for over 31K residents in Merced County. With the majority coming from Atwater and Winton communities. Our mission is to keep our community healthy and to provide accessible care.

On behalf of the Castle Family Health Centers Board of Directors, we request to be added to the Bloss Memorial Healthcare District October board meeting to discuss the appraisal and building lease extension. In advance, we thank you for the opportunity to join you all in October. We look forward to discussing these very important issues as we work together to better serve our local community.

CFHC REQUEST FOR EXTENSION OF
CURRENT LEASE



Castle Family
Health Centers, Inc.

To: Bloss Board of Directors

From: Castle Family Health Centers Board of Directors

Date: September 26, 2024

Re: Status of appraisal and extension of current lease

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On behalf of the Castle Family Health Centers Board of Directors, we request to be added to the Bloss Memorial Healthcare District October board meeting to discuss the appraisal and building lease extension. In advance, we thank you for the opportunity to join you all in October. We look forward to discussing these very important issues as we work together to better serve our local community.