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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:** October 21, 2016

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

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

The Bloss Memorial Healthcare District Finance Committee meeting will be held on Tuesday, October 25, 2016 at 1:30 pm in the Board Room at 3605 Hospital Road, Atwater, Ca 95301.

The Bloss Memorial Healthcare District **Board of Directors** Meeting will be held on Tuesday, October 25, 2016 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 72 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  
 Tuesday, October 25, 2016  
 2:00 pm**

**AGENDA FOR PUBLIC SESSION**

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. APPROVAL OF AGENDA**

**ACTION**

**EXHIBIT**

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**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.**

**V. APPROVAL OF MINUTES**

A. September 27, 2016 CCDSC Advisory Committee Meeting – **Informational**

B. September 27, 2016 CDSC Advisory Committee Meeting – **Informational**

C. September 15, 2016 Special Board of Directors Meeting

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D. September 29, 2016 Board of Directors Meeting

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**VI. FINANCIAL REPORT**

A. September 29, 2016 Finance Committee Minutes

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2

B. Chief Financial Officer Report

3

C. September Payroll, Electronic Payments & Check Register

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4

**VII. CHIEF EXECUTIVE OFFICER REPORT**

**VIII. OLD BUSINESS / REPORTS**

A. Castle Family Health Centers, Inc Report

5

B. Bloss Board Member Report

**IX. NEW BUSINESS**

A. Provider Credentialing / Privileging

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B. Approval of CCDSC / CDSC Policies & Procedures

\*

C. Approval of Draft FYE 2016 Audited Financial Statements

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D. Proposals and Selection of Security Cameras / Installation at Bloss and Castle Sites

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**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 2016.  
 Section 54954.5 (c); 54956.9 Conference with Legal Counsel for Initiation of  
 Litigation.

**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, A Public Entity (BMHD)  
CENTRAL CALIFORNIA DENTAL SURGERY CENTER (CCDSC)  
Advisory Committee Meeting  
Executive Conference Room  
Tuesday, September 27, 2016  
10:00 am**

**CALL TO ORDER**

Edward Lujano called the meeting to order at 10:00 a.m.

**ROLL CALL**

Present: Edward Lujano, Bloss CEO; Fily Cale, Executive Assistant; Kory Billings, Committee Member; Lloyd Weaver, Committee Member.

Others Present: Dawnita Castle, Senior Accountant

Absent: Bill Able, Bloss CFO and David Thompson, CCDSC Administrator

**APPROVAL OF AGENDA**

**A motion was made / seconded, (Lloyd Weaver / Kory Billings) to approve the September 27, 2016 agenda as presented. Motion carried.**

**APPROVAL OF MINUTES**

A. August 23, 2016 Meeting Minutes, Exhibit 1

**A motion was made /seconded, (Lloyd Weaver / Kory Billings) to approve the August 23, 2016 meeting minutes as presented, Exhibit 1. Motion carried.**

**FINANCIAL REPORT**

A. July 2016 Financials, Exhibit 2

Dawnita Castle, Senior Accountant, reported that for the month of August 2016 CCDSC was awarded a \$10,000 grant from Delta Dental Community Health Foundation to defray some of the 2015 costs. In the grant revenue \$6,667 was recorded and the balance will be deferred over the rest of the year.

CCDSC treated 203 patients and recorded a net profit of \$33,302 before overhead and a net profit, including overhead in the amount of \$27,271. The net per case for August 2016 was higher at \$1,305 per case and expenses per case were \$1,174.

**A motion was made /seconded, (Kory Billings / Lloyd Weaver) to approve and accept the August 2016 Financial Report, Exhibit 2. Motion carried.**

**ADMINISTRATOR REPORT**

Edward Lujano reported that David Thompson is out today, but was able to provide Edward Lujano with some highlights.

The CCDSC new provider search is going well. Karen Drosdik, DDS, has been credentialed and started last week. She has the experience and expertise to immediately start. She mentored with several provider and has picked up the process very quickly.

Janice Huang, DDS, will be presented this week, but we are still waiting for her Denti-Cal enrollment. Dr. Baines also submitted his application and Sabrina Cooksey, HR Director will try to expedite his credentialing. He is currently a Denti-Cal provider.

An eight goal matrix related to staff customer service and patient care was started for the next quarter. From referrals to conversion rates including a secret shopper who will call in from time to time. We will also be monitoring the cancellation rate, average OR and no injuries.

The approved budget for July of this year had an increase in staff pay rate, which was effective this past month and the staff was appreciative. They also thanked us and the Board of Directors.

**REPORTS**

None.

**OLD BUSINESS**

None

**NEW BUSINESS**

A. Policies & Procedures Recommendation, Exhibit 4

None.

B. Credentialing Privileging Recommendation

None.

**AGENDA FOR CLOSED SESSION**

Edward Lujano, stated that there will be discussion under Section 1461 Quality Management.

**NEXT MEETING DATE**

The next Governance meeting will be held Tuesday, October 25, 2016 at 10:00 am.

**ADJOURNMENT**

As there was no further business, the meeting adjourned into closed session at 10:05 am.

The meeting reconvened into public session at 10:21 am. No action taken.

Respectfully Submitted,

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Fily Cale  
Executive Assistant

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Kory Billings  
Committee Member

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)  
U.S. DENTAL SURGERY  
d/b/a CHILDREN'S DENTAL SURGERY CENTER (CDSC)  
Advisory Committee Meeting  
Executive Conference Room  
Tuesday, September 27, 2016  
11:00 a.m.**

**PUBLIC COMMENTS**

None.

**CALL TO ORDER**

Edward Lujano, Bloss CEO, called the meeting to order at 11:00 am.

**ROLL CALL**

Present: Edward Lujano, Bloss CEO; Rosalie Heppner, Committee Member; Alfonse Peterson, Committee Member

Others Present: Dawnita Castle, Senior Accountant and Fily Cale, Executive Assistant;

Absent: Bill Able, CFO and David Thompson, CDSC Administrator

**APPROVAL OF AGENDA**

**A motion was made / seconded, (Rosalie Heppner / Alfonse Peterson) to approve the September 27, 2016 agenda as presented. Motion carried.**

**APPROVAL OF MINUTES**

A. August 23, 2016 Meeting Minutes, Exhibit 1

**A motion was made / seconded, (Alfonse Peterson / Rosalie Heppner) to approve and accept the August 23, 2016 Meeting minutes, Exhibit 1. Motion carried.**

**FINANCIAL REPORT**

A. August 2016 Financials, Exhibit 2

Dawnita Castle reported that while working on the cash clearing for the month of August 2016, it was discovered that EOB's and credit card information for the CDSC providers is coming over with BMHD address. Payments are now received via a POS card that you download and don't receive a physical check. David Thompson, Administrator is aware of this and working on it to get it corrected.

For August 2016, CDSC treated 254 patients and recorded a net profit of \$1,479 compared to a net loss of \$40,970 the prior month. Net revenue per case was \$1,323 and expenses per case was \$1,320. Revenues were up about 40% from the prior month and expenses were up 23%.

Edward Lujano commented that in July the numbers had dropped with Dr. Dang leaving so early in the month.

**A motion was made / seconded, (Rosalie Heppner / Alfonse Peterson) to approve and accept the August 2016 Financial Report, Exhibit 2. Motion carried.**

### **ADMINISTRATOR REPORT, EXHIBIT 3**

Edward Lujano provided a report from David Thompson, who is out today. Providers are stable and they are currently going to credential Dr. Haung and Dr. Baynes this week. Sabrina Cooksey, HR Director, has been working on getting both providers' paperwork to get them in the provider panel for both CDSC and CCDSC.

New matrixes for both dental centers have been put in place. We are utilizing the incentives for September, October and November. Goals and incentive have been put in place for both patient care and customer service. We are looking at the numbers coming in, conversion rate and a secret shopper who will call in to see if staff is giving them the proper information. New criteria is also being set up for incentives for the employees as well as looking at the cancellation rates and the average per OR, injuries and making sure the employee goals are courteous, knowledgeable and professional.

Staff was given their increases after three years and they wanted to say thank you to the board for remembering them.

### **REPORTS**

None.

### **OLD BUSINESS**

None.

### **NEW BUSINESS**

A. Policies & Procedures Recommendation, Exhibit 4

None.

B. Credentialing / Privileging Recommendation

None.

### **AGENDA FOR CLOSED SESSION**

Edward Lujano stated that there will be discussion under Section 1461 Quality Management.



**NEXT MEETING DATE**

The next Governance Meeting will be held Tuesday, October 25, 2016 at 11:00 a.m.

**ADJOURNMENT**

As there was no further business, the meeting adjourned into closed session at 11:09 am.

The meeting reconvened into public session at 11:25 am and adjourned. No action taken.

Respectfully Submitted,

\_\_\_\_\_  
Alfonse Peterson  
Committee Member

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Edward Lujano  
Chief Executive Officer

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)  
BOARD OF DIRECTORS MEETING  
Board Room  
Thursday, September 15, 2016  
10:00 am**

**CALL TO ORDER**

Rosalie Heppner, Chair, called the meeting to order at 10:00 am.

**ROLL CALL**

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

Others Present: Edward Lujano, Chief Executive Officer; David Thompson, CCDSC / CDSC Administrator; Sabrina Cooksey, HR Director and Candace Soto, Web Developer, Octane Advertising and Design

Absent: Fily Cale, Executive Assistant

**APPROVAL OF AGENDA**

**A motion was made / seconded, (Lloyd Weaver/ Alfonse Peterson) to approve the September 15, 2016 Board Agenda as presented. Motion carried.**

**PUBLIC COMMENTS**

None

**NEW BUSINESS**

**A. Provider Credentialing / Privileging**

Sabrina Cooksey presented Karen Drosdik, DDS, for privileges and credentialing for Central California Dental Surgery Center and Children's Dental Surgery Center as recommended by Sung Cho, DDS and Dental Director.

David Thompson reported that Dr. Drosdik is coming up from Los Angeles two days per week. She has been practicing dentistry for over 20 years and has done sedation dentistry in office before, but not in a surgical center, but similar practice. Dr. Cho is adjusting his schedule to work with hers next week. Another provider will be presented at the next regular scheduled board of directors meeting.

**A motion was made / seconded, (Kory Billings / Alfonse Peterson) to approve privileges and credentialing for Karen Drosdik, DDS, for Central California Dental Surgery Center and Children’s Dental Surgery Center as recommended by Sung Cho, DDS and Dental Director. Motion carried.**

**AGENDA FOR CLOSED SESSION**

Rosalie Heppner, Board Chair stated that there will be discussion held under Section 54954.5(h) Report Involving Trade Secrets – Regarding New Services.

The meeting adjourned into Closed Session at 10:06 am.

**NEXT MEETING DATE**

The next Board of Directors Meeting will be held Thursday, September 29, 2016 at 2:00 p.m. in the Board Room.

**ADJOURNMENT**

The meeting adjourned into Open Session at 10:45 am. No action taken.

Respectfully Submitted,

\_\_\_\_\_  
Fily Cale  
Executive Assistant

\_\_\_\_\_  
Alfonse Peterson  
Secretary

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)  
BOARD OF DIRECTORS MEETING  
BOARD ROOM  
Thursday, September 29, 2016  
2:00 pm**

**CALL TO ORDER**

Rosalie Heppner, Chair, called the meeting to order at 2:00 pm.

**ROLL CALL**

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

Others Present: Edward Lujano, CEO; Fily Cale, Executive Assistant; Dawnita Castle, Senior Accountant; Ralph Temple, Jr., Legal Counsel; Rohini Mehta, CFHC Director of Performance Improvement and David Thompson, CCDSC / CDSC Administrator @ 2:01 pm

Absent: Bill Able, CFO and Peter Mojarras, CFHC COO

**APPROVAL OF AGENDA**

**A motion was made/seconded, (Alfonse Peterson / Kory Billings) to approve the September 29, 2016 agenda as presented. Motion carried.**

**PUBLIC COMMENTS**

None.

**APPROVAL OF MINUTES**

- A. August 23, 2016 CDSC Advisory Committee Meeting – Informational
- B. August 23, 2016 CCDSC Advisory Committee Meeting – Informational
- C. August 31, 2016 Board of Directors Meeting, Exhibit 1

**A motion was made / seconded, (Lloyd Weaver / Kory Billings) to approve and accept the August 31, 2016 Meeting minutes as presented, Exhibit 1. Motion carried.**

## FINANCIAL REPORT

### A. August 31, 2016 Finance Committee Meeting Minutes, Exhibit 2

**A motion was made / seconded, (Alfonse Peterson / Glenn Arnold) to accept the July 28, 2016 Finance Committee Meeting Minutes as presented. Exhibit 2. Motion carried.**

### B. Chief Financial Officer Report, Exhibit 3

Dawnita Castle reported that BMHD had a net profit before depreciation in the amount of \$13,619 and a net loss of \$45,824 including depreciation expense of \$59,443.

Bloss Trust revenue was \$14,360 for the month of August 2016.

The BMHD draft audit is completed and will be on the October agenda for approval.

### C. August 2016 Payroll, Electronic Payments and Check Register, Exhibit 4

**A motion was made / seconded, (Lloyd Weaver / Kory Billings) to accept the August 2016 Payroll in the amount \$113,575.03 and Accounts Payable in the amount of \$445,645.46 for a total Disbursement of \$559,220.49, Exhibit 4. Motion carried.**

## CHIEF EXECUTIVE OFFICER'S REPORT

Edward Lujano reported that after a six month search, CFHC had hired Rohini Mehta, PI Director. She will also assist BMHD with projects and David Thompson, CCDSC / CDSC Administrator.

Rohini Mehta introduced herself and provided a brief bio. Her grandparents were from India and she along with her parents were born in east Africa. She was raised in England, married and came to the United States.

She worked as a nurse at Sutter Gould for 25 years and on/off on call for Kaiser Permanente for 15 years. She is married and has two grown daughters.

Edward Lujano stated that a \$10,000 grant from Delta Dental has been received to support dental services for 2016.

A new flyer on the Sierra Kings Surgery Center is being disseminate by the real estate agent. He also has a new schematic of the floor plan by dividing it into three areas.

He also thanked the Board of Directors for attending the last website meeting update. Fily Cale will be submitting a final item and we should go live later next week.

Edward Lujano stated that he had heard from Mahesh Khatwani, Omni Medical Properties, LLC, and had some updates. Ralph Temple, Legal Counsel, stated that Mahesh Khatwani is the landlord for Children's Dental Surgery Center in Stockton and we are discussing possible renewal of the lease or other alternatives. This item will be discussed in closed session.

Edward Lujano reported that for August 2016, CCDSC had scheduled 406 patients and completed 203 cases compared to 246 cases in August 2015. As of yesterday they were at 179 completed cases with two additional days left in the month and 352 referrals were received. Sonny Vasquez visited 198 office.

CCDS had scheduled 508 patients and completed 254 cases compared to 283 in August 2015. As of yesterday they were at 195 cases with two additional days left in the month and 490 referrals were received. Sonny Vasquez visited 224 offices in the area.

He along with David Thompson were able to put in eight different matrix for both staff to look at some goals with incentives. Those go from referrals, conversation rates, nu-smiles, cancellation rates, average per OR and a secret shopper. We want to make sure that information given by our staff is consistent with what our measures are and expectations of the organization are and to ensure our courteous and knowledgeable staff. This will go from September through November. Awards will be given out during the Christmas Party in December.

David Thompson stated that CDSC is fully staffed and we are in the process of credentialing new providers for CCDSC. Karen Drosdik, DDS, credentialed on September 15, 2016 during a Special Board of Directors meeting that was held. She has over 20 years of experience and is coming up from Los Angeles and working Thursday and Friday here at CCDSC.

Kory Billings stated that at the Closed Session meeting on September 15, 2016, the Board of Directors did approve Dr. Drosdik at that point and time. A special board meeting was held for the web design and they also closed session item at that point and time that they were going to credential and they did proceed with that at that time.

David Thompson also mentioned that Dr. Haung will be the next provider to be credentialed once she completes her Medi-Cal enrollment.

### **OLD BUSINESS / REPORTS**

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

None.

#### B. Bloss Board Member Report

Kory Billings reported that several board members had attended a two-hour mandatory session provided by Liebert Cassidy Whitmore on Ethics Training.

Lloyd Weaver announced that on Wednesday, October 5, 2016 the board will host a dinner at the Branding Iron for Edward Lujano in celebration of his 10-years of employment.

### **NEW BUSINESS**

#### A. Provider Credentialing / Privileging

None.

B. Approval of CCDSC / CDSC Policies & Procedure

None.

C. Approval of Agreement of Merger and Amended and Restated Joint Powers Agreements (ALPHA Fund / BETA), Exhibit 6

Ralph Temple, Legal Counsel, reported that BMHD is a member of Association of California Healthcare Districts (ACHD). ACHD by Joint Powers Agreements created a program ALPHA and a program BETA. ALPHA handles the worker's compensation, we are self-insured, we contribute premiums which essentially fund the worker's compensation program under ALPHA and we do the same for program BETA. BETA handles all of our other kinds of insurances, including Errors and Omissions and Director's Liability. ACHD controls both of these programs through separate boards of directors and professional staff.

The proposal is to merge ALPHA into BETA, and it will be known as BETARMA. They need action by each of the members by November so that they may start at the beginning of the year. Their aim is to reduce overhead, more efficiencies, multiple lines of coverage that offer rate stability, once contact person, and better competitive advantage with a lot of the mergers and consolidations of health care insurance programs.

**A motion was made / seconded, (Alfonse Peterson / Kory Billings) to approve the merger and authorize Mr. Lujano to execute the documents, Exhibit 6. Motion carried.**

**AGENDA FOR CLOSED SESSION**

Ralph Temple, Legal Counsel, reported that he has a minor claim matter update to discuss.

Edward Lujano stated that there will be a Performance Improvement report under Section 1461 of the Health and Safety Code – Quality Management.

**NEXT MEETING DATE**

The next Board of Directors Meeting will be held on Tuesday, October 25, 2016 at 2:00 p.m. in the Board Room.

The Finance Committee will also meet on Tuesday, October 25, 2016 at 1:30 p.m. in the Board Room.

We will also hold the Finance Committee and Board of Directors meetings on Wednesday, November 30, 2016 respectively. Kory Billings will not be present for the November 30, 2016 meetings.

**ADJOURNMENT**

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

The meeting reconvened into public session at 3:13 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  
Thursday, September 29, 2016  
1:30 p.m.**

Committee: Edward Lujano, CEO; Fily Cale, Executive Assistant; Alfonse Peterson, Committee Chair and Rosalie Heppner, Board Chair

Others Present: Dawnita Castle, Senior Accountant; Dorothy Bizzini, Castle Board Chair and Kory Billings, Board Member @ 1:36 pm

Absent: Bill Able, CFO and Glenn Arnold, Committee Member

**CALL TO ORDER**

Al Peterson, Committee Chair, called the meeting to order at 1:35 p.m. in the Board Room.

**APPROVAL OF AGENDA**

**A motion was made/seconded, (Edward Lujano / Glenn Arnold) to approve the September 29, 2016 agenda as presented. Motion carried.**

**PUBLIC COMMENTS**

None.

**APPROVAL OF FINANCE COMMITTEE MINUTES**

A. August 31, 2016 Finance Committee Minutes, Exhibit 1

A grammatical correction was made.

**A motion was made / seconded, (Glenn Arnold / Edward Lujano) to approve and accept the June 30, 2016 Finance Committee Minutes with correction, Exhibit 1. Motion carried.**

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

Dawnita Castle, Senior Accountant, reported that the BMHD audit is complete and a Draft copy was received on Friday, September 23, 2016. It will be on the October 2016 agenda for approval.

For August 2016, BMHD had a net profit before depreciation in the amount of \$13,619 and a net loss in the amount of \$45,842 including depreciation expense of \$59,443.

For August 2016, the Operating Cash Balance was \$1,270,296 and the Days Cash On Hand were at 100.

The Balance Sheet had some funded depreciation in the amount of \$33,341. The Marketable Securities for Capital Improvement was at \$158,000 and Marketable Securities for Grants was at \$77,949 after the \$5,000 grant to CFHC.

Alfonse Peterson stated that he was reviewing both marketable statements and we have one fund in that spread of funds that makes 7.5% and we have \$6,000 invested in it. We have some treasury that we make 1.2% on and we have \$24,000 invested. A meeting will be held with the Investment Committee for further discussion.

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

### **CCDSC FINANCIAL REPORT, EXHIBIT 3**

Dawnita Castle reported that for August 2016, CCDSC treated 203 cases and recorded a net profit of \$33,302 before overhead and a net profit including allocation in the amount of \$27,271.

CCDSC also received a \$10,000 grant from Delta Dental, grant revenue from January 2016 to August 2016 recorded was \$6,667 and the remainder will be allocated out until the end of December 2016.

### **SKDSC FINANCIAL REPORT, EXHIBIT 4**

Dawnita Castle reported that SKDSC total expenses for August 2016 were \$21,224.

### **CDSC FINANCIAL REPORT, EXHIBIT 5**

Dawnita Castle reported that for the month of August 2016, CDSC treated 254 cases and recorded a net profit of \$1,479 compared to a net loss of \$40,970 in July 2016.

### **DENTAL CENTERS' COMPARISON, EXHIBIT 6**

Dawnita Castle reported that for the 12-month comparison ending in August 2016 it indicates that CDSC cases were up about 897 visits compared to CCDSC. CDSC net revenue per patient was slightly down by \$91 per patient compared to CCDSC.

**A motion was made / seconded, (Edward Lujano / Rosalie Heppner) to approve and accept the CCDSC Financial Report, Exhibit 3; SKDSC Financial Report, Exhibit 4; CDSC Financial Report, Exhibit 5 and Dental Centers' Comparison, Exhibit 6. Motion carried.**

**WARRANTS AND PAYROLL**

A. August Payroll, Electronic Payments & Check Register, Exhibit 7

**A motion was made/seconded, (Edward Lujano / Rosalie Heppner) to approve and accept the August 2016 Total Payroll in the amount \$113,575.03 and Total Accounts Payable in the amount of \$445,645.46 for a total Grand Total Disbursement of \$559,220.49, Exhibit 7. 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 Tuesday, October 25, 2016 at 1:30 pm.

As there was no further business, the meeting adjourned at 1:50 p.m.

Respectfully Submitted,

\_\_\_\_\_  
Fily Cale  
Executive Assistant

\_\_\_\_\_  
Alfonse Peterson  
Committee Chair

CHIEF FINANCIAL OFFICER REPORT

BMHD had a total net loss before depreciation of \$10,389 for the month compared to a net gain of \$31,697 last year. Expenses include \$21,225 of SKDSC costs.

The September 30, Operating Cash Balance was \$1,319,410 and Days Cash On Hand was 105 Days\*. In August the DCH was 100 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.

Dental Surgery Center Summary :

	CCDSC	SKDSC	CDSC	COMBINED						
Net Operating Revenue and Non-Operating Operating Expenses	\$249,972	\$0	\$284,018	\$533,990						
Net Income (Loss)	230,278	21,225	320,051	571,554						
BMHCD % Share	19,694	(21,225)	(36,033)	(37,564)						
	100.00%	100.00%	65.00%	N/A						
Bloss Share of Net Income (Loss)	\$19,694	(\$21,225)	(\$23,421)	(\$24,952)						
A summary comparison of operations for the month and the prior year is as follows :										
	Sep-16	Sep-15	VARIANCE *	%	Y-T-D Sep-16	Y-T-D Sep-15	Y-T-D VARIANCE *	Y-T-D %		
Net Patient Revenue	249,139	308,426	(59,287)	-19.22%	778,635	912,680	(134,045)	-14.69%		
Other Operating Revenue	865	1,020	(155)	-15.20%	4,081	8,995	(4,914)	-54.63%		
Total Net Operating Revenue	250,004	309,446	(59,442)	-19.21%	782,716	921,675	(138,959)	-15.08%		
Operating Expenses Excluding Depreciation	376,440	424,965	48,525	11.42%	1,149,628	1,263,332	113,704	9.00%		
Net Operating Income (Loss) Before Depreciation	(126,436)	(115,519)	(10,918)	-9.45%	(366,912)	(341,657)	(25,255)	-7.39%		
Net Non Operating-Gains/Losses										
Gain/Loss on Investments	1,174	(2,259)	3,433	N/A	6,455	(4,328)	10,783	-249.15%		
CDSC Gain/Losses	(23,421)	23,564	46,985	199.39%	(49,090)	74,938	(124,028)	165.51%		
All Other Non-Operating Gains/Losses	138,294	125,910	(12,384)	-9.84%	442,146	429,305	12,841	2.95%		
Total Net Non-Operating Income: Losses/Gains	116,047	147,215	31,168	21.17%	399,511	499,915	(100,405)	-20.08%		
Total Net Income (Loss) Before Depreciation	(10,389)	31,697	(42,086)	-132.78%	32,599	158,258	(125,660)	-79.40%		
Depreciation Expense	68,012	60,151	7,861	13.07%	186,700	174,903	11,797	6.74%		
Net Income (Loss) After Depreciation	(78,401)	(28,455)	(49,947)	175.53%	(154,102)	(16,645)	(137,457)	825.81%		

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

Bloss Memorial HealthCare District  
 Operations Summary Report  
 Three Months Ending September 30, 2016

Total CFHC Inc. encounters for the month are 10,499 compared to 10,073 last year, a 4.23% increase.  
 CCDSC cases for the month are 22.67% less than last year.  
 CDSC cases for the month are 26.15% less than last year.

Department	Sep-16	Sep-15	VARIANCE	%	Sep-16	Sep-15	Sep-16	Sep-15	Y-T-D	Y-T-D	Y-T-D	%
Castle Clinic	3,618	2,856	762	26.68%	9,939	8,176	1,763	21.56%				
Specialty Clinic	873	1,043	(170)	-16.30%	2,849	2,980	(131)	-4.40%				
Bloss Clinic	961	1,385	(424)	-30.61%	2,904	3,397	(493)	-14.51%				
Winton Clinic	740	617	123	19.94%	2,051	1,604	447	27.87%				
Urgent Care	389	378	11	2.91%	1,802	1,446	356	24.62%				
Lab	1,756	1,796	(40)	-2.23%	5,110	5,178	(68)	-1.31%				
Radiology	598	505	93	18.42%	1,577	1,283	294	22.92%				
Behavioral Health	217	265	(48)	-18.11%	662	720	(58)	-8.06%				
Adult Day Health Care	482	528	(46)	-8.71%	1,508	1,508	0	0.00%				
Optometry	553	388	165	42.53%	1,607	1,155	452	39.13%				
Ophthalmology	312	312	0	0.00%	921	866	55	6.35%				
<b>TOTAL ENCOUNTERS</b>	<b>10,499</b>	<b>10,073</b>	<b>426</b>	<b>4.23%</b>	<b>30,930</b>	<b>28,313</b>	<b>2,617</b>	<b>9.24%</b>				

Bloss Memorial Health Care District

	Sep-16	Sep-15	VARIANCE	%	Sep-16	Sep-15	VARIANCE *	%
Central California Dental Surgery Center	191	247	(56)	-22.67%	601	724	(123)	-16.99%
Childrens Surgery Center	209	283	(74)	-26.15%	647	850	(203)	-23.88%
<b>Total Surgery Center Visits</b>	<b>400</b>	<b>530</b>	<b>(130)</b>	<b>-24.53%</b>	<b>1,248</b>	<b>1,574</b>	<b>(326)</b>	<b>-20.71%</b>

September-16 Working Days 21 and 1 Holiday  
 September-15 Working Days 21 and 1 Holiday

Bloss Memorial HealthCare District  
 Operations Summary Report  
 Three Months Ending September 30, 2016

**BMHD FULL TIME EQUIVALENTS SUMMARY :**

(See FTE report included in Financial Reports for detail)

	Sep-16	Sep-15	VARIANCE	%	Y-T-D Sep-16	Y-T-D Sep-15	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	12.85	12.86	0.01	0.08%	12.75	13.35	0.60	4.49%
CONTRACT FTE'S	5.67	5.56	(0.11)	-1.98%	5.43	5.53	0.10	1.81%
<b>TOTAL FTE'S</b>	<b>18.52</b>	<b>18.42</b>	<b>(0.10)</b>	<b>-0.54%</b>	<b>18.18</b>	<b>18.88</b>	<b>0.70</b>	<b>3.71%</b>

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

Full Time Equivalent - Employees for the month are 0.08% less than the prior year with 0.01 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
All other departments < 1 fte var	(0.01)	(0.60)	Various departments less than 1 fte variance.
	(0.01)	(0.60)	Brackets () indicate a decrease (favorable) variance

SEPTEMBER PAYROLL, ELECTRONIC PAYMENTS  
& CHECK REGISTER



Bloss Memorial Healthcare District  
 Payroll, Accounts Payable and Funds Disbursements - Summary  
 Month of September-16

Payroll		\$135,419.13
<b>Total Payroll</b>		<u><u>\$135,419.13</u></u>

Accounts Payable:

A/P Checks	Bloss	<u>\$132,366.24</u>	<u>\$132,366.24</u>
Auto Debits		\$181.02	
Electronic Payments to Castle on Payable		<u>\$76,484.53</u>	
Total Auto Debits and Electronic Transfers		<u>\$76,665.55</u>	<u>\$76,665.55</u>
Profeses paid through Payroll system			
Total ACH Pro Fees 1099'S		<u>\$42,303.00</u>	<u>\$42,303.00</u>
Electronic Payments - ACH		<u>\$234,010.55</u>	<u>\$234,010.55</u>

<b>Total Accounts Payable</b>			<u><u>\$485,345.34</u></u>
-------------------------------	--	--	----------------------------

<b>Grand Total Disbursements</b>			<u><u>\$620,764.47</u></u>
----------------------------------	--	--	----------------------------

BLOSS	Payroll Disbursements for		September-16
	Payroll dated		
<b>Earnings</b>	09/05/16	09/20/16	Total
Regular			-
Overtime			-
Vacation			-
Sick			-
Holiday			-
Salary	3,500.00	3,500.00	7,000.00
Double Time			-
Call In			-
On Call			-
Other			-
			-
CCDSC Surgery Center	28,694.92	26,546.27	55,241.19
CDSC Surgery Center	32,196.27	30,185.45	62,381.72
			-
Total	64,391.19	60,231.72	124,622.91
			-
<b>Deductions</b>			-
FICA (+)	4,861.48	4,543.22	9,404.70
Insurance (-)	(1,437.12)	(1,437.12)	(2,874.24)
Emp Deduction(-)/Reimb(+)	3,524.15	287.70	3,811.85
Christmas Fund (-)	295.00	(455.00)	(160.00)
Process Fee (+)	439.47	174.44	613.91
			-
Total	7,682.98	3,113.24	10,796.22
			-
			-
Net Payroll	\$ 72,074.17	\$ 63,344.96	135,419.13

RUN DATE: 10/03/16  
 RUN TIME: 1009  
 RUN USER: COOKS

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

C  
 FROM 09/01/16 TO 09/30/16

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
09/08/16	036649	B0114	ALRENA JANACEK	ISSUED	09/08/16	377.42	
09/08/16	036650	B0060	GLENN ARNOLD	ISSUED	09/08/16	300.00	
09/08/16	036651	B0072	BETA HEALTHCARE GROUP	ISSUED	09/08/16	2655.21	
09/08/16	036652	B0109	KORY BILLINGS	ISSUED	09/08/16	300.00	
09/08/16	036653	B0214	BUSINESS RADIO LICENSING	ISSUED	09/08/16	120.00	
09/08/16	036654	B0132	CLARK PEST CONTROL	ISSUED	09/08/16	289.00	
09/08/16	036655	B0116	DOROTHY BIZZINI	ISSUED	09/08/16	1320.97	
09/08/16	036656	B0120	ED ROSSI	ISSUED	09/08/16	188.71	
09/08/16	036657	B0058	ENERGY SYSTEMS	ISSUED	09/08/16	3354.66	
09/08/16	036658	B0153	GEIL ENTERPRISES INC.	ISSUED	09/08/16	2808.00	
09/08/16	036659	B0112	GREGORY FLOYD	ISSUED	09/08/16	377.42	
09/08/16	036660	B0016	GUARDCO SECURITY SERVICES	ISSUED	09/08/16	2016.00	
09/08/16	036661	K0034	JOE S RODRIGUEZ	ISSUED	09/08/16	375.00	
09/08/16	036662	B0115	KAREN BIZZINI	ISSUED	09/08/16	377.42	
09/08/16	036663	B0059	LLOYD WEAVER	ISSUED	09/08/16	300.00	
09/08/16	036664	K0003	M-D VENTURES	ISSUED	09/08/16	18912.55	
09/08/16	036665	B0133	MERCED/MODESTO COMMERCIAL SWEEPERS	ISSUED	09/08/16	240.00	
09/08/16	036666	B0064	PETERSON, ALFONSE	ISSUED	09/08/16	300.00	
09/08/16	036667	B0014	PG&E (4705482162-5)	ISSUED	09/08/16	7663.18	
09/08/16	036668	B0042	RALPH TEMPLE	ISSUED	09/08/16	945.00	
09/08/16	036669	B0061	ROSALIE HEPPNER	ISSUED	09/08/16	300.00	
09/08/16	036670	B0102	THE HARTFORD	ISSUED	09/08/16	205.40	
09/08/16	036671	B0044	TRIPP SECURITY SYSTEMS	ISSUED	09/08/16	20.00	
09/08/16	036672	B0113	UNITED METHODIST CHURCH OF ATWATER	ISSUED	09/08/16	188.71	
09/08/16	036673	B0013	WEST COAST GAS CO, INC.	ISSUED	09/08/16	2696.95	
09/08/16	036674	B0015	WINTON, WATER & SANITARY DISTRICT	ISSUED	09/08/16	72.80	
09/14/16	036675	B0084	AMERICHEK	ISSUED	09/14/16	42.00	
09/14/16	036676	B0107	BAKER MANOCK & JENSEN	ISSUED	09/14/16	633.00	
09/14/16	036677	K0035	CITY OF PARLIER	ISSUED	09/14/16	211.87	
09/14/16	036678	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	09/14/16	180.73	
09/14/16	036679	B0030	HD SUPPLY FACILITIES MAINTENANCE	ISSUED	09/14/16	1078.36	
09/14/16	036680	B0043	INSIGHT EMPLOYEE ASSISTANCE PRGRM	ISSUED	09/14/16	65.40	
09/14/16	036681	B0197	MASS MUTUAL	ISSUED	09/14/16	17606.45	
09/14/16	036682	K0057	THE GAS COMPANY	ISSUED	09/14/16	14.79	
09/22/16	036683	B0026	MERCED IRRIGATION DISTRICT	ISSUED	09/22/16	31784.21	
09/22/16	036684	B0199	ANTHEM BLUE CROSS	ISSUED	09/22/16	10001.29	
09/22/16	036685	B0109	KORY BILLINGS	ISSUED	09/22/16	300.00	
09/22/16	036686	B0037	CARDMEMBER SERVICE (1793)	ISSUED	09/22/16	4600.78	
09/22/16	036687	B0027	CITY OF ATWATER (010448-000)	ISSUED	09/22/16	805.35	
09/22/16	036688	B0134	CITY OF ATWATER (020161-000)	ISSUED	09/22/16	617.30	
09/22/16	036689	B0132	CLARK PEST CONTROL	ISSUED	09/22/16	824.00	
09/22/16	036690	B0016	GUARDCO SECURITY SERVICES	ISSUED	09/22/16	1680.00	
09/22/16	036691	B0030	HD SUPPLY FACILITIES MAINTENANCE	ISSUED	09/22/16	181.44	
09/22/16	036692	B0038	KINGS VIEW WEC	ISSUED	09/22/16	2110.00	
09/22/16	036693	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	09/22/16	9700.37	
09/22/16	036694	B0025	MERCED IRRIGATION DISTRICT	ISSUED	09/22/16	315.65	
09/22/16	036695	B0142	MURPHY AUSTIN ADAMS SCHOENFELD LLP	ISSUED	09/22/16	29.50	

RUN DATE: 10/03/16  
RUN TIME: 1009  
RUN USER: COOKS

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

PAGE 2

C  
FROM 09/01/16 TO 09/30/16

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
09/22/16	036696	B0166	PROCLEAN	ISSUED	09/22/16	158.03	
09/22/16	036697	B0003	SIMPLEXGRINNELL	ISSUED	09/22/16	648.37	
09/22/16	036698	B0039	VALERO MARKETING AND SUPPLY CO.	ISSUED	09/22/16	345.80	
09/29/16	036699	B0212	JAVIER MENDOZA	ISSUED	09/29/16	52.50	
09/29/16	036700	K0044	PG&E	ISSUED	09/29/16	172.70	
09/29/16	036701	B0021	PG&E (1384254881-3)	ISSUED	09/29/16	720.10	
09/29/16	036702	B0019	PG&E (1832229927-4)	ISSUED	09/29/16	8.66	
09/29/16	036703	B0020	PG&E (1873896591-4)	ISSUED	09/29/16	436.41	
09/29/16	036704	B0056	CARDMEMBER SERVICE (9140)	ISSUED	09/29/16	336.78	
TOTAL \$						132366.24	

Bloss Memorial Healthcare District  
**Bloss Electronic Transfers**

**Bloss Auto Debits**

Bank Fees		<u>181.02</u>
	<b>Total</b>	<b><u>181.02</u></b>

Electronic Payments to Castle on Payable		<u>76,484.53</u>
	<b>Total</b>	<b><u>76,484.53</u></b>

	<b>Grand Total</b>	<b><u>76,665.55</u></b>
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**ACH DENTAL PRO FEES 1099'S**

Sep-16

DESCRIPTION	ACCOUNT	AMOUNT	
PRO FEES :	SERVICE	PYMT METHOD	AMOUNT
KIM, JOSEPH	Dentist	Check	\$ 16,003.00
JUNG, WONIL	Dentist	Check	\$ -
HUANG, JANICE	Anesthesia	Check	\$ 6,300.00
SOLOMON, PERRY	Director Fees	Check	\$ 5,000.00
HCBINTEL-DAVID THOMPSON	Administrator	Check	\$ 15,000.00
ADMINISTRATOR			\$ 15,000.00
DIRECTOR FEES		6022	\$ 5,000.00
ANESTHESIOLOGISTS		6027	\$ 6,300.00
DENTISTS		6028	\$ 16,003.00
	TOTAL		<u>\$ 42,303.00</u>

RUN DATE: 10/03/16  
RUN TIME: 0956  
RUN USER: COOKS

Castle Family Health Centers AP \*\*LIVE\*\*  
ELECTRONIC PAYMENT NUMBER LIST

PAGE 1

C  
FROM D104001 TO D104627

PMT NUM	DATE	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED	VOIDED
D104069	09/02/16	B0046	BABAK RAZMAZMA	DIRECTD	09/02/16	15000.00	
D104071	09/02/16	B0079	ALEJANDRO R. MARQUEZ, DDS INC.	DIRECTD	09/02/16	13545.00	
D104072	09/02/16	B0149	SUNG Y. CHO DDS, INC.	DIRECTD	09/02/16	23278.25	
D104073	09/02/16	B0152	SO YOUNG PARK, DDS INC.	DIRECTD	09/02/16	14399.50	
D104074	09/02/16	B0162	JINO PARK, D.D.S.	DIRECTD	09/02/16	14387.88	
D104075	09/02/16	B0178	CHRISTOPHER CHIU, D.D.S., INC.	DIRECTD	09/02/16	17900.00	
D104076	09/02/16	B0213	WONIL EDWARD JUNG DDS, INC.	DIRECTD	09/02/16	14100.00	
D104373	09/19/16	B0046	BABAK RAZMAZMA	DIRECTD	09/19/16	3000.00	
D104374	09/19/16	B0079	ALEJANDRO R. MARQUEZ, DDS INC.	DIRECTD	09/19/16	12495.00	
D104375	09/19/16	B0149	SUNG Y. CHO DDS, INC.	DIRECTD	09/19/16	16506.75	
D104376	09/19/16	B0152	SO YOUNG PARK, DDS INC.	DIRECTD	09/19/16	14468.50	
D104377	09/19/16	B0162	JINO PARK, D.D.S.	DIRECTD	09/19/16	12458.77	
D104378	09/19/16	B0178	CHRISTOPHER CHIU, D.D.S., INC.	DIRECTD	09/19/16	15800.00	
D104379	09/19/16	B0213	WONIL EDWARD JUNG DDS, INC.	DIRECTD	09/19/16	12600.00	
D104627	09/29/16	C0001	OMNI MEDICAL PROPERTIES	DIRECTD	09/29/16	34070.90	
TOTAL \$						234010.55	

CASTLE FAMILY HEALTH CENTERS, INC REPORT



Castle Family Health Centers Inc  
 Operations Summary Report  
 Three Months Ending September 30, 2016

Total encounters for the month are 10,499 compared to 10,073 last year, a 4.23% increase.

Department	Sep-16	Sep-15	VARIANCE	%	Y-T-D Sep-16	Y-T-D Sep-15	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	3,618	2,856	762	26.68%	9,939	8,176	1,763	21.56%
Specialty Clinic	873	1,043	(170)	-16.30%	2,849	2,980	(131)	-4.40%
Bloss Clinic	961	1,385	(424)	-30.61%	2,904	3,397	(493)	-14.51%
Winton Clinic	740	617	123	19.94%	2,051	1,604	447	27.87%
Urgent Care	389	378	11	2.91%	1,802	1,446	356	24.62%
Lab	1,756	1,796	(40)	-2.23%	5,110	5,178	(68)	-1.31%
Radiology	598	505	93	18.42%	1,577	1,283	294	22.92%
Behavioral Health	217	265	(48)	-18.11%	662	720	(58)	-8.06%
Adult Day Health Care	482	528	(46)	-8.71%	1,508	1,508	0	0.00%
Optometry	553	388	165	42.53%	1,607	1,155	452	39.13%
Ophthalmology	312	312	0	0.00%	921	866	55	6.35%
<b>TOTAL ENCOUNTERS</b>	<b>10,499</b>	<b>10,073</b>	<b>426</b>	<b>4.23%</b>	<b>30,930</b>	<b>28,313</b>	<b>2,617</b>	<b>9.24%</b>

September-16 Working Days 21 and 1 Holiday  
 September-15 Working Days 21 and 1 Holiday

APPROVAL OF DRAFT FYE 2016  
AUDITED FINANCIAL STATEMENTS

**DRAFT**

**BLOSS MEMORIAL  
HEALTHCARE DISTRICT**

**Audited Financial Statements**

**June 30, 2016 and 2015**

**Bloss Memorial Healthcare District**

**Audited Financial Statements**

June 30, 2016

**DRAFT**

**Table of Contents**

<b>Report of Independent Auditors .....</b>	<b>1-2</b>
<b>Management's Discussion and Analysis .....</b>	<b>3-5</b>
<b>Basic Financial Statements:</b>	
<b>Statement of Net Position .....</b>	<b>6</b>
<b>Statements of Revenues, Expenses and Changes in Position .....</b>	<b>7</b>
<b>Statements of Cash Flows .....</b>	<b>8</b>
<b>Notes to Financial Statements .....</b>	<b>9-20</b>
<b>Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....</b>	<b>21-22</b>



Blomberg & Griffin Accountancy Corporation  
Certified Public Accountant

**INDEPENDENT AUDITOR'S REPORT**

**DRAFT**

The Board of Directors  
Bloss Memorial Healthcare District  
Atwater, California

We have audited the accompanying balance sheet of Bloss Memorial Healthcare District (the District) as of June 30, 2016, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the District for the year ended June 30, 2015 were audited by another auditor whose report dated October 14, 2015 expressed an unqualified opinion on those statements.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Bloss Memorial Healthcare District, as of June 30, 2016 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, 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 August 29, 2016, on our consideration of the Bloss Memorial Healthcare District 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 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 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 Bloss Memorial Healthcare District internal control over financial reporting and compliance.

**DRAFT**  
Blomberg & Griffin, A.C.  
August 29, 2016  
Stockton, CA

# Bloss Memorial Healthcare District

## Management's Discussion and Analysis

June 30, 2016

**DRAFT**

The management of Bloss Memorial Healthcare District ("Bloss") has prepared the following analysis and discussion of the financial performance of the District for the fiscal Year ended June 30, 2016 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 2016. The audited financial statements included herewith have been prepared and submitted with an unqualified opinion from the District's independent auditor.

In FY 2016 Bloss continued to operate two Dental Surgery Centers in the San Joaquin Valley – Central California Dental Surgery Center in Atwater (CCDSC), and Children's Dental Surgery Center in Stockton (CDSC). Central California Dental Surgery Center was purchased on January 1, 2015 and Bloss became sole owner of the Dental Surgery Center located in Atwater. CDSC is a Partnership in which Bloss is the majority partner with 65% ownership. Both surgery centers have struggled to continue providing much needed dental services, primarily to children from low income families, while dealing with the ongoing challenges of decreased reimbursement from its payer sources.

Although Bloss had a loss in FY 2016 of \$230,589, which includes \$714,022 of depreciation expense: Bloss's financial position continues to improve and CCDSC ended with a profit of \$397,085 and \$78,884 CDSC Partnership loss.

A comparison of Dental Surgery patient volumes by site is as follows:

	<u>FYE 16</u>	<u>FYE 15</u>	<u>Change</u>	<u>% change</u>
CCDS	2,208	2,546	-338	-13.28%
CDSC	<u>3,167</u>	<u>2858</u>	<u>309</u>	<u>10.81%</u>
Totals	<u><u>5,375</u></u>	<u><u>5,404</u></u>	<u><u>-29</u></u>	<u><u>-0.54%</u></u>

Bloss has also continued its affiliation with Castle Family Health Centers, Inc (CFHC), which provided services to 116,770 patient visits during FY 2016. The affiliation with CFHC has allowed Bloss to continue its mission in the provision of healthcare services to the community. In FY 2016 Bloss provided grant funds from its Goodwin Trust to CFHC to provide Optometry Services, Flu Vaccines, and Financial Assistance for senior citizens residing within the District.

# Bloss Memorial Healthcare District

## Management's Discussion and Analysis

DRAFT

June 30, 2016

### Comments on the Statement Net Position

Total Cash and Cash Equivalents increased by \$743,195 (109.25%) from the prior year. Bloss Net Patient Accounts Receivable while a RHC consists of \$ 365,449 patient accounts in collections services which are offset with a 100%. CCDSC Net Patient Accounts receivable account for \$503,550 during FY 2016 as Bloss continued to fund the dental centers operations. Other Receivables decreased by \$145,289 (4.53%) over the prior year.

Table 1  
Condensed Statements of Net Position:

	<u>2016</u>	<u>2015</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and Other Assets	\$ 5,248,486	\$ 4,954,785	\$ 293,701	5.93%
Capital Assets, Net	17,941,104	18,639,854	(698,750)	-3.75%
<b>Total Assets</b>	<b><u>23,189,590</u></b>	<b><u>23,594,639</u></b>	<b><u>(405,049)</u></b>	<b><u>-1.72%</u></b>
Long-term Debt	32,949	75,185	(42,236)	-56.18%
Other Liabilities	2,062,261	2,182,453	(120,192)	-5.51%
<b>Total Liabilities</b>	<b><u>2,095,210</u></b>	<b><u>2,257,638</u></b>	<b><u>(162,428)</u></b>	<b><u>-7.19%</u></b>
Net Position Invested in Capital Assets, Net of Related Debt	17,908,155	18,564,669	(656,514)	-3.54%
Temporarily restricted	155,623	167,656	(12,033)	-7.18%
Unrestricted	3,030,602	2,604,676	425,926	16.35%
<b>Total Net Position</b>	<b><u>\$ 21,094,380</u></b>	<b><u>\$ 21,337,001</u></b>	<b><u>\$ (242,621)</u></b>	<b><u>-1.14%</u></b>

### Property Plant and Equipment

Fixed Assets increased by \$15,270 (0.05%) during FY 2016 over the prior year. The addition of CCDSC Fixed Assets accounted for \$11,450 of the total increase. A Summary of changes in Fixed Assets is as follows:

Capital Expenditures:	
Building Upgrades and Repairs	\$ 3,821
CCDSC Equipment- Major Movable	10,272
CCDSC Equipment-Minor	<u>1,178</u>
Net Change in fixed assets	<u>\$ 15,271</u>

Total Liabilities as of June 30, 2016 of \$483,345 decreased from the prior year by \$241,311 (33.30%).



# Bloss Memorial Healthcare District

## Management's Discussion and Analysis

**DRAFT**

June 30, 2016

### Comments on the Statement of Revenue and Expenses

Net patient revenues increased by \$1,326,655 in FY 2016 over the prior year. The increase is attributable to CCDSC as Bloss assumed full ownership of the dental center's activities were integrated into Bloss operations in January 1, 2005.

Bloss's other operating revenue consists of reimbursement for services provided to Stockton surgery center. Services Reimbursement Revenue earned in FY 2016 was \$8,326 compared to \$19,769 in FY 2015. FY 2016 Operating Revenue also included \$2,608 of Recoveries of Bad Debt which consists of patient and collection service payments received on Bloss Rural Health Accounts Receivable. Miscellaneous Other Operating Revenue is \$75,295 includes Beta and Alpha Funds special dividends.

Total operating expenses in FY 2016 were \$4,942,978, an increase of \$802,560 (19.38%) from the prior year. Total CCDSC expenses account for 2,563,081 of the FY 2016 total expense.

Major sources of Non-Operating Revenues in FY 2016 are Rental Income of \$1,119,728, Bloss Trust income of \$294,276, and Property Tax Revenue of \$320,262. Non-Operating Revenues also include: \$ 78,884 CDSC Partnership loss.

Table 2

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

	2016	2015	Dollar Change	Percent Change
Operating Revenues	\$ 3,333,358	\$ 2,346,157	\$ 987,201	42.08%
Nonoperating Revenues	1,377,506	1,575,886	(198,380)	-12.59%
<b>Total Revenues</b>	<b>4,710,864</b>	<b>3,922,043</b>	<b>788,821</b>	<b>20.11%</b>
Depreciation Expense	714,022	884,905	(170,883)	-19.31%
Other Operating Expenses	4,227,432	3,250,027	977,405	30.07%
<b>Total Expenses</b>	<b>\$ 4,941,454</b>	<b>\$ 4,134,932</b>	<b>\$ 806,522</b>	<b>19.51%</b>

### ADDITIONAL FINANCIAL INFORMATION

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

**BLOSS MEMORIAL HEALTHCARE DISTRICT**

## Statement of Net Position

June 30, 2016 and 2015

**DRAFT**

	June 30,	
	2016	2015
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,416,429	\$ 673,379
Patient accounts receivable, net of allowances	503,550	802,236
Other receivables and physician advances	3,060,598	3,205,887
Assets limited as to use	7,030	6,885
Supplies	29,882	30,112
Prepaid expenses and deposits	75,374	68,630
	<u>5,092,863</u>	<u>4,787,129</u>
Assets limited as to use- UNG Goodwin Trust	155,623	167,656
Capital assets, net of accumulated depreciation	17,941,104	18,639,854
	<u>23,189,590</u>	<u>23,594,639</u>
<b>Total Assets</b>	<u>\$ 23,189,590</u>	<u>\$ 23,594,639</u>
<b>Liabilities and Net Position</b>		
Current Liabilities:		
Current maturities of debt borrowings	31,850	31,000
Accounts payable and accrued expenses	318,056	510,214
Accrued payroll and related liabilities	132,339	108,096
Estimated third party payor settlements	-	31,161
	<u>482,245</u>	<u>680,471</u>
Total current liabilities	482,245	680,471
Debt borrowings, net of current maturities	1,099	44,185
Investments in CCDSC and CDSC	1,611,866	1,532,982
	<u>2,095,210</u>	<u>2,257,638</u>
Total Liabilities	2,095,210	2,257,638
Net Position:		
Temporarily restricted	155,623	167,656
Invested in capital assets, net of related debt	17,908,155	18,564,669
Unrestricted	3,030,602	2,604,676
	<u>21,094,380</u>	<u>21,337,001</u>
Total net position	21,094,380	21,337,001
	<u>\$ 23,189,590</u>	<u>\$ 23,594,639</u>
Total liabilities and net position	<u>\$ 23,189,590</u>	<u>\$ 23,594,639</u>

See accompanying notes and auditor's report.

**BLOSS MEMORIAL HEALTHCARE DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**June 30, 2016 and 2015**

D R A F T

	Year Ended June 30	
	2016	2015
<b>Operating Revenues</b>		
Net patient service revenue	\$ 2,952,323	\$ 1,625,670
Donations	294,276	604,560
Other operating revenue	86,759	115,927
	<b>3,333,358</b>	<b>2,346,157</b>
<b>Operating Expenses</b>		
Salaries and wages	667,404	449,986
Employee benefits	170,373	134,893
Professional fees	1,367,022	820,889
Purchased services	603,298	549,329
Supplies	384,757	253,034
Repairs and maintenance	88,377	64,645
Utilities	484,261	467,256
Rental and lease	226,173	227,449
Depreciation and amortization	714,022	884,905
Insurance	102,446	111,057
Other operating expenses	133,321	171,489
	<b>4,941,454</b>	<b>4,134,932</b>
Operating Income (loss)	<b>(1,608,096)</b>	<b>(1,788,775)</b>
<b>Non-Operating Revenues (Expenses)</b>		
District tax revenue	320,262	299,491
Investment income	7,923	5,432
Partnership income (Loss)	(78,883)	32,292
Rental income	1,119,728	1,158,076
Other non-operating income (Loss)	10,000	86,081
Interest expense	(1,524)	(5,486)
	<b>1,377,506</b>	<b>1,575,886</b>
Excess (deficit) of revenues over expenses	<b>(230,590)</b>	<b>(212,889)</b>
Acquisition of partnership interest in CCDSC	-	1,419,565
Net change in temporarily restricted position	(12,031)	(9,104)
	<b>(242,621)</b>	<b>1,197,572</b>
Increase (decrease) in net position	<b>(242,621)</b>	<b>1,197,572</b>
Net position at beginning of the year	<b>21,337,001</b>	<b>20,139,429</b>
Net position at end of the year	<b>\$ 21,094,380</b>	<b>\$ 21,337,001</b>

See accompanying notes and auditor's report

**BLOSS MEMORIAL HEALTHCARE DISTRICT**

Statements of Cash Flows  
June 30, 2016 June 2015

D R A F T

	Year Ended June 30	
	2016	2015
<b>Cash Flows from Operating Activities:</b>		
Cash received from patients and third-parties on behalf of patients	\$ 818,495	\$ 224,390
Cash received for operations, other than patient services	2,921,163	1,003,342
Cash payments to suppliers and contractors	(3,581,813)	(2,546,707)
Cash payments to employees and benefit programs	(813,534)	(564,772)
Net cash used in operating activities	(655,689)	(1,883,747)
<b>Cash Flows from Non-Capital Financing Activities:</b>		
District tax revenues	320,262	299,491
Net cash provided by non-capital financing activities	320,262	299,491
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Purchase of capital assets, net of disposals	(15,272)	(172,635)
Capital donations	-	1,419,565
Proceeds from debt borrowings	-	-
Principal payments on debt borrowings	(42,236)	(34,548)
Interest payments on debt borrowings	(1,524)	(5,486)
Net cash used in capital and related financing activities	(59,032)	1,206,896
<b>Cash Flows from Investing Activities:</b>		
Net (purchase), transfers or sale of investments	11,888	10,574
Net change in other liabilities	78,884	(1,665,431)
Partnership income (Loss)	(78,883)	32,292
Rental income	1,119,728	1,158,076
Other non-operating income (expenses)	10,000	86,081
Net change in temporarily net assets	(12,031)	(9,104)
Net income from investments	7,923	5,432
Net cash provided by investing activities	1,137,509	(382,080)
Net increase in cash and cash equivalents	743,050	(759,440)
Cash and cash equivalents at beginning of year	673,379	1,432,819
Cash and cash equivalents at end of year	\$ 1,416,429	\$ 673,379
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating loss	\$ (1,608,095)	\$ (1,788,775)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	714,022	884,905
Changes in operating assets and liabilities:		
Patient accounts receivable	298,686	(802,236)
Other receivables	145,289	282,855
Supplies	230	(30,112)
Prepaid expenses and deposits	(6,745)	27,930
Accounts payable and accrued expenses	(192,158)	120,623
Accrued payroll and related liabilities	24,243	20,107
Estimated third party payor settlements	(31,161)	(599,044)
Net cash used in operating activities	\$ (655,689)	\$ (1,883,747)

See accompanying notes and auditor's report

# BLOSS MEMORIAL HEALTHCARE DISTRICT

Notes to Financial Statements

June 30, 2016 and 2015

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## 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 and operates two dental clinics; CCDSC in Atwater and CDSC in Stockton, California, providing dental and oral surgical clinical services. The District also 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. On January 2, 2015, the District purchased all outstanding partnership shares of CCDSC and became the sole partner. The assets, liabilities and operations of CCDSC were consolidated into the District's accounting records and financial statements at that time and all intercompany balances were eliminated. See Note 13.

**Basis of Preparation:** The accounting policies and financial statements of the District generally conform to 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 Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (Statements 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 position.

**BLOSS MEMORIAL HEALTHCARE DISTRICT**

Notes to Financial Statements

June 30, 2016 and 2015

DRAFT

**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.

**Recent Pronouncements:** The GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* ("GASB No.65), which was effective for financial statements for periods beginning after December 15, 2012. GASB No.65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resource, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. It also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows or resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The adoption of this pronouncement did not materially affect the District's financial statements.

GASB issued GASB Statement No.68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No.27* ("GASB No.68"), which was effective for financial statements for periods beginning after June 15, 2014. GASB No.68 replaces r the requirements of Statement No.27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirement of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pensions plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement IT establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. Fore defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. The District has evaluated the impact of the adoption of GASB No.68 for the fiscal year ending June 30, 2016 and there is no effect to the District's financial statements.

**NOTE 1 – ORGANIZATION AND ACCOUNTING POLICIES (continued)**

GASB also issued GASB Statement No.69, *Government Combinations and Disposals of Government Operations* ("GASB No.69"), which was effective for financial statements for periods beginning after December 15, 2013.-GASB No.69 requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This Statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. It also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. It defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations, and provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. The District has evaluated the impact of the adoption of the GASB No.69 for the fiscal year ending June 30, 2016 and there is no effect to the District's financial statements.

*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.

*Accounts Receivable:* Accounts receivable is stated at net realizable value. The District accounts for uncollectible accounts by establishing a reserve. At June 30, 2016, the allowance for doubtful accounts and contractual adjustments was \$528,960.

*Supplies:* Supply inventory are stated at cost, which is determined using the first-in, first-out method (FIFO).

*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 investments institutions.

**BLOSS MEMORIAL HEALTHCARE DISTRICT**  
Notes to Financial Statements  
June 30, 2016 and 2015

D R A F T

**NOTE 1 – ORGANIZATION AND ACCOUNTING POLICIES (continued)**

**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, 2016 and 2015, 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, 2016 and 2015 are \$31,449 and \$9,424 respectively.

**Risk Management:** The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruptions; errors and omissions; employee injuries and illness; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters.

**Net Position:** Net Position 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 those net 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 assets that do not meet the definition or criteria of the previous two categories.



**NOTE 1 – ORGANIZATION AND ACCOUNTING POLICIES (Continued)**

***District Tax Revenue:*** 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, and mail bills, and received 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 assets 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.

***Net Patient Service Revenue:*** Net patient service revenue is reported at the estimated net realizable value amounts from patients, third-party payers and others for services rendered.

***Subsequent Events:*** Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

***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.

**BLOSS MEMORIAL HEALTHCARE DISTRICT**  
Notes to Financial Statements  
June 30, 2016 and 2015

**DRAFT**

**NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

As of June 30, 2016 and 2015, the District had deposits invested in various financial institutions in the form of cash equivalents amounting to \$1,579,082 and \$847,920. 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 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 – NET PATIENT SERVICE REVENUES AND REIMBURSEMENT PROGRAMS**

On January 2, 2015, the District purchased all outstanding partnership shares of CCDSC and became the sole partner. The assets, liabilities, and operations of CCDSC were consolidated into the District's accounting records and financial statements at that time and all intercompany balances were eliminated. See Note 13. The District through CCDSC now renders dental services to patients under contractual arrangements with Medicare and Medi-Cal programs, health maintenance organization (HMOs) and preferred provider organizations (PPOs). Patient service revenues from these programs approximate 98% of gross patient service revenues.

Medicare and Medi-Cal Program dental services are generally paid under a fee for service arrangement.

Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that estimates will change by a material amount in the near term.

**BLOSS MEMORIAL HEALTHCARE DISTRICT**

Notes to Financial Statements

June 30, 2016 and 2015

D R A F T

**NOTE 4 – INVESTMENTS**

The District's investment balances and average maturities were as follows at June 30, 2016 and 2015.

2016				
Investment Maturities in Years				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
Money Market Accounts	\$ 100,759	\$ 100,759	\$ -	\$ -
Mutual Funds Accounts	218,541	218,541	-	-
Marketable Securities	<u>148,286</u>	<u>148,286</u>	<u>-</u>	<u>-</u>
 Total Investments	 <u>\$ 467,586</u>	 <u>\$ 467,586</u>	 <u>\$ -</u>	 <u>\$ -</u>

2015				
Investment Maturities in Years				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
Money Market Accounts	\$ 102,547	\$ 102,547	\$ -	\$ -
Mutual Funds Accounts	20,334	20,334	-	-
Marketable Securities	<u>194,429</u>	<u>194,429</u>	<u>-</u>	<u>-</u>
 Total Investments	 <u>\$ 317,310</u>	 <u>\$ 317,310</u>	 <u>\$ -</u>	 <u>\$ -</u>

The District 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. The District believes that there is minimal credit risk with these obligations at this time.

**BLOSS MEMORIAL HEALTHCARE DISTRICT**

Notes to Financial Statements

June 30, 2016 and 2015

DRAFT

**NOTE 4 – INVESTMENTS (Continued)**

**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 attribution to the magnitude of the District's investment in a single issuer. The District's investments are held as follows: banks 22% and investment companies 78%. 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.

**NOTE 5 – CONCENTRATION OF CREDIT RISK**

The District grants credit without collateral to its patients and third-party payers. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the District and management does not believe that there is any credit risks associated with these governmental agencies. Concentration of patient accounts receivable at June 30, 2016 is as follows:

MediCal	74%
Medicare	12%
Other 3rd Party Payors	14%
Private Party	<u>0%</u>
	<u>100%</u>

**NOTE 6 – ASSETS LIMITED AS TO USE**

Assets limited as to use as of June 30, 2016 and 2015 were comprised of cash and cash equivalents 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 \$7,923 and \$5,432 for the years ended June 30, 2016 and 2015, 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.

**BLOSS MEMORIAL HEALTHCARE DISTRICT**

Notes to Financial Statements

June 30, 2016 and 2015

**DRAFT**

**NOTE 7 – OTHER RECEIVABLES**

Other receivables as of June 30, 2016 and 2015 were comprised of the following:

	<u>2016</u>	<u>2015</u>
Children's Dental Surgery Center	\$ 2,921,138	\$ 2,925,761
Castle Family Health Center	113,314	227,027
Property taxes receivable	27,689	23,892
Other	(1,544)	29,207
	<u>\$ 3,060,597</u>	<u>\$ 3,205,887</u>

**NOTE 8 – CAPITAL ASSETS**

Capital assets as of June 30, 2016 and 2015 were comprised of the following:

	<u>Balance June 30, 2015</u>	<u>Transfer &amp; Additions</u>	<u>Retirement &amp; Adjustments</u>	<u>Balance at June 30, 2016</u>
Land and land improvements	\$ 2,257,611	\$ -	\$ -	\$ 2,257,611
Building and improvements	22,726,874	3,820	-	22,730,694
Equipment	8,274,365	11,450	-	8,285,815
Total at historical cost	<u>33,258,850</u>	<u>15,270</u>	<u>-</u>	<u>33,274,120</u>
Less accumulated depreciation	(14,618,996)	(714,022)	-	(15,333,018)
Capital Assets Net	<u>\$ 18,639,854</u>	<u>\$ (698,752)</u>	<u>\$ -</u>	<u>\$ 17,941,102</u>
	<u>Balance June 30, 2014</u>	<u>Transfer &amp; Additions</u>	<u>Retirement &amp; Adjustments</u>	<u>Balance at June 30, 2015</u>
Land and land improvements	\$ 2,257,611	\$ -	\$ -	\$ 2,257,611
Building and improvements	22,636,298	90,576	-	22,065,657
Equipment	8,196,006	83,119	(4,760)	6,508,913
Total at historical cost	<u>33,089,915</u>	<u>173,695</u>	<u>(4,760)</u>	<u>33,258,850</u>
Less accumulated depreciation	(13,737,791)	(884,905)	3,700	(14,618,996)
Capital Assets Net	<u>\$ 19,352,124</u>	<u>\$ (711,210)</u>	<u>\$ (1,060)</u>	<u>\$ 18,639,854</u>

**BLOSS MEMORIAL HEALTHCARE DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016 and 2015**

D R A F T

**NOTE 9 – DEBT BORROWINGS**

Long-term debt at June 30, 2016 and 2015 consists of the following:

	June 30,	
	2016	2015
Notes Payable, interest charged at 5% per annum, monthly principal and interest payments of \$2,453 through June, 2017 unsecured	\$ 32,949	\$ 71,447
Various Capital Leases, interest charged at 6.66% to 14.24% per annum, monthly principal and interest payments totaling \$859 through April, 2016, secured by equipments.	-	3,738
Total Debt Borrowing	32,949	75,185
Less Current Portion	(31,850)	(31,000)
Total Long Term Portion	\$ 1,099	\$ 44,185

Future principal maturities for debt borrowings at June 30, 2016 are as follows: \$31,850 in 2017 and \$1,099 in 2018.

**NOTE 10 – 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.

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, 2016 and 2015

D R A F T

## NOTE 11 – 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. The District is no longer subject to examination by federal or state authorities for years prior to June 30, 2011, nor has it been notified of any impending examination and no examinations are currently in process.

## NOTE 12 – 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, 2016 and 2015, were \$226,173 and \$227,449, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2016, 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, 2016 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 District's. The District pays a premium to the ALPHA Fund which is adjusted annually. If participation in the ALPHA Fund is terminated by the District, the District would be liable for its share of any additional premiums necessary for final disposition of all claims and losses covered by the ALPHA Fund.

**Health Insurance Portability and Accountability Act:** The Health Insurance Portability and Accountability Act (HIPAA) was enacted August 21, 1996, to ensure health insurance portability, reduce health care fraud and abuse, guarantee security and privacy of health information, and enforce standards for health information. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in the regulations. Management continues to evaluate the impact of this legislation on its operations including future financial commitments that will be required.

**BLOSS MEMORIAL HEALTHCARE DISTRICT**

Notes to Financial Statements

June 30, 2016 and 2015

DRAFT

*Health care Reform:* The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, governmental health care program participation requirements, and reimbursement for patient services, antitrust, anti-kickback and anti-referral by physicians, false claims prohibition and, in the case of tax exempt organizations, the requirements of tax exemption. In recent years, government activity has increased with respect to investigations

**NOTE 12 – COMMITMENTS AND CONTINGENCIES (Continued)**

and allegations concerning possible violations by health care providers or reimbursement, false claims, anti-kickback statues and regulations, quality of care provided to patients, and handling of controlled substances. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Laws and regulations concerning government programs, including Medicare, Medicaid and various other programs, are complex and subject to varying interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. As a result of nationwide investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements.

Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines and penalties and exclusion from related programs. The District expects that the level of review and audit to which it and other health care providers are subject will increase. There can be no assurance that regulatory authorities will not challenge the District's compliance with these regulations, and it is not possible to determine the effect (if any) such claims or penalties would have upon the District.

*Current Economic Conditions:* Given the volatility of current economic conditions, the values of assets and liabilities recorded in the accompanying financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for accounts receivable that could negatively impact the District's ability to meet debt requirements or maintain sufficient liquidity.

**NOTE 13 – RELATED PARTIES**

The District is a partner in the Children Dental Surgery Center, a general partnership. The District's partnership share is 657%. The District recorded partnership income (loss) of \$(78,884) and \$74,399 for the years ended June 30, 2016 and 2015 respectively. The District has receivable from the partnership for services provided and funds advanced in the amounts of \$2,931,138 and \$2,925,761 at June 30, 2016 and 2015 respectively.





**INDEPENDENT AUDITORS' 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***

Board of Directors  
Bloss Memorial Healthcare District  
Atwater, California

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Bloss Memorial Healthcare District as of and for the year ended June 30, 2016, which collectively comprise Bloss Memorial Healthcare District basic financial statements and have issued our report thereon dated August 29, 2016. 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.

**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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the first preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that were not identified.

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 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

A significant deficiency is a deficiency or combination of control deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 result of the testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**D R A F T**

Blomberg & Griffin A.C.  
Stockton, CA  
August 29, 2016

PROPOSALS AND SELECTION OF  
SECURITY CAMERAS / INSTALLATION  
AT BLOSS AND CASTLE SITES

Hoffman Electronic Systems	Bloss Site \$22,395.00 Castle Site \$33,695.00
Protection 1 Security	Bloss Site \$22,625.74 Castle Site \$38,163.34
Tripp Security Systems	Bloss Site \$14,000.00 Castle Site \$23,480.00

## HOFFMAN ELECTRONIC SYSTEMS

Bloss Site Proposal: \$22,395

\$224 month /based on a 3 year agreement

Castle Site Proposal: \$33,695

\$334 month / based on a 3 year agreement

**Fresno Area:**  
 90 E. Escalon Ave. #120  
 Fresno, CA 93710  
 (559) 292-7871  
 ACO # 4638  
 Con. Lic. 484100



**Merced Area:**  
 2301 Aviation Dr.  
 Atwater, CA 95301  
 (209) 384-3305  
 (800) 972-0003  
 (209) 722-1107-Fax  
 HoffmanElectronics.com

**PROPOSAL**

Proposal Submitted to: Bloss Memorial Healthcare District Address: 3605 Hospital Road Suite F Atwater, Ca. 95301 Phone: Submission Date: October 17,2016	Job Name: Bloss memorial Healthcare- Bloss Site Job Location: 1251 Grove Ave., Atwater, Ca. 95301
---	--

**Parts List:**

- 1 EA Labor
- 14 EA 3MP Outdoor Turret Camera w/fixed Lens
- 15 EA 3MP Indoor Dome Camera
- 2 EA 16CH 12TB NVR w/PoE Switch

All new wiring throughout facility.

We propose hereby to furnish material and labor - complete in accordance with above specifications for the sum of:

Twenty Two Thousand Three Hundred Ninety Five Dollars and No Cents ..... \$22,395.00  
 Service: \$224.00 per month (Based on a three year agreement)

All material is guaranteed to be as specified. All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents, or delays beyond our control. Owner is to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Approved

Blanche Jorge 209-628-9763

By \_\_\_\_\_  
 Not valid unless signed by an officer of  
 Hoffman Electronic Systems

By \_\_\_\_\_  
 Sales Agent

Date \_\_\_\_\_

This Agreement shall not be binding upon Hoffman unless approved by an officer of Hoffman

**This proposal may be withdrawn by us if not accepted within: 20 days**

**ACCEPTANCE OF PROPOSAL - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.**

By: \_\_\_\_\_  
 Type or Print

Authorized  
 Date of Acceptance \_\_\_\_\_

\_\_\_\_\_  
 Subscriber

**Fresno Area:**  
 90 E. Escalon Ave. #120  
 Fresno, CA 93710  
 (559) 292-7871  
 ACO # 4638  
 Con. Lic. 484100



**Merced Area:**  
 2301 Aviation Dr.  
 Atwater, CA 95301  
 (209) 384-3305  
 (800) 972-0003  
 (209) 722-1107-Fax  
 HoffmanElectronics.com

**PROPOSAL**

Proposal Submitted to: Bloss Memorial Healthcare District Address: 3605 Hospital Road Suite F, Atwater, Ca. 95301 Phone: Submission Date: October 18,2016	Job Name: Bloss Memorial Healthcare District- Castle Site Job Location: 3605 Hospital Road, Atwater, Ca. 95301
--	---

**Parts List:**

- 1 EA Labor
- 15 EA 3MP Outdoor Turret Camera w/fixed Lens
- 33 EA 3MP Indoor Dome Camera w/2.8 lens
- 3 EA 16CH 12TB NVR w/PoE Switch

All new wiring throughout facility

We propose hereby to furnish material and labor - complete in accordance with above specifications for the sum of:

Thirty Three Thousand Six Hundred Ninety Five Dollars and No Cents ..... \$33,695.00  
 Service: \$334.00 per month (Based on a three year agreement)

**All material is guaranteed to be as specified. All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents, or delays beyond our control. Owner is to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.**

Approved \_\_\_\_\_  
 By \_\_\_\_\_  
 Not valid unless signed by an officer of  
 Hoffman Electronic Systems

Blanche Jorge 209-628-9763  
 By \_\_\_\_\_  
 Sales Agent

Date \_\_\_\_\_

This Agreement shall not be binding upon Hoffman unless approved by an officer of Hoffman

**This proposal may be withdrawn by us if not accepted within: 20 days**

**ACCEPTANCE OF PROPOSAL - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.**

By: \_\_\_\_\_  
 Type or Print

Authorized  
 Date of Acceptance \_\_\_\_\_

\_\_\_\_\_  
 Subscriber

## PROTECTION 1 SECURITY SOLUTIONS

Bloss Site Proposal: \$22,625.74  
\$160.41 month

Castle Site Proposal: \$38,163.34  
\$240 month

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*A Proposal for*

# **BLOSS MEMORIAL HEALTHCARE DISTRICT:**

*Presented By: Brad Miller  
209-480-8068*

*Presented On September 29, 2016*



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## Equipment and Investment Summary

### Site Information

**Customer:** BLOSS MEMORIAL HEALTHCARE DISTRICT  
**Address:** 1251 GROVE AVE BLOSS SITE  
**City, State Zip:** ATWATER, CA 95301  
**Bus. Phone:** 2093812000

### Billing Information

BLOSS MEMORIAL HEALTHCARE DISTRICT  
3605 HOSPITAL RD STE F  
ATWATER, CA 95301  
2093812000

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**Equipment List For:** BLOSS SITE

<u>Quantity</u>	<u>Description</u>
1	NVR, 32-Channel, H.264/H.264+/H.265, up to 12MP, HDMI, 8-SATA, with 12TB
1	Switch, Ethernet, 24-Port 10/100M, 4-Port 10/100/1000M, 4-SFP Port, PoE (24 -802.3af or 12-802.3at),
14	Outdoor Bullet, 3MP/1080p, H264, 2.8-12mm, Day/Night, IR (30m), IP66, PoE/12VDC
15	Outdoor Dome, 3MP/1080p, H264, 2.8-12mm, Day/Night, IR (20m), IP66, PoE/12VDC
2000	24/4 PR SOL CAT5E 1M RL BLK

---

Sub Total Installation Cost:	\$22,625.74
Estimated Install Taxes:	\$0.00
SubTotal Monthly Charge:	\$160.41

---

**Total Estimated Install Taxes:** \$0.00

**Total Installation Cost:** \$22,625.74

**Total Monthly Charges:** \$160.41\*

\* Plus applicable Tax

## Inclusions:

- Install & Provide (1) 32 Channel 12 TB NVR
- Install & Provide (15) Outdoor Dome Cameras
- Install & Provide (14) Outdoor Bullet Cameras
- Install & Provide (1) 24 Port POE Switch

## Exclusions:

- Overtime and weekend work
- Permit fees, Utility Charges, or any building planning encroachment costs
- Patch, paint, or repair to any existing surfaces.
- Customer provided router for remote viewing

### Clarifications & Exclusions - Video systems

1. Equipment changes or location changes due to CUSTOMER request, or if necessary for the system to operate properly, will be considered a change order from the original scope of work and billed accordingly at the labor and material rates already in effect on this contract.
2. It is understood and agreed by PROTECTION ONE and the CUSTOMER that the location and description of the equipment selected for the project has been taken from specifications supplied to PROTECTION ONE. Should the system, when completed consist of more or less equipment than specified, the materials costs, installation charges, and/or annual service fees shall be increased or decreased in accordance with the prevailing charges.
3. Connection To Existing Equipment: It is mutually understood and agreed that PROTECTION ONE assumes no responsibility whatsoever for the maintenance, operation, non-operation, actuation, non-actuation or needless or erroneous actuation of the existing equipment; that service may be terminated by PROTECTION ONE in the event the existing equipment is not in good working operating condition and PROTECTION ONE shall not be liable for any damage of subject to any penalty as a result of such termination. Any repairs to or replacement of existing equipment at the time of reconnection will be charged to the customer on a time and materials basis at the prevailing rates.
4. The CUSTOMER will be responsible for providing any 110VAC required for the proper operation of the video equipment and one network connection within 6 feet of the DVR or NVR system.
5. PROTECTION ONE will be responsible for mounting the cameras and focusing per the CUSTOMERS request. Any changes after the CUSTOMER signed off on the view will be a change order to the original job.
6. The estimated cost for the **electrical permit** or **lift cost** is not included in the final prices. These costs will be billed to the CUSTOMER separately.
7. The CUSTOMER will be responsible for providing **IT support for Firewall and Port opening on their network**. Video system may require you to add more bandwidth for viewing the video through a computer onsite or offsite, or smart phone APPS.
8. Idle time incurred by Protection One employees due to absence of required escorts, clearances, inability to enter the workspace, or other factors beyond our control, will be considered a change order from the original scope of work and billed accordingly at the labor and material rates already in effect on this contract.



*A Proposal for*

# **BLOSS MEMORIAL HEALTHCARE DISTRICT:**

*Presented By: Brad Miller  
209-480-8068*

*Presented On October 13, 2016*

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## Equipment and Investment Summary

### Site Information

**Customer:** BLOSS MEMORIAL HEALTHCARE DISTRICT  
**Address:** 3605 HOSPITAL RD STE F  
**City, State Zip:** ATWATER, CA 95301  
**Bus. Phone:** 2093812000

### Billing Information

BLOSS MEMORIAL HEALTHCARE DISTRICT  
3605 HOSPITAL RD STE F  
ATWATER, CA 95301  
2093812000

---

**Equipment List For:** CASTLE SITE

<u>Quantity</u>	<u>Description</u>
1	NVR, 64-Channel, H264, up to 5MP, HDMI, 8-SATA, with 18TB
2	Switch, Ethernet, 24-Port 10/100M, 4-Port 10/100/1000M, 4-SFP Port, PoE (24 -802.3af or 12-802.3at),
15	Outdoor Bullet, 3MP/1080p, H264, 2.8-12mm, Day/Night, IR (30m), IP66, PoE/12VDC
32	Outdoor Dome, 3MP/1080p, H264, 2.8-12mm, Day/Night, IR (20m), IP66, PoE/12VDC
5000	24/4 PR SOL CAT5E 1M RL BLK

---

Sub Total Installation Cost:	\$38,163.34
Estimated Install Taxes:	\$0.00
SubTotal Monthly Charge:	\$240.00

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**Total Estimated Install Taxes:** \$0.00

**Total Installation Cost:** \$38,163.34

**Total Monthly Charges:** \$240.00\*

\* Plus applicable Tax

## TRIPP SECURITY SYSTEMS

Bloss Site Proposal: \$14,000.00

Castle Site Proposal: \$23,480.00

TRIPP SECURITY SYSTEMS  
 CALIF. LIC. #: ACO-2129  
 7961 WEST BELL DRIVE  
 ATWATER, CA. 95301-9650  
 (209) 358-0102

# Estimate

DATE	CUSTOM BID #:
9/27/2016	20035789

DESIGNED FOR:	INSTALL AT:
Bloss Memorial Health Care District 3605 Hospital Rd. Atwater, CA 95301	Bloss Site

YOUR REFERENCE:	BID EXPIRES:
	10/27/2016

OUR #:	DESCRIPTION	QTY	RATE PER:	AMOUNT
DVR4	16 channel 12TB digital recorder with built in Poe.	2		0.00
Camera 1	4MP Turret Dome with fixed lens, Color, HD, Weather Resistant, Day/Night Camera.	14		0.00
Camera 1	4MP Dome with 2.8-12mm lens, Color, HD, Vandal Resistant, Weather Resistant, Day/Night IR Camera.	15		0.00
Camera Cable	Cat5 Cable and RJ 45 ends.	8		0.00
Parts	IP cameras have a quality range of 300'. Additional parts will be needed if a camera exceeds this range from the nvr.	1		0.00
BID	Price includes tax and installation.			14,000.00
	SIGN AND DATE BELOW TO ACCEPT THIS BID. FAX BACK TO 209-357-0455 OR EMAIL BACK TO trippsecurity@gmail.com.			0.00
	_____			0.00

All parts have a 2 year warranty. After the 2 year warranty, a service plan can be added for \$600.00 per year.

**Total** 14,000.00

TRIPP SECURITY SYSTEMS  
 CALIF. LIC. #: ACO-2129  
 7961 WEST BELL DRIVE  
 ATWATER, CA. 95301-9650  
 (209) 358-0102

# Estimate

DATE	CUSTOM BID #:
9/26/2016	20035788

DESIGNED FOR:	INSTALL AT:
Bloss Memorial Health Care District 3605 Hospital Rd. Atwater, CA 95301	Castle Site

YOUR REFERENCE:	BID EXPIRES:
	10/26/2016

OUR #:	DESCRIPTION	QTY	RATE PER:	AMOUNT
DVR4	16 channel 12TB digital recorder with built in Poe.	3		0.00
Camera 1	4MP Turret Dome with fixed lens, Color, HD, Weather Resistant, Day/Night Camera.	15		0.00
Camera 1	4MP Dome with 2.8-12mm Lens, Color, HD, Vandal Resistant, Weather Resistant, Day/Night IR Camera.	34		0.00
Camera Cable	Cat5 Cable and RJ45 ends.	13		0.00
Parts	IP cameras have a quality range of 300'. Additional parts will be needed if a camera exceeds this range from the NVR.			0.00
BID	Price includes tax and installation.			23,480.00
	SIGN AND DATE BELOW TO ACCEPT THIS BID. FAX BACK TO 209-357-0455 OR EMAIL BACK TO trippsecurity@gamil.com			0.00
	_____			0.00

ALL parts have a 2 year warranty. After the 2 year warranty, a service plan can be added for \$600.00 per year.	<b>Total</b>	23,480.00
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