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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:** September 25, 2020

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

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

Bloss Memorial Healthcare District will hold their next **Finance Committee** meeting on Thursday, October 1, 2020 at 1:30 pm in the Board Room at 3605 Hospital Road, Atwater, CA 95301.

Bloss Memorial Healthcare District will hold their next Board of Directors meeting on Thursday, October 1, 2020 at 2:00 pm in the Board Room at 3605 Hospital Road, Atwater, Ca 95301.

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

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)**  
**3605 Hospital Road, Atwater, CA 95301**  
**FINANCE COMMITTEE MEETING**  
**BOARD ROOM**  
**Wednesday, August 26, 2020**  
**1:30 pm.**

**AGENDA FOR PUBLIC SESSION**

<b>I. CALL TO ORDER</b>	<b><u>ACTION</u></b>	<b><u>EXHIBIT</u></b>
<b>II. APPROVAL OF AGENDA</b>	*	
<b>III. PUBLIC COMMENTS</b> Comments can be made concerning any matter within the Board's jurisdiction; but if the matter is not on the agenda, there will be no Board discussion of the issue. Anyone wishing to address the Board on any issue may do so or may please stand and approach the microphone.		
<b>IV. APPROVAL OF MINUTES</b> A. August 26, 2020 Finance Committee	*	1
<b>V. REVIEW OF DISTRICT FINANCIAL STATEMENTS</b> A. Recommendation of FYE 2020 Draft Audit	* *	2 2a
<b>VI. WARRANTS &amp; PAYROLL</b> A. August Payroll, Electronic Payments & Check Register	*	3
<b>VII. DISCUSSION</b>		
<b>VIII. AGENDA FOR CLOSED SESSION</b> Closed Session Items Pursuant the Brown Act will be: 1. Section 54954.5(h) Report Involving Trade Secrets – Regarding New Services. Estimated date of public disclosure will be in 2020.		
<b>IX. NEXT MEETING DATE</b>		
<b>X. ADJOURNMENT</b>		

- ❖ 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, Atwater, California 95301.**

**Important Notice Regarding COVID-19 Based on guidelines from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19, the Bloss Memorial Healthcare District Finance Committee meeting will be held via video conference. For the Finance Committee members who wish to participate in person, social distancing will be observed. Members of the public may listen to the meeting and offer public comment telephonically by calling into (515) 604-9359 and entering Access Code 328959. Please turn your cell phone or other electronic device to non-audible mode or mute.**

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)  
FINANCE COMMITTEE MEETING  
BOARD ROOM  
Wednesday, August 26, 2020  
1:30 p.m.**

**THIS MEETING WILL NOT BE PHYSICALLY OPEN TO THE PUBLIC**

**In order to minimize the spread of the COVID-19 virus, this meeting will be conducted pursuant to the provisions of the Governor's Executive Orders N-29-20, which suspended certain requirements of the Brown Act and will not be physically open to the public.**

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

Others Present: None

Absent: None

**CALL TO ORDER**

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

**APPROVAL OF AGENDA**

**A motion was made/seconded, (Kory Billings / Edward Lujano) to approve the August 26 2020 agenda as presented. Motion carried.**

**PUBLIC COMMENTS**

None.

**APPROVAL OF FINANCE COMMITTEE MINUTES**

A. July 30, 2020 Finance Committee Minutes, Exhibit 1

**A motion was made / seconded, (Kory Billings / Edward Lujano) to approve and accept the July 30, 2020 Finance Committee Minutes as presented, Exhibit 1. Motion carried.**

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

Dawnita Castle, CFO, reported that for July 2020, BMHD had a net gain before depreciation of \$80,746 and a net gain of \$22,041 after depreciation, compared to this time last year, it is down by \$4,000.

In Other Non-Operating Gains/Losses, there is a grant donation to CFHC for \$1,500 for sports physicals. There was also a large gain in the investments for the two LPL investments of \$38,116.

The two LPL Investments values were high in January, lower in value last month and in July there was a gain higher the January starting value.

Days Cash on Hand operating balance was at \$2,661,708 and Days Cash on Hand did decreased to 751 days.

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

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

Dawnita Castle reported that SKDSC included \$10,580 of costs for July 2020. The rent expense is back down to \$9,599 a month that BMHD is contributing.

**A motion was made / seconded, (Kory Billings / Edward Lujano) to approve and accept SKDSC Financial Report, Exhibit 3 as presented. Motion carried.**

## **WARRANTS AND PAYROLL**

A. July 2020 Payroll, Electronic Payments & Check Register, Exhibit 4

**A motion was made/seconded, (Kory Billings / Edward Lujano) to approve and accept the July 2020 Total Payroll in the amount \$9,158.42 and Total Accounts Payable in the amount of \$167,443.23 for a total Grand Total Disbursement of \$176,592.65, Exhibit 4. Motion carried.**

## **DISCUSSION**

Kory Billings asked to combine the financial statements with the SKDSC. They can be reported separately but put in the same line items.

Edward Lujano stated that David Thompson, DSCA, had spoken to him about his rent obligation due to the fire and Edward Lujano is still checking with BMHD's insurance carrier about his rent and see if it is going to cover the loss of income or the rental income. And/or he is going to look at it from his perspective of his insurance or what might happen. This is a question that may be

coming up in the next few months and Edward Lujano will do more reporting on it. For now we're looking at a 60-90 day out as they continue to do repairs.

David Thompson would like to know if he still needs to pay the rent for this facility or can he postpone it until they get some answers. Edward Lujano did say that we could postpone it until we hear back from either carrier to see if there is coverage under loss business income.

Edward Lujano stated that under our new carrier, our deductible is \$10,000 for this loss.

**AGENDA FOR CLOSED SESSION**

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

**NEXT MEETING DATE/ADJOURNMENT**

Kory Billings commented that the next date will be announced at the board meeting. There is an audit happening and we want to make sure that it is fully completed and Dawnita Castle, CFO, has time to get everything together.

As there was no further business, the meeting adjourned at 1:40 p.m.

Respectfully Submitted,

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Fily Cale  
Executive Assistant

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Alfonse Peterson  
Committee Chair

**BLOSS MEMORIAL HEALTHCARE DISTRICT  
FINANCE COMMITTEE MEETING  
Period Ended August 2020**

**Operations Summary Statement (white)**

**Financial Statements**

Detail Balance Sheet (**yellow**)

Summary Income Statement Prior Year Comparison (**lilac**)

Sierra Kings Dental Surgery Center (**blue**)

**Statistics**

FTE Report (**gray**)

BMHD had a total net gain before depreciation of \$74,545 for the month compared to a net gain of \$20,857 last year. Net income after depreciation was a loss of \$15,471. Included in Non-Operating Expense is \$14,535 for 3 Thermal Kiosk and 2 FTE's for Covid.

Expenses include \$10,676 of SKDSC costs.

The August 31, Operating Cash Balance was \$2,691,333 and Days Cash On Hand Decreased to 726 Days\*. In July the DCH was 751 Days.

\* Days Cash on Hand (DCH) = Operating Cash / Average Daily Expense (excluding depreciation). DCH indicates Bloss's ability to cover operating expenses. The Benchmark for Health Centers is a minimum of 90 Days.

A summary comparison of operations for the month and the prior year is as follows :

	Aug-20	Aug-19	VARIANCE *	%	Y-T-D Aug-20	Y-T-D Aug-19	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	0	0	NA	0	0	0	N/A
Other Operating Revenue	1,637	40,728	(39,091)	-95.98%	1,694	59,100	(57,406)	-97.13%
Total Net Operating Revenue	1,637	40,728	(39,091)	-95.98%	1,694	59,100	(57,406)	-97.13%
Operating Expenses Excluding Depreciation	114,918	130,334	15,416	11.83%	224,813	240,136	15,323	6.38%
Net Operating Income (Loss) Before Depreciation	(113,281)	(89,606)	(23,675)	-26.42%	(223,119)	(181,036)	(42,083)	-23.25%
Net Non Operating-Gains/Losses								
Gain/Loss on Investments	32,978	(2,599)	35,577	-1368.87%	71,094	(9)	71,103	-790033.33%
Grant Donation Expense	14,535	45,000	(30,465)	-209.41%	29,535	45,000	(15,465)	-34.37%
All Other Non-Operating Gains/Losses	140,313	68,062	(72,251)	-106.15%	277,783	241,975	35,808	14.80%
Total Net Non-Operating Income: Losses/Gains	187,826	110,463	(77,363)	-70.04%	378,412	286,966	91,446	31.87%
Total Net Income (Loss) Before Depreciation	74,545	20,857	53,688	257.41%	155,293	105,930	49,363	46.60%
Depreciation Expense	59,074	58,428	646	1.11%	117,780	116,885	895	0.77%
Net Income (Loss) After Depreciation	15,471	(37,571)	53,042	-141.18%	37,513	(10,955)	48,468	-442.43%

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



Bloss Memorial HealthCare District  
 Operations Summary Report  
 Two Months Ending August 31, 2020

**BMHD FULL TIME EQUIVALENTS SUMMARY :**

(See FTE report included in Financial Reports for detail)

	Aug-20	Aug-19	VARIANCE	%	Y-T-D Aug-20	Y-T-D Aug-19	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	1.00	0.30	(0.70)	-233.33%	1.00	0.30	(0.70)	-233.33%
CONTRACT FTE'S	4.04	5.14	1.10	21.40%	3.96	4.53	0.57	12.56%
TOTAL FTE'S	5.04	5.44	0.40	7.35%	4.96	4.83	(0.13)	-2.65%

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

Full Time Equivalent - Employees for the month are 233.33% more than the prior year with 0.70 more FTE'S

The major (>1 fte) Total Employee FTE increases for the month are comprised primarily of the following :

Department	Cur. Mo. (Increase) DECREASE	YTD (Increase) DECREASE	Reason
Administration	(0.70)	(0.70)	Vacation Hours Paid
All other departments < 1 fte var	0.00	0.00	Various departments less than 1 fte variance.
	(0.70)	(0.70)	Brackets () indicate a decrease (favorable) variance

BLOSS MEMORIAL HEALTHCARE DISTRICT, A PUBLIC ENTITY.  
 DETAIL BALANCE SHEET  
 PRIOR MONTH COMPARISON  
 AUG 2020

	CURRENT MO. AUG 2020	PRIOR MONTH JUL 2020	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2019
ASSETS					
CURRENT ASSETS					
CASH AND EQUIVALENTS					
CASH - GENERAL CHECKING	1,278,635	1,249,094	29,540	2.36%	1,285,614
CDSC CASH - NEW GENERAL CHK	1,442	1,499	(57)	(3.80)%	384
CDSC CASH - GENERAL CHECKING	9,052	8,287	765	9.23%	143,958
CCDS-GENERAL CHECKING	3,474	3,476	(2)	(0.06)%	2,477
CCDSC-GENERAL CHECKING	20,609	20,609	0	0.00%	125,433
CASH - PAYROLL ACCOUNT	8,699	8,699	0	0.00%	10,000
CASH - LAIF SAVINGS ACCOUNT	1,084,778	1,090,387	(5,608)	(0.51)%	299,605
LAIF - FUNDED DEPRECIATION	316,358	310,665	5,693	1.83%	200,912
CASH-BBVA MONEY MARKET ACCOUNT	509,916	509,740	175	0.03%	502,832
MARKETABLE SECURITIES CAP IMP	635,998	616,253	19,746	3.20%	568,728
MARKETABLE SECURITIES GRANTS	353,998	340,766	13,232	3.88%	313,054
TOTAL CASH AND EQUIVALENTS	4,222,958	4,159,474	63,484	1.53%	3,452,997
PATIENT ACCOUNTS RECEIVABLE					
ALLOWANCES					
TOTAL ALLOWANCES	0	0	0	0.00%	0
OTHER RECEIVABLES					
DSCA RECEIVABLE	10,750	21,500	(10,750)	(50.00)%	54
RENT RECEIVABLE	40,246	22,392	17,854	79.73%	696
PROPERTY TAX RECEIVABLE	64,090	59,578	4,513	7.57%	64,090
CFHC INC RECEIVABLE	389	0	389		5,474
DSCA CAPTIAL NOTE RECEIVABLE	200,000	200,000	0	0.00%	200,000
DSCA ATWATER NOTE RECEIVABLE	1,750,000	1,750,000	0	0.00%	1,750,000
DSCA STOCKTON NOTE RECEIVABLE	200,000	200,000	0	0.00%	200,000
ALLOWANCES FOR OTHER RECEIVABLES					
NET OTHER ACCOUNTS RECEIVABLE	2,265,476	2,253,470	12,006	0.53%	2,220,314
INVENTORY					
PREPAID EXPENSES AND DEPOSITS					
PREPAID INSURANCE	30,473	33,520	(3,047)	(9.09)%	28,244

BLOSS MEMORIAL HEALTHCARE DISTRICT, A PUBLIC ENTITY.  
 DETAIL BALANCE SHEET  
 PRIOR MONTH COMPARISON  
 AUG 2020

	CURRENT MO. AUG 2020	PRIOR MONTH JUL 2020	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2019
PREPAID EXPENSE - SYSTEM	417	1,070	(653)	(61.04)%	1,897
PREPAID EXPENSE - MANUAL	3,987	4,386	(399)	(9.09)%	9,316
TOTAL PREPAID EXPENSES AND DEPOSITS	34,876	38,975	(4,099)	(10.52)%	39,457
TOTAL CURRENT ASSETS	6,523,311	6,451,919	71,391	1.11%	5,712,768
NON-CURRENT ASSETS					
PROPERTY, PLANT, AND EQUIPMENT					
LAND	2,205,996	2,205,996	0	0.00%	2,205,996
LAND IMPROVEMENTS	51,615	51,615	0	0.00%	51,615
BUILDING AND IMPROVEMENTS	21,823,951	21,823,951	0	0.00%	21,770,098
CASTLE BUILDING AND IMPROVEMEN	1,353,689	1,353,689	0	0.00%	1,353,689
SKDSC BUILDING AND IMPROVEMENT	20,705	20,705	0	0.00%	20,705
BLOSS REMODLE	832,986	832,986	0	0.00%	832,986
CASTLE REMODEL-EAST WING FY 03	126,551	126,551	0	0.00%	126,551
PRKNG LOT & IMPROVEMENTS	138,713	138,713	0	0.00%	48,034
EQUIPMENT - FIXED	1,268,247	1,236,869	31,378	2.54%	1,236,869
COMMUNICATION LINES FY 03	452,829	452,829	0	0.00%	452,829
SKDSC EQUIPMENT-FIXED	66,746	66,746	0	0.00%	66,746
LEASEHOLD IMPROVEMENTS	17,063	17,063	0	0.00%	17,063
SKDSC LEASEHOLD IMPROVEMENTS	90,895	90,895	0	0.00%	81,980
EQUIPMENT - MAJOR MOVABLE	4,638,963	4,638,963	0	0.00%	4,574,975
MEDITECH HARDWARE	223,353	223,353	0	0.00%	223,353
MEDITECH IMPLEMENTATION COSTS	222,216	222,216	0	0.00%	222,216
EQUIPMENT - MINOR	463,214	463,214	0	0.00%	456,194
MEDITECH SOFTWARE	277,372	277,372	0	0.00%	277,372
TOTAL PROPERTY PLANT AND EQUIPMENT	34,275,104	34,243,727	31,378	0.09%	34,019,272
ACCUMULATED DEPRECIATION					
ACCUM DEPREC - LAND IMPROVMNTS	(130,636)	(129,509)	(1,127)	0.87%	(119,382)
ACCUM DEPREC - BLDGS & IMPROV	(10,031,482)	(9,980,003)	(51,479)	0.52%	(9,415,409)
SKDSC DEPREC-BLDGS & IMPROV	(6,902)	(6,327)	(575)	9.09%	0
ACCUM DEPREC - FIXED EQUIP	(2,026,729)	(2,025,000)	(1,728)	0.09%	(2,002,885)
SKDSC ACCUM DEPREC-FIXED EQUIP	(2,135)	(2,034)	(101)	4.94%	(929)
ACCUM DEPREC - LEASEHOLD IMPRV	(60,861)	(59,472)	(1,389)	2.34%	(46,910)
SKDSCACCUM DEPREC-LEASH IMPROV	(36,645)	(36,339)	(306)	0.84%	(32,342)
ACCUM DEPREC - MAJOR MOVE EQPT	(4,486,913)	(4,484,543)	(2,370)	0.05%	(4,467,212)
ACCUM DEPREC - MINOR EQUIPMENT	(575,455)	(575,455)	0	0.00%	(575,455)
TOTAL ACCUMULATED DEPRECIATION	(17,357,756)	(17,298,682)	(59,074)	0.34%	(16,660,523)
NET PROPERTY, PLANT, AND EQUIPMENT	16,917,348	16,945,045	(27,697)	(0.16)%	17,358,748

BLOSS MEMORIAL HEALTHCARE DISTRICT, A PUBLIC ENTITY.  
 DETAIL BALANCE SHEET  
 PRIOR MONTH COMPARISON  
 AUG 2020

	CURRENT MO. AUG 2020	PRIOR MONTH JUL 2020	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2019
ASSETS LIMITED AS TO USE					
CASH - UNG GOODWIN TRUST	164,006	164,006	0	0.00%	169,927
TOTAL RESTRICTED ASSETS	164,006	164,006	0	0.00%	169,927
OTHER ASSETS					
TOTAL ASSETS LIMITED AS TO USE	17,081,354	17,109,051	(27,697)	(0.16)%	17,528,675
TOTAL ASSETS	23,604,665	23,560,970	43,695	0.19%	23,241,443
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE - VENDORS	27,812	26,953	(859)	3.19%	36,647
ACCOUNTS PAYABLE - ACCRUALS	40,501	22,189	(18,312)	82.53%	26,131
ACCOUNTS PAYABLE - OTHER	19,468	18,168	(1,300)	7.16%	43,666
CASTLE INC PAYABLE	31,326	25,083	(6,243)	24.89%	29,701
DSCA PAYABLE	31,713	31,007	(706)	2.28%	242,538
TOTAL ACCOUNTS PAYABLE	150,820	123,400	(27,420)	22.22%	378,682
ACCRUED PAYROLL					
ACCRUED SALARY AND WAGES	4,167	4,167	0	0.00%	4,542
ACCRUED VACATION	16,066	15,650	(416)	2.66%	40,323
FICA PAYABLE	319	319	0	0.02%	347
PENSION PLAN ACCRUAL	5,849	5,449	(400)	7.34%	1,531
OTHER PAYROLL PAYABLES	94	107	13	(12.17)%	20,799
TOTAL ACCRUED PAYROLL	26,494	25,691	(803)	3.13%	67,542
OTHER CURRENT LIABILITIES					
INTERCORPORATE TRANSFERS					

RUN DATE: 09/23/20  
 RUN TIME: 1334  
 RUN USER: DAMEDA

Castle Family Health Centers GL \*\*LIVE\*\*

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BLOSS MEMORIAL HEALTHCARE DISTRICT, A PUBLIC ENTITY.  
 DETAIL BALANCE SHEET  
 PRIOR MONTH COMPARISON  
 AUG 2020

	CURRENT MO. AUG 2020	PRIOR MONTH JUL 2020	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2019
TOTAL CURRENT LIABILITIES	177,314	149,091	(28,223)	18.93%	446,224
LONG TERM LIABILITIES					
TOTAL LIABILITIES	177,314	149,091	(28,223)	18.93%	446,224
FUND BALANCES					
UNG GOODWIN TRUST	164,006	164,006	0	0.00%	169,927
SBA PPE FUND	16,358	16,358	0	0.00%	0
TOTAL RESTRICTED FUND BALANCE	180,364	180,364	0	0.00%	169,927
UNRESTRICTED FUND BALANCE					
CAPITAL - BMHCD	2,890,630	2,890,630	0	0.00%	2,317,403
DONATED CAPITAL	20,318,844	20,318,844	0	0.00%	20,318,844
CURRENT YR NET INCOME (LOSS)	37,513	22,041	(15,471)	70.19%	(10,955)
TOTAL FUND BALANCE	23,427,351	23,411,879	(15,471)	0.07%	22,795,219
TOTAL LIABILITIES AND FUND BALANCES	23,604,665	23,560,970	(43,695)	0.19%	23,241,443

BLOSS MEMORIAL HEALTHCARE DISTRICT  
SUMMARY INCOME STATEMENT  
PRIOR YEAR COMPARISON  
AUG 2020

	AUG 2020 ACTUAL	AUG 2019 ACTUAL	\$ VARIANCE	% VARIANCE	YTD ACTUAL AUG 2020	AUG 2019 YTD ACTUAL	\$ VARIANCE	% VARIANCE
PATIENT SERVICES REVENUE								
DEDUCTIONS FROM REVENUE								
TOTAL DEDUCTIONS FROM REVENUE	0	0	0.00	0%	0	0	0	0.00%
NET PATIENT REVENUE	0	0	0.00	0%	0	0	0	0.00%
OTHER REVENUE	1,637	40,728	(39,091.16)	(96)%	1,694	59,100	(57,407)	(97.13)%
TOTAL NET OPERATING REVENUE	1,637	40,728	(39,091.16)	(96)%	1,694	59,100	(57,407)	(97.13)%
OPERATING EXPENSES								
SALARIES AND WAGES	8,750	5,807	(2,943.10)	(51)%	17,884	16,403	(1,481)	(9.03)%
EMPLOYEE BENEFITS	1,543	789	(754.62)	(96)%	3,086	2,577	(509)	(19.75)%
PROFESSIONAL FEES	3,530	3,794	263.62	7%	8,269	6,436	(1,834)	(28.49)%
SUPPLIES	59	22	(36.20)	(162)%	3,653	341	(3,312)	(971.89)%
PURCHASED SERVICES	53,161	70,103	16,942.20	24%	95,786	109,633	13,847	12.63%
DEPRECIATION	59,074	58,428	(646.03)	(1)%	117,780	116,885	(894)	(0.77)%
RENTS AND LEASES	9,695	9,599	(95.99)	(1)%	19,293	19,150	(144)	(0.75)%
UTILITIES	33,840	38,696	4,856.12	13%	68,848	77,816	8,968	11.52%
INSURANCE	3,467	8,051	4,583.46	57%	6,826	12,406	5,580	44.98%
OTHER EXPENSES	873	(6,527)	(7,399.93)	113%	1,168	(4,625)	(5,794)	125.26%
TOTAL OPERATING EXPENSE	173,992	188,762	14,769.53	8%	342,593	357,021	14,428	4.04%
NET INCOME FROM OPERATIONS	(172,355)	(148,033)	(24,321.63)	16%	(340,899)	(297,921)	(42,978)	14.43%
NON-OPERATING REVENUE	202,361	113,061	89,299.82	79%	407,947	289,565	118,382	40.88%
NON-OPERATING EXPENSE	14,535	2,599	(11,935.60)	(459)%	29,535	2,599	(26,936)	(1,036.39)%
NET NON-OPERATING INCOME	187,826	110,462	77,364.22	70%	378,412	286,966	91,446	31.87%
NET INCOME	15,471	(37,571)	53,042.59	(141)%	37,513	(10,955)	48,467	(442.43)%

NOTE: UNFAVORABLE VARIANCES ARE SHOWN IN PARENTHESES

STERRA KINGS DENTAL SURGERY CENTER  
MONTHLY OPERATING REPORT SUMMARY  
7210 SKDSC

	AUG 2020 ACTUAL	AUG 2019 ACTUAL	\$ VARIANCE	% VARIANCE	AUG 2020 YTD ACTUAL	AUG 2019 YTD ACTUAL	\$ VARIANCE	% VARIANCE
PATIENT SERVICES REVENUE								
DEDUCTIONS FROM REVENUE								
TOTAL DEDUCTIONS FROM REVENUE	0	0	0.00	0%	0	0	0	0.00%
NET PATIENT REVENUE	0	0	0.00	0%	0	0	0	0.00%
OTHER REVENUE			0.00	0%			0	0.00%
OPERATING EXPENSES								
PURCHASED SERVICES	0	1,140	1,139.80	100%	0	1,140	1,140	100.00%
DEPRECIATION	982	485	(496.19)	(102)%	1,963	971	(992)	(102.23)%
RENTS AND LEASES	9,695	9,599	(95.99)	(1)%	19,293	19,150	(144)	(0.75)%
UTILITIES	0	0	0.00	0%	0	242	242	100.00%
OTHER EXPENSES	0	1,239	1,238.80	100%	0	2,478	2,478	100.00%
TOTAL OPERATING EXPENSE	10,676	12,463	1,786.42	14%	21,256	23,980	2,723	11.36%
NET INCOME FROM OPERATIONS	(10,676)	(12,463)	1,786.42	(14)%	(21,256)	(23,980)	2,723	(11.36)%
NON-OPERATING EXPENSE			0.00	0%			0	0.00%
NET NON-OPERATING INCOME			0.00	0%			0	0.00%
NET INCOME	(10,676)	(12,463)	1,786.42	(14)%	(21,256)	(23,980)	2,723	(11.36)%

CRP 00									
FTE'S BY DEPARTMENT									
	AUG 2020	AUG 2019	(U) FAVORABLE VARIANCE	%	YTD AUG 2020	YTD AUG 2019	(U) FAVORABLE VARIANCE	%	
*** EMPLOYEE FULL TIME EQUIVALENTS ***									
8610 ADMINISTRATION	1.00	0.30	(0.70)	(233.33)%	1.00	0.30	(0.70)	(233.33)%	
TOTAL EMPLOYEE FTE'S	1.00	0.30	(0.70)	(233.33)%	1.00	0.30	(0.70)	(233.33)%	
*** CONTRACT FULL TIME EQUIVALENTS ***									
PURCHASING	0.04	0.04	0.00	10.30%	0.04	0.04	(0.01)	(14.13)%	
MAINTENANCE & PLANT OPERATIONS	3.76	4.88	1.11	22.83%	3.69	4.30	0.61	14.28%	
ACCOUNTING	0.15	0.13	(0.02)	(15.87)%	0.15	0.08	(0.06)	(75.42)%	
ADMINISTRATION	0.07	0.08	0.01	8.58%	0.07	0.09	0.02	20.44%	
CLINIC ADMINISTRATION	0.01	0.01	0.00	(4.39)%	0.01	0.01	0.00	(2.70)%	
TOTAL CONTRACT FTE'S	4.04	5.14	1.10	21.45%	3.96	4.53	0.56	12.48%	
*** TOTAL FULL TIME EQUIVALENTS ***									
PURCHASING	0.04	0.04	0.00	10.30%	0.04	0.04	(0.01)	(14.13)%	
MAINTENANCE & PLANT OPERATIONS	3.76	4.88	1.11	22.83%	3.69	4.30	0.61	14.28%	
ACCOUNTING	0.15	0.13	(0.02)	(15.87)%	0.15	0.08	(0.06)	(75.42)%	
ADMINISTRATION	1.07	0.38	(0.69)	(183.36)%	1.07	0.39	(0.68)	(174.27)%	
CLINIC ADMINISTRATION	0.01	0.01	0.00	(4.39)%	0.01	0.01	0.00	(2.70)%	
TOTAL FTE'S	5.04	5.44	0.40	7.40%	4.96	4.83	(0.14)	(2.80)%	



RECOMMENDATION OF FYE 2020 DRAFT AUDIT

Audited Financial Statements  
BLOSS MEMORIAL  
HEALTHCARE DISTRICT

June 30, 2020 and 2019

JWT & Associates, LLP  
Certified Public Accountants

DRAFT

Bloss Memorial Healthcare District

Audited Financial Statements

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# **JWT & Associates, LLP**

## **Certified Public Accountants**

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

### *Report of Independent Auditors*

The Board of Directors  
Bloss Memorial Healthcare District  
Atwater, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Bloss Memorial Healthcare District (the District) as of June 30, 2020, which comprise the statement of net position as of June 30, 2020 and the related statements of operations and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in accordance with the State Controller's Minimum Audit Requirements for Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 opinion.

***Opinion***

In our opinion, the 2020 financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2020, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

***Other Matters***

The financial statements of the District as of June 30, 2019 and for the year then ended, were audited by other auditors whose report dated August 23, 2019, expressed an unmodified opinion on those statements.

***Required Supplementary Information***

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*JWT & Associates, LLP*

Fresno, California  
October XX, 2020

# Bloss Memorial Healthcare District

## Management's Discussion and Analysis

June 30, 2020

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, 2020 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 2020. The audited financial statements included herewith have been prepared and submitted with an unqualified opinion from the District's independent auditor.

Bloss had a net gain in FY 2020 of \$573,227 which includes \$696,339 of depreciation expense.

Bloss has continued its affiliation with Castle Family Health Centers, Inc (CFHC), which provided services to 139,238 patient visits during FY 2020. The affiliation with CFHC has allowed Bloss to continue its mission in the provision of healthcare services to the community. During FY 2020 Bloss provided grant funds from its Goodwin Trust to CFHC to provide Optometry Services and Sponsored Thanksgiving lunch for senior citizens in the community. During FY 2020 Bloss also sponsored other grants during difficult times in the amounts \$80,000 to assist CFHC for the Adult Day Health Care program; due to low reimbursement from the State, \$5,000 to provide free sports physicals to children with low income families, and \$150,000 to assist CFHC during the Covid pandemic with personnel protective equipment, screening tents, and cleaning supplies.

### **Comments on the Statement Net Position**

Total Cash and Cash Equivalents had an increase by \$725,990 and is up 21.24% from the prior year. Other Receivables also increased by \$22,547 with a 1.02% above the prior year. FY 2020 Other Receivables includes Rent in the amount of \$11,662, Property Tax of \$27,533 from Merced County, Dental Surgery Centers of America (DSCA) of \$37,050, and three Note Receivable from DSCA totaling \$2,150,000 from the sale of two surgery centers in May 2018.

# Bloss Memorial Healthcare District

## Management's Discussion and Analysis

June 30, 2020

Table 1

### Condensed Statements of Net Position:

Current and Other				
Assets	\$ 6,560,802	\$ 5,802,466	\$ 758,336	13.07%
Capital Assets, Net	16,996,730	17,454,929	(458,199)	-2.63%
<b>Total Assets</b>	<b>23,557,532</b>	<b>23,257,395</b>	<b>300,137</b>	<b>1.29%</b>
Long-term Debt	-	-	-	-
Other Liabilities	184,051	451,221	(267,170)	-59.21%
<b>Total Liabilities</b>	<b>184,051</b>	<b>451,221</b>	<b>(267,170)</b>	<b>-59.21%</b>
Net Position Invested in				
Capital Assets, Net of				
Related Debt				
	16,996,730	17,454,929	(458,199)	-2.63%
Temporarily restricted	164,006	169,926	(5,920)	-3.48%
Unrestricted	6,212,745	5,181,319	1,031,426	19.91%
<b>Total Net Position</b>	<b>\$ 23,373,481</b>	<b>\$ 22,806,174</b>	<b>\$ 567,307</b>	<b>2.49%</b>

### Property Plant and Equipment

Fixed Assets decreased by \$458,199 (2.63%) during FY 2020 over the prior year. The decrease is A Summary of changes in Fixed Assets is as follows:

Capital Expenditures:	
Building Upgrades and Repairs	\$ (575,814)
Parking Lot Improvements	90,679
Equipment	20,705
SKDSC Leasehold Improvements	6,231

Net Change in fixed assets \$ (458,199)

Total Liabilities as of June 30, 2020 of \$184,051 decreased from the prior year by \$267,170 59.21%. A result of a reduction in the Dental Surgery Centers of America payable.

# Bloss Memorial Healthcare District

## Management's Discussion and Analysis

June 30, 2020

### Comments on the Statement of Revenue and Expenses

BMHCD other operating revenue consists of reimbursement for services provided to Dental Surgery Centers of America DSCA services reimbursement was \$110,017 compared to \$67,746 in FY 2019. Other Operating Revenues also include the Bloss Trust in the amount of \$588,500.

Total expenses in FY 2020 was \$2,211,419 a decrease of \$101,003 from the prior year. The decrease was due to a sublease of Sierra Kings Dental Surgery Center located in Parlier, Ca. BMHCD lease agreement with MD Ventures ends July 2023. DSCA has subleased the space to provide dental surgery services to the children in the surrounding area.

Major sources of Non-Operating Revenues in FY 2020 are Rental Income of \$1,448,622, Property Tax Revenue of \$418,356, and Interest Income of \$137,983 for Promissory Note at 6% interest on from the three Notes Receivable DSCA.

**Table 2**

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

	2020	2019	Dollar Change	Percent Change
Operating Revenues	\$ 700,239	\$ 572,891	\$ 127,348	22.23%
Nonoperating Revenues	26,084,408	2,004,478	24,079,930	1201.31%
<b>Total Revenues</b>	<b>26,784,647</b>	<b>2,577,369</b>	<b>24,207,278</b>	<b>939.22%</b>
Depreciation Expense	696,339	660,170	36,169	5.48%
Other Operating Expenses	1,515,080	1,652,252	(137,172)	-8.30%
<b>Total Expenses</b>	<b>\$ 2,211,419</b>	<b>\$ 2,312,422</b>	<b>\$ (101,003)</b>	<b>-4.37%</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 Suite F, Atwater, CA 95301.



Bloss Memorial Healthcare District

Statements of Net Position

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 4,143,503	\$ 3,417,513
Other receivables	76,244	53,697
Prepaid expenses and deposits	27,049	11,330
Total current assets	<u>4,246,796</u>	<u>3,482,540</u>
Capital assets, net of accumulated depreciation	16,996,730	17,454,929
Notes receivable	2,150,000	2,150,000
Assets whose use is limited	164,006	169,926
Total assets	<u>\$ 23,557,532</u>	<u>\$ 23,257,395</u>
<b>Liabilities and Net Position</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 159,574	\$ 389,353
Accrued payroll and related liabilities	24,477	61,868
Total current liabilities	<u>184,051</u>	<u>451,221</u>
Total liabilities	<u>184,051</u>	<u>451,221</u>
Net position		
Temporarily restricted	164,006	169,926
Invested in capital assets, net of related debt	16,996,730	17,454,929
Unrestricted	6,212,745	5,181,319
Total net position	<u>23,373,481</u>	<u>22,806,174</u>
Total liabilities and net position	<u>\$ 23,557,532</u>	<u>\$ 23,257,395</u>

*See accompanying notes to the financial statements*

Bloss Memorial Healthcare District

Statements of Revenues, Expenses and Changes in Net position

For The Years Ended June 30, 2020 and 2019

	2020	2019
<b>Operating revenues</b>		
Donations	\$ 588,500	\$ 549,685
Other operating revenue	111,739	23,206
Total operating revenues	<u>700,239</u>	<u>572,891</u>
<b>Operating expenses</b>		
Salaries & wages	80,220	113,228
Employee benefits	18,814	63,475
Professional Fees	23,514	24,479
Purchased services	458,129	477,631
Supplies	11,646	9,614
Repairs & maintenance	61,240	135,779
Utilities	385,098	414,448
Rentals and leases	129,535	229,131
Depreciation & amortization	696,339	660,170
Insurance	60,595	85,103
Other operating expenses	4,954	35,990
Total operating expenses	<u>1,930,084</u>	<u>2,249,048</u>
Operating income (loss)	<u>(1,229,845)</u>	<u>(1,676,157)</u>
<b>Nonoperating revenues (expenses)</b>		
District tax revenues	418,356	394,879
Rental income	1,448,622	1,416,410
Investment income	137,983	130,573
Other non-operating income (expense)	(201,889)	(758)
Total nonoperating revenues (expenses)	<u>1,803,072</u>	<u>1,941,104</u>
Excess of revenues (expenses)	<u>573,227</u>	<u>264,947</u>
Net change in temporarily restricted position	(5,920)	(3,966)
Increase in net position	<u>567,307</u>	<u>260,981</u>
Net position, beginning of the year	22,806,174	22,545,193
Net position, end of year	<u>\$ 23,373,481</u>	<u>\$ 22,806,174</u>

See accompanying notes to the financial statements

Bloss Memorial Healthcare District

Statements of Cash Flows

For The Years Ended June 30, 2020 and 2019

	2020	2019
<b>Cash flows from operating activities</b>		
Cash received for operations	\$ 677,692	\$ 1,039,729
Cash payments to suppliers and contractors	(1,380,209)	(1,604,942)
Cash payments to employees and benefit programs	(136,425)	(188,876)
Net cash used in operating activities	<u>(838,942)</u>	<u>(754,089)</u>
<b>Cash flows from non-capital and related financing activities</b>		
District tax revenue	418,356	394,879
Net cash provided by non-capital and related financing activities	<u>418,356</u>	<u>394,879</u>
<b>Cash flows from capital and related financing activities</b>		
Purchase of property, plant & equipment	(238,140)	(1,511,999)
Net cash used in capital and related financing activities	<u>(238,140)</u>	<u>(1,511,999)</u>
<b>Cash flows from investing activities</b>		
Rental income	1,448,622	1,416,410
Investment income	137,983	130,573
Other non-operating income (expense)	(201,889)	(4,724)
Net cash provided by investing activities	<u>1,384,716</u>	<u>1,542,259</u>
Increase (decrease) in cash and cash equivalents	<u>725,990</u>	<u>(328,950)</u>
Cash and cash equivalents at beginning of year	3,417,513	3,746,463
Cash and cash equivalents at end of year	<u>\$ 4,143,503</u>	<u>\$ 3,417,513</u>

See accompanying notes to the financial statements

Bloss Memorial Healthcare District

Statements of Cash Flows (continued)

For The Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating loss	\$ (1,229,845)	\$ (1,676,157)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	696,339	660,170
Changes in operating assets and liabilities		
Patient accounts receivable	-	179,091
Other receivables	(22,547)	227,795
Prepaid expenses	(15,719)	59,952
Accounts payable and accrued expenses	(229,779)	(192,767)
Accrued payroll and related expenses	(37,391)	(12,173)
Net cash used in operating activities	<u>\$ (838,942)</u>	<u>\$ (754,089)</u>

See accompanying notes to the financial statements

# Bloss Memorial Healthcare District

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES

**Reporting Entity:** Bloss Memorial Healthcare District (the District) is a public entity organized under Local District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The District is governed by a five member Board of Directors, elected from within the healthcare district to four year terms of office. The District is located in Atwater, California. The District provides support to a local health care clinic located in Atwater, California which provides primary health care services primarily to individuals who reside in the local geographic area.

**Basis of Preparation:** The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses proprietary fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Pursuant to Government Accounting Standard Board ("GASB") Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board ("FASB") and AICPA Pronouncements*, the District's proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements as well as codified pronouncements issued on or before November 30, 1989. The District has elected to apply the provisions of all relevant pronouncements as the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

**Financial Statement Presentation:** The District applies the provisions of GASB 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (Statement 34), as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement 38, *Certain Financial Statement Note Disclosures*. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. The impact of this change was related to the format of the financial statements; the inclusion of management's discussion and analysis; and the preparation of the statement of cash flows on the direct method. The application of these accounting standards had no impact on the total net assets.

# Bloss Memorial Healthcare District

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

**Management's Discussion and Analysis:** Statement 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the District's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis provided in the annual reports of organizations in the private sector.

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents and Investments:** The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in non-operating revenues when earned.

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

**Assets Limited as to Use:** Assets limited as to use include donor restricted funds. Assets limited as to use consist primarily of deposits on hand with banking and investment institutions.

**Capital Assets:** Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 30 years for buildings and improvements, and 3 to 10 years for equipment. The District periodically reviews its capital assets for value impairment. As of June 30, 2020 and 2019, 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, 2020 and 2019 are \$14,849 and \$42,087, respectively.

# Bloss Memorial Healthcare District

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

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

**Net Position:** Net position (formally net assets) is presented in three categories. The first category is net position "invested in capital assets, net of related debt". This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is "restricted" net position. This category consists of externally designated constraints placed on assets by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

The third category is "unrestricted" net position. This category consists of net assets that do not meet the definition or criteria of the previous two categories.

**District Tax Revenues:** The District receives financial support from property taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Property taxes are levied by the County on the Hospital's behalf during the year, and are intended to help finance the Hospital's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date.

**Grants and Contributions:** From time to time, the District receives grants from various governmental agencies and private organizations. The District also receives contributions from related foundation and auxiliary organizations, as well as from individuals and other private organizations. Revenues from grants and contributions are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net assets.

**Operating Revenues and Expenses:** The District's statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Non-operating revenues and expenses are those transactions not considered directly linked to providing health care services.

# Bloss Memorial Healthcare District

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

*Reclassifications:* Certain financial statement amounts as presented in the prior year financial statements have been reclassified in these, the current year financial statements, in order to conform to the current year financial statement presentation.

### NOTE 2 – CASH AND CASH EQUIVALENTS

As of June 30, 2020 and 2019, the District had deposits invested in various financial institutions in the form of cash and cash equivalents amounting to \$4,143,503 and \$3,417,512, respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

Investments consist of equity securities and real estate funds invested through an investment broker and are stated at quoted market values. Changes in market value between years are reflected as a component of investment income in the accompanying statement of revenues, expenses and changes in net assets.

### NOTE 3 - INVESTMENTS

The District's investment balances and average maturities were as follows at June 30, 2020 and 2019:

	2020			
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 1,400,967	\$ 1,400,967	\$ -	\$ -
Money market accounts	515,115	515,115	-	-
Mutual funds	485,623	485,623	-	-
Total investments	<u>\$ 2,401,705</u>	<u>\$ 2,401,705</u>	<u>\$ -</u>	<u>\$ -</u>



# Bloss Memorial Healthcare District

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 3 – INVESTMENTS (continued)

	2019			
	Fair Value	Investment Maturities, in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 500,494	\$ 500,494	\$ -	\$ -
Money market accounts	506,632	506,632	-	-
Mutual funds	477,391	477,391	-	-
Total investments	<u>\$ 1,484,517</u>	<u>\$ 1,484,517</u>	<u>\$ -</u>	<u>\$ -</u>

The District's investments are reported at fair value as previously discussed. The District's investment policy allows for various forms of investments generally set to mature within a few months to others over 15 years. The policy identifies certain provisions which address interest rate risk, credit risk and concentration of credit risk.

**Interest Rate Risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District's exposure to interest rate risk is minimal as 100% of their investments have a maturity of less than one year. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the preceding schedules that shows the distribution of the District's investments by maturity.

**Credit Risk:** Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Moody's Investor Service, Inc. The District's investments in such obligations are in U.S. government obligations, money market accounts and mutual funds. The District believes that there is minimal credit risk with these obligations at this time.

**Custodial Credit Risk:** Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer), the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investments are generally held by banks or investment companies. The District believes that there is minimal custodial credit risk with their investments at this time. District management monitors the entities which hold the various investments to ensure they remain in good standing.

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investments are held as follows: government agencies 58% and investment companies 42%. The District believes that there is minimal custodial credit risk with their investments at this time. District management monitors the entities which hold the various investments to ensure they remain in good standing.

# Bloss Memorial Healthcare District

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 4 - ASSETS LIMITED AS TO USE

Assets limited as to use as of June 30, 2020 and 2019 were comprised of cash and cash equivalents and mutual funds held as donor restricted funds. Interest income, dividends, and both realized and unrealized gains and losses are recorded as investment income. Total investment income was \$137,983 and \$130,573 for the years ended June 30, 2020 and 2019, respectively. Total investment income includes both income from unrestricted and assets limited as to use. Debt securities, when present, are recorded at market price or the fair market value as of the date of each balance sheet.

### NOTE 5 - OTHER RECEIVABLES

Other receivables as of June 30, 2020 and 2019 were comprised of the following:

	2020	2019
District tax revenue	\$ 27,533	\$ 50,580
Rents	11,662	600
Dental Surgery Centers of America	37,049	-
Castle Family Health Center	-	2,517
	<u>\$ 76,244</u>	<u>\$ 53,697</u>

### NOTE 6 - NOTES RECEIVABLES

In May 2018, the District entered into three notes receivable agreements totaling \$2,150,000 with Dental Surgery Center of America for the purchase of certain dental surgery center assets and operations owned by the District. The interest rate on the loan is 6% per annum. Interest only is payable in 36 monthly installments beginning in June 2018 and principle and any unpaid interest will be due by May 31, 2021. The total note receivable balance for all three notes receivable at June 30, 2020 and 2019 is \$2,150,000.

# Bloss Memorial Healthcare District

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 7 - CAPITAL ASSETS

Capital assets as of June 30, 2020 and 2019 were comprised of the following:

	Balance at June 30, 2019	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2020
Land and land improvements	\$ 2,257,611	\$ -	\$ -	\$ 2,257,611
Buildings and improvements	24,256,127	174,152	-	24,430,279
Equipment	7,519,052	63,988	(34,223)	7,548,817
Totals at historical cost	<u>34,032,790</u>	<u>\$ 238,140</u>	<u>\$ (34,223)</u>	<u>34,236,707</u>
Less accumulated depreciation	(16,577,861)	\$ (696,339)	\$ 34,223	(17,239,977)
Capital assets, net	<u>\$ 17,454,929</u>			<u>\$ 16,996,730</u>

  

	Balance at June 30, 2018	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2019
Land and land improvements	\$ 2,257,611	\$ -	\$ -	\$ 2,257,611
Buildings and improvements	22,806,907	1,449,220	-	24,256,127
Equipment	8,206,988	66,746	(754,682)	7,519,052
Totals at historical cost	<u>20,351,494</u>	<u>\$ 1,515,966</u>	<u>\$ (754,682)</u>	<u>34,032,790</u>
Less accumulated depreciation	(16,672,372)	\$ (660,170)	\$ 754,681	(16,577,861)
Capital assets, net	<u>\$ 7,634,783</u>			<u>\$ 17,454,929</u>

### NOTE 8 - RETIREMENT PLANS

The District sponsors a 403(b) defined contribution plan (the Plan). The District is the Plan's administrator as defined by section 316 of the Employee Retirement Income Security Act of 1974 (ERISA). All plan assets are held in a retirement trust with legal title held by the District's Board of Directors as Trustees. All employees are eligible to participate in the Plan except for those who belong to a union, where the retirement benefits have been the subject of collective bargaining or contract negotiation, or work less than 2,000 hours per year for the District. For the years ended June 30, 2020 and 2019, the District contributed \$14,318 and \$5,338 to the Plan.

The District also offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457. The plan is generally available to all District employees and permits them to defer a portion of their income. The compensation deferred is generally not available to employees until termination, retirement, death or certain hardship situations.

# Bloss Memorial Healthcare District

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 9 – INCOME TAXES

The District is a political subdivision of the state of California organized under the Local Health Care District Law as set forth in the Health and Safety Code of the State of California. The District has been determined to be exempt from income taxes under Local Health Care District Law. Accordingly, no provision for income taxes is included in the accompanying financial statements. 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 10 - COMMITMENTS AND CONTINGENCIES

**Operating Leases:** The District leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2020 and 2019, were \$129,535 and \$229,131, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2020, 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, 2020 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

**Workers Compensation Program:** The District is a participant in the Association of California Healthcare District's ALPHA Fund which administers a self-insured worker's compensation plan for employees of its member districts. The District pays a premium to the ALPHA Fund which is adjusted annually. If participation in the ALPHA Fund is terminated by the District, the District would be liable for its share of any additional premiums necessary for final disposition of all claims and losses covered by the ALPHA Fund.

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

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2020 and 2019

**NOTE 11-SUBSEQUENTEVENTS**

District management has evaluated events subsequent to June 30, 2020 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through October XX, 2020, the date these financial statements were available to be issued.

DRAFT

AUGUST PAYROLL, ELECTRONIC PAYMENTS  
& CHECK REGISTER

Bloss Memorial Healthcare District  
 Payroll, Accounts Payable and Funds Disbursements - Summary  
 Month of August-20

Payroll			<u>\$9,171.42</u>
<b>Total Payroll</b>			<u><u>\$9,171.42</u></u>

Accounts Payable:

A/P Checks	Bloss	<u>\$1,130,212.31</u>	<u>\$1,130,212.31</u>
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**BLOSS**

Auto Debits		\$58.40	
Electronic Payments to CALPERS		\$0.00	
Electronic Payments to DSCA		<u>\$0.00</u>	
Total Auto Debits and Electronic Transfers		<u><u>\$58.40</u></u>	<u>\$58.40</u>

Electronic Payments - ACH		<u>\$0.00</u>	<u>\$0.00</u>
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<b>Total Accounts Payable</b>			<u><u>\$1,130,270.71</u></u>
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<b>Grand Total Disbursements</b>			<u><u>\$1,139,442.13</u></u>
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BLOSS	Payroll Disbursements for		August-20
	Payroll dated		
	08/05/20	08/20/20	Total
<b>Earnings</b>			
Regular			-
Overtime			-
Vacation			-
Sick			-
Holiday			-
Salary	4,166.67	4,166.67	8,333.34
Double Time			-
Call In			-
On Call			-
Other			-
			-
Total	4,166.67	4,166.67	8,333.34
			-
<b>Deductions</b>			
FICA (+)	318.75	318.75	637.50
Insurance (-)			-
Emp Deduction(-)/Reimb(+)			-
Christmas Fund (-)			-
Process Fee (+)	106.79	93.79	200.58
			-
Total	425.54	412.54	838.08
			-
			-
Net Payroll	\$ 4,592.21	\$ 4,579.21	9,171.42



Bloss Memorial Healthcare District  
August-20

**Bloss Electronic Transfers**

**Bloss Auto Debits**

Bank Fees - Bloss	58.40
<b>Total</b>	<b><u>58.40</u></b>

Electronic Payments to CALPERS	0.00
Electronic Payment to DSCA	0.00
<b>Total</b>	<b><u>0.00</u></b>

<b>Grand Total</b>	<b><u>58.40</u></b>
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RUN DATE: 08/31/20  
 RUN TIME: 1504  
 RUN USER: COOKS

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

C  
 FROM 08/01/20 TO 08/31/20

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
08/06/20	038837	B0109	KORY BILLINGS	ISSUED	08/06/20	200.00	
08/06/20	038838	B0016	GUARDCO SECURITY SERVICES	ISSUED	08/06/20	13006.36	
08/06/20	038839	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	08/06/20	4849.52	
08/06/20	038840	B0283	MERCED COUNTY COUNSEL	ISSUED	08/06/20	1948.38	
08/06/20	038841	B0064	PETERSON, ALFONSE	ISSUED	08/06/20	200.00	
08/06/20	038842	B0260	ROBERT F. BOESCH	ISSUED	08/06/20	100.00	
08/06/20	038843	B0185	SJVAPCD	ISSUED	08/06/20	580.00	
08/06/20	038844	B0282	VIVIAN M PASSWATERS	ISSUED	08/06/20	100.00	
08/06/20	038845	B0013	WEST COAST GAS CO, INC.	ISSUED	08/06/20	589.82	
08/13/20	038846	B0285	AIR TREATMENT CORPORATION	ISSUED	08/13/20	31377.68	
08/13/20	038847	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	08/13/20	25083.37	
08/13/20	038848	B0132	CLARK PEST CONTROL	ISSUED	08/13/20	480.00	
08/13/20	038849	B0218	JOHN P. NIEMOTKA	ISSUED	08/13/20	405.00	
08/13/20	038850	B0218	JOHN P. NIEMOTKA	ISSUED	08/13/20	400.00	
			REMITTED TO: OCTANE ADVERTISING & DESIGN				
08/13/20	038851	B0091	OFFICE DEPOT	ISSUED	08/13/20	5628.78	
08/13/20	038852	B0014	PG&E (4705482162-5)	ISSUED	08/13/20	5958.54	
08/20/20	038853	B0072	BETA HEALTHCARE GROUP	ISSUED	08/20/20	416.67	
08/20/20	038854	B0286	ROBERT BURKS	ISSUED	08/20/20	150.00	
			REMITTED TO: BURKS BACK FLOW				
08/20/20	038855	B0001	CARRIER CORPORATION	ISSUED	08/20/20	4333.16	
08/20/20	038856	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	08/20/20	7093.08	
08/20/20	038857	B0027	CITY OF ATWATER PAYMENT CENTER	ISSUED	08/20/20	986.99	
08/20/20	038858	B0134	CITY OF ATWATER PAYMENT CENTER	ISSUED	08/20/20	654.34	
08/20/20	038859	B0058	ENERGY SYSTEMS	ISSUED	08/20/20	1042.75	
08/20/20	038860	B0284	NOVA HEATING AND AIR CONDITIONING	ISSUED	08/20/20	485.00	
08/20/20	038861	B0030	HD SUPPLY FACILITIES MAINTENANCE	ISSUED	08/20/20	439.88	
08/20/20	038862	B0133	MERCED COMMERCIAL SWEEPING	ISSUED	08/20/20	492.00	
08/20/20	038863	B0025	MERCED IRRIGATION DISTRICT	ISSUED	08/20/20	217.46	
08/20/20	038864	B0026	MERCED IRRIGATION DISTRICT	ISSUED	08/20/20	21971.66	
08/20/20	038865	B0004	MIT PLUMBING	ISSUED	08/20/20	113.87	
08/27/20	038866	B0109	KORY BILLINGS	ISSUED	08/27/20	200.00	
08/27/20	038867	B0132	CLARK PEST CONTROL	ISSUED	08/27/20	299.00	
08/27/20	038868	B0236	DIBUDUO & DEFENDIS INSURANCE BROKER	ISSUED	08/27/20	109.00	
08/27/20	038869	B0064	PETERSON, ALFONSE	ISSUED	08/27/20	200.00	
08/27/20	038870	B0260	ROBERT F. BOESCH	ISSUED	08/27/20	100.00	
			TOTAL \$			130212.31	