
PUBLIC NOTICE

Bloss Memorial Healthcare District, A Public Entity • 3605 Hospital Road, • Atwater, California 95301 •
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Date: September 23, 2021

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

Bloss Memorial Healthcare District will hold their next **Board of Directors** meeting on Thursday, September 30, 2021 at 2:00 pm in the Board Room at 3605 Hospital Road, Atwater, Ca 95301.

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

BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
3605 Hospital Road, Atwater, CA 95301
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, September 30, 2021
2:00 pm

AGENDA FOR PUBLIC SESSION

I.	CALL TO ORDER		
II.	ROLL CALL		
		<u>ACTION</u>	<u>EXHIBIT</u>
III.	APPROVAL OF AGENDA	*	
IV.	PUBLIC COMMENTS		
	Comments can be made concerning any matter within the Board’s jurisdiction; but if the matter is not on the agenda, there will be no Board discussion of the issue. Anyone wishing to address the Board on any issue, please stand and approach the microphone.		
V.	APPROVAL OF MINUTES		
	A. Approval of August 26, 2021 Board of Directors	*	1
VI.	FINANCIAL REPORT		
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VII.	CHIEF EXECUTIVE OFFICER REPORT		
	A. AAAHC Building Compliance Update		
VIII.	OLD BUSINESS		
	A. August Castle Family Health Centers, Inc Report		5
	B. Bloss Board Member Report		
IX.	NEW BUSINESS		
	A. Amendment 1 to Sublease Extension with CFHC for August Chai Enterprises, LLC (Day Break ADHC)	*	6
	B. Approval of FYE 2021 Draft Audit	*	7
	C. Dental Surgery Centers of America (DSCA) Sale to Blue Cloud Pediatric Surgery Centers, LLC	*	
	D. Funding Into Investment Account(s)	*	
	E. CFHC Grant Request for Sports Physicals	*	8
X.	APPOINTMENTS / CEREMONIAL MATTERS	*	

XI. AGENDA FOR CLOSED SESSION

Discussion under §54954.5(c); §54956.9 Conference with Legal Counsel for Initiation of Litigation. *Hernandez vs. CDSC, et al*

XII. NEXT MEETING DATE

XIII. ADJOURNMENT

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

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

**BLOSS MEMORIAL HEALTHCARE DISTRICT (BMHD)
BOARD OF DIRECTORS MEETING
BOARD ROOM
Thursday, August 26, 2021
2:00 pm**

CALL TO ORDER

Kory Billings, Board Chair, called the meeting to order at 2:10 pm.

ROLL CALL

Board Members Present: Vivian Passwaters, Board Secretary, Zone 1; Kory Billings, Chair, Zone 2; Kathy Flaherty, Zone 3 via Teleconference; Al Peterson, Treasurer, Zone 4 and

Others Present: Edward Lujano, CEO; Dawnita Castle, CFO; Jenna Anderson, County Legal Counsel via Zoom and Peter Mojarras, CFHC COO @ 2:05 pm

Absent: Bob Boesch, Board Member, Zone 5 and Fily Cale, Executive Assistant

APPROVAL OF AGENDA

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to approve the August 26, 2021 agenda as presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

A. Approval of July 29, 2021 Board of Directors Special Meeting, Exhibit 1

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to approved and accept the July 29, 2021 Board of Directors Meeting minutes as presented, Exhibit 1. Motion carried.

B. Approval of August 10, 2021 Board of Directors Special Meeting, Exhibit 1a

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to approved and accept the August 10, 2021 Board of Directors Special Meeting minutes as presented, Exhibit 1. Motion carried.

FINANCIAL REPORT

A. Approval of July 29, 2021 Finance Committee Meeting, Exhibit 2

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to approved and accept the July 29, 2021 Finance Committee Meeting minutes as presented, Exhibit 1. Motion carried.

C. July Chief Financial Officer Report, Exhibit 3

Dawnita Castle reported that for July 2021, BMHD had a net gain before depreciation of \$56,439, this time last year in July it was compared a net gain of \$80,746. Net income after depreciation was a loss of \$3,804. She spoke with the Finance Committee last month in June, BMHD had a loss of almost \$6,000 and this is about half of that. There were some unusual expenses that had happened in June, repairs and maintenance. For this month, repairs and maintenance was \$4,000 higher, there was a decrease in electricity of almost \$300, and last month was unusually high at almost \$5,000 from the prior month.

Days Cash on Hand is at 852 days, with a Cash Balance of \$3,323,050 and this is an increase of 12 days for a 2.5 years of cash. The cash increase was because last month BMHD had extra expenses of \$49,000 in repairs and maintenance, this month it was only \$6,000.

Total expenses do include \$10,564 of SKDSC costs.

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

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to approve and accept the July 2021 Payroll in the amount of \$9,158.42, Accounts Payable in the amount of \$162,646.60 for a Grant Total Disbursement of \$171,805.02, Exhibit 4. Motion carried.

CHIEF EXECUTIVE OFFICER REPORT

A. AAAHC Building Compliance Update

Edward Lujano, CEO, reported that several weeks ago, CCDSC had their re-inspection, they met many of the compliance issues that were still concerning. There are still some tweaks on the electrical re-design, but not major.

There is still a fire wall question that came up. The firewall on the east side of the surgery center exists on the east side of the hallway at the entryway, the re-surveyor stated that this should be part of the surgery center existence because it's part of the firewall. It's an easement, it's a hallway no one uses it and we're trying to get a second opinion on this and see what the options are.

The options now are if its left as it is with the firewall on the east side of the hallway, we'll need to shut the 2 doors, put fire pulls there and not have it accessible to anybody other than the surgery center, and it's a pass through for the whole building. The other alternative is to move the firewall to the west side of the hallway, some of it has been built out and he's asked Skip George of Commercial Construction to come out and review the options about finishing the firewall on that side of the hallway. If it's not a big expense he would rather complete the

firewall on the other end as the hallway is a pass through for everybody and it keeps CCDSC in its own location.

The exterior grass is getting greener here at Castle and some areas are still very dry, but it's getting there.

The air handler is out that controls the Castle Family Dental area and has not yet been replaced. They've had to re-create the part and there is none in existence.

Edward Lujano had a discussion with Wes Isaac, SKDSC, as there was an issue with the boiler system which is the heating system at the surgery center. David Thompson said that they were not getting any hot water, he got a quote and they wanted to replace the boiler system. The quote was forwarded to Wes Isaac. There has been no response from West Isaac or David Thompson.

OLD BUSINESS / REPORTS

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

Peter Mojarras, CFHC COO, reported CFHC has tested over 25,000 individuals for COVID, of that 18,000 have been negative and 5,000 have been positive. The county is starting to see a surge and CFHC is seeing about 250 per day with 40-50 positive per day. Santa Clara County has 71% fully vaccinated and Merced County is at 34%, this is a huge problems and leads to what we're dealing with right now. ICU beds are at capacity and now they are opening overflow areas for people being admitted to the hospital.

Schools opened 2 weeks ago and it is projected anywhere from 30-60 days that we'll begin to see the impact of what is occurring with the local students. CFHC will be impacted by that as kids are being quarantined at home and mom and dad will have to be home with the child. CFHC is dealing with critical shortages of staff from nursing to front office. There is no solution for staff shortages, CFCH is reaching out to staffing agencies and they also don't have anybody available. The peak potential of this pandemic will be around October.

He spoke to the UC Merced Chancellor today and he expressed his concerns he also has with the university and with other entities in this county. He is very vocal about how he feels about people not being vaccinated.

The Delta Variance is very aggressive and it multiplies. The original virus was a one to two, one to three, this one is more like seven to eight and many people will get infected if they're unvaccinated. CFHC is looking at mandates as many other organizations are. Those that are unvaccinated will be required to be tested on a weekly basis and wearing a mask at all times. CFHC will be moving in this directions soon.

CFHC is also preparing to provide a booster on September 20th. The two that can be provided are Pfizer and Moderna. No guidelines have been provided yet, if for 65 and older or health care workers or open to all from the beginning. The J&J does not have an approved booster at this time as they feel that the antibodies and recovers is extended and will provide additional coverage for those hat received the J&J.

CFHC is staying engaged with patients via technology and to have them come in for appointments and offering video appointments.

He thanked the Board of Directors for their continued support and CFHC is continuing to recruit and get back to as much normalcy as they can.

Alfonse Peterson asked the status of the people getting hospitalized, are they getting pharmaceuticals. Peter Mojarras replied that those medications that have been approved the hospitals have that and they are also doing the mitochondrial antibody treatment. This is to keep them out of the hospital. The percentage of break throughs in Merced County have been with the Pfizer vaccine and then Moderna. Statistically J&J has shown to have a longer protection for the individual who received the J&J.

Data is always being collected and 95%-98% that are in the hospital are the unvaccinated. The vaccine is affective and break throughs are occurring, and they are having mild symptoms.

Kory Billings stated that they're hearing reports of multiple hour waits in order to just get the test, is there something that the BMHD Board of Directors can do to assist CFHC with speeding up this process for the community. Peter Mojarras replied that he appreciates the support, but it is staffing issues right now, CFHC has hit a critical point. Most of the calls are that a child has been exposed and now staff has to stay home with the child. Traffic control has also been challenging as has the issue with restrooms available as people wait 3-4 hours, and someone has to sanitize the restrooms. Sprayers have been used, but CFHC doesn't have the staff.

Traffic control or additional security would be helpful along with additional staff that can do the registration process. A couple of stations have been identified to do registration, but not enough staff for that. Outside Wi-Fi connectivity would for registration at the vehicles would also be helpful as its lost when you move further out, it would allow for it to automatically go in and just print the labels inside the clinic.

Kory Billings commented that for less than \$25 per month you can get a MiFi, which is basically a hotspot, you can run 3-4 computers off of it out there, Verizon has them. BMHD may have an opportunity to step up and use some grant money to help CFHC, Kory Billings asked Peter Mojarras to gather some numbers together and bring to the Board of Directors.

Edward Lujano stated that he had authorized the security guard to start at 8am instead of noon and he is controlling the traffic flow on Hospital Road for COVID testing. They have a double shift individual because he's getting complaints from tenants as traffic is piling up on Hospital Road. Peter Mojarras mentioned that CFHC would almost need 2 security guards, one just for traffic control, WiFi, carts and staffing. Kory Billings mentioned the Board of Directors would need some numbers and they know how much it's going to cost, it may be an opportunity for assistance.

B. Bloss Board Member Report

Kory Billings, Board Chair, reported that the Bloss Board of Directors met with Wells Fargo and was provided an update, although not all questions were answered. Only one of the representative, from Wells Fargo was able to attend and many questions were left to be answered. Dawnita Castle is working with them to try and get some of the questions answered. A copy of the report was provided to Fily Cale, Executive Assistant, who will put it with these minutes for public record.

NEW BUSINESS

A. Conflict of Interest Policy for Ung Goodwin Trust from Wells Fargo Bank, Exhibit 6

Edward Lujano reported that this Conflict of Interest policy needs to be adopted by this Board to continue to release the funds to the organization. It shows that BMHD meets all of the compliances under the guidelines of their governance.

Jenna Anderson, Legal Counsel, read the policy and nothing stood out to her as being questionable in pre boiler plate and standard.

A motion was made / seconded, (Kory Billings / Vivian Passwaters) that the Board adopt the Conflict of Interest Policy for the Ung Goodwin Trust and authorize the members to sign such policy, Exhibit 6. Motion carried.

B. Resolution 21-1 Energy Partnership Program California Energy Commission, Exhibit 7

Edward Lujano mentioned that there had been discussion on opportunities about looking at how BMDH can improve the infrastructure, specifically the HVAC system and the energy efficiency for the buildings. He researched grants and called ACHD and they did not have any grants for Special Districts.

He was able to find through the Energy Conservation Assistance Act (ECAA) for Special District, they do offer loans for improving your energy usage. The loans are at 1% paid over 20 years, but you do have to demonstrate that what you want to do would be truly energy efficient and there is a feasibility study that they have to do. ECAA provides support for both HVAC, solar and lighting systems. The feasibility study is \$20,000, but there is a grant to apply for to be able to have the study done.

This resolution is to apply for this grant for this agency to do the feasibility study. He explained to this group that the Castle building has chillers, but it is an unbalance system, some areas are hot and some are freezing. They also suggested looking at solar.

Edward Lujano is asking the board to approve the resolution, so that he can apply for this feasibility study to be done.

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) to approve Resolution 21-1 and authorize for signature, Exhibit 7. Motion carried.

C. CFHC Request of Grant Funds from Ung Goodwin Trust, Exhibit 8

Kory Billings stated that there are funds available from the Ung Goodwin Trust, which BMHD is required to use and has to put in a request for the money.

Peter Mojarras presented a request for funds from the Ung Goodwin Trust for vision, flu shots and to assist people with their bills. With the pandemic it is critical to start early with purchasing flu shots. The vision program is also expanding and they see the importance of supporting people for their eye exams and glasses. Many of the seniors who reside in Merced County in many cases are unable to pay their bills, and this helps to offset their costs.

Kory Billings asked Dawnita Castle, CFO, what the amount is from the trust. She replied that the amount is \$7,000.

Kory Billings asked if CFHC was requesting the \$7,000. Peter Mojarras replied that they are requesting the full amount of \$7,000.

Kory Billings stated that the Board of Directors wants to work together this year, as they are using this trust and provide this board with more information and more data. To gather as we go so that at the end we're not trying to bring it together. The board needs more information as to how the money is being spent.

Dawnita Castle stated that in NextGen they have an actual insurance group that is called Ung Goodwin Fund. When the patient comes in, registration is qualifying them and putting it in that insurance group. The billing department reconciles it and sometimes they don't qualify and then they will move them out and move them in and bill them. CFHC does have the visits and knows the amount that they would have charged them. Then these charges are adjusted off and it's a zero charge for them. When it comes to finding bad debts, the Business Office is the one that goes in there and looks and sees if they are resident of this county and they qualify and then they will submit those to Fily Cale, Executive Assistant. They are approved by Dawnita Castle, CFO.

Peter Mojarras also mentioned that when it comes to vision and flu shots, they had a list of names, which are not given.

Kory Billings replied that he is not looking for names, specifically a breakdown, "CFHC gave out 6,000 flu shots that BMHD helped cover the cost of; 200 from Atwater residents, 500 from Winton residents and 300 residents out of Merced". As a District they want to know where the money is going.

Peter Mojarras thanked the Board of Directors.

A motion was made / seconded, (Alfonse Peterson / Vivian Passwaters) that BMHD provide \$7,000 from the Ung Goodwin Trust Fund to CFHC, Exhibit 8. Motion carried.

APPOINTMENTS / CEREMONIAL MATTERS

None

AGENDA FOR CLOSED SESSION

Discussion under Section 54954.5(h) Report Involving Trade Secrets – Regarding New Services. Estimated date of public disclosure October 2021.

NEXT MEETING DATE

The next Board of Directors Meeting will be held on Thursday, September 30, 2021 at 2:00 p.m. in the Board Room.

ADJOURNMENT

As there was no further business, the meeting adjourned into Closed Session at 2:576 pm.

The Closed Session reported out that Kory Billings and Edward Lujano be appointed to begin conversation with potential developer regarding the Bloss Site space. The vote was unanimous to proceed with that.

The meeting reconvened into public session at 3:14 pm and adjourned.

Respectfully Submitted,

Fily Cale
Executive Assistant

Vivian Passwaters
Board Secretary

**BLOSS MEMORIAL HEALTHCARE DISTRICT, A Public Entity (BMHD)
FINANCE COMMITTEE MEETING
BOARD ROOM
Thursday, August 26, 2021
1:30 p.m.**

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

Others Present: None

Absent: None

CALL TO ORDER

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

APPROVAL OF AGENDA

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve the August 26, 2021 agenda as presented. Motion carried.

PUBLIC COMMENTS

None.

APPROVAL OF FINANCE COMMITTEE MINUTES

A. July 29, 2021 Finance Committee Meeting Minutes, Exhibit 1

A motion was made / seconded, (Kory Billings / Edward Lujano) to approve the July 29, 2021 Finance Committee meeting minutes as presented, Exhibit 1. Motion carried.

REVIEW OF FEBRUARY FINANCIAL STATEMENTS, EXHIBIT 2

Dawnita Castle, CFO, reported that for July 2021, BMHD had a total net gain before depreciation of \$56,439 compared to a net gain last year of \$80,746. The net income was a loss after depreciation of \$3,804. There were \$49,000 worth of more expenditures, the repairs and maintenance for the cooling towers and doors. This month the repairs and maintenance was almost doubled at \$8,000 in total. BMHD only covered about \$6,600 of the repairs that were done in July \$4,000 more for repairs and maintenance versus last month.

Also, last month was a record high electricity and this month it decreased by \$300. The total Operation Cash Balance was at \$3,323,050 and Days Cash on Hand did increase to 852 days for a 12 day increase. BMHD had \$50,000 that was paid last month in repairs and this month only \$6,000 paid in repairs.

Expenses do include \$10,564 of SKDSC costs.

Alfonse Peterson asked if rent is considered operating revenue. Dawnita Castle replied that it is under Non Operating Revenue, this can be changed as before it was always underneath that to keep the line item consistent. He was only wondering where it was carried.

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

WARRANTS AND PAYROLL

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

A motion was made/seconded, (Kory Billings / Edward Lujano) to approve and accept the July 2021 Total Payroll in the amount \$9,158.42 and Total Accounts Payable in the amount of \$162,646.60 for a total Grand Total Disbursement of \$171,805.02, Exhibit 4. Motion carried.

Alfonse Peterson mentioned that on the LPL the new accounts BMHD is in, including Blackrock Emerging Markets, Blackrock Equity Dividend and there are several accounts in there that have unrealized capital loss. The way they manage is that they managed them for the risk number and his understanding is that it would be of funds that were at the top of the scale.

It was recommended that ThiesenDueker provide a brief overview next month.

OLD BUSINESS

None.

DISCUSSION

None.

AGENDA FOR CLOSED SESSION

None.

NEXT MEETING DATE/ADJOURNMENT

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

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

Respectfully Submitted,

Fily Cale
Executive Assistant

Alfonse Peterson
Committee Chair

AUGUST CHIEF FINANCIAL OFFICER REPORT

BMHD had a total net gain before depreciation of \$72,511 for the month compared to a net gain of \$74,545 last year. Net income after depreciation was a gain of \$11,092.

Expenses include \$10,612 of SKDSC costs.

The August, Operating Cash Balance was \$3,075,290 and Days Cash On Hand decreased to 765 Days*. In July the DCH was 852 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-21	Aug-20	VARIANCE *	%	Y-T-D Aug-21	Y-T-D Aug-20	Y-T-D VARIANCE *	Y-T-D %
Net Patient Revenue	0	0	0	NA	0	0	0	N/A
Other Operating Revenue	0	1,637	(1,637)	NA	62	1,694	(1,632)	-96.34%
Total Net Operating Revenue	0	1,637	(1,637)	NA	62	1,694	(1,632)	-96.34%
Operating Expenses Excluding Depreciation	124,644	114,918	(9,726)	-8.46%	245,516	224,813	(20,703)	-9.21%
Net Operating Income (Loss) Before Depreciation	(124,644)	(113,281)	(11,363)	-10.03%	(245,454)	(223,119)	(22,335)	-10.01%
Net Non Operating-Gains/Losses								
Gain/Loss on Investments	23,021	32,978	(9,957)	-30.19%	28,671	71,094	(42,423)	-59.67%
Grant Donation Expense	0	14,535	(14,535)		0	29,535	(29,535)	
All Other Non-Operating Gains/Losses	174,134	140,314	(33,820)	-24.10%	345,733	277,783	67,950	24.46%
Total Net Non-Operating Income: Losses/Gains	197,155	187,826	(9,329)	-4.97%	374,404	378,412	(4,008)	-1.06%
Total Net Income (Loss) Before Depreciation	72,511	74,545	(2,034)	-2.73%	128,950	155,293	(26,343)	-16.96%
Depreciation Expense	61,419	59,074	2,345	3.97%	121,662	117,780	3,882	3.30%
Net Income (Loss) After Depreciation	11,092	15,471	(4,379)	-28.30%	7,288	37,513	(30,225)	-80.57%

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

Bloss Memorial HealthCare District
 Operations Summary Report
 Two Months Ending August 31, 2021

BMHD FULL TIME EQUIVALENTS SUMMARY :

(See FTE report included in Financial Reports for detail)

	Aug-21	Aug-20	VARIANCE	%	Y-T-D Aug-21	Y-T-D Aug-20	Y-T-D VARIANCE *	Y-T-D %
EMPLOYEE FTE'S	1.00	1.00	0.00	0.00%	1.00	1.00	0.00	0.00%
CONTRACT FTE'S	4.93	4.04	(0.90)	-22.28%	4.97	3.96	(1.00)	-25.25%
TOTAL FTE'S	5.93	5.04	(0.90)	-17.86%	5.97	4.96	(1.01)	-20.36%

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

Full Time Equivalent - Employees for the month are 0.00% the same as the prior year with 1.00 FTE'S

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

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

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

	CURRENT MO. AUG 2021	PRIOR MONTH JUL 2021	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2020
ASSETS					
CURRENT ASSETS					
CASH AND EQUIVALENTS					
CASH - GENERAL CHECKING	1,713,434	1,958,391	(244,957)	(12.51)%	1,278,635
CDSC CASH - NEW GENERAL CHK	122	147	(25)	(16.98)%	1,442
CDSC CASH - GENERAL CHECKING	19,865	18,921	944	4.99%	9,052
CCDS-GENERAL CHECKING	0	0	0	0.00%	3,474
CCDSC-GENERAL CHECKING	0	0	0	0.00%	20,609
CASH - PAYROLL ACCOUNT	8,699	8,699	0	0.00%	8,699
CASH - LAIF SAVINGS ACCOUNT	952,185	952,098	87	0.01%	1,084,778
LAIF - FUNDED DEPRECIATION	449,946	449,946	0	0.00%	316,358
CASH-BBVA MONEY MARKET ACCOUNT	510,251	510,242	9	0.00%	509,916
MARKETABLE SECURITIES CAP IMP	1,077,311	1,059,295	18,016	1.70%	635,998
MARKETABLE SECURITIES GRANTS	639,463	634,458	5,005	0.79%	353,998
TOTAL CASH AND EQUIVALENTS	5,371,275	5,592,196	(220,921)	(3.95)%	4,222,958
PATIENT ACCOUNTS RECEIVABLE					
ALLOWANCES					
TOTAL ALLOWANCES	0	0	0	0.00%	0
OTHER RECEIVABLES					
DSCA RECEIVABLE	10,750	10,750	0	0.00%	10,750
RENT RECEIVABLE	(2,893)	(3,124)	231	(7.39)%	40,246
PROPERTY TAX RECEIVABLE	64,090	72,157	(8,067)	(11.18)%	64,090
CFHC INC RECEIVABLE	17,140	0	17,140		389
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
OTHER ACCOUNTS RECEIVABLE	98,274	0	98,274		0
ALLOWANCES FOR OTHER RECEIVABLES					
NET OTHER ACCOUNTS RECEIVABLE	2,337,361	2,229,782	107,579	4.82%	2,265,476
INVENTORY					
PREPAID EXPENSES AND DEPOSITS					

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

	CURRENT MO: AUG 2021	PRIOR MONTH JUL 2021	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2020
PREPAID INSURANCE	74,944	5,792	69,153	1,194.04%	30,473
PREPAID RENT	19,390	0	19,390		0
PREPAID EXPENSE - SYSTEM	0	0	0	0.00%	417
PREPAID EXPENSE - MANUAL	10,987	12,592	(1,606)	(12.75)%	3,987
TOTAL PREPAID EXPENSES AND DEPOSITS	105,321	18,384	86,937	472.90%	34,876
TOTAL CURRENT ASSETS	7,813,957	7,840,362	(26,405)	(0.34)%	6,523,311
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	21,968,557	21,897,706	70,851	0.32%	21,823,951
CASTLE BUILDING AND IMPROVEMEN	1,404,762	1,392,603	12,158	0.87%	1,353,689
SKDSC BUILDING AND IMPROVEMENT	20,705	20,705	0	0.00%	20,705
BLOSS REMODLE	832,986	832,986	0	0.00%	832,986
CASTLE REMODEL-EAST WING FY 03	126,551	126,551	0	0.00%	126,551
PRKNG LOT & IMPROVEMENTS	138,713	138,713	0	0.00%	138,713
EQUIPMENT - FIXED	1,268,247	1,268,247	0	0.00%	1,268,247
COMMUNICATION LINES FY 03	452,829	452,829	0	0.00%	452,829
SKDSC EQUIPMENT-FIXED	66,746	66,746	0	0.00%	66,746
LEASEHOLD IMPROVEMENTS	17,063	17,063	0	0.00%	17,063
SKDSC LEASEHOLD IMPROVEMENTS	90,895	90,895	0	0.00%	90,895
EQUIPMENT - MAJOR MOVABLE	4,650,180	4,650,180	0	0.00%	4,638,963
MEDITECH HARDWARE	223,353	223,353	0	0.00%	223,353
MEDITECH IMPLEMENTATION COSTS	222,216	222,216	0	0.00%	222,216
EQUIPMENT - MINOR	468,073	468,073	0	0.00%	463,214
MEDITECH SOFTWARE	277,372	277,372	0	0.00%	277,372
TOTAL PROPERTY PLANT AND EQUIPMENT	34,486,858	34,403,849	83,009	0.24%	34,275,104
ACCUMULATED DEPRECIATION					
ACCUM DEPREC - LAND IMPROVMNTS	(144,157)	(143,030)	(1,127)	0.79%	(130,636)
ACCUM DEPREC - BLDGS & IMPROV	(10,652,814)	(10,600,069)	(52,745)	0.50%	(10,031,482)
SKDSC DEPREC-BLDGS & IMPROV	(13,803)	(13,228)	(575)	4.35%	(6,902)
ACCUM DEPREC - FIXED EQUIP	(2,047,469)	(2,045,741)	(1,728)	0.08%	(2,026,729)
SKDSC ACCUM DEPREC-FIXED EQUIP	(3,340)	(3,240)	(101)	3.10%	(2,135)
ACCUM DEPREC - LEASEHOLD IMPRV	(75,069)	(73,953)	(1,116)	1.51%	(60,861)
SKDSCACCUM DEPREC-LEASH IMPROV	(39,546)	(39,304)	(242)	0.62%	(36,645)
ACCUM DEPREC - MAJOR MOVE EQPT	(4,524,267)	(4,520,562)	(3,705)	0.08%	(4,486,913)
ACCUM DEPREC - MINOR EQUIPMENT	(575,536)	(575,455)	(81)	0.01%	(575,455)
TOTAL ACCUMULATED DEPRECIATION	(18,076,000)	(18,014,581)	(61,419)	0.34%	(17,357,756)

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

	CURRENT MO. AUG 2021	PRIOR MONTH JUL 2021	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2020
NET PROPERTY, PLANT, AND EQUIPMENT	16,410,858	16,389,268	21,590	0.13%	16,917,348
ASSETS LIMITED AS TO USE					
CASH - UNG GOODWIN TRUST	212,503	209,887	2,617	1.25%	164,006
TOTAL RESTRICTED ASSETS	212,503	209,887	2,617	1.25%	164,006
OTHER ASSETS					
TOTAL ASSETS LIMITED AS TO USE	16,623,361	16,599,155	24,207	0.15%	17,081,354
TOTAL ASSETS	24,437,318	24,439,517	(2,199)	(0.01)%	23,604,665
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE - VENDORS	54,134	42,172	(11,961)	28.36%	27,812
ACCOUNTS PAYABLE - ACCRUALS	29,123	37,231	8,108	(21.78)%	40,501
ACCOUNTS PAYABLE - OTHER	25,583	24,283	(1,300)	5.35%	19,468
CASTLE INC PAYABLE	34,814	51,431	16,618	(32.31)%	31,326
DSCA PAYABLE	68,960	65,151	(3,809)	5.85%	31,713
TOTAL ACCOUNTS PAYABLE	212,613	220,269	7,656	(3.48)%	150,820
ACCRUED PAYROLL					
ACCRUED SALARY AND WAGES	4,167	8,975	4,808	(53.57)%	4,167
ACCRUED VACATION	15,293	14,492	(801)	5.53%	16,066
FICA PAYABLE	319	687	368	(53.57)%	319
PENSION PLAN ACCRUAL	800	5,200	4,400	(84.62)%	5,849
OTHER PAYROLL PAYABLES	631	107	(524)	490.46%	94
TOTAL ACCRUED PAYROLL	21,209	29,460	8,251	(28.01)%	26,494
OTHER CURRENT LIABILITIES					

RUN DATE: 09/22/21
 RUN TIME: 1310
 RUN USER: DAMEDA

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

	CURRENT MO. AUG 2021	PRIOR MONTH JUL 2021	\$ CHANGE	% CHANGE	PRIOR YEAR AUG 2020
INTERCORPORATE TRANSFERS					
TOTAL CURRENT LIABILITIES	233,822	249,729	15,907	(6.37)%	177,314
LONG TERM LIABILITIES					
SBA PPE FUND	0	0	0	0.00%	16,358
TOTAL LONG TERM LIABILITIES	0	0	0	0.00%	16,358
TOTAL LIABILITIES	233,822	249,729	15,907	(6.37)%	193,672
FUND BALANCES					
UNG GOODWIN TRUST	212,503	209,887	(2,617)	1.25%	164,006
TOTAL RESTRICTED FUND BALANCE	212,503	209,887	(2,617)	1.25%	164,006
UNRESTRICTED FUND BALANCE					
CAPITAL - BMHCD	3,664,861	3,664,861	0	0.00%	2,890,630
DONATED CAPITAL	20,318,844	20,318,844	0	0.00%	20,318,844
CURRENT YR NET INCOME (LOSS)	7,288	(3,804)	(11,092)	(291.60)%	37,513
TOTAL FUND BALANCE	24,203,496	24,189,788	(13,708)	0.06%	23,410,993
TOTAL LIABILITIES AND FUND BALANCES	24,437,318	24,439,517	2,199	(0.01)%	23,604,665

Castle Family Health Centers GL **LIVE**

BLOSS MEMORIAL HEALTHCARE DISTRICT
 SUMMARY INCOME STATEMENT
 PRIOR YEAR COMPARISON
 AUG. 2021

	AUG. 2021 ACTUAL	AUG. 2020 ACTUAL	\$ VARIANCE	% VARIANCE	AUG. 2021 YTD ACTUAL	AUG. 2020 YTD ACTUAL	\$ VARIANCE	% VARIANCE
PATIENT SERVICES REVENUE								
DEDUCTIONS FROM REVENUE								
TOTAL DEDUCTIONS FROM REVENUE	0	0	0.00	0%	0	0	0	0.00%
NET PATIENT REVENUE	0	0	0.00	0%	0	0	0	0.00%
OTHER REVENUE	0	1,637	(1,637.00)	(100)%	62	1,694	(1,632)	(96.36)%
TOTAL NET OPERATING REVENUE	0	1,637	(1,637.00)	(100)%	62	1,694	(1,632)	(96.36)%
OPERATING EXPENSES								
SALARIES AND WAGES	9,134	8,750	(384.62)	(4)%	18,269	17,884	(385)	(2.15)%
EMPLOYEE BENEFITS	1,438	1,543	105.06	7%	3,054	3,086	32	1.04%
PROFESSIONAL FEES	4,656	3,530	(1,125.65)	(32)%	6,575	8,269	1,694	20.48%
SUPPLIES	622	59	(563.25)	(961)%	938	3,653	2,714	74.31%
PURCHASED SERVICES	50,453	53,161	2,707.82	5%	110,021	96,786	(14,235)	(14.86)%
DEPRECIATION	61,419	59,074	(2,344.45)	(4)%	121,662	117,780	(3,882)	(3.30)%
RENTS AND LEASES	9,695	9,695	(0.23)	0%	19,342	19,293	(48)	(0.25)%
UTILITIES	33,290	33,840	550.07	2%	66,511	68,848	2,337	3.39%
INSURANCE	12,884	3,467	(9,416.56)	(272)%	17,714	6,826	(10,889)	(159.53)%
OTHER EXPENSES	2,473	873	(1,599.51)	(183)%	3,091	1,168	(1,923)	(164.59)%
TOTAL OPERATING EXPENSE	186,063	173,992	(12,071.32)	(7)%	367,178	342,593	(24,585)	(7.18)%
NET INCOME FROM OPERATIONS	(186,063)	(172,355)	(13,708.32)	8%	(367,116)	(340,899)	(26,217)	7.69%
NON-OPERATING REVENUE	197,155	202,361	(5,205.90)	(3)%	374,404	407,947	(33,542)	(8.22)%
NON-OPERATING EXPENSE	0	14,535	14,534.58	100%	0	29,535	29,535	100.00%
NET NON-OPERATING INCOME	197,155	187,826	9,328.68	5%	374,404	378,412	(4,008)	(1.06)%
NET INCOME	11,092	15,471	(4,379.64)	(28)%	7,288	37,513	(30,225)	(80.57)%

NOTE: UNFAVORABLE VARIANCES ARE SHOWN IN PARENTHESES

AUGUST PAYROLL, ELECTRONIC PAYMENTS
& CHECK REGISTER

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

Payroll		\$14,347.23
Total Payroll		<u><u>\$14,347.23</u></u>

Accounts Payable:

A/P Checks	Bloss	<u>\$424,107.05</u>	<u>\$424,107.05</u>
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BLOSS

Auto Debits		\$48.30	
Electronic Payment on Credit Card		<u>\$865.00</u>	
Total Auto Debits and Electronic Transfers		<u>\$913.30</u>	<u>\$913.30</u>

Electronic Payments - ACH		<u>\$0.00</u>	<u>\$0.00</u>
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Total Accounts Payable			<u><u>\$425,020.35</u></u>
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Grand Total Disbursements			<u><u>\$439,367.58</u></u>
----------------------------------	--	--	----------------------------

BLOSS	Payroll Disbursements for		August-21
	Payroll dated		
Earnings	08/05/21	08/20/21	Total
Regular	-	-	-
Overtime			-
Vacation	4,808.00		4,808.00
Sick			-
Holiday			-
Salary	4,166.67	4,166.67	8,333.34
Double Time			-
Call In			-
On Call			-
Other			-
			-
Total	8,974.67	4,166.67	13,141.34
			-
Deductions			-
FICA (+)	686.56	318.75	1,005.31
Insurance (-)			-
Emp Deduction(-)/Reimb(+)			-
Christmas Fund (-)			-
Process Fee (+)	106.79	93.79	200.58
			-
Total	793.35	412.54	1,205.89
			-
			-
Net Payroll	\$ 9,768.02	\$ 4,579.21	14,347.23

RUN DATE: 09/01/21
 RUN TIME: 1425
 RUN USER: COOKS

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

C
 FROM 08/01/21 TO 08/31/21

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
08/06/21	039213	B0072	BETA HEALTHCARE GROUP	ISSUED	08/06/21	875.00	
			COMMENT: REPLACES PMT NO: D131283				
08/06/21	039214	B0109	KORY BILLINGS	ISSUED	08/06/21	200.00	
08/06/21	039215	B0001	CARRIER CORPORATION	ISSUED	08/06/21	685.50	
08/06/21	039216	B0048	CENTRAL VALLEY DISPOSAL	ISSUED	08/06/21	397.98	
08/06/21	039217	B0134	CITY OF ATWATER PAYMENT CENTER	ISSUED	08/06/21	1556.63	
08/06/21	039218	B0132	CLARK PEST CONTROL	ISSUED	08/06/21	795.00	
08/06/21	039219	B0016	GUARDCO SECURITY SERVICES	ISSUED	08/06/21	13004.20	
08/06/21	039220	B0030	HD SUPPLY FACILITIES MAINTENANCE	ISSUED	08/06/21	380.01	
08/06/21	039221	B0304	KATHLEEN FLAHERTY	ISSUED	08/06/21	100.00	
08/06/21	039222	B0017	MERCED COUNTY - CASTLE AIRPORT	ISSUED	08/06/21	4497.17	
08/06/21	039223	B0212	JAVIER L MENDOZA	ISSUED	08/06/21	2775.00	
			REMITTED TO: NATURAL GARDENS				
08/06/21	039224	B0064	PETERSON, ALFONSE	ISSUED	08/06/21	200.00	
08/06/21	039225	B0260	ROBERT F. BOESCH	ISSUED	08/06/21	100.00	
08/06/21	039226	B0302	SAN JOAQUIN GLASS OF MERCED, INC	ISSUED	08/06/21	1589.00	
08/06/21	039227	B0229	SECRETARY OF STATE	ISSUED	08/06/21	1.00	
08/06/21	039228	B0282	VIVIAN M PASSWATERS	ISSUED	08/06/21	100.00	
08/06/21	039229	B0303	TRAVELERS CL REMITTANCE CENTER	ISSUED	08/06/21	83615.00	
08/13/21	039230	B0005	A-1-A/PRESTON'S LOCK SHOP	ISSUED	08/13/21	728.46	
			REMITTED TO: A-1-A PRESTON'S LOCK SHOP				
08/13/21	039231	B0233	COMMERCIAL CONSTRUCTION CO.	ISSUED	08/13/21	2325.12	
08/13/21	039232	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	08/13/21	104.95	
08/13/21	039233	B0225	HOFFMAN SECURITY	ISSUED	08/13/21	694.90	
08/18/21	039234	B0197	MASS MUTUAL	ISSUED	08/18/21	4800.00	
08/23/21	039235	B0054	CASTLE FAMILY HEALTH CENTERS, INC.	ISSUED	08/23/21	51431.41	
08/23/21	039236	B0289	CHEMSEARCHFE	ISSUED	08/23/21	532.97	
08/23/21	039237	B0058	WEST COAST ENERGY SYSTEMS	ISSUED	08/23/21	3946.46	
			REMITTED TO: WEST COAST ENERGY SYSTEMS LLC				
08/23/21	039238	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	08/23/21	218.68	
08/23/21	039239	B0253	JOHNSON CONTROLS FIRE PROTECTION LP	ISSUED	08/23/21	12158.39	
08/23/21	039240	B0133	MERCED COMMERCIAL SWEEPING	ISSUED	08/23/21	240.00	
08/23/21	039241	B0218	JOHN P. NIEMOTKA	ISSUED	08/23/21	400.00	
			REMITTED TO: OCTANE ADVERTISING & DESIGN				
08/23/21	039242	B0014	PG&E (4705482162-5)	ISSUED	08/23/21	6674.11	
08/23/21	039243	B0302	SAN JOAQUIN GLASS OF MERCED, INC	ISSUED	08/23/21	959.00	
08/23/21	039244	B0013	WEST COAST GAS CO, INC.	ISSUED	08/23/21	371.30	
08/25/21	039245	K0003	M-D VENTURES	ISSUED	08/25/21	19390.11	
08/27/21	039246	B0001	CARRIER CORPORATION	ISSUED	08/27/21	1118.00	
08/27/21	039247	B0027	CITY OF ATWATER PAYMENT CENTER	ISSUED	08/27/21	1626.70	
08/27/21	039248	B0134	CITY OF ATWATER PAYMENT CENTER	ISSUED	08/27/21	654.34	
08/27/21	039249	B0032	GRAINGER INDUSTRIAL SUPPLY	ISSUED	08/27/21	1936.01	
08/27/21	039250	B0253	JOHNSON CONTROLS FIRE PROTECTION LP	ISSUED	08/27/21	8193.73	
08/27/21	039251	B0305	LAYMAN ELECTRIC INC.	ISSUED	08/27/21	22367.99	
08/27/21	039252	B0025	MERCED IRRIGATION DISTRICT	ISSUED	08/27/21	21576.10	
08/27/21	039254	B0016	GUARDCO SECURITY SERVICES	ISSUED	08/31/21	12903.00	
08/27/21	039255	K0003	M-D VENTURES	ISSUED	08/31/21	19390.11	

RUN DATE: 09/01/21
RUN TIME: 1425
RUN USER: COOKS

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

C
FROM 08/01/21 TO 08/31/21

DATE	CHECK NUM	VENDOR NUM	VENDOR NAME	STATUS	STATUS DATE	AMOUNT	
						ISSUED/ CLEARED	VOIDED/ UNCLAIMED
08/27/21	039256	B0290	VANGUARD CLEANING SYSTEMS OF THE	ISSUED	08/31/21	17140.00	
08/31/21	039253	B0275	BELFOR USA GROUP, INC.	ISSUED	08/31/21	101353.72	
TOTAL \$						424107.05	

Bloss Memorial Healthcare District
August-21

Bloss Electronic Transfers

Bloss Auto Debits

Electronic Payment on Credit Card	865.00
Bank Fees - Bloss	48.30
Total	<u>913.30</u>

Total **0.00**

Grand Total **913.30**

AUGUST CASTLE FAMILY HEALTH CENTERS, INC
REPORT

Castle Family Health Centers Inc
 Operations Summary Report
 Two Months Ending August 31, 2021

Total encounters for the month are 15,828 compared to 14,214 last year 11.36% increase.

Department	Aug-21	Aug-20	VARIANCE	%	Y-T-D Aug-21	Y-T-D Aug-20	Y-T-D VARIANCE *	Y-T-D %
Castle Clinic	6,480	5,358	1,122	20.94%	11,089	11,633	(544)	-4.68%
Specialty Clinic	1,059	1,150	(91)	-7.91%	2,094	2,326	(232)	-9.97%
Bloss Clinic	809	752	57	7.58%	1,373	1,585	(212)	-13.38%
Winton Clinic	1,136	1,057	79	7.47%	2,078	1,731	347	20.05%
Urgent Care	1,685	940	745	79.26%	2,341	2,503	(162)	-6.47%
Lab	2,944	3,027	(83)	-2.74%	5,129	7,727	(2,598)	-33.62%
Radiology	390	619	(229)	-37.00%	996	922	74	8.03%
Behavioral Health	228	380	(152)	-40.00%	474	661	(187)	-28.29%
Optometry	565	513	52	10.14%	1,063	991	72	7.27%
Winton Dental	324	418	(94)	-22.49%	763	763	0	0.00%
Castle Dental	208	0	208	N/A	208	0	208	#DIV/0!
TOTAL ENCOUNTERS	15,828	14,214	1,614	11.36%	27,608	30,842	(3,234)	-10.49%

August-21 Working Days 22
 August-20 Working Days 21

AMENDMENT 1 TO SUBLEASE EXTENSION WITH CFHC
FOR AUGUST CHAI ENTERPRISES, LLC
(DAY BREAK ADHC)



Castle Family
Health Centers, Inc.

September 13, 2021

To: Bloss Memorial Healthcare District
Board of Directors

From: Castle Family Health Centers, Inc

Re: Extension of Day Break Adult Day Health Care Center Sublease

Castle Family Health Centers would like to extend its current sublease with August Chai Enterprises, LLD. August Chai Enterprises is currently managing the Day Break Program at the Bloss Memorial Building and the current sublease terminates on December 31, 2021.

Castle Family Health Centers would like to extend the sublease through June 30, 2022.

Thank you for your consideration.

APPROVAL OF FYE 2021 DRAFT AUDIT

Audited Financial Statements
BLOSS MEMORIAL
HEALTHCARE DISTRICT
June 30, 2021 and 2020

JWT & Associates, LLP
Advisory Assurance Tax

DRAFT

Bloss Memorial Healthcare District

Audited Financial Statements

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DRAFT

JWT & Associates, LLP

Advisory Assurance Tax

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

Report of Independent Auditors

The Board of Directors
Bloss Memorial Healthcare District
Atwater, California

Report on the Financial Statements

We have audited the accompanying financial statements of Bloss Memorial Healthcare District (the District) as of June 30, 2021 and 2020, which comprise the statement of net position as of June 30, 2021 and 2020, and the related statements of operations and changes in net position, and cash flows for the years 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 2021 and 2020 financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2021 and 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.

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
September 30, 2021

DRAFT

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2021

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, 2021 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 2021. The audited financial statements included herewith have been prepared and submitted with an unqualified opinion from the District's independent auditor.

Fiscal Year 2021 completed another successful year for BMHD. While continuing partnerships with local health care agencies, BMHD provides much needed resources to better assist the community they serve. BMHD provided a total of \$96,000 worth of grants to health care agencies to serve the Atwater community.

BMHD has continued its affiliation with Castle Family Health Centers, Inc. (CFHC), which provided services to 171,117 patient visits during FY 2021. The affiliation with CFHC has allowed BMHD to continue its mission in the provision of healthcare services to the community. During FY 2021 BMHD provided grant funds of \$7,000 from its Goodwin Trust to CFHC. The grant funds was used to provide Flu Shots and bad debt forgiveness to the Senior Citizens that resides in the community. BMHD further assisted CFHC with screening protocols located at BMHD two facilities. BMHD granted \$50,000 to assist in contracted labor and screening supplies assisting CFHC in absorbing the additional costs due to COVID. BMHD provided CFHC \$15,000 to organize free sports physicals to children with low income families in the Atwater community.

During FY21 BMHD granted Day Break Adult Health Care (Day Break) \$24,000 to prepare and deliver meals to elderly and disable residents of the Community. Day Break severed over 3,200 meals to elderly disadvantage residents located in Atwater, California.

Although BMHD provided the necessary grant assistance, BMHD had a net gain for FY 2021 of \$774,230 which includes \$714,362 of depreciation expense.

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2021

Comments on the Statement Net Position

Total Cash and Cash Equivalents had an increase by \$1,459,832 and is up 35.23% from the prior year. Other Receivables decreased by \$25,382 with a 1.14% below the prior year. FY 2021 Other Receivables Property Tax of \$40,112 from Merced County, Dental Surgery Centers of America (DSCA) of \$10,750, and three Note Receivable from DSCA totaling \$2,150,000 from the sale of two surgery centers in May 2018.

Table 1
Condensed Statements of Net Position:

	2021	2020	Dollar Change	Percent Change
Current and Other Assets	\$ 8,036,449	\$ 6,560,802	\$ 1,475,647	22.49%
Capital Assets, Net	16,398,872	16,996,730	(597,858)	-3.52%
Total Assets	24,435,321	23,557,532	877,789	3.73%
Long-term Debt	-	-	-	-
Other Liabilities	-	184,051	(184,051)	-100.00%
Total Liabilities	-	184,051	(184,051)	-100.00%
Net Position Invested in Capital Assets, Net of Related Debt	16,398,871	16,996,730	(597,859)	-3.52%
Temporarily restricted	209,887	164,006	45,881	27.97%
Unrestricted	7,584,834	6,212,745	1,372,089	22.09%
Total Net Position	\$ 24,193,592	\$ 23,373,481	\$ 820,111	3.51%

Property Plant and Equipment

Fixed Assets decreased by \$597,858 (3.52%) during FY 2021 over the prior year. The decrease is A Summary of changes in Fixed Assets is as follows:

Capital Expenditures:	
Building Upgrades and Repairs	\$ (568,519)
Equipment	\$ (29,339)
Net Change in fixed assets	<u>\$ (597,858)</u>

Total Liabilities as of June 30, 2021 of \$209,887 increased from the prior year by \$57,678 31.34%. A result of an increase in the Dental Surgery Centers of America payable for final reconciled payments.

Bloss Memorial Healthcare District

Management's Discussion and Analysis

June 30, 2021

Comments on the Statement of Revenue and Expenses

BMHCD other operating revenue consists of miscellaneous revenue of small dividends of \$2,971 compared to \$111,739 in FY 2020. Other Operating Revenues also include the Bloss Trust in the amount of \$572,954.

Total expenses in FY 2021 was \$2,106,518 a decrease of \$104,901 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 2021 are Rental Income of \$1,477,490, Property Tax Revenue of \$443,301, and Interest Income of \$130,692 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	2020	Dollar Change	Percent Change
Operating Revenues	\$ 575,925	\$ 700,239	\$ (124,314)	-17.75%
Nonoperating Revenues	2,304,824	2,084,408	220,416	10.57%
Total Revenues	2,880,749	2,784,647	96,102	3.45%
Depreciation Expense	714,362	696,339	18,023	2.59%
Other Operating Expenses	1,392,156	1,515,080	(122,924)	-8.11%
Total Expenses	\$ 2,106,518	\$ 2,211,419	\$ (104,901)	-4.74%

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,603,335	\$ 4,143,503
Other receivables	50,862	76,244
Prepaid expenses and deposits	22,366	27,049
Total current assets	<u>5,676,563</u>	<u>4,246,796</u>
Capital assets, net of accumulated depreciation	16,398,871	16,996,730
Notes receivable	2,150,000	2,150,000
Assets whose use is limited	209,887	164,006
Total assets	<u>\$ 24,435,321</u>	<u>\$ 23,557,532</u>
Liabilities and Net Position		
Current liabilities		
Accounts payable and accrued expenses	\$ 213,851	\$ 159,574
Accrued payroll and related liabilities	27,878	24,477
Total current liabilities	<u>241,729</u>	<u>184,051</u>
Total liabilities	<u>241,729</u>	<u>184,051</u>
Net position		
Temporarily restricted	209,887	164,006
Invested in capital assets, net of related debt	16,398,871	16,996,730
Unrestricted	7,584,834	6,212,745
Total net position	<u>24,193,592</u>	<u>23,373,481</u>
Total liabilities and net position	<u>\$ 24,435,321</u>	<u>\$ 23,557,532</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, 2021 and 2020

	2021	2020
Operating revenues		
Donations	\$ 572,954	\$ 588,500
Other operating revenue	2,971	111,739
Total operating revenues	575,925	700,239
Operating expenses		
Salaries & wages	108,458	80,220
Employee benefits	20,310	18,814
Professional Fees	45,680	23,514
Purchased services	510,434	458,129
Supplies	11,730	11,646
Repairs & maintenance	60,891	61,240
Utilities	333,520	385,098
Rentals and leases	115,712	129,535
Depreciation & amortization	714,362	696,339
Insurance	40,408	60,595
Other operating expenses	14,283	4,954
Total operating expenses	1,975,788	1,930,084
Operating income (loss)	(1,399,863)	(1,229,845)
Nonoperating revenues (expenses)		
District tax revenues	443,301	418,356
Rental income	1,477,490	1,448,622
Investment income	130,692	137,983
Other non-operating income (expense)	122,610	(201,889)
Total nonoperating revenues (expenses)	2,174,093	1,803,072
Excess of revenues (expenses)	774,230	573,227
Net change in temporarily restricted position	45,881	(5,920)
Increase in net position	820,111	567,307
Net position, beginning of the year	23,373,481	22,806,174
Net position, end of year	\$ 24,193,592	\$ 23,373,481

See accompanying notes to the financial statements

Bloss Memorial Healthcare District

Statements of Cash Flows

For The Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received for operations	\$ 601,307	\$ 677,692
Cash payments to suppliers and contractors	(1,073,698)	(1,380,209)
Cash payments to employees and benefit programs	(125,367)	(136,425)
Net cash used in operating activities	<u>(597,758)</u>	<u>(838,942)</u>
Cash flows from non-capital and related financing activities		
District tax revenue	443,301	418,356
Net cash provided by non-capital and related financing activities	<u>443,301</u>	<u>418,356</u>
Cash flows from capital and related financing activities		
Purchase of property, plant & equipment	(116,503)	(238,140)
Net cash used in capital and related financing activities	<u>(116,503)</u>	<u>(238,140)</u>
Cash flows from investing activities		
Rental income	1,477,490	1,448,622
Investment income	130,692	137,983
Other non-operating income (expense)	122,610	(201,889)
Net cash provided by investing activities	<u>1,730,792</u>	<u>1,384,716</u>
Increase in cash and cash equivalents	<u>1,459,832</u>	<u>725,990</u>
Cash and cash equivalents at beginning of year	4,143,503	3,417,513
Cash and cash equivalents at end of year	<u>\$ 5,603,335</u>	<u>\$ 4,143,503</u>

See accompanying notes to the financial statements

Bloss Memorial Healthcare District
 Statements of Cash Flows (continued)
 For The Years Ended June 30, 2021 and 2020

	2021	2020
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating loss	\$ (1,399,863)	\$ (1,229,845)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	714,362	696,339
Changes in operating assets and liabilities		
Other receivables	25,382	(22,547)
Prepaid expenses	4,683	(15,719)
Accounts payable and accrued expenses	54,277	(229,779)
Accrued payroll and related expenses	3,401	(37,391)
Net cash used in operating activities	\$ (597,758)	\$ (838,942)

See accompanying notes to the financial statements.

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Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2021 and 2020

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, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020 are \$18,499 and \$14,849, respectively.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2021 and 2020

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, 2021 and 2020

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, 2021 and 2020, the District had deposits invested in various financial institutions in the form of cash and cash equivalents amounting to \$5,603,335 and \$4,143,503, 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, 2021 and 2020:

	2021			
	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, 2021 and 2020

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, 2021 and 2020

NOTE 4 - ASSETS LIMITED AS TO USE

Assets limited as to use as of June 30, 2021 and 2020 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 \$130,573 and \$137,983 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020 were comprised of the following:

	2021	2020
District tax revenue	\$ 40,112	\$ 27,533
Rents	-	11,662
Dental Surgery Centers of America	10,750	37,049
Castle Family Health Center	-	-
	<u>\$ 50,862</u>	<u>\$ 76,244</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 initially to be due by May 31, 2021. The notes were amended by the District's board of directors in June 2021, to extend the final due date of the notes to May 2022. All other terms of the notes remain the same. The total note receivable balance for all three notes receivable at June 30, 2021 and 2020 is \$2,150,000.

Bloss Memorial Healthcare District

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 7 - CAPITAL ASSETS

Capital assets as of June 30, 2021 and 2020 were comprised of the following:

	Balance at June 30, 2020	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2021
Land and land improvements	\$ 2,257,611	\$ -	\$ -	\$ 2,257,611
Buildings and improvements	24,430,279	71,184	-	24,501,463
Equipment	7,548,817	45,319	-	7,594,136
Totals at historical cost	<u>34,236,707</u>	<u>\$ 116,503</u>	<u>\$ -</u>	<u>34,353,210</u>
Less accumulated depreciation	(17,239,977)	\$ (714,362)	\$ -	(17,954,339)
Capital assets, net	<u>\$ 16,996,730</u>			<u>\$ 16,398,871</u>

	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>

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, 2021 and 2020, the District contributed \$5,124 and \$14,318 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, 2021 and 2020

NOTE 9 – INCOME TAXES

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

Accounting principles generally accepted in the United States require District management to evaluate uncertain tax positions taken by the District. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. District management has analyzed the tax positions taken by the District, and has concluded that as of June 30, 2021, there are no uncertain positions taken or expected to be taken. The District has recognized no interest or penalties related to uncertain tax positions. The District is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Operating Leases: The District leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2021 and 2020, were \$115,712 and \$129,535, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2021, 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, 2021 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, 2021 and 2020

NOTE 11-SUBSEQUENTEVENTS

District management has evaluated events subsequent to June 30, 2021 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 30, 2021, the date these financial statements were available to be issued.

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CFHC GRANT REQUEST FOR SPORTS PHYSICALS



Castle Family
Health Centers, Inc.

September 23, 2021

Bloss Memorial Healthcare District
Board of Directors
3605 Hospital Road, Suite F
Atwater, CA 95301

RE: Grant Request for School Sports Physicals

With the ongoing COVID-19 concerns, Castle Family Health Centers will again not be hosting its annual health fair. We are receiving many calls from all local schools regarding the sports physicals as they are now resuming various sports activities. Castle Family Health Centers is offering sports physicals primarily through our Urgent Care and scheduled appointments.

As in the past years, this year we anticipate an overwhelming need for sports physicals. There are fewer providers in the community willing to do the sports physicals, due to the already overburdened health care needs of the community. As in the past, the cost to the students can range from \$60 to well over \$100 from the private physician groups.

Over the years, Castle Family Health Centers has offered sports physicals at a significant discount in order to reduce the financial burden on the families who come to Castle Family Health Centers. However, with the expected 400 or more students requesting sports physicals again this year, we are again evaluating the cost we incur to provide the physical.

Bloss Memorial Healthcare District is the longest non-profit organization committed to improving the lives of this community, especially the children and elderly of Atwater. Therefore with your compassionate commitment to the youth, we would again like to request a grant from Bloss Memorial Healthcare District to partner with Castle Family Health Centers to continue to provide sports physicals for the youth of Atwater.

Castle Family Health Centers would like to request the following from Bloss Memorial Healthcare District in order to continue to provide sports physicals to the youth of the community at a reduced cost of \$30. The request is for a grant in the amount of \$15,000.

Thank you for your consideration of this grant.

Peter Mojarras, COO