

BLOSS MEMORIAL HEALTHCARE DISTRICT
FY 2022 BUDGET

The 2022 Budget Reports attached include both the Summary and Detail Formats.

The FY 2022 Budget reflects a projected accrual Net Profit of \$113,100, which includes Net Non-Operating Revenue of \$2,611,934.

An overview of Budget Development and significant changes is as follows:

Total Non-Operating Revenues

Bloss Trust calculated at \$472,954 reflecting the anticipated Year End Distributions for FY 2022. Bloss Trust Revenue is budgeted at actual receipts less \$100,000 of FY 2021, expected to be conservative with the impact on the market due to recovery from the pandemic.

Property Tax Revenue is budgeted at the actual receipts of FY 2021 to reflect the tax income earned paid to Bloss Memorial Healthcare District from Merced County for \$418,356.

Interest Income estimated at \$120,456. This includes an extension of the DSCA Promissory Notes and Working Capital Loan totaling \$2,150,000 at 6.0% simple interest. The Promissory Note states the full amount of principal and accrued interest shall be paid in full by May 31, 2022.

Bloss Memorial Health Care District are property owners to two facilities located in Atwater, California. Rental Income is calculated with the current lease agreements with the annual 2% increase. Castle Family Health Centers is leasing an additional 3,936 square feet commencing July 1, 2021 at \$1.37 per square foot. Rental Income is budgeted at \$1,600,168.

Total operating expense is estimated at \$2,263,834 for the operations of the two facilities located at the Bloss and Castle site. Total operating expense includes half of the rental costs for Sierra Kings located at 145 S. Newmark Avenue, Parlier, California. Dental Surgery Centers of America has signed a Commercial Sublease Agreement and will reimburse Bloss half of the facility Rent. DSCA is responsible for Utilities, Alarm, Phone, Yard Maintenance, Bio Hazzard, Technology, Real Property Taxes, Personal Property taxes and Building Maintenance. These items have been exclude from the Bloss budget.

Operating Expenses

Salaries and Benefits

Total Salaries and Benefits includes the annual increase in compensation and corresponding benefits to obtain Executive Services for \$132,767.

Professional Fees

Professional Fees total is \$100,556 for Contracted service for Physician, Medical Therapist, Legal Fees, Auditing, and Other Contacted Services, which include accounting services and building maintenance provided by Castle Family Health Centers, Inc. Additional \$25,000 is budgeted in Physician & Medical Therapist to provide medical services to the citizens in the surrounding area.

Supplies

The supply expense estimate is for office supplies used for monthly board meetings and minor building maintenance supplies for the two facilities located at Bloss and Castle.

Purchased Services

The majority of expense in purchased services consists of Other Purchased Services for \$637,637. These services include pest control, housekeeping, security services, monitoring, and lawn care. Included in purchased services is building repairs and maintenance services. Additional \$50,000 has been budgeted with expected repairs needed for the two facilities.

Depreciation

Depreciation Expense projected on the schedule of existing Assets. Additional depreciation expense of \$200,000 was included in Buildings and Improvements for major repair costs of the two sites located at Bloss and Castle.

Utilities

Operating expense is budgeted in utilities for electricity, gas, water, garbage, and sewer totaling \$336,996.

Other Operating

Other operating expense budget is for facility liability insurance, Telephone, Training, and other expense. Due to recent incidents liability insurance has been increased by and additional \$40,000.

Non-Operating Expense

Donations in grants for \$35,000 to assist partnering healthcare organizations in providing medical programs to the community.

Transfer to On-Going Capital Expenditures

Transfer to On-Going Capital Expenditures are funds for \$200,000 in unforeseen repairs for the two properties owned by Bloss Memorial Health Care District.

SUMMARY

Bloss Memorial Healthcare District, A Public Entity

FY 22 BUDGET

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|---|------------------------------|
| NET PATIENT REVENUE | <u>0</u> |
| OTHER REVENUE | <u>0</u> |
| TOTAL NET OPERATING REVENUE | <u>0</u> |
| OPERATING EXPENSES | |
| SALARIES AND WAGES | 111,808 |
| EMPLOYEE BENEFITS | 20,959 |
| PROFESSIONAL FEES | 100,556 |
| SUPPLIES | 15,687 |
| PURCHASED SERVICES | 637,637 |
| DEPRECIATION | 812,861 |
| RENTS AND LEASES | 115,764 |
| UTILITIES | 336,996 |
| INSURANCE | 100,000 |
| OTHER EXPENSE | <u>11,566</u> |
| TOTAL OPERATING EXPENSE | <u>2,263,834</u> |
| NET INCOME FROM OPERATIONS | -2,263,834 |
| NON-OPERATING REVENUE | 2,611,934 |
| NON-OPERATING EXPENSE | <u>35,000</u> |
| NET NON-OPERATING INCOME | <u>2,576,934</u> |
| TRANSFERS FOR CAPITAL EXPENDITURES | <u>200,000</u> |
| NET INCOME | <u><u>113,100</u></u> |

DETAILED

Bloss Memorial Healthcare District, A Public Entity

FY 22 BUDGET

REVENUES

| | |
|--------------------------------------|----------|
| NET PATIENT REVENUE | 0 |
| MISC OTHER OPERATING REVENUE | 0 |
| TOTAL OTHER OPERATING REVENUE | 0 |
| TOTAL NET OPERATING REVENUE | 0 |

EXPENSES

SALARIES

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| MANAGEMENT AND SUPERVISION | 102,000 |
| VACATION EXPENSE | 9,808 |
| TOTAL SALARIES | 111,808 |

BENEFITS

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| FICA | 8,421 |
| UNEMPLOYMENT INSURANCE | 4,964 |
| LIFE INSURANCE | 1,200 |
| PENSION PLAN | 5,412 |
| WORKERS COMP | 962 |
| TOTAL BENEFITS | 20,959 |

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| TOTAL SALARIES AND BENEFITS | 132,767 |
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PROFESSIONAL FEES

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| PHYSICIAN | 25,000 |
| MEDICAL THERAPIST & OTHER | 25,000 |
| CONSULTING & MANAGEMENT | 8,878 |
| LEGAL | 12,410 |
| ACCOUNTING/AUDIT | 16,000 |
| OTHER CONTRACTED SERVICE | 13,268 |

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| TOTAL PROFESSIONAL FEES | 100,556 |
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SUPPLIES

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| FOOD | 102 |
| OFFICE SUPPLIES | 709 |
| OTHER MINOR EQUIPMENT | 7,585 |
| OTHER NON-MEDICAL SUPPLIES | 7,277 |
| FREIGHT ON PURCHASES | 14 |

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| TOTAL SUPPLIES | 15,687 |
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PURCHASED SERVICES

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| REPAIRS AND MAINTENANCE | 128,211 |
| MANAGEMENT SERVICES | 6,528 |
| OTHER PURCHASED SERVICES | 502,898 |

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| TOTAL PURCHASED SERVICES | 637,637 |
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DEPRECIATION

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| DEPREC-LAND & IMPROVEMENT | 13,521 |
| DEPREC-BUILDINGS & IMPROVEMENT | 724,688 |
| DEPREC-LEASEHOLD IMPROVEMENT | 18,497 |
| DEPREC-EQUIPMENT | 56,155 |

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| TOTAL DEPRECIATION | 812,861 |
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RENTS AND LEASES

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| RENTAL - BUILDING SIERRA KINGS | 115,764 |
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| TOTAL RENTS AND LEASES | 115,764 |
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UTILITIES

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| ELECTRICITY | 244,177 |
| NATURAL GAS | 41,318 |
| WATER | 23,178 |
| UTILITIES - OTHER | 28,323 |

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| TOTAL UTILITIES | 336,996 |
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OTHER OPERATING EXPENSES

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| INSURANCE | 100,000 |
| TAX AND LICENSE | 938 |

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|---|--------------------|
| TRAINING | 200 |
| TELEPHONE | 2,855 |
| SUBSCRIPTIONS & DUES | 6,620 |
| OTHER EXPENSE | 953 |
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| TOTAL OTHER OPERATING EXPENSE | 111,566 |
| TOTAL OPERATING EXPENSE | 2,263,834 |
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| NET INCOME FROM OPERATIONS | (2,263,834) |
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| NON-OPERATING REVENUES | |
| BLOSS TRUST | 472,954 |
| INTEREST INCOME | 120,456 |
| PROPERTY TAX REVENUE | 418,356 |
| RENTAL INCOME | 1,600,168 |
| TOTAL NON-OPERATING REVENUE | 2,611,934 |
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| NON-OPERATING EXPENSE | |
| DONATIONS | 35,000 |
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| TOTAL NON-OPERATING EXPENSE | 35,000 |
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| NET NON-OPERATING INCOME | 2,576,934 |
| TRANSFERS FOR CAPITAL EXPENDITURES | 200,000 |
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| NET INCOME (LOSS) | 113,100 |
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