

**CLOVERDALE HEALTH CARE DISTRICT  
COUNTY OF SONOMA  
CLOVERDALE, CALIFORNIA**

**FINANCIAL STATEMENTS  
And  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2020 AND 2019**

# CLOVERDALE HEALTH CARE DISTRICT

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# CLOVERDALE HEALTH CARE DISTRICT

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Blomberg & Griffin Accountancy Corporation  
Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Cloverdale Health Care District  
Cloverdale, California

We have audited the accompanying financial statements of the governmental activities and each major fund of Cloverdale Health Care District as of and for the years ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Cloverdale Health Care District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have audited and express an unqualified opinion on the financial statements of the District for the year ended June 30, 2019 whose report dated October 04, 2019.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the minimum audit standard for California Special District. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Cloverdale Health Care District, as of June 30, 2020 and 2019, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and budgetary comparison information on pages 25 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cloverdale Health Care District's basic financial statements. The financial and statistical information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The financial and statistical information listed as supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial and statistical information listed as supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Blomberg & Griffin A.C.*

Blomberg & Griffin A.C.  
Stockton, California  
October 27, 2020

**CLOVERDALE HEALTH CARE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2020 AND 2019**

This Management Discussion and Analysis of Cloverdale Health Care District's (District) financial performance provides an overall review of the District's financial activities for the fiscal years ending June 30, 2020 and 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report on page 1-2, notes to the basic financial statements and the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

- The net position for fiscal years ending June 30, 2020 and 2019 was \$965,566 and \$1,078,443, respectively.
- The net position decreased by \$112,877 and increased \$160,008 for fiscal years ending June 30, 2020 and 2019, respectively.
- Fiscal year 2019-2020, the general fund revenue and other uses was less than expenditures by \$33,200. For Fiscal year 2018-2019, the general fund revenues and other uses exceeded expenditures and other sources by \$188,179.
- In complying with GASB 34, fixed assets were valued at historical cost. The total of the District's fixed assets, land, site, buildings, and equipment valued on an acquisition cost basis was \$831,232 for June 30, 2020 and \$831,232 for June 30, 2019. After depreciation, the June 30, 2020 and 2019 book value for fixed assets totaled \$304,332 and \$384,009, respectively.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

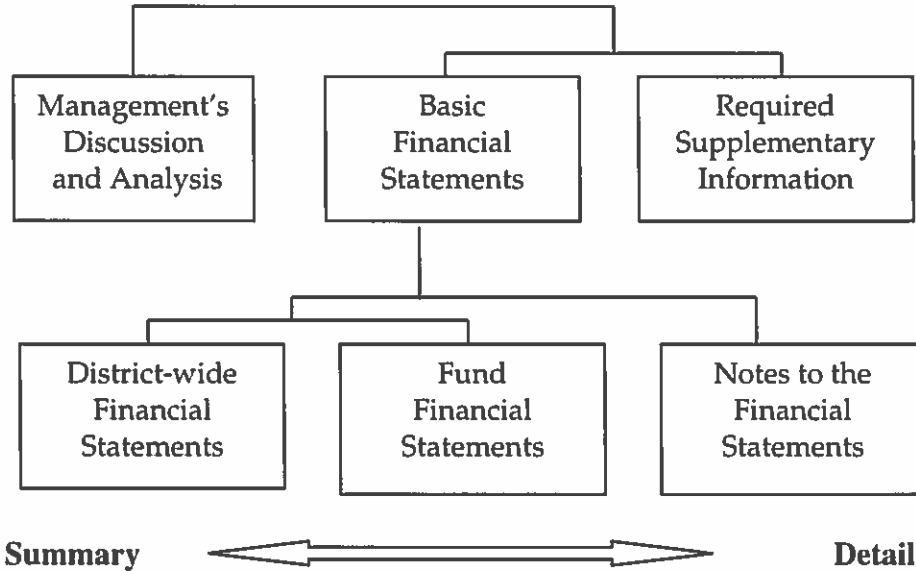
This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can understand the Cloverdale Health Care District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**CLOVERDALE HEALTH CARE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2020 AND 2019

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Components of the Financial Section**



The first two statements are *district-wide financial statements*, the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. A comparison of the District's general fund budget is included.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

**Reporting the District as a Whole**

*Statement of Net Position and the Statement of Activities*

These two statements provide information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities using the accrual basis of accounting. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the District as a whole and its activities in a way that helps answer the question, "How did we do financially during 2019-20?"

**CLOVERDALE HEALTH CARE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2020 AND 2019**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Reporting the District as a Whole (Concluded)**

*Statement of Net Position and the Statement of Activities (Continued)*

These two statements report the District's net position and changes in the position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to the community, not to generate profits as commercial entities. One must consider many other non-financial factors, such as the quality of services provided to assess the overall health of the District.

- ◆ Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively.
- ◆ Additional non-financial factors such as condition of equipment, and changes to the property tax base of the District need to be considered in assessing the overall health of the District.

**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

◆ **Governmental Funds**

The District's activities are reported in a governmental fund. The major governmental fund of the District is the General Fund. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.



**CLOVERDALE HEALTH CARE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2020 AND 2019**

**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS**

*The District as a Whole*

The District's net position was \$965,566 on June 30, 2020 and \$1,078,443 on June 30, 2019. Of this amount \$368,831 and \$399,112 was unrestricted for fiscal years ending June 30, 2020 and 2019, respectively. Net investments in capital assets account for fiscal year ending June 30, 2020 is \$304,332 and June 30, 2019 is \$384,009 of the total net position. A comparative analysis of government-wide data is presented in Table 1.

**(Table 1)**

**Comparative Statement of Net Position**

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>				
Cash and Investments	\$ 640,163	\$ 568,654	\$ 71,509	12.58%
Receivables	98,423	131,094	(32,671)	-24.92%
Prepaid Expenditures	1,808	2,221	(413)	-18.60%
Capital Assets	<u>304,332</u>	<u>384,009</u>	<u>(79,677)</u>	<u>-20.75%</u>
 Total Assets	 <u>\$1,044,726</u>	 <u>\$1,085,978</u>	 <u>\$ (41,252)</u>	 <u>-3.80%</u>
<b>LIABILITIES</b>				
Accounts Payable and Other Current Liabilities	<u>\$ 79,160</u>	<u>\$ 7,535</u>	<u>\$ 71,625</u>	<u>950.56%</u>
 Total Liabilities	 <u>79,160</u>	 <u>7,535</u>	 <u>71,625</u>	 <u>950.56%</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	304,332	384,009	(79,677)	-20.75%
Restricted	292,403	295,322	(2,919)	-0.99%
Unrestricted	<u>368,831</u>	<u>399,112</u>	<u>(30,281)</u>	<u>-7.59%</u>
 Total Net Position	 <u>\$ 965,566</u>	 <u>\$1,078,443</u>	 <u>\$(112,877)</u>	 <u>-10.47%</u>

**CLOVERDALE HEALTH CARE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2020 AND 2019**

**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS  
(CONTINUED)**

The District's net position decreased by \$112,877 for fiscal year ending June 30, 2020 and increased by \$160,008 fiscal year ending June 30, 2019 (See Table 2).

**(Table 2)**

**Comparative Statement of Change in Net Position**

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
<b>REVENUES</b>				
Programs revenues	\$ 314,314	\$ 403,162	\$ (88,848)	-22.04%
General revenues				
Taxes levied for general purposes	43,120	41,914	1,206	2.88%
Taxes levied for other specific purposes	156,464	156,492	(28)	-0.02%
Interest and investment earnings	848	579	269	46.46%
Miscellaneous	-	450	(450)	-100.00%
IGT supplement payment	65,339	166,888	(101,549)	-60.85%
Other income	6,962	7,873	(911)	-11.57%
	<u>587,047</u>	<u>777,358</u>	<u>(190,311)</u>	<u>-24.48%</u>
<b>EXPENSES</b>				
Enterprise activities	620,247	590,266	29,981	5.08%
Depreciation	79,677	27,084	52,593	194.18%
	<u>699,924</u>	<u>617,350</u>	<u>82,574</u>	<u>13.38%</u>
Change in Net Position	<u>\$ (112,877)</u>	<u>\$ 160,008</u>	<u>\$ (272,885)</u>	<u>-170.54%</u>

**CLOVERDALE HEALTH CARE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

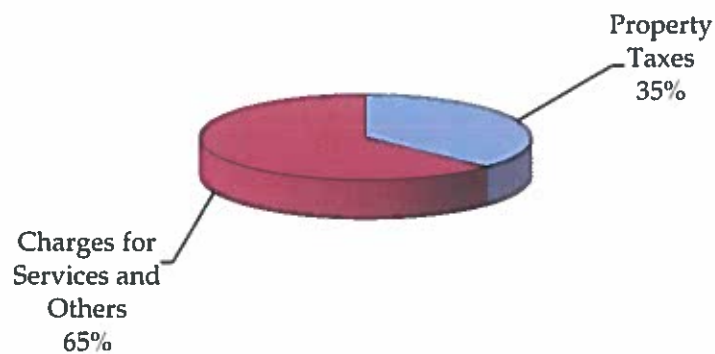
**JUNE 30, 2020 AND 2019**

**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS  
(CONTINUED)**

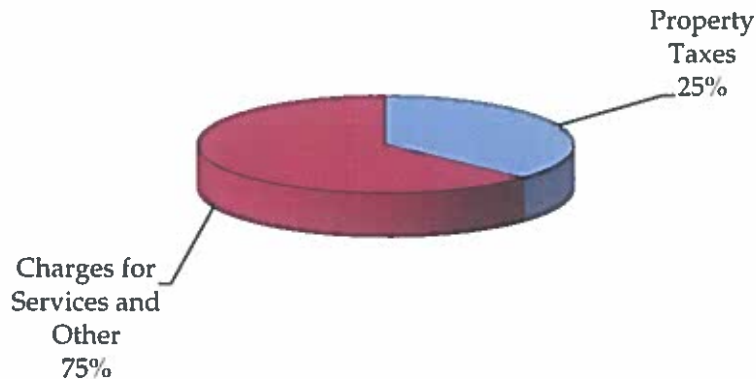
**Governmental Activities**

As reported in the Statement of Activities, the cost of all of the District's governmental activities years ending June 30, 2020 was \$699,924 and June 30, 2019 was \$617,350 (see Table 2). The amount that our local taxpayers financed for these activities through property taxes was \$199,584 and \$198,406 for fiscal years ending June 30, 2020 and 2019, respectively.

**Sources of Revenue for the 2019-20 Fiscal Year  
Figure 1**



**Sources of Revenue for the 2018-19 Fiscal Year  
Figure 2**



**CLOVERDALE HEALTH CARE DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2020 AND 2019**

**FINANCIAL ANALYSIS OF THE FUND STATEMENTS**

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The District's individual fund statements provide information on inflows and outflows and balances of expendable resources. The District's Governmental Funds reported a fund balance of \$661,234 on June 30, 2020 and \$694,434 on June 30, 2019, a decrease of \$33,200 and increase of \$188,179 for fiscal years ending June 30, 2020 and 2019, respectively.

**General Fund Budgetary Highlights**

Over the course of the year, the District reviews the annual operating budget monthly.

The final revised budget for the fiscal year 2019-2020 General Fund reflected a net increase to the ending balance of \$6,507.

The District ended the fiscal year 2019-2020 net decrease of \$33,200 to the General Fund ending balance.

The final revised budget for the fiscal year 2019-2018 General Fund reflected a net increase to the ending balance of \$2,539.

The District ended the fiscal year 19-18 net increase of \$188,179 to the General Fund ending balance.

**CAPITAL ASSETS**

By the end of the 2019-20 fiscal year, the District had invested \$831,232 in a broad range of capital assets, including administrative buildings, site improvements, vehicles, and equipment.

The capital assets net of depreciation is \$304,332 on June 30, 2020, which is a decrease of \$79,677.

By the end of the 2018-19 fiscal year, the District had invested \$831,232 in a broad range of capital assets, including administrative buildings, site improvements, vehicles, and equipment.

The capital assets net of depreciation is \$384,009 on June 30, 2019, which is a decrease of \$28,171.

**CLOVERDALE HEALTH CARE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2020 AND 2019**

**CAPITAL ASSETS (CONTINUED)**

**(Table 3)  
Comparative Schedule of Capital Assets  
(net of depreciation)  
June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	Difference Increase (Decrease)	<u>% Change</u>
Land	\$ 17,789	\$ 17,789	\$ -	0.00%
Buildings	170,936	185,361	(14,425)	-7.78%
Machinery and Equipment	<u>115,607</u>	<u>180,859</u>	<u>(65,252)</u>	<u>-36.08%</u>
Totals	<u>\$304,332</u>	<u>\$384,009</u>	<u>\$ (79,677)</u>	<u>-20.75%</u>

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

The financial well-being of the District is dependent on local property taxes.

Future predictions require management to plan carefully and prudently to provide the resources necessary to meet community needs over the next several years. The District has an excellent track record in meeting this challenge.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Cloverdale Health Care District, P.O. Box 434, Cloverdale, CA 95425.

**CLOVERDALE HEALTH CARE DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash (Note 2)	\$ 640,163	\$ 568,654
Accounts Receivable (Note 3)	90,755	126,395
Taxes Receivable	7,668	4,699
Prepaid Expenditures	1,808	2,221
Capital Assets, Net of Depreciation (Note 4)	<u>304,332</u>	<u>384,009</u>
 Total Assets	 <u>\$ 1,044,726</u>	 <u>\$ 1,085,978</u>
 <b>LIABILITIES</b>		
Accounts Payable and Other Current Liabilities	\$ 3,824	\$ 7,535
Note Payable - PPP Loan	<u>75,336</u>	<u>-</u>
 Total Liabilities	 <u>79,160</u>	 <u>7,535</u>
 <b>NET POSITION</b>		
Net Investment in Capital Assets	304,332	384,009
Restricted	292,403	295,322
Unrestricted	<u>368,831</u>	<u>399,112</u>
 Total Net Position	 <u>965,566</u>	 <u>1,078,443</u>
 Total Liabilities and Net Position	 <u>\$ 1,044,726</u>	 <u>\$ 1,085,978</u>

The accompanying notes are an integral part of the financial statements.

**CLOVERDALE HEALTH CARE DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2020 AND 2019**

<b>EXPENDITURES/EXPENSES</b>	<u>2020</u>	<u>2019</u>
Operations	\$ 620,247	\$ 590,266
Depreciation	<u>79,677</u>	<u>27,084</u>
Total Expenditures/Expenses	<u>699,924</u>	<u>617,350</u>
<b>PROGRAM REVENUES</b>		
Charges for Services	<u>314,314</u>	<u>403,162</u>
Net Program Expenses	<u>385,610</u>	<u>214,188</u>
<b>GENERAL REVENUES</b>		
Property Taxes Levied For:		
Taxes Levied for General Purposes	43,120	41,914
Taxes Levied for Other Specific Purposes	156,464	156,492
Interest and Investment Earnings	848	579
Miscellaneous	-	450
IGT Supplement Payment	65,339	166,888
Other Income	<u>6,962</u>	<u>7,873</u>
Total General Revenues	<u>272,733</u>	<u>374,196</u>
Changes in Net Position	(112,877)	160,008
Net Position - Beginning of Year	<u>1,078,443</u>	<u>918,435</u>
Net Position - End of Year	<u>\$ 965,566</u>	<u>\$ 1,078,443</u>

The accompanying notes are an integral part of the financial statements.

**CLOVERDALE HEALTH CARE DISTRICT**  
**BALANCE SHEET - Governmental Funds**  
**JUNE 30, 2020 AND 2019**

	General Fund	Governmental Fund Types	
		June 30	
	2020	2020	2019
<b>ASSETS</b>			
Cash	\$ 640,163	\$ 640,163	\$ 568,654
Accounts receivable, net (Note 3)	90,755	90,755	126,395
Taxes receivable	7,668	7,668	4,699
Other assets - prepaid insurance	1,808	1,808	2,221
<b>Total Assets</b>	<b>\$ 740,394</b>	<b>\$ 740,394</b>	<b>\$ 701,969</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 79,160	\$ 79,160	\$ 7,535
<b>Total Liabilities</b>	<b>79,160</b>	<b>79,160</b>	<b>7,535</b>
Fund Balances (Note 1H):			
Restricted	292,403	292,403	295,322
Unreserved:			
Unassigned	368,831	368,831	399,112
<b>Total Fund Balances</b>	<b>661,234</b>	<b>661,234</b>	<b>694,434</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 740,394</b>	<b>\$ 740,394</b>	<b>\$ 701,969</b>

The accompanying notes are an integral part of the financial statements.



**CLOVERDALE HEALTH CARE DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
FISCAL YEAR END JUNE 30, 2020**

		<u>2020</u>
<b>Total fund balance - governmental funds</b>		<b>\$ 661,234</b>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.</p>		
Capital assets, at historical cost:	\$ 831,232	
Accumulated Depreciation	<u>(526,900)</u>	
Net:		<u>304,332</u>
<b>Total net position - governmental activities</b>		<b><u>\$ 965,566</u></b>

The accompanying notes are an integral part of the financial statements.

**CLOVERDALE HEALTH CARE DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
FISCAL YEAR END JUNE 30, 2019**

		<u>2019</u>
<b>Total Fund Balance - Governmental Funds</b>		<b>\$ 694,434</b>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.</p>		
Capital Assets, at Historical Cost:	\$ 831,232	
Accumulated Depreciation	<u>(447,223)</u>	
Net:		<u>384,009</u>
<b>Total Net Position - Governmental Activities</b>		<b><u><u>\$ 1,078,443</u></u></b>

**CLOVERDALE HEALTH CARE DISTRICT  
STATEMENT OF REVENUES AND EXPENDITURES  
JUNE 30, 2020 AND 2019**

	2020	2019
<b>REVENUES</b>		
Taxes and assessments:		
Current secured property tax	\$ 43,120	\$ 41,913
Special Assessment	156,464	156,492
Revenue from use of money:		
Interest Income	848	579
Other local revenue	72,300	176,298
Subtotal	272,732	375,282
<b>PROGRAM REVENUES</b>		
Charges for ambulance services	713,735	729,416
(Less- Contract Allowances)	(391,199)	(326,254)
Provision for bad debts	(8,222)	(13,379)
Net ambulance revenue	314,314	389,783
Total Revenues	587,046	765,065
<b>EXPENDITURES</b>		
Salaries and wages, including payroll taxes	415,540	382,182
Employee benefits - health insurance, Workers' compensation	83,097	80,104
Services and supplies:		
Fuel	15,338	18,121
Insurance - general	16,116	18,656
Repairs and maintenance - ambulance	5,558	10,166
Supplies for patients	22,296	20,070
Legal and audit fees	9,583	7,215
Office expense	19,895	17,068
Other expenses - dues, subscriptions, Volunteers, refunds, travels	5,411	5,568
Outside services	14,490	8,672
Repairs and maintenance	3,012	716
Utilities and telephone	7,810	8,348
Capital outlay expenditures	2,100	-
Total Expenditures	620,246	576,886
Excess of Revenues Over Expenditures	(33,200)	188,179
Fund Balance- Beginning	694,434	506,255
Fund Balance- Ending	\$ 661,234	\$ 694,434

The accompanying notes are an integral part of the financial statements.

**CLOVERDALE HEALTH CARE DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR END JUNE 30, 2020**

	2020
<b>Net Change in Fund Balances - total Governmental Funds</b>	<b>\$ (33,200)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:	
Difference between Capital Outlay and Depreciation expense	(79,677)
<b>Total Change in Net Position - Governmental Activities</b>	<b>\$ (112,877)</b>

The accompanying notes are an integral part of the financial statements.

**CLOVERDALE HEALTH CARE DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR END JUNE 30, 2019**

	2019
<b>Net Change in Fund Balances - total Governmental Funds</b>	<b>\$ 188,179</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:</p>	
Difference between Capital Outlay and Depreciation expense:	(27,084)
Sale of asset gain or (loss)	(1,087)
 <b>Total Change in Net Position - Governmental Activities</b>	 <b>\$ 160,008</b>

The accompanying notes are an integral part of the financial statements.

**CLOVERDALE HEALTH CARE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020 AND 2019**

**NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Nature of Activity**

Cloverdale Health Care District (District) provides ambulance service to Cloverdale California. The District is supported primarily from the assessment of special property tax assessments and from charges for ambulance services.

**B. Reporting Entity**

The Cloverdale Health Care District (District) includes all funds that are controlled by or dependent on the District's governing board for financial reporting purposes. The District has considered all potential component units in determining how to define the reporting entity, using criteria set forth in generally accepted accounting principles. The District determined that there are no potential component units that meet the criteria for inclusion within the reporting entity.

**C. Accounting Policies**

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

**Basis of Presentation**

Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the district's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities.

CLOVERDALE HEALTH CARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

**NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Accounting Policies (Continued)**

**Basis of Presentation (Continued)**

Government-wide Financial Statements (Continued):

Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**D. Fund Structure and Basis of Accounting**

The accounts of the District are organized on the basis of funds which are considered to be a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized in one category, which includes one fund type as follows:

Governmental funds:

General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**E. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

**F. Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

CLOVERDALE HEALTH CARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

**NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Budgets and Budgetary Accounting (Continued)**

These budgets are revised by the District's Board of Directors and District Manager during the year to consider unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund as required supplementary information in the financial statements.

**G. Property Tax**

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent if not paid by December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Sonoma bills and collects the taxes for the District. Tax revenues are recognized by the District when received. The property tax receivable as of June 30, 2020 and 2019 \$7,668 and \$4,699, respectively.

**H. Assets, Liabilities and Equity**

**1. Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over an estimated useful life of 5-50 years depending on the asset class.

**2. Net Position**

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the position.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position - This amount is all net Positions that do not meet the definition of "net investment in capital assets" or "restricted net position".



CLOVERDALE HEALTH CARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

**NOTE 1- NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Assets, Liabilities and Equity (Continued)**

3. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to apply restricted net position first.

4. Fund Balances

The District has implemented GASB 54, establishing a five-tier fund balance classification hierarchy that depicts the extent the District is bound by spending constraints imposed on the use of its resources:

Nonspendable Fund Balance - Includes the portions of fund balance not appropriate for expenditures.

Restricted Fund Balance - Includes amounts subject to externally imposed and legally enforceable constraints. The District Governing Board has restricted final balance to accumulate resources for future ambulance replacement.

Committed Fund Balance - Includes amounts subject to District constraints self-imposed by formal action of the District Governing Board.

Assigned Fund Balance - Includes amounts the District intends to use for a specific purpose. Assignments may be established by the District Governing Board, or the Director of Business Services of the District.

Unassigned Fund Balance - Includes the residual balance that has not been assigned to other funds and is not restricted, committed, or assigned to specific purposes.

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balances shall be reduced first from the committed fund balance, then from the assigned fund balance and lastly, the unassigned fund balance.

CLOVERDALE HEALTH CARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

**NOTE 2-CASH**

The District maintains cash balances at one financial institution in Cloverdale, California. The accounts at this institution are insured up to \$250,000 by the Federal Depository Insurance Corporation. The balances in the District's accounts exceeded the insured amount at certain times during the year. On June 30, 2020 and 2019, the District's uninsured cash balances total \$161,336 and \$112,058, respectively. The District has not experienced any losses in these accounts.

**NOTE 3-ACCOUNTS RECEIVABLE AND AMBULANCE REVENUE**

Accounts receivables represent uncollected billings for ambulance revenue (net of contractual adjustments) for the current year. Provision for bad debts is expressed as a percentage of gross revenue, ambulance services. For the year ended June 30, 2020 and 2019, the Manager estimates this percentage to be 3.2%, and the Allowance for Doubtful Accounts has been adjusted accordingly.

The District's accounts receivable consists of the following:

	<u>2020</u>	<u>2019</u>
Accounts receivable	\$ 93,359	\$ 130,573
Less: Allowance for doubtful accounts	<u>(2,604)</u>	<u>(4,178)</u>
Net accounts receivable	<u>\$ 90,755</u>	<u>\$ 126,395</u>

**NOTE 4-PROPERTY AND EQUIPMENT**

Property and equipment are summarized by major classifications as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 17,789	\$ 17,789
Buildings and improvements	323,366	323,366
Ambulance and equipment	473,513	473,513
Office furniture and equipment	16,564	16,564
Subtotal	<u>831,232</u>	<u>831,232</u>
Less accumulated depreciation	<u>(526,900)</u>	<u>(447,223)</u>
Total	<u>\$ 304,332</u>	<u>\$ 384,009</u>

**CLOVERDALE HEALTH CARE DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020 AND 2019**

**NOTE 4- PROPERTY AND EQUIPMENT (CONTINUED)**

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized. Depreciation is computed for financial statement purposes on a straight-line basis over the estimated useful lives of the related assets. The estimated useful lives of depreciable assets are as follows:

	<u>Estimated Useful Lives</u>
Buildings and improvements	50 years
Ambulance and equipment	10 years
Office furniture and equipment	10 years

For 2020 and 2019, depreciation amounted to \$79,677 and \$27,084, respectively.

**NOTE 5- 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 6- RISK MANAGEMENT**

The District is exposed to various risk of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year ended June 30, 2020, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for any of the past three fiscal years.

**NOTE 7- SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 02, 2020, the date on which the financial statements were available to be issued.

**CLOVERDALE HEALTH CARE DISTRICT  
BUDGETARY COMPARISON SCHEDULE- GENERAL FUND  
JUNE 30, 2020**

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive- (Negative)</u>
<b>REVENUES</b>				
Property Tax	\$ 40,000	\$ 40,000	\$ 43,120	\$ 3,120
Property assessments - special	166,824	166,824	156,464	(10,360)
Revenue from use of money:				
Interest income	400	400	848	448
Other local revenue	<u>173,087</u>	<u>173,087</u>	<u>72,300</u>	<u>(100,787)</u>
Subtotal	<u>380,311</u>	<u>380,311</u>	<u>272,732</u>	<u>(107,579)</u>
Charges for ambulance services	738,000	738,000	713,735	(24,265)
(Less- Contract Allowances)	(300,000)	(300,000)	(391,199)	(91,199)
Provision for bad debts	<u>(3,000)</u>	<u>(3,000)</u>	<u>(8,222)</u>	<u>(5,222)</u>
Net ambulance revenue	<u>435,000</u>	<u>435,000</u>	<u>314,314</u>	<u>(120,686)</u>
Total Revenues- FY20	<u>815,311</u>	<u>815,311</u>	<u>587,046</u>	<u>(228,265)</u>
<b>EXPENDITURES</b>				
Salaries and wages, including payroll taxes	399,700	399,700	415,540	(15,840)
Employee benefits - health insurance, workers' compensation	81,448	81,448	83,097	(1,649)
Services and supplies:				
Fuel	15,800	15,800	15,338	462
Insurance - general	18,959	18,959	16,116	2,843
Repairs and maintenance - ambulance	9,800	9,800	5,558	4,242
Supplies for patients	24,000	24,000	22,296	1,704
Legal and audit fees	10,000	10,000	9,583	417
Office expense	16,500	16,500	19,895	(3,395)
Other expenses - dues, subscriptions, volunteers, refunds, travels	8,510	8,510	5,411	3,099
Outside services - other	14,100	14,100	14,490	(390)
Repairs and maintenance - office painting, flooring, furniture, bed	1,000	1,000	3,012	(2,012)
Utilities and telephone	10,000	10,000	7,810	2,190
IGT DHCS Fee, GEMT QAF	27,100	27,100	-	27,100
Capital outlay expenditures	30,000	30,000	2,100	27,900
Reserves	<u>141,887</u>	<u>141,887</u>	<u>-</u>	<u>141,887</u>
Total Expenditures- FY20	<u>808,804</u>	<u>808,804</u>	<u>620,246</u>	<u>188,558</u>
Excess of Revenues Over Expenditures- FY20	<u>\$ 6,507</u>	<u>\$ 6,507</u>	<u>\$ (33,200)</u>	<u>\$ (39,707)</u>

The accompanying notes are an integral part of the financial statements.

**CLOVERDALE HEALTH CARE DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE- GENERAL FUND**  
**JUNE 30, 2019**

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive- (Negative)</u>
<b>REVENUES</b>				
Property Tax	\$ 34,096	\$ 34,096	\$ 41,913	\$ 7,817
Property assessments - special	158,976	158,976	156,492	(2,484)
Revenue from use of money:				
Interest income	150	150	579	429
Other local revenue	68,400	68,400	176,298	107,898
Subtotal	<u>261,622</u>	<u>261,622</u>	<u>375,282</u>	<u>113,660</u>
Charges for ambulance services	780,000	780,000	729,416	(50,584)
(Less- Contract Allowances)	(410,000)	(410,000)	(326,254)	83,746
Provision for bad debts	(10,000)	(10,000)	(13,379)	(3,379)
Net ambulance revenue	<u>360,000</u>	<u>360,000</u>	<u>389,783</u>	<u>29,783</u>
Total Revenues- FY19	<u>621,622</u>	<u>621,622</u>	<u>765,065</u>	<u>143,443</u>
<b>EXPENDITURES</b>				
Salaries and wages, including payroll taxes	359,584	359,584	382,182	(22,598)
Employee benefits - health insurance, workers' compensation	72,290	72,290	80,104	(7,814)
Services and supplies:				
Fuel	15,000	15,000	18,121	(3,121)
Insurance - general	18,959	18,959	18,656	303
Repairs and maintenance - ambulance	9,800	9,800	10,166	(366)
Supplies for patients	24,000	24,000	20,070	3,930
Legal and audit fees	7,500	7,500	7,215	285
Office expense	16,000	16,000	17,068	(1,068)
Other expenses - dues, subscriptions, volunteers, refunds, travels	4,300	4,300	5,568	(1,268)
Outside services - other	13,250	13,250	8,672	4,578
Repairs and maintenance - office painting, flooring, furniture, bed	1,000	1,000	716	284
Utilities and telephone	10,000	10,000	8,348	1,652
IGT DHCS Fee	17,400	17,400	-	17,400
Capital outlay expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total Expenditures- FY19	<u>619,083</u>	<u>619,083</u>	<u>576,886</u>	<u>42,197</u>
Excess of Revenues				
Over Expenditures- FY19	<u>\$ 2,539</u>	<u>\$ 2,539</u>	<u>\$ 188,179</u>	<u>\$ 185,640</u>

The accompanying notes are an integral part of the financial statements.

**CLOVERDALE HEALTH CARE DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

**NOTE 1- PURPOSE OF SCHEDULES**

A. Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

**CLOVERDALE HEALTH CARE DISTRICT**

**CLOVERDALE, CALIFORNIA**

**JUNE 30, 2019**

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**ORGANIZATION**

The District was formed November 6, 1962 upon voter approval during a regular election to provide ambulance service to an area approximately the same as the Cloverdale Unified School District. Effective July 1, 1993, the District received revenue from the Assessment of a special property tax of \$18 on parcels within the District. On April 10, 1995, the District's Board of Directors passed Resolution No. 95-4, changing the name "Cloverdale Hospital District" to "Cloverdale Health Care District" pursuant to Health and Safety Code Section 32137. Effective July 1, 2006, the District parcel tax increased to \$36.

**BOARD OF DIRECTORS**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Harry Martin	President	December 2022
Mary Jo Winter	Vice President	December 2022
Al Delsid	Secretary	December 2020
James F. DeMartini	Treasurer	December 2022
Neena Hanchett	Member	December 2020

**ADMINISTRATION**

Thomas K. Hinrichs  
Manager/Paramedic

Robert E. Marmor  
Attorney

**CLOVERDALE HEALTH CARE DISTRICT  
STATEMENT OF REVENUES AND EXPENDITURES  
FISCAL YEARS ENDED JUNE 30, 2020, 2019 AND 2018**

	<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-2018</u>
<b>REVENUES</b>			
Current secured property tax	\$ 43,120	\$ 41,913	\$ 37,741
Special Assessments	156,464	156,492	163,465
Interest income	848	579	316
Gain on sale of assets	-	-	-
Other local revenue	72,300	176,298	83,809
Charges for ambulance services	713,735	729,416	780,951
Less: Contractual adjustments	(391,199)	(326,254)	(409,558)
Provision for bad debts	(8,222)	(13,379)	(23,766)
	<u>587,046</u>	<u>765,065</u>	<u>632,958</u>
<b>Total Revenues</b>			
	<u>587,046</u>	<u>765,065</u>	<u>632,958</u>
<b>EXPENDITURES</b>			
Salaries and wages, including payroll taxes	415,540	382,182	363,055
Workers' compensation insurance	83,097	80,104	65,205
Services and supplies:			
Fuel	15,338	18,121	14,457
Insurance - general	16,116	18,656	20,095
Repairs and maintenance - ambulance	5,558	10,166	2,967
Supplies for patients	22,296	20,070	24,388
Legal and audit fees	9,583	7,215	6,953
Office expense	19,895	17,068	19,096
Other expenses - dues, subscriptions, volunteers, refunds, travels	5,411	5,568	4,399
Outside services	14,490	8,672	11,143
Repairs and maintenance - office painting, flooring, furniture, bed	3,012	716	1,732
Utilities and telephone	7,810	8,348	9,799
Capital outlay expenditures	2,100	-	24,260
	<u>620,246</u>	<u>576,886</u>	<u>567,549</u>
<b>Total Expenditures</b>			
	<u>620,246</u>	<u>576,886</u>	<u>567,549</u>
<b>Excess of Revenues Over Expenditures</b>	(33,200)	188,179	65,409
<b>Fund Balances - Beginning of Year</b>	<u>694,434</u>	<u>506,255</u>	<u>440,846</u>
<b>Fund Balances - End of Year</b>	<u>\$ 661,234</u>	<u>\$ 694,434</u>	<u>\$ 506,255</u>

The accompanying notes are an integral part of the financial statements.



**CLOVERDALE HEALTH CARE DISTRICT**  
**SCHEDULE OF AUDIT FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2020**

**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes      No

Significant deficiency(ies) identified  
that are not considered to be material  
weakness?

Yes      None reported

Noncompliance material to financial  
statements noted?

Yes      No

**CLOVERDALE HEALTH CARE DISTRICT**  
**SCHEDULE OF AUDIT FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2020**

There were no findings or recommendations considered reportable conditions determined as a result of prior audit of Cloverdale Health Care District for the year ended June 30, 2019.