

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

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

JUNE 30, 2021 AND 2020

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 year ended June 30, 2021, 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, 2020 whose report dated October 27, 2020.

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 requirements 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, 2021 and 2020, 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 20, 2021

CLOVERDALE HEALTH CARE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

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, 2021 and 2020. 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, 2021 and 2020 was \$1,214,595 and \$965,566, respectively.
- The net position increased by \$249,029 including prior period adjustment of (\$5,257) in the fiscal year ending June 30, 2021. The net position decreased by \$112,877 in the fiscal year ending June 30, 2020.
- Fiscal year 2020-2021, the general fund revenue and other uses were more than expenditures by \$267,773 including prior period adjustment of (\$5,257). Fiscal year 2019-2020, the general fund revenue and other uses was less than expenditures by \$33,200.
- 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 \$843,726 for June 30, 2021 and \$831,232 for June 30, 2020. After depreciation, the June 30, 2021 and 2020 book value for fixed assets totaled \$285,588 and \$304,332, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

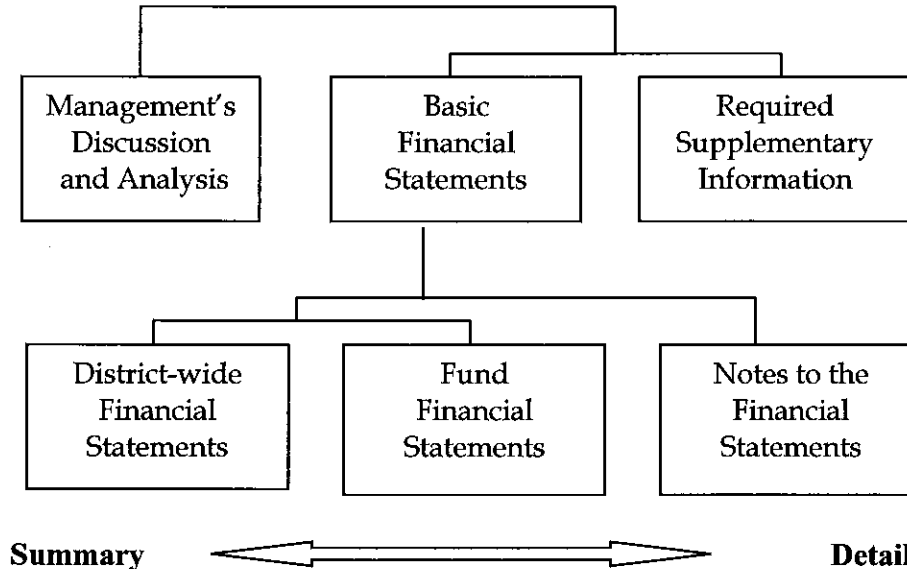
This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can understand the Cloverdale Health Care District as a financial whole, an entire operating 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, 2021 AND 2020

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 2020-21?"

CLOVERDALE HEALTH CARE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

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, 2021 AND 2020

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The District as a Whole

The District's net position was \$1,214,595 on June 30, 2021 and \$965,566 on June 30, 2020. Of this amount \$462,884 and \$368,831 was unrestricted for fiscal years ending June 30, 2021 and 2020, respectively. Net investments in capital assets account for fiscal year ending June 30, 2021 is \$285,588 and June 30, 2020 is \$304,332 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>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Cash and Investments	\$ 797,335	\$ 640,163	\$ 157,172	24.55%
Receivables	132,481	98,423	34,058	34.60%
Prepaid Expenditures	-	1,808	(1,808)	-100.00%
Capital Assets	285,588	304,332	(18,744)	-6.16%
	<u>\$1,215,404</u>	<u>\$1,044,726</u>	<u>\$ 170,678</u>	<u>16.34%</u>
LIABILITIES				
Accounts Payable and Other Current Liabilities	\$ 809	\$ 79,160	\$ (78,351)	-98.98%
	<u>809</u>	<u>79,160</u>	<u>(78,351)</u>	<u>-98.98%</u>
NET POSITION				
Net Investment in Capital Assets	285,588	304,332	(18,744)	-6.16%
Restricted	466,123	292,403	173,720	59.41%
Unrestricted	462,884	368,831	94,053	25.50%
	<u>\$1,214,595</u>	<u>\$ 965,566</u>	<u>\$ 249,029</u>	<u>25.79%</u>

CLOVERDALE HEALTH CARE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

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

The District's net position increased by \$249,029 including prior period adjustment of (\$5,257) for fiscal year ending June 30, 2021 and decreased by \$112,877 fiscal year ending June 30, 2020 (See Table 2).

(Table 2)

Comparative Statement of Change in Net Position

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
REVENUES				
Programs revenues	\$ 475,514	\$ 314,314	\$ 161,200	51.29%
General revenues				
Taxes levied for general purposes	48,160	43,120	5,040	11.69%
Taxes levied for other specific purposes	154,229	156,464	(2,235)	-1.43%
Interest and investment earnings	406	848	(442)	-52.12%
IGT supplement payment	267,801	65,339	202,462	309.86%
Other income (expense)	(895)	6,962	(7,857)	-112.86%
Total revenue	<u>945,215</u>	<u>587,047</u>	<u>358,168</u>	<u>61.01%</u>
EXPENSES				
Enterprise activities	659,691	620,247	39,444	6.36%
Depreciation	<u>31,238</u>	<u>79,677</u>	<u>(48,439)</u>	<u>-60.79%</u>
Total expenses	<u>690,929</u>	<u>699,924</u>	<u>(8,995)</u>	<u>-1.29%</u>
Prior period adjustment	<u>(5,257)</u>	<u>-</u>	<u>(5,257)</u>	<u>-100.00%</u>
Change in Net Position	<u>\$ 249,029</u>	<u>\$ (112,877)</u>	<u>\$ 361,906</u>	<u>-320.62%</u>

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

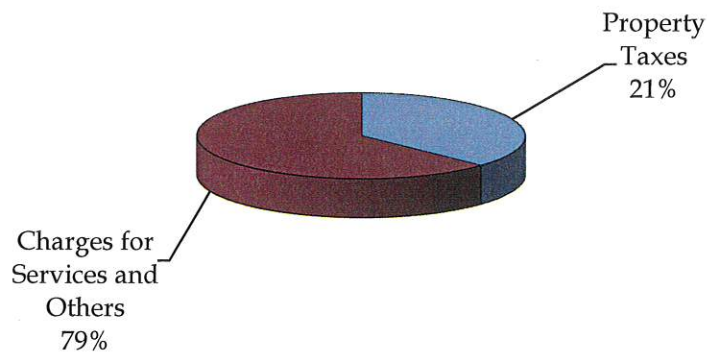
JUNE 30, 2021 AND 2020

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

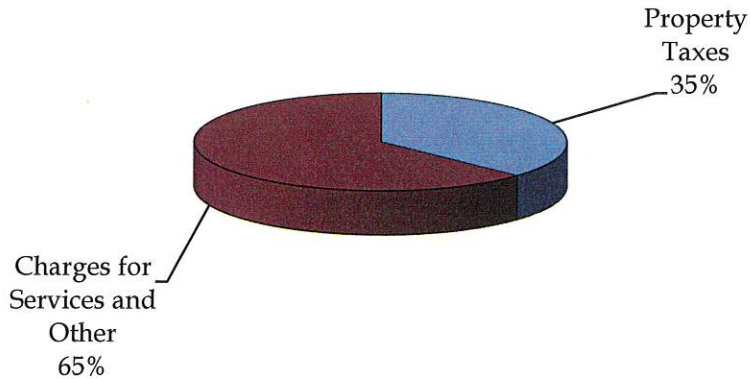
Governmental Activities

As reported in the Statement of Activities, the cost of all of the District's governmental activities years ending June 30, 2021 was \$690,929 and June 30, 2020 was \$699,924 (see Table 2). The amount that our local taxpayers financed for these activities through property taxes was \$202,389 and \$199,584 for fiscal years ending June 30, 2021 and 2020, respectively.

**Sources of Revenue for the 2020-21 Fiscal Year
Figure 1**



**Sources of Revenue for the 2019-20 Fiscal Year
Figure 2**



CLOVERDALE HEALTH CARE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

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 \$929,007 on June 30, 2021 and \$661,234 on June 30, 2020, an increase of \$267,773 including a prior period adjustment of (\$5,257) and a decrease of \$33,200 for fiscal years ending June 30, 2021 and 2020, respectively.

General Fund Budgetary Highlights

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

FY2020-2021: The final revised budget reflected a net increase to the ending balance of \$208,860.

FY2020-2021: The District ended the fiscal year with net increase of \$267,773 to the General Fund ending balance including the prior period adjustment of (\$5,257).

FY2019-2020: The final revised budget reflected a net decrease to the ending balance of \$6,507.

FY2019-2020: The District ended the fiscal year with a net decrease of \$33,200 to the General Fund ending balance.

CAPITAL ASSETS

FY2020-2021: The District had invested \$843,726 in a broad range of capital assets, including administrative buildings, site improvements, vehicles, and equipment. The capital assets net of depreciation is \$285,588 on June 30, 2021, which is a decrease of \$18,744.

FY2019-2020: 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.

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

JUNE 30, 2021 AND 2020

CAPITAL ASSETS (CONTINUED)

**(Table 3)
Comparative Schedule of Capital Assets
(net of depreciation)
June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>	Difference Increase (Decrease)	<u>% Change</u>
Land	\$ 17,789	\$ 17,789	\$ -	0.00%
Buildings	164,585	170,936	(6,351)	-3.72%
Machinery and Equipment				
Equipment	<u>103,214</u>	<u>115,607</u>	<u>(12,393)</u>	<u>-10.72%</u>
Totals	<u>\$285,588</u>	<u>\$304,332</u>	<u>\$ (18,744)</u>	<u>-6.16%</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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash (Note 2)	\$ 797,335	\$ 640,163
Accounts Receivable (Note 3)	123,134	90,755
Taxes Receivable	9,347	7,668
Prepaid Expenditures	-	1,808
Capital Assets, Net of Depreciation (Note 4)	<u>285,588</u>	<u>304,332</u>
 Total Assets	 <u><u>\$ 1,215,404</u></u>	 <u><u>\$ 1,044,726</u></u>
 LIABILITIES		
Accrued Payable	\$ 809	\$ 3,824
Note Payable - PPP Loan	<u>-</u>	<u>75,336</u>
 Total Liabilities	 <u>809</u>	 <u>79,160</u>
 NET POSITION		
Net Investment in Capital Assets	285,588	304,332
Restricted	466,123	292,403
Unrestricted	<u>462,884</u>	<u>368,831</u>
 Total Net Position	 <u>1,214,595</u>	 <u>965,566</u>
 Total Liabilities and Net Position	 <u><u>\$ 1,215,404</u></u>	 <u><u>\$ 1,044,726</u></u>

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

CLOVERDALE HEALTH CARE DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2021 AND 2020

EXPENDITURES/EXPENSES	<u>2021</u>	<u>2020</u>
Operations	\$ 659,691	\$ 620,247
Depreciation	<u>31,238</u>	<u>79,677</u>
Total Expenditures/Expenses	<u>690,929</u>	<u>699,924</u>
PROGRAM REVENUES		
Charges for Services	<u>475,514</u>	<u>314,314</u>
Net Program Expenses	<u>215,415</u>	<u>385,610</u>
GENERAL REVENUES		
Property Taxes Levied For:		
Taxes Levied for General Purposes	48,160	43,120
Taxes Levied for Other Specific Purposes	154,229	156,464
Interest and Investment Earnings	406	848
SBA PPP Credits	75,336	-
IGT Supplement Payment	192,465	65,339
Other Income (expense)	<u>(895)</u>	<u>6,962</u>
Total General Revenues	<u>469,701</u>	<u>272,733</u>
Changes in Net Position	254,286	(112,877)
Net Position - Beginning of Year	965,566	1,078,443
Prior Period Adjustment - Note 7	<u>(5,257)</u>	<u>-</u>
Net Position - End of Year	<u>\$ 1,214,595</u>	<u>\$ 965,566</u>

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

**CLOVERDALE HEALTH CARE DISTRICT
BALANCE SHEET - Governmental Funds
JUNE 30, 2021 AND 2020**

	<u>General Fund</u>	<u>Governmental Fund Types</u>	
	2021	June 30	
		2021	2020
ASSETS			
Cash	\$ 797,335	\$ 797,335	\$ 640,163
Accounts receivable, net (Note 3)	123,134	123,134	90,755
Taxes receivable	9,347	9,347	7,668
Other assets - prepaid insurance	-	-	1,808
Total Assets	\$ 929,816	\$ 929,816	\$ 740,394
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 809	\$ 809	\$ 79,160
Total Liabilities	809	809	79,160
Fund Balances (Note 1H):			
Assigned	466,123	466,123	292,403
Unreserved:			
Unassigned	462,884	462,884	368,831
Total Fund Balances	929,007	929,007	661,234
Total Liabilities and Fund Balances	\$ 929,816	\$ 929,816	\$ 740,394

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, 2021**

		<u>2021</u>
Total fund balance - governmental funds	\$	929,007
<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:	\$	843,726
Accumulated Depreciation		<u>(558,138)</u>
Net:		<u>285,588</u>
Total net position - governmental activities		<u><u>\$ 1,214,595</u></u>

**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>
Total Fund Balance - Governmental Funds		\$ 661,234
 Amounts reported for governmental activities in the statement of net position are different because:		
 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.		
Capital Assets, at Historical Cost:	\$ 831,232	
Accumulated Depreciation	<u>(526,900)</u>	
Net:		<u>304,332</u>
Total Net Position - Governmental Activities		<u><u>\$ 965,566</u></u>

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

**CLOVERDALE HEALTH CARE DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
JUNE 30, 2021 AND 2020**

	2021	2020
REVENUES		
Taxes and assessments:		
Current secured property tax	\$ 48,160	\$ 43,120
Special Assessment	154,229	156,464
Revenue from use of money:		
Interest Income	406	848
Other local revenue	266,906	72,300
Subtotal	469,701	272,732
PROGRAM REVENUES		
Charges for ambulance services	1,003,233	713,735
(Less- Contract Allowances)	(526,252)	(391,199)
Provision for bad debts	(1,467)	(8,222)
Net ambulance revenue	475,514	314,314
Total Revenues	945,215	587,046
EXPENDITURES		
Salaries and wages, including payroll taxes	446,668	415,540
Employee benefits - health insurance, Workers' compensation	81,169	83,097
Services and supplies:		
Fuel	20,731	15,338
Insurance - general	20,263	16,116
Repairs and maintenance - ambulance	6,090	5,558
Supplies for patients	27,188	22,296
Legal and audit fees	6,995	9,583
Office expense	22,998	19,895
Other expenses - dues, subscriptions, Volunteers, refunds, travels	6,407	5,411
Outside services	9,624	14,490
Repairs and maintenance	1,433	3,012
Utilities and telephone	10,125	7,810
Capital outlay expenditures	12,494	2,100
Total Expenditures	672,185	620,246
Excess of Revenues Over Expenditures	273,030	(33,200)
Fund Balance- Beginning	661,234	694,434
Prior Period Adjustment -Note 7	(5,257)	-
Fund Balance- Ending	\$ 929,007	\$ 661,234

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, 2021**

	2021
Net Change in Fund Balances - total Governmental Funds	\$ 273,030
<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	(18,744)
Total Change in Net Position - Governmental Activities	\$ 254,286

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**

	<u>2020</u>
Net Change in Fund Balances - total Governmental Funds	\$ (33,200)

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:	<u>(79,677)</u>
Total Change in Net Position - Governmental Activities	<u><u>\$ (112,877)</u></u>

CLOVERDALE HEALTH CARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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, 2021 AND 2020

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, 2021 AND 2020

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, 2021 and 2020 \$9,347 and \$7,668, 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, 2021 AND 2020

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 appropriable 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, 2021 AND 2020

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, 2021 and 2020, the District's uninsured cash balances total \$120,157 and \$161,336, 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, 2021 and 2020, 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>2021</u>	<u>2020</u>
Accounts receivable	\$ 127,205	\$ 93,359
Less: Allowance for doubtful accounts	<u>(4,071)</u>	<u>(2,604)</u>
Net accounts receivable	<u>\$ 123,134</u>	<u>\$ 90,755</u>

NOTE 4- PROPERTY AND EQUIPMENT

Property and equipment are summarized by major classifications as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 17,789	\$ 17,789
Buildings and improvements	323,366	323,366
Ambulance and equipment	486,007	473,513
Office furniture and equipment	16,564	16,564
Subtotal	<u>843,726</u>	<u>831,232</u>
Less accumulated depreciation	<u>(558,138)</u>	<u>(526,900)</u>
Total	<u>\$ 285,588</u>	<u>\$ 304,332</u>

CLOVERDALE HEALTH CARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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 2021 and 2020, depreciation amounted to \$31,238 and \$79,677, 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, 2021, 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- PRIOR PERIOD ADJUSTMENT

The District recorded prior period adjustment of (\$5,257). The prior period adjustment includes adjustment in property taxes of \$11,146, insurance of \$240, and payroll protection plan adjustment of (\$16,643).

NOTE 8- SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 26, 2021, the date on which the financial statements were available to be issued.

CLOVERDALE HEALTH CARE DISTRICT
BUDGETARY COMPARISON SCHEDULE- GENERAL FUND
JUNE 30, 2021

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive- (Negative)</u>
REVENUES				
Property Tax	\$ 41,000	\$ 41,000	\$ 48,160	\$ 7,160
Property assessments - special	158,000	160,000	154,229	(5,771)
Revenue from use of money:				
Interest income	850	300	406	106
Other local revenue	103,000	210,440	266,906	56,466
Subtotal	<u>302,850</u>	<u>411,740</u>	<u>469,701</u>	<u>57,961</u>
Charges for ambulance services	737,000	1,020,000	1,003,233	(16,767)
(Less- Contract Allowances)	(400,000)	(530,000)	(526,252)	3,748
Provision for bad debts	(5,000)	-	(1,467)	(1,467)
Net ambulance revenue	<u>332,000</u>	<u>490,000</u>	<u>475,514</u>	<u>(14,486)</u>
Total Revenues- FY20	<u>634,850</u>	<u>901,740</u>	<u>945,215</u>	<u>43,475</u>
EXPENDITURES				
Salaries and wages, including payroll taxes	426,494	445,650	446,668	(1,018)
Employee benefits - health insurance, workers' compensation	79,140	81,576	81,169	407
Services and supplies:				
Fuel	18,000	18,000	20,731	(2,731)
Insurance - general	16,500	18,996	20,263	(1,267)
Repairs and maintenance - ambulance	5,000	9,840	6,090	3,750
Supplies for patients	25,000	25,080	27,188	(2,108)
Legal and audit fees	7,600	7,195	6,995	200
Office expense	20,000	20,400	22,998	(2,598)
Other expenses - dues, subscriptions, volunteers, refunds, travels	3,209	7,030	6,407	623
Outside services - other	15,000	15,900	9,624	6,276
Repairs and maintenance - office painting, flooring, furniture, bed	2,000	2,000	1,433	567
Utilities and telephone	8,800	8,713	10,125	(1,412)
IGT DHCS Fee, GEMT QAF	11,000	15,000	-	15,000
Capital outlay expenditures	<u>-</u>	<u>17,500</u>	<u>12,494</u>	<u>5,006</u>
Total Expenditures- FY21	<u>637,743</u>	<u>692,880</u>	<u>672,185</u>	<u>20,695</u>
Excess of Revenues				
Over Expenditures- FY21	<u>\$ (2,893)</u>	<u>\$ 208,860</u>	<u>\$ 273,030</u>	<u>\$ 64,170</u>

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

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

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive- (Negative)
REVENUES				
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	173,087	173,087	72,300	(100,787)
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	(3,000)	(3,000)	(8,222)	(5,222)
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>
EXPENDITURES				
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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

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

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>
James F. DeMartini	President	December 2022
Al Delsid	Secretary	December 2022
Mary Jo Winter	Member	December 2024
Harry Martin	Secretary	December 2022
Neena Hanchett	Treasurer	December 2024

ADMINISTRATION

Thomas K. Hinrichs
Manager/Paramedic

Robert E. Marmor
Attorney

CLOVERDALE HEALTH CARE DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FISCAL YEARS ENDED JUNE 30, 2021, 2020 AND 2019

	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-2019</u>
REVENUES			
Current secured property tax	\$ 48,160	\$ 43,120	\$ 41,913
Special Assessments	154,229	156,464	156,492
Interest income	406	848	579
Gain on sale of assets	-	-	-
Other local revenue	266,906	72,300	176,298
Charges for ambulance services	1,003,233	713,735	729,416
Less: Contractual adjustments	(526,252)	(391,199)	(326,254)
Provision for bad debts	(1,467)	(8,222)	(13,379)
	<u>945,215</u>	<u>587,046</u>	<u>765,065</u>
Total Revenues			
EXPENDITURES			
Salaries and wages, including payroll taxes	446,668	415,540	382,182
Workers' compensation insurance	81,169	83,097	80,104
Services and supplies:			
Fuel	20,731	15,338	18,121
Insurance - general	20,263	16,116	18,656
Repairs and maintenance - ambulance	6,090	5,558	10,166
Supplies for patients	27,188	22,296	20,070
Legal and audit fees	6,995	9,583	7,215
Office expense	22,998	19,895	17,068
Other expenses - dues, subscriptions, volunteers, refunds, travels	6,407	5,411	5,568
Outside services	9,624	14,490	8,672
Repairs and maintenance - office painting, flooring, furniture, bed	1,433	3,012	716
Utilities and telephone	10,125	7,810	8,348
Capital outlay expenditures	12,494	2,100	-
	<u>672,185</u>	<u>620,246</u>	<u>576,886</u>
Total Expenditures			
Excess of Revenues Over Expenditures	273,030	(33,200)	188,179
Fund Balances - Beginning of Year	661,234	694,434	506,255
Prior Period Adjustment - Note 7	(5,257)	-	-
Fund Balances - End of Year	<u>\$ 929,007</u>	<u>\$ 661,234</u>	<u>\$ 694,434</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, 2021

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, 2021

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, 2020.