



**AGENDA
FINANCE COMMITTEE**

Wednesday, January 6, 2021 at 4:30 P.M.

In accordance with the current State of Emergency and the Governor's Executive Order N-25-20, of March 12, 2020 and N-33-20 of March 19, 2020, teleconferencing will be used for this meeting. Board members, staff and members of the public will be able to participate by webinar by using the following link:


<https://us02web.zoom.us/j/81971389896?pwd=ckg0SUtsaU9QTkIOTkRUakdIWIVyUT09>

Meeting ID: 819 7138 9896 Password: 758740. Participants will need to download the Zoom app on their mobile device. Members of the public will also be able to participate by telephone using the following dial in information: Dial in #: (310) 372-7549 Passcode 660448.

Committee Members: Jennifer Jeffries & Barbara Mroz
CEO: Rachel Mason
Executive Assistant: Linda Bannerman
Accountant: Susan Woodward
Bookkeeper: Wendy Lyon

1. Call to Order/Roll Call
2. Public Comments
3. Review of Financial Statements for November 2020
 - 1) Balance Sheet Comparison of November to October 2020
 - 2) Income Statement for the Month Ended November 30 & Fiscal Year to Date
 - 3) Profit & Loss Actual vs Budget July 2020 to Fiscal Year to Date
 - 4) Profit & Loss Approved Annual Budget Overview July 2020 – June 2021
 - 5) Local Agency Investment Fund (LAIF) Statement – November 2020
 - 6) CalTrust Statement – November 2020
 - 7) Property Tax Revenue – July 2020 – June 2021
 - 8) Check Detail as of November 2020
4. Discussion Items
 - a. Review of Annual Audit
5. Board Member Comments and Future Agenda Items
6. Adjournment

I certify that on January 5, 2021, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Fallbrook Regional Health District, said time being at least 24 hours in advance of the meeting. The American with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in or denied the benefits of District business. If you need assistance to participate in this meeting, please contact the District office 24 hours prior to the meeting at 760-731-9187.



Board Secretary/Clerk

Fallbrook Regional Health District
BALANCE SHEET COMPARISON
Comparison of November 2020 to October 2020

	Nov 30, 20	Oct 31, 20	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
102.3 · Cash in Bank - Pacific Western	325,929.44	245,629.41	80,300.03
102.6 · Cash in Bank - LAIF	1,685,842.69	2,040,842.69	-355,000.00
102.9 · Cash in Bank - CalTRUST	6,108,876.13	6,105,025.26	3,850.87
102.10 · Petty Cash	153.07	153.07	0.00
Total Checking/Savings	8,120,801.33	8,391,650.43	-270,849.10
Other Current Assets			
104 · Prepaid Insurance	18,855.82	21,570.68	-2,714.86
107 · Tax Apportionment Receivable	614,617.77	116,065.90	498,551.87
110 · Reimbursement Rec'ble - CIF	-94.97	-354.17	259.20
Total Other Current Assets	633,378.62	137,282.41	496,096.21
Total Current Assets	8,754,179.95	8,528,932.84	225,247.11
Fixed Assets			
121 · Equipment	64,986.31	64,986.31	0.00
121.2 · Equipment Depreciation	-31,457.34	-30,418.53	-1,038.81
122.0 · Assets			
122.01 · S. Brandon Road	161,578.00	161,578.00	0.00
122.011 · S. Brandon Road Improvements	141,163.91	141,163.91	0.00
122.012 · S. Brandon Road Land	129,662.00	129,662.00	0.00
122.02 · E. Mission Road	1,441,539.86	1,441,539.86	0.00
122.021 · E. Mission Road Improvements	263,220.14	261,594.12	1,626.02
122.022 · E. Mission Road Land	360,629.00	360,629.00	0.00
122.04 · Accum Depr - All Buildings	-112,685.66	-108,502.17	-4,183.49
Total 122.0 · Assets	2,385,107.25	2,387,664.72	-2,557.47
Total Fixed Assets	2,418,636.22	2,422,232.50	-3,596.28
Other Assets			
130 · Note Receivable - East Alvarado	487,500.00	487,500.00	0.00
Total Other Assets	487,500.00	487,500.00	0.00
TOTAL ASSETS	<u>11,660,316.17</u>	<u>11,438,665.34</u>	<u>221,650.83</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
140 · Accounts Payable	28,004.84	2,108.27	25,896.57
Total Accounts Payable	28,004.84	2,108.27	25,896.57
Other Current Liabilities			
203 - Accrued Payroll	13,992.45	13,562.20	430.25
204 · Accrued Vacation & Sick Leave	18,361.62	18,361.62	0.00
211 · Payroll Taxes Payable	4,616.50	4,422.17	194.33
213 · Simple Plan Payable	726.90	726.90	0.00
220 · Refundable Deposit Payable	5,250.00	5,250.00	0.00
Total Other Current Liabilities	42,947.47	42,322.89	624.58
Total Current Liabilities	70,952.31	44,431.16	26,521.15
Total Liabilities	70,952.31	44,431.16	26,521.15

Fallbrook Regional Health District
BALANCE SHEET COMPARISON
Comparison of November 2020 to October 2020

	<u>Nov 30, 20</u>	<u>Oct 31, 20</u>	<u>\$ Change</u>
Equity			
302.2 · Community Investment Funds	9,256,578.12	9,266,578.12	-10,000.00
300 · Unrestricted Operations Fund	2,391,352.10	2,391,352.10	0.00
Net Income	<u>-58,566.36</u>	<u>-263,696.04</u>	<u>205,129.68</u>
Total Equity	<u>11,589,363.86</u>	<u>11,394,234.18</u>	<u>195,129.68</u>
TOTAL LIABILITIES & EQUITY	<u>11,660,316.17</u>	<u>11,438,665.34</u>	<u>221,650.83</u>

Fallbrook Regional Health District INCOME STATEMENT

For the Month Ended November 30, 2020 & Fiscal Year to Date

	Nov 20	Jul - Nov 20
Ordinary Income/Expense		
Income		
400 · District Income		
402 · Property Tax Revenue	614,617.77	835,040.22
403 · Interest / Dividends	3,850.87	31,418.61
Total 400 · District Income	618,468.64	866,458.83
460 · Lease Income		
460.03 · Lease Income	3,500.00	17,500.00
Total 460 · Lease Income	3,500.00	17,500.00
Total Income	621,968.64	883,958.83
Expense		
Administrative Expenses		
500.01 · Communications	786.80	3,284.45
500.02 · IT Services	380.00	1,140.00
500.04 · Office Expenses	413.65	4,723.61
500.05 · Utilities	872.03	6,707.29
500.06 · Independent Contract Services	132.25	4,288.50
500.07 · Maintenance Services & Repairs	1,965.80	10,043.45
500.08 · Vehicle Expenses	0.00	709.52
500.10 · Salaries	30,688.98	151,985.13
500.12 · Payroll Taxes	2,460.33	12,417.40
500.14 · W/C Insurance	148.33	622.98
500.15 · Employee Health & Welfare	3,917.18	20,200.76
500.16 · Board Stipends	1,365.00	7,770.00
500.17 · Education & Conferences	700.00	975.00
500.18 · Dues & Subscriptions	740.99	19,023.31
500.19 · Insurance - General	2,294.03	11,470.10
500.20 · Independent Accounting Services	1,000.00	5,000.00
500.21 · Annual Independent Audit	1,750.00	8,250.00
500.22 · Medical Records Store & Service	1,735.94	11,068.25
500.23 · General Counsel	2,555.00	18,130.00
500.29 · Dist Promotions & Publications	1,002.64	5,092.97
500.30 · Simple IRA Expense	726.90	3,620.10
500.33 · Copier Lease	828.98	4,144.90
Total Administrative Expenses	56,464.83	310,667.72
570 · Health & Wellness Center		
570.01 · Communications	89.02	365.03
570.04 · Office Expenses	0.00	35.00
570.05 · Utilities	1,033.97	5,052.20
570.06 · Independent Contract Services	1,012.50	3,012.75
570.07 · Maintenance Services & Repairs	1,904.25	7,230.49
570.19 · Insurance - General	272.50	1,362.56
Total 570 · Health & Wellness Center	4,312.24	17,058.03
600 · Community Health Contracts		
600.01 · Be Well Therapy	5,111.00	10,222.00
600.02 · Boys & Girls Clubs of North Cty	11,250.00	37,500.00
600.03 · Champions for Health	5,871.00	11,742.00
600.04 · D'Vine Path	4,380.00	8,760.00
600.05 · Fallbrook Food Pantry	38,825.00	77,650.00
600.06 · Fallbrook Land Conservancy	6,223.62	12,447.24
600.07 · Fallbrook Senior Citizens Serv	43,813.86	87,627.72
600.08 · Fallbrook Smiles Project	11,685.00	23,370.00
600.09 · Fallbrook Union High School	6,250.00	12,500.00
600.10 · Foundation for Senior Care	94,108.61	188,217.22
600.11 · Hospice of the Valleys	5,813.50	11,627.00
600.12 · Michelle's Place Cancer Res Ctr	10,087.50	20,175.00
600.13 · Neighborhood Healthcare	3,750.00	7,500.00
600.14 · Palomar Family Counseling Svc	25,958.15	51,916.30
600.15 · REINS	29,250.00	58,500.00

**Fallbrook Regional Health District
INCOME STATEMENT**

For the Month Ended November 30, 2020 & Fiscal Year to Date

	Nov 20	Jul - Nov 20
600.16 · SSNAAPE	1,250.00	2,500.00
600.17 · Trauma Intervention Prog of SD	2,500.00	5,000.00
600.51 · NC Fire JPA (EMSO)	17,227.23	34,454.46
600.52 · NC Fire JPA (Public Comms)	0.00	5,731.90
Total 600 · Community Health Contracts	323,354.47	667,440.84
800 · District Direct Care Services		
800.01 · Health Services and Clinics	154.32	579.82
Total 800 · District Direct Care Services	154.32	579.82
Total Expense	384,285.86	995,746.41
Net Ordinary Income	237,682.78	-111,787.58
Other Income/Expense		
Other Income		
406 · Unearned Gain/Loss - CalTRUST	0.00	-5,939.92
810 · Interest Income - Alvarado Str.	1,650.00	8,300.00
Total Other Income	1,650.00	2,360.08
Other Expense		
825 · Depreciation		
500.27 · Depreciation - Brandon Rd.	5,222.30	26,147.41
Total 825 · Depreciation	5,222.30	26,147.41
830 · Community Investment Funds Used		
830.01 · Consultants	39,240.00	125,335.00
Total 830 · Community Investment Funds Used	39,240.00	125,335.00
900 · Community Investment Fund Reimb	-10,259.20	-202,343.55
Total Other Expense	34,203.10	-50,861.14
Net Other Income	-32,553.10	53,221.22
Net Income	205,129.68	-58,566.36

Fallbrook Regional Health District
PROFIT & LOSS YTD ACTUAL vs. BUDGET
 July 2020 through November 2020

	Jul - Nov 20	Budget	\$ Over B...	% of Bu...
Ordinary Income/Expense				
Income				
400 · District Income				
402 · Property Tax Revenue	835,040.22	852,918.25	(17,878.03)	97.9%
403 · Interest / Dividends	31,418.61	64,380.97	(32,962.36)	48.8%
Total 400 · District Income	866,458.83	917,299.22	(50,840.39)	94.5%
460 · Lease Income				
460.03 · Lease Income	17,500.00	17,500.00	0.00	100.0%
Total 460 · Lease Income	17,500.00	17,500.00	0.00	100.0%
Total Income	883,958.83	934,799.22	(50,840.39)	94.6%
Expense				
Administrative Expenses				
500.01 · Communications	3,284.45	3,345.50	(61.05)	98.2%
500.02 · IT Services	1,140.00	950.00	190.00	120.0%
500.03 · Refreshments	76.34	250.00	(173.66)	30.5%
500.04 · Office Expenses	4,662.27	4,861.90	(199.63)	95.9%
500.05 · Utilities	6,707.29	3,954.00	2,753.29	169.6%
500.06 · Independent Contract Services	4,288.50	5,500.00	(1,211.50)	78.0%
500.07 · Maintenance Services & Repairs	10,043.45	5,685.00	4,358.45	176.7%
500.08 · Vehicle Expenses	709.52	1,100.00	(390.48)	64.5%
500.10 · Salaries	152,126.79	144,141.05	7,985.74	105.5%
500.12 · Payroll Taxes	12,417.40	12,972.68	(555.28)	95.7%
500.14 · W/C Insurance	622.98	720.71	(97.73)	86.4%
500.15 · Employee Health & Welfare	20,059.10	21,198.19	(1,139.09)	94.6%
500.16 · Board Stipends	7,770.00	13,125.00	(5,355.00)	59.2%
500.17 · Education & Conferences	975.00	3,560.00	(2,585.00)	27.4%
500.18 · Dues & Subscriptions	19,023.31	18,648.88	374.43	102.0%
500.19 · Insurance - General	11,470.10	11,470.19	(0.09)	100.0%
500.20 · Independent Accounting Services	5,000.00	5,000.00	0.00	100.0%
500.21 · Annual Independent Audit	8,250.00	9,000.00	(750.00)	91.7%
500.22 · Medical Records Store & Service	11,053.25	9,196.05	1,857.20	120.2%
500.23 · General Counsel	18,130.00	19,116.58	(986.58)	94.8%
500.29 · Dist Promotions & Publications	5,092.97	8,300.00	(3,207.03)	61.4%
500.30 · Simple IRA Expense	3,620.10	9,690.00	(6,069.90)	37.4%
500.33 · Copier Lease	4,144.90	4,010.70	134.20	103.3%
Total Administrative Expenses	310,667.72	315,796.43	(5,128.71)	98.4%
570 · Health & Wellness Center				
570.01 · Communications	365.03	253.65	111.38	143.9%
570.02 · IT Services	0.00	1,000.00	(1,000.00)	0.0%
570.04 · Office Expenses	35.00	0.00	35.00	100.0%
570.05 · Utilities	5,052.20	3,367.00	1,685.20	150.1%
570.06 · Independent Contract Services	3,012.75	2,397.15	615.60	125.7%
570.07 · Maintenance Services & Repairs	7,230.49	5,500.00	1,730.49	131.5%
570.19 · Insurance - General	1,362.56	1,362.56	0.00	100.0%
570.23 · General Counsel	0.00	955.80	(955.80)	0.0%
570.29 · Dist Promotions & Publications	0.00	1,000.00	(1,000.00)	0.0%
Total 570 · Health & Wellness Center	17,058.03	15,836.16	1,221.87	107.7%

Fallbrook Regional Health District
PROFIT & LOSS YTD ACTUAL vs. BUDGET
July 2020 through November 2020

	Jul - Nov 20	Budget	\$ Over B...	% of Bu...
600 · Community Health Contracts				
600.01 · Be Well Therapy	10,222.00	10,222.00	0.00	100.0%
600.02 · Boys & Girls Clubs of North Cty	37,500.00	37,500.00	0.00	100.0%
600.03 · Champions for Health	11,742.00	11,742.00	0.00	100.0%
600.04 · D'Vine Path	8,760.00	8,760.00	0.00	100.0%
600.05 · Fallbrook Food Pantry	77,650.00	77,650.00	0.00	100.0%
600.06 · Fallbrook Land Conservancy	12,447.24	12,447.26	(0.02)	100.0%
600.07 · Fallbrook Senior Citizens Serv	87,627.72	87,627.74	(0.02)	100.0%
600.08 · Fallbrook Smiles Project	23,370.00	23,370.00	0.00	100.0%
600.09 · Fallbrook Union High School	12,500.00	12,500.00	0.00	100.0%
600.10 · Foundation for Senior Care	188,217.22	188,217.28	(0.06)	100.0%
600.11 · Hospice of the Valleys	11,627.00	11,627.00	0.00	100.0%
600.12 · Michelle's Place Cancer Res Ctr	20,175.00	20,175.00	0.00	100.0%
600.13 · Neighborhood Healthcare	7,500.00	7,500.00	0.00	100.0%
600.14 · Palomar Family Counseling Svc	51,916.30	51,916.30	0.00	100.0%
600.15 · REINS	58,500.00	58,500.00	0.00	100.0%
600.16 · SSNAAPE	2,500.00	2,500.00	0.00	100.0%
600.17 · Trauma Intervention Prog of SD	5,000.00	5,000.00	0.00	100.0%
600.50 · NC Fire JPA (Ambulance)	0.00	33,333.35	(33,333.35)	0.0%
600.51 · NC Fire JPA (EMSO)	34,454.46	33,333.35	1,121.11	103.4%
600.52 · NC Fire JPA (Public Comms)	5,731.90	7,291.65	(1,559.75)	78.6%
Total 600 · Community Health Contracts	667,440.84	701,212.93	(33,772.09)	95.2%
800 · District Direct Care Services				
800.01 · Health Services and Clinics	579.82	1,050.00	(470.18)	55.2%
800.02 · Urgent Care	0.00	40,000.00	(40,000.00)	0.0%
800.03 · Women of Wellness	0.00	200.00	(200.00)	0.0%
Total 800 · District Direct Care Services	579.82	41,250.00	(40,670.18)	1.4%
Total Expense	995,746.41	1,074,095.52	(78,349.11)	92.7%
Net Ordinary Income	(111,787.58)	(139,296.30)	27,508.72	80.3%
Other Income/Expense				
Other Income				
406 · Unearned Gain/Loss - CalTRUST	(5,939.92)	0.00	(5,939.92)	100.0%
810 · Interest Income - Alvarado Str.	8,300.00	0.00	8,300.00	100.0%
Total Other Income	2,360.08	0.00	2,360.08	100.0%
Other Expense				
825 · Depreciation				
500.27 · Depreciation - Brandon Rd.	26,147.41	6,250.00	19,897.41	418.4%
Total 825 · Depreciation	26,147.41	6,250.00	19,897.41	418.4%
830 · Community Investment Funds Used				
830.01 · Consultants	125,335.00	0.00	125,335.00	100.0%
Total 830 · Community Investment Funds Used	125,335.00	0.00	125,335.00	100.0%
900 · Community Investment Fund Reimb	(202,343.55)			
Total Other Expense	(50,861.14)	6,250.00	(57,111.14)	(813.8)%
Net Other Income	53,221.22	(6,250.00)	59,471.22	(851.5)%
Net Income	(58,566.36)	(145,546.30)	86,979.94	40.2%

Fallbrook Regional Health District
PROFIT & LOSS - APPROVED ANNUAL BUDGET OVERVIEW
 July 2020 through June 2021

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	TOTAL Jul '20 - Ju...
Ordinary Income/Expense													
Income													
400 · District Income													
402 · Property Tax Revenue	30,000.00	13,000.00	27,000.00	75,000.00	707,918.25	230,000.00	43,000.00	25,900.00	400,000.00	315,000.00	35,000.00	10,000.00	1,911,818.25
403 · Interest / Dividends	13,144.66	12,175.60	11,868.43	14,743.64	12,448.64	35,480.50	20,826.60	11,264.03	12,117.90	20,374.44	6,856.42	17,751.07	189,051.93
Total 400 · District Income	43,144.66	25,175.60	38,868.43	89,743.64	720,366.89	265,480.50	63,826.60	37,164.03	412,117.90	335,374.44	41,856.42	27,751.07	2,100,870.18
460 · Lease Income													
460.03 · Lease Income	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	42,000.00
460 · Lease Income - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total 460 · Lease Income	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	42,000.00
Total Income	46,644.66	28,675.60	42,368.43	93,243.64	723,866.89	268,980.50	67,326.60	40,664.03	415,617.90	338,874.44	45,356.42	31,251.07	2,142,870.18
Expense													
Administrative Expenses													
500.01 · Communications	710.00	710.00	616.85	677.81	630.84	641.92	689.06	828.10	743.91	888.76	599.94	570.30	8,307.49
500.02 · IT Services	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	2,280.00
500.03 · Refreshments	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	3,750.00
500.04 · Office Expenses	1,342.45	1,161.91	802.14	1,150.20	405.20	810.73	587.96	1,074.05	708.57	1,704.16	681.67	830.61	11,259.65
500.05 · Utilities	762.00	834.00	762.00	834.00	762.00	834.00	762.00	834.00	762.00	1,554.00	762.00	834.00	10,296.00
500.06 · Independent Contract Services	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	100.00	100.00	100.00	100.00	100.00	100.00	7,200.00
500.07 · Maintenance Services & Repairs	1,440.00	935.00	935.00	1,440.00	935.00	935.00	1,440.00	935.00	935.00	1,440.00	935.00	935.00	13,240.00
500.08 · Vehicle Expenses	600.00	300.00	50.00	100.00	50.00	50.00	100.00	50.00	50.00	100.00	50.00	50.00	1,550.00
500.10 · Salaries	28,828.25	28,828.20	28,828.20	28,828.20	28,828.20	28,828.20	28,828.20	28,828.20	28,828.20	28,828.20	28,828.20	28,828.20	345,938.45
500.12 · Payroll Taxes	2,594.52	2,594.54	2,594.54	2,594.54	2,594.54	2,594.54	2,594.54	2,594.54	2,594.54	2,594.54	2,594.54	2,594.54	31,134.46
500.14 · W/C Insurance	144.15	144.14	144.14	144.14	144.14	144.14	144.14	144.14	144.14	144.14	144.14	144.14	1,729.69
500.15 · Employee Health & Welfare	4,239.63	4,239.64	4,239.64	4,239.64	4,239.64	4,239.64	4,239.64	4,239.64	4,239.64	4,239.64	4,239.64	4,239.64	50,875.67
500.16 · Board Stipends	2,625.00	2,625.00	2,625.00	2,625.00	2,625.00	2,625.00	2,625.00	2,625.00	2,625.00	2,625.00	2,625.00	2,625.00	31,500.00
500.17 · Education & Conferences	530.00	0.00	1,500.00	30.00	1,500.00	650.00	30.00	1,500.00	0.00	3,530.00	0.00	0.00	9,270.00
500.18 · Dues & Subscriptions	9,804.46	1,486.02	317.48	6,508.46	532.46	702.46	532.46	8,021.40	647.46	795.46	532.46	317.46	30,198.04
500.19 · Insurance - General	2,294.07	2,294.03	2,294.03	2,294.03	2,294.03	2,294.03	2,294.03	2,294.03	2,294.03	2,294.03	2,294.03	2,294.03	27,528.40
500.20 · Independent Accounting Services	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
500.21 · Annual Independent Audit	0.00	8,500.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,000.00
500.22 · Medical Records Store & Service	1,839.21	1,839.21	1,839.21	1,839.21	1,839.21	1,839.21	1,839.21	1,839.21	1,839.21	1,839.21	1,839.21	1,839.21	22,070.52
500.23 · General Counsel	3,823.34	3,823.31	3,823.31	3,823.31	3,823.31	3,823.31	3,823.31	3,823.31	3,823.31	3,823.31	3,823.31	3,823.31	45,879.75
500.29 · Dist Promotions & Publications	275.00	5,200.00	1,550.00	1,075.00	200.00	1,200.00	275.00	200.00	200.00	275.00	200.00	200.00	10,850.00
500.30 · Simple IRA Expense	1,938.00	1,938.00	1,938.00	1,938.00	1,938.00	1,938.00	1,938.00	1,938.00	1,938.00	1,938.00	1,938.00	1,938.00	23,256.00
500.33 · Copier Lease	802.14	802.14	802.14	802.14	802.14	802.14	802.14	802.14	802.14	802.14	802.14	802.14	9,625.68
500.40 · Office Equipment	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
500.50 · General Election	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,000.00	0.00	0.00	0.00	18,000.00
Total Administrative Expenses	66,932.22	70,595.14	58,501.68	63,283.68	56,483.71	58,742.32	55,334.69	64,360.76	72,965.15	61,205.59	54,679.28	54,655.58	737,739.80
570 · Health & Wellness Center													
570.01 · Communications	50.73	50.73	50.73	50.73	50.73	50.73	50.73	50.73	50.73	50.73	50.73	50.73	608.76
570.02 · IT Services	0.00	0.00	0.00	0.00	1,000.00	63.32	63.32	63.32	63.32	63.32	63.32	63.32	1,443.24
570.03 · Refreshments	0.00	0.00	0.00	0.00	0.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	210.00
570.04 · Office Expenses	0.00	0.00	0.00	0.00	0.00	202.68	146.99	268.51	177.14	426.04	170.42	207.66	1,599.44
570.05 · Utilities	685.00	656.00	685.00	656.00	685.00	656.00	685.00	656.00	685.00	1,106.00	685.00	656.00	8,496.00
570.06 · Independent Contract Services	479.43	479.43	479.43	479.43	479.43	159.81	159.81	159.81	159.81	159.81	159.81	159.81	3,515.82
570.07 · Maintenance Services & Repairs	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	14,250.00
570.10 · Salaries	0.00	0.00	0.00	0.00	0.00	0.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	14,400.00
570.12 · Payroll Taxes	0.00	0.00	0.00	0.00	0.00	0.00	216.00	216.00	216.00	216.00	216.00	216.00	1,296.00
570.14 · W/C Insurance	0.00	0.00	0.00	0.00	0.00	0.00	24.21	24.21	24.21	24.21	24.21	24.21	145.26
570.15 · Employee Health & Welfare	0.00	0.00	0.00	0.00	0.00	0.00	600.00	600.00	600.00	600.00	600.00	600.00	3,600.00
570.18 · Dues & Subscriptions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
570.19 · Insurance - General	272.56	272.50	272.50	272.50	272.50	272.50	272.50	272.50	272.50	272.50	272.50	272.50	3,270.06
570.23 · General Counsel	191.12	191.17	191.17	191.17	191.17	191.17	191.17	191.17	191.17	191.17	191.17	191.17	2,293.99
570.29 · Dist Promotions & Publications	0.00	0.00	0.00	750.00	250.00	250.00	250.00	250.00	250.00	750.00	250.00	250.00	3,250.00
570.30 · Simple IRA Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
570.33 · Copier Lease	0.00	0.00	0.00	0.00	0.00	401.07	401.07	401.07	401.07	401.07	401.07	401.07	2,807.49

Fallbrook Regional Health District
PROFIT & LOSS - APPROVED ANNUAL BUDGET OVERVIEW
 July 2020 through June 2021

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	TOTAL Jul '20 - Ju...
570.40 · Office Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total 570 · Health & Wellness Center	2,778.84	2,749.83	2,778.83	3,499.83	4,028.83	3,527.28	6,740.80	6,833.32	6,770.95	7,940.85	6,764.23	6,772.47	61,186.06
600 · Community Health Contracts													
600.01 · Be Well Therapy	5,111.00	0.00	0.00	0.00	5,111.00	0.00	0.00	5,111.00	0.00	0.00	5,111.00	0.00	20,444.00
600.02 · Boys & Girls Clubs of North Cty	26,250.00	0.00	0.00	0.00	11,250.00	0.00	0.00	11,250.00	0.00	0.00	11,250.00	0.00	60,000.00
600.03 · Champions for Health	5,871.00	0.00	0.00	0.00	5,871.00	0.00	0.00	5,871.00	0.00	0.00	5,871.00	0.00	23,484.00
600.04 · D'Vine Path	4,380.00	0.00	0.00	0.00	4,380.00	0.00	0.00	4,380.00	0.00	0.00	4,380.00	0.00	17,520.00
600.05 · Fallbrook Food Pantry	38,825.00	0.00	0.00	0.00	38,825.00	0.00	0.00	38,825.00	0.00	0.00	38,825.00	0.00	155,300.00
600.06 · Fallbrook Land Conservancy	6,223.63	0.00	0.00	0.00	6,223.63	0.00	0.00	6,223.63	0.00	0.00	6,223.61	0.00	24,894.50
600.07 · Fallbrook Senior Citizens Serv	43,813.87	0.00	0.00	0.00	43,813.87	0.00	0.00	43,813.87	0.00	0.00	43,813.85	0.00	175,255.46
600.08 · Fallbrook Smiles Project	11,685.00	0.00	0.00	0.00	11,685.00	0.00	0.00	11,685.00	0.00	0.00	11,685.00	0.00	46,740.00
600.09 · Fallbrook Union High School	6,250.00	0.00	0.00	0.00	6,250.00	0.00	0.00	6,250.00	0.00	0.00	6,250.00	0.00	25,000.00
600.10 · Foundation for Senior Care	94,108.64	0.00	0.00	0.00	94,108.64	0.00	0.00	94,108.64	0.00	0.00	94,108.62	0.00	376,434.54
600.11 · Hospice of the Valleys	5,813.50	0.00	0.00	0.00	5,813.50	0.00	0.00	5,813.50	0.00	0.00	5,813.50	0.00	23,254.00
600.12 · Michelle's Place Cancer Res Ctr	10,087.50	0.00	0.00	0.00	10,087.50	0.00	0.00	10,087.50	0.00	0.00	10,087.50	0.00	40,350.00
600.13 · Neighborhood Healthcare	3,750.00	0.00	0.00	0.00	3,750.00	0.00	0.00	3,750.00	0.00	0.00	3,750.00	0.00	15,000.00
600.14 · Palomar Family Counseling Svc	25,958.15	0.00	0.00	0.00	25,958.15	0.00	0.00	25,958.15	0.00	0.00	25,958.15	0.00	103,832.60
600.15 · REINS	29,250.00	0.00	0.00	0.00	29,250.00	0.00	0.00	29,250.00	0.00	0.00	29,250.00	0.00	117,000.00
600.16 · SSNAAPE	1,250.00	0.00	0.00	0.00	1,250.00	0.00	0.00	1,250.00	0.00	0.00	1,250.00	0.00	5,000.00
600.17 · Trauma Intervention Prog of SD	2,500.00	0.00	0.00	0.00	2,500.00	0.00	0.00	2,500.00	0.00	0.00	25,000.00	0.00	32,500.00
600.50 · NC Fire JPA (Ambulance)	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.63	80,000.00
600.51 · NC Fire JPA (EMSO)	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.63	80,000.00
600.52 · NC Fire JPA (Public Comms)	1,458.33	1,458.33	1,458.33	1,458.33	1,458.33	1,458.33	1,458.33	1,458.33	1,458.33	1,458.33	1,458.33	1,458.37	17,500.00
Total 600 · Community Health Contracts	335,918.96	14,791.67	14,791.67	14,791.67	320,918.96	14,791.67	14,791.67	320,918.96	14,791.67	14,791.67	343,418.90	14,791.63	1,439,509.10
800 · District Direct Care Services													
800.01 · Health Services and Clinics	50.00	50.00	50.00	850.00	50.00	50.00	50.00	50.00	50.00	50.00	500.00	50.00	1,850.00
800.02 · Urgent Care	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	96,000.00
800.03 · Women of Wellness	0.00	50.00	50.00	50.00	50.00	0.00	50.00	50.00	50.00	50.00	50.00	50.00	500.00
Total 800 · District Direct Care Services	8,050.00	8,100.00	8,100.00	8,900.00	8,100.00	8,050.00	8,100.00	8,100.00	8,100.00	8,100.00	8,550.00	8,100.00	98,350.00
Total Expense	413,680.02	96,236.64	84,172.18	90,475.18	389,531.50	85,111.27	84,967.16	400,213.04	102,627.77	92,038.11	413,412.41	84,319.68	2,336,784.96
Net Ordinary Income	-367,035.36	-67,561.04	-41,803.75	2,768.46	334,335.39	183,869.23	-17,640.56	-359,549.01	312,990.13	246,836.33	-368,055.99	-53,068.61	-193,914.78
Other Income/Expense													
Other Income													
406 · Unearned Gain/Loss - CalTRUST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
810 · Interest Income - Alvarado Str.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Expense													
825 · Depreciation													
500.27 · Depreciation - Brandon Rd.	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	15,000.00
570.27 · Depreciation - Mission Rd.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total 825 · Depreciation	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	15,000.00
830 · Community Investment Funds Used													
830.01 · Consultants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total 830 · Community Investment Funds U...	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expense	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	15,000.00
Net Other Income	-1,250.00	-1,250.00	-1,250.00	-1,250.00	-1,250.00	-1,250.00	-1,250.00	-1,250.00	-1,250.00	-1,250.00	-1,250.00	-1,250.00	-15,000.00
Net Income	-368,285.36	-68,811.04	-43,053.75	1,518.46	333,085.39	182,619.23	-18,890.56	-360,799.01	311,740.13	245,586.33	-369,305.99	-54,318.61	-208,914.78



CalTRUST
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 PO Box 541150
 Omaha, NE 68154-9150
 www.caltrust.org
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 Fax: 402-963-9094
 Phone: 833-CALTRUST (225-8787)

Investment Account Summary

11/01/2020 through 11/30/2020

SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Nov 30 (\$)	Value on Nov 30 (\$)	Average Cost Amount (\$)	Cumulative Unrealized Gain/(Loss) (\$)
FALLBROOK REGIONAL HEALTH DISTRICT						
CalTRUST Medium Term Fund	[REDACTED]	593,671.149	10.29	6,108,876.12	5,955,395.23	153,480.89
Portfolios Total value as of 11/30/2020				6,108,876.12		

DETAIL OF TRANSACTION ACTIVITY

Activity Description	Activity Date	Amount (\$)	Amount in Shares	Balance in Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
		FALLBROOK REGIONAL HEALTH DISTRICT					Account Number: [REDACTED]	
Beginning Balance	11/01/2020			593,296.915	10.29	6,105,025.26		
Accrual Income Div Reinvestment	11/30/2020	3,850.87	374.234	593,671.149	10.29	6,108,876.12	0.00	0.00
Unrealized Gain/(Loss)						0.00		
Closing Balance as of	Nov 30			593,671.149	10.29	6,108,876.12		

Report 5

Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001

December 02, 2020

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

FALLBROOK REGIONAL HEALTH DISTRICT

ADMINISTRATOR
 P.O. BOX 2587
 FALLBROOK, CA 92088

[Tran Type Definitions](#)

Account Number: XXXXXXXXXX

November 2020 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
11/13/2020	11/9/2020	RW	1659747	N/A	WENDY LYON	-10,000.00
11/13/2020	11/9/2020	RW	1659748	N/A	WENDY LYON	-345,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	2,040,842.69
Total Withdrawal:	-355,000.00	Ending Balance:	1,685,842.69

Fallbrook Regional Health District
REPORT 7 - PROPERTY TAX REVENUE
 July 2020 through June 2021

Type	Date	Name	Amount	Balance
400 · District Income				
402 · Property Tax Revenue				
General Journal	07/31/2020		28,757.66	28,757.66
General Journal	08/31/2020		31,177.60	59,935.26
General Journal	09/30/2020		44,421.29	104,356.55
General Journal	10/31/2020		116,065.90	220,422.45
General Journal	11/30/2020		614,617.77	835,040.22
Total 402 · Property Tax Revenue			835,040.22	835,040.22
Total 400 · District Income			835,040.22	835,040.22
TOTAL			835,040.22	835,040.22

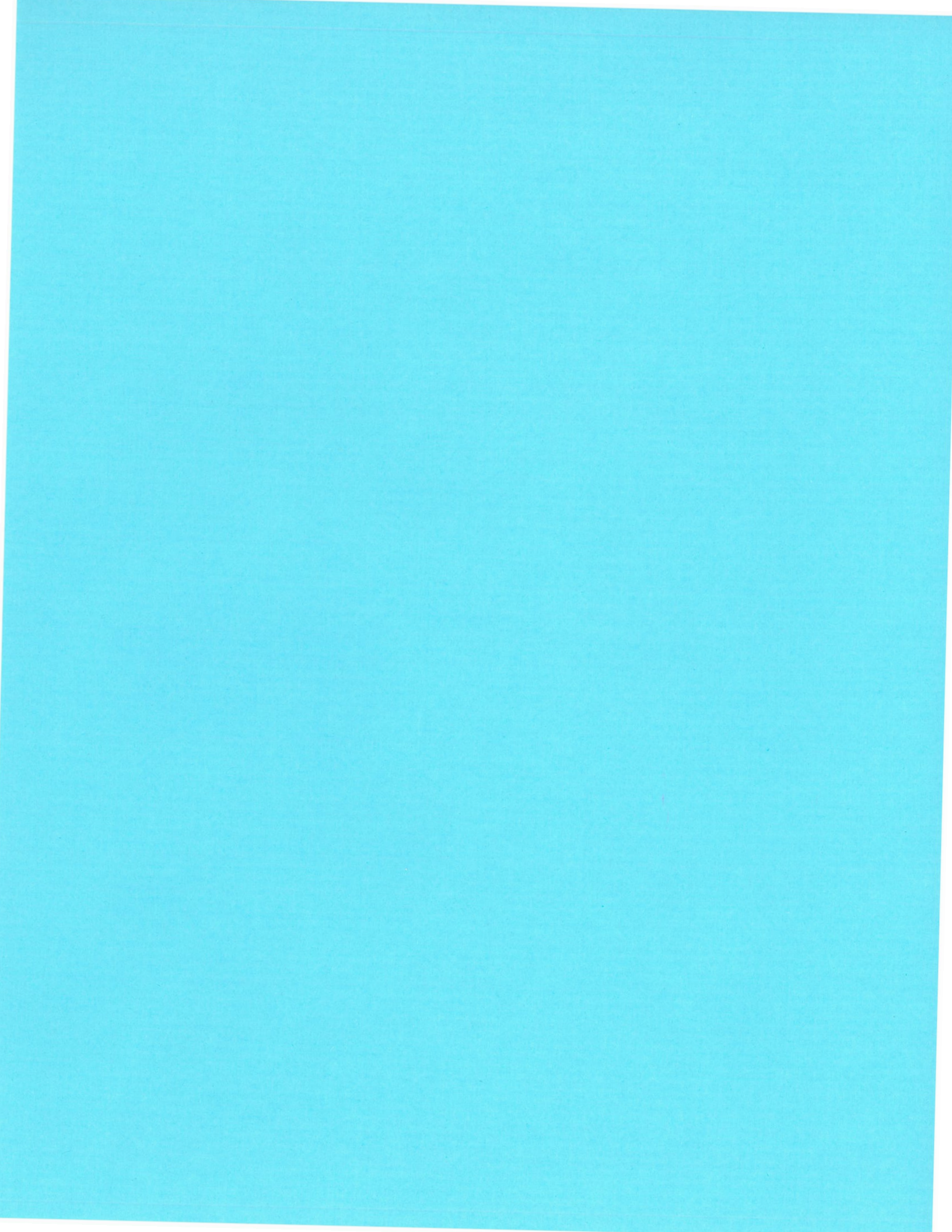
Fallbrook Regional Health District
CHECK DETAIL REPORT
November 2020

Date	Num	Name	Memo	Amount
11/01/2020		Accrued payroll	Payroll clearing October 5, 2020 payroll	\$ 14,153.11
11/02/2020		Deposit	Payment for witness fee	\$ 15.00
11/02/2020	11607	24 Hour Elevator Inc.	Inv. 90435; November maintenance	\$ (200.55)
11/02/2020	11608	John Chisolm	10/30/20 labor charge; E. Mission Rd.	\$ (30.00)
11/02/2020	11609	Culligan of Escondido	Inv. 1081037	\$ (50.00)
11/02/2020	11610	Springston Design LLC	Inv. 4124; new monthly contract	\$ (380.00)
11/02/2020	11611	Termin-8 Pest Control	Inv. 120055	\$ (125.00)
11/02/2020		Deposit	Rock Rose School November 2020 rent	\$ 3,500.00
11/02/2020		Deposit	Med+ November 2020 interest pmt.	\$ 1,650.00
11/04/2020	11612	Tracy Rosalee	Reimbursement - office supplies	\$ (40.14)
11/04/2020	11613	Fallbrook Awards	Inv. 528531; 3 name badges	\$ (32.48)
11/04/2020	11614	Glennie's Office Products, Inc.	10/31/20 stmt.	\$ (116.75)
11/04/2020	11615	Susan Woodward	October accounting services	\$ (1,000.00)
11/04/2020	11616	Fallbrook Senior Citizens Service Club	CHC 370 - PMT 2 OF 4	\$ (12,742.75)
11/05/2020		Payroll clearing	November 5, 2020 payroll	\$ (13,562.20)
11/05/2020		Payroll Taxes	Federal - November 5, 2020 pay period	\$ (3,751.59)
11/05/2020		Payroll Taxes	State - November 5, 2020 pay period	\$ (670.58)
11/05/2020	EFT	ADP, LLC	November 5, 2020 payroll processing fees	\$ (116.51)
11/06/2020	11617	Fallbrook Senior Citizens Service Club	CHC 371 - PMT 2 OF 4	\$ (31,071.11)
11/13/2020		Deposit of reimb. CIF funds July-Sept. 2020	Approved transfer from LAIF per 11/12/20 Board meeting	\$ 10,000.00
11/13/2020		Deposit	Approved transfer from LAIF per 11/12/20 Board meeting	\$ 345,000.00
11/13/2020	11618	Be Well Therapy	CHC 360 - PMT 2 OF 4	\$ (5,111.00)
11/13/2020	11619	Boys & Girls Club of North County	CHC 362 - PMT 2 OF 4	\$ (11,250.00)
11/13/2020	11620	Champions for Health	CHC 363 - PMT 2 OF 4	\$ (1,746.00)
11/13/2020	11621	Champions for Health	CHC 364 - PMT 2 OF 4	\$ (4,125.00)
11/13/2020	11622	D'Vine Path	CHC 365 - PMT 2 OF 4	\$ (4,380.00)
11/13/2020	11623	Fallbrook Food Pantry	CHC 366 - PMT 2 OF 4	\$ (30,000.00)
11/13/2020	11624	Fallbrook Food Pantry	CHC 367 - PMT 2 OF 4	\$ (8,825.00)
11/13/2020	11625	Fallbrook Land Conservancy	CHC 368 - PMT 2 OF 4	\$ (2,758.87)
11/13/2020	11626	Fallbrook Land Conservancy	CHC 369 - PMT 2 OF 4	\$ (3,464.75)
11/13/2020	11627	Fallbrook Smiles Project	VOID: CHC 372 - PMT 2 OF 4 - Replaced with Check No. 11644	\$ -
11/13/2020	11628	Fallbrook Union High School District	CHC 373 - PMT 2 OF 4	\$ (6,250.00)
11/13/2020	11629	Foundation for Senior Care	CHC 374 - PMT 2 OF 4	\$ (13,456.99)
11/13/2020	11630	Foundation for Senior Care	CHC 375 - PMT 2 OF 4	\$ (17,627.08)
11/13/2020	11631	Foundation for Senior Care	CHC 376 - PMT 2 OF 4	\$ (24,662.63)
11/13/2020	11632	Foundation for Senior Care	CHC 377 - PMT 2 OF 4	\$ (25,320.15)
11/13/2020	11633	Foundation for Senior Care	CHC 378 - PMT 2 OF 4	\$ (13,041.76)
11/13/2020	11634	Hospice of the Valleys	CHC 379 - PMT 2 OF 4	\$ (5,813.50)
11/13/2020	11635	Michelle's Place Cancer Resource Center	CHC 380 - PMT 2 OF 4	\$ (10,087.50)
11/13/2020	11636	Neighborhood Healthcare	CHC 381 - PMT 2 OF 4	\$ (3,750.00)
11/13/2020	11637	Palomar Family Counseling Service Inc.	CHC 382 - PMT 2 OF 4	\$ (9,312.95)
11/13/2020	11638	Palomar Family Counseling Service Inc.	CHC 383 - PMT 2 OF 4	\$ (16,645.20)
11/13/2020	11639	REINS Therapeutic Horsemanship Program	CHC 384 - PMT 2 OF 4	\$ (9,375.00)

Fallbrook Regional Health District CHECK DETAIL REPORT

November 2020

11/13/2020	11640 REINS Therapeutic Horsemanship Program	CHC 385 - PMT 2 OF 4	\$ (19,875.00)
11/13/2020	11641 SSNAAPE	CHC 386 - PMT 2 OF 4	\$ (1,250.00)
11/13/2020	11642 Trauma Intervention Programs of SD	CHC 387 - PMT 2 OF 4	\$ (2,500.00)
11/13/2020	11643 CSDA-State	VOID: Inv. 52266 - duplicate billing	\$ -
11/13/2020	11644 Fallbrook Smiles Project	CHC 372 - PMT 2 OF 4	\$ (11,685.00)
11/13/2020	11645 AT&T U-Verse	Account No. 146524365	\$ (79.25)
11/13/2020	11646 Aztec Cleaning & Maintenance	Inv. 311163, 311164, 311190, 311191	\$ (560.00)
11/13/2020	11647 Catalyst - Freeman White	Inv. 15304	\$ (39,240.00)
11/13/2020	11648 Fallbrook Awards	Inv. 528554	\$ (70.04)
11/13/2020	11649 Iron Mountain	Inv. DBMG293	\$ (1,917.74)
11/13/2020	11650 Quest Diagnostics	Inv. 9190102535	\$ (385.80)
11/13/2020	11651 Scott, Jeffrey G., Esquire	10/31/20 stmt.	\$ (1,435.00)
11/13/2020	11652 SDRMA	Inv. 34114	\$ (391.82)
11/13/2020	11653 Streamline	Inv. 107799	\$ (200.00)
11/13/2020	11654 Sun Realty	Property mgmt. 10/8/20 - 11/7/20	\$ (1,144.75)
11/13/2020	11655 The Gallery Collection	Order 20E0060255	\$ (811.14)
11/17/2020	October property tax received	11/17/20 actual post date	\$ 116,065.90
11/18/2020	11656 AT&T U-Verse-E. Mission Rd.	289713009	\$ (89.02)
11/18/2020	11657 Aztec Cleaning & Maintenance	Inv. 311192 & 311193	\$ (280.00)
11/18/2020	11658 CSDA Visa - UMPQUA Bank	10/30/20 stmt.	\$ (726.61)
11/18/2020	11659 Fallbrook Directory	Inv. 18853-FBK21	\$ (191.50)
11/18/2020	11660 Jones, Edward	November 2020 contributions	\$ (200.00)
11/18/2020	11661 Schwab, Charles & Co., Inc.	November 2020 contributions	\$ (1,253.80)
11/20/2020	11662 CalPERS	ID 1559595490	\$ (3,572.58)
11/20/2020	11663 Whalen, J. Associates, Inc.	Inv. 10000327	\$ (1,626.02)
11/20/2020	EFT ADP, LLC	November 20, 2020 payroll processing fees	\$ (99.64)
11/20/2020	Payroll clearing	November 20, 2020 payroll	\$ (11,445.58)
11/20/2020	Payroll Taxes	Federal - November 20, 2020 pay period	\$ (3,337.69)
11/20/2020	Payroll Taxes	State - November 20, 2020 pay period	\$ (597.97)
			\$ 94,525.02



Fallbrook Regional

HEALTH  DISTRICT

Annual Financial Report

For the Fiscal Year Ended June 30, 2020

1st Draft - For Review Only

FALLBROOK REGIONAL HEALTHCARE DISTRICT

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June 30, 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Fallbrook Regional Healthcare District
Fallbrook, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activity and general fund of the Fallbrook Regional Healthcare District (the District) as of June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

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.

Auditors' 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. 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District'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 District'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 activity and general fund of the District as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussion in note 8, the financial statement reporting method was changed from previous years' audited financial statements. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the budgetary comparison schedule - budgetary basis, identified as Required Supplementary Information (RSI) in the accompanying table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

CliftonLarsonAllen LLP

Carlsbad, California
December XX, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

1st Draft - For Review Only

BASIC FINANCIAL STATEMENTS

1st Draft - For Review Only

FALLBROOK REGIONAL HEALTHCARE DISTRICT

GOVERNMENTAL FUND BALANCE SHEET
AND STATEMENT OF NET POSITION

June 30, 2020

	General Fund	Adjustments (Note 1D)	Statement of Net Position
ASSETS:			
Current Assets:			
Cash and investments	\$ 8,973,048	\$ -	\$ 8,973,048
Property tax receivable	18,347	-	18,347
Interest receivable	4,671	-	4,671
Prepaid expenses	1,780	-	1,780
Total Current Assets	8,997,846	-	8,997,846
Noncurrent Assets:			
Capital Assets:			
Not being depreciated	-	490,291	490,291
Capital Assets, net of depreciation	-	1,927,964	1,927,964
Total Capital Assets	-	2,418,255	2,418,255
Note Receivable	487,500	-	487,500
Total Noncurrent Assets	487,500	2,418,255	2,905,755
TOTAL ASSETS	\$ 9,485,346	2,418,255	11,903,601
LIABILITIES:			
Current Liabilities:			
Accounts payable	\$ 17,932	-	17,932
Accrued payroll	19,053	-	19,053
Total Current Liabilities	36,985	-	36,985
Noncurrent Liabilities:			
Compensated absences	-	20,624	20,624
Total Noncurrent Liabilities	-	20,624	20,624
TOTAL LIABILITIES	36,985	20,624	57,609
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenues	487,500	(487,500)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	487,500	(487,500)	-
FUND BALANCE/NET POSITION			
FUND BALANCE			
Nonspendable for prepaid items	1,780		
Unassigned	8,959,081		
TOTAL FUND BALANCE	8,960,861	(8,960,861)	
TOTAL LIABILITIES AND FUND BALANCE	\$ 9,485,346		
NET POSITION			
Net investment in capital assets			2,418,255
Unrestricted		\$ 8,960,861	9,427,737
TOTAL NET POSITION			\$ 11,845,992

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

FALLBROOK REGIONAL HEALTHCARE DISTRICT

**GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
AND STATEMENT OF ACTIVITIES**

For the year ended June 30, 2020

	General Fund	Adjustments (Note 1D)	Statement of Activities
EXPENDITURES/EXPENSES			
Community healthcare programs	\$ 1,225,328	\$ -	\$ 1,225,328
Direct care services	163,145	-	163,145
General and Administrative services	687,004	6,697	693,701
Management and maintenance	114,287	-	114,287
Depreciation	-	59,853	59,853
Other Expenditure/Expense	161,536	-	161,536
Capital Outlay	472,993	(472,993)	-
TOTAL EXPENDITURES/EXPENSES	2,824,293	(406,443)	2,417,850
GENERAL REVENUES			
Property tax revenues	1,898,524	-	1,898,524
Investment earnings	322,069	-	322,069
Lease Income	67,200	-	67,200
Gain on Sale	-	265,816	265,816
TOTAL GENERAL REVENUES	2,287,793	265,816	2,553,609
OTHER FINANCING SOURCES			
Proceeds from sale of land and building	158,000	(158,000)	-
TOTAL OTHER FINANCING SOURCES	158,000	(158,000)	-
EXCESS OF REVENUES OVER EXPENDITURES/CHANGE IN NET POSITION	(378,500)	514,259	135,759
FUND BALANCE/NET POSITION			
BEGINNING OF YEAR	9,339,361		11,710,233
END OF YEAR	\$ 8,960,861		\$ 11,845,992

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

NOTES TO BASIC FINANCIAL STATEMENTS

1st Draft - For Review Only

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

The District, formerly known as the Fallbrook Hospital District, is organized under the provisions of the Health and Safety Code of the State of California to provide and operate health care facilities in Fallbrook, California, and unincorporated area within the County of San Diego, California (County)

B. Financial Statement Presentation

Local governmental units are required to report information on a government-wide basis and on a fund basis (with emphasis placed on major funds of the entity). The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all of the activities of the primary government and its component units. The governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balance) report information on individual funds of the government. A fund is considered to be separate accounting entity with a self-balancing set of accounts.

Since the District utilizes a single governmental fund, and it has no component units, the government-wide and governmental fund financial statements have been combined on the same statement with a reconciliation of the individual line items in a separate column titled "Adjustments." The government-wide financial statements are reported in the "Statement of Net Position" and "Statement of Activities" columns. The governmental fund financial statements are reported in the "General Fund" column.

C. Basis of Accounting and Measurement Focus

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. The District has no fiduciary activities. Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities (current and long term), and deferred inflows of resources are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the governmental fund balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Measurable means that the amounts can be estimated or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the current reporting period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The District's levied property taxes and investment earnings associated with the current period are considered to be susceptible to accrual. Expenditures generally are recorded when a liability is incurred. However expenditures related to compensated absences are recorded only when payment is due.

The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34. The District reports the following major governmental funds:

The **General Fund** is the primary operating fund. It accounts for and reports all financial resources of the District, except those not accounted for and reported in another fund.

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting financial reporting purposes.

The District distinguishes operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are property tax revenues that are received for general operations and pertain directly to the mission of the District. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal activities of the District.

Deferred Inflows of Resources

Deferred inflows of resources on the Governmental Fund Balance Sheet represents an acquisition of fund balance that applies to future periods and reflects the portion of the note receivable on the sale of the Alvarado property that will be recognized as earned in the future period when it is received.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Reconciliation of Fund Financial Statements to Government-wide Financial Statements

In order to adjust the fund balance on the governmental (general) fund balance sheet to arrive at net position on the statement of net position, certain adjustments are required as a result of the differences in accounting basis and measurement focus between the government-wide and fund financial statements.

For the year ended June 30, 2020, purchases of capital are reported as a Capital Outlay expenditure on the Governmental Fund Revenues, Expenditures and Changes in Fund Balance and as an addition to capital assets on the government-wide Statement of Net Position. The associated depreciation expense reduces capital assets, net of depreciation on the Statement of Net Position.

The gain on the sale of the East Alvarado Street property is reflected on the Statement of Activities as the difference between the sales price and the net book value on the Statement of Net Position; while only the portion received in the current year is reflected as an other financing source on the Governmental Fund Revenues, Expenditures and Changes in Fund Balance. The remainder of the proceeds will be recognized in the General Fund in future periods when collections occur on the note receivable. At June 30, 2020, the unrecognized portion is reflected as a deferred inflow of resources on the Governmental Fund Balance Sheet.

The District's accrued compensated absences are reflected on the Statement of Net Position, and changes to the compensated absences are recognized as expenses on the Statement of Activities.

E. New Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Current Year Standards

GASB 95 - *Postponement of the Effective Dates of Certain Authority Guidance*, effective during fiscal year 2019-2020 and resulted delaying the implementation requirements for certain Statements and Implementation Guides to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. New Accounting Pronouncements (Continued)

GASB Pending Accounting Standards

GASB has issued the following statements, which may impact the District's financial reporting requirements in the future.

- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019.
- GASB 90 - *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2018.
- GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020.
- GASB 92 - *Omnibus 2020*, effective for periods beginning after June 15, 2020.
- GASB 93 - *Replacement of Interbank Offered Rates*, effective for periods beginning after June 15, 2021.
- GASB 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for periods beginning after June 15, 2022.
- GASB 96 - *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022.
- GASB 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, effective for fiscal years beginning after June 15, 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

G. Note Receivable

The District's note receivable is from the sale of one of the district's properties in the amount of \$487,500. Interest only payments are due monthly with the entire amount of principal is due by March 27, 2022

H. Property Taxes

Property taxes in California are levied in accordance with Article XIII A of the State Constitution at 1% of countywide assessed valuations. This levy is allocated pursuant to state law to the appropriate units of local government. Additional levies require two-thirds approval by the voters and are allocated directly to the specific government. Taxes and assessments are recognized as revenue based on amounts reported to the District by the San Diego County Tax Collector's Offices. The San Diego County Tax Collector's Offices acts as a collection agent for the property taxes which are normally collected twice a year.

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Dates:	First Installment - November 1 Second Installment - February 1
Delinquent Dates:	First Installment - December 10 Second Installment - April 10

I. Capital Assets

The District's capital assets are stated at the lower of cost or fair market value. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method, generally 3-10 years. The capitalization threshold is \$500.

J. Compensated Absences

It is the District's policy to permit contract employees to accumulate earned but unused vacation leave time. Non-contract employees may accumulate earned but unused vacation leave time up to a maximum of thirty (30) days. All employees may accrue unused sick leave time up to a maximum of thirty (30) days. Upon termination, all employees are entitled to a lump sum payment of 25% of accrued sick leave, not to exceed fifteen (15) days. At June 30, 2020, compensated absences balance was \$20,624.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Net Position/Fund Balance Classification

Net position of the District is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The District has no outstanding debt at June 30, 2020

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The fund balances reported on the fund statements consist of the following categories:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally contractually required to be maintained intact.

Restricted – This classification includes amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers or through enabling legislation.

Committed – This classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's Board of Directors.

Assigned – This classification includes amounts to be used by the District, authorized by the Board of Directors, for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Unassigned – This classification includes the residual balance for the District's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Use of Estimates

The preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements, as well as the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2020 consist of:

Petty cash	\$ 309
Deposits with financial institutions	1,629,169
Investments	<u>7,343,570</u>
 Total cash and Investments	 <u>\$ 8,973,048</u>

This balance is reported as Cash and Investments under Current Assets on the Governmental Fund Balance Sheet and Statement of Net Position.

Investments Authorized by the California Government Code and the District’s Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive. The table also identifies certain provisions of the California Government Code (or District’s investment policy, where more restrictive) that addresses interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Quality Requirements (S & P Rating)
Local Agency Investment Fund (LAIF)	No Limitation	75%	No Limitation	No Limitation
U.S. Treasury Obligations	5 Years	75%	No Limitation	No Limitation
Cal-Trust Mutual Funds	2 Years	75%	No Limitation	AA+/A1
Federal Agency Obligations	5 Years	25%	No Limitation	No Limitation
San Diego County Pooled Investment Funds	No Limitation	20%	No Limitation	No Limitation
Insured CDs	1 Year	20%	No Limitation	AA+/A1
Savings Accounts	No Limitation	25%	No Limitation	No Limitation

2. CASH AND INVESTMENTS (CONTINUED)

State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CalTrust Investment

The District also participates in CalTrust, which is a pool of diversified marketable bonds; including federal, federal agency, corporate, and California municipal bonds. The bonds are pooled in a Medium-Term account. CalTrust investments are subject to market risk as a result of changes in interest rates.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity date at June 30, 2020:

Investment Type	Total	Remaining Maturity (in Months)	
		12 Months or Less	13 to 24 Months
Local Agency Investment Fund (LAIF)	\$ 1,255,310	\$ 1,255,310	\$ -
CalTRUST Medium Term Fund	6,088,260	-	6,088,260
Total	\$ 7,343,570	\$ 1,255,310	\$ 6,088,260

2. CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s investment policy, or debt agreements, and the S & P’s rating for each investment type at June 30, 2020.

Investment Type	Total	Minimum Legal Rating	Ratings as of Year End	
			AA	Not Rated
Local Agency Investment Fund (LAIF)	\$ 1,255,310	Exempt	\$ -	\$ 1,255,310
CalTRUST Medium Term Fund	6,088,260	AA+/A1	6,088,260	-
Total	\$ 7,343,570		\$ 6,088,260	\$ 1,255,310

Concentration of Credit Risk

The investment policy of the District is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The District holds no investments in any one issuer other than mutual funds and external investment pools) that represents 5% or more of total District investments at June 30, 2020.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District’s investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balances, up to \$250,000 held at each institution were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District’s name. As of June 30, 2020 \$1,399,749, of the District’s deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

2. CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Investments measured at cost or net asset value (NAV) are not subject to fair value measurement hierarchy.

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the District's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the District's own data.

The District's only investment subject to the fair value measurement hierarchy is its investment in CalTRUST Medium Term Fund, which is measured at observable input Level 2. LAIF is valued at its net asset value and therefore is not subject to fair value measurement hierarchy.

3. CAPITAL ASSETS

Capital assets activities for the year ended June 30, 2020 are as follows:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 644,477	\$ -	\$ (154,186)	\$ 490,291
Total capital assets, not being depreciated	<u>644,477</u>	<u>-</u>	<u>(154,186)</u>	<u>490,291</u>
Capital assets, being depreciated:				
Building and improvements	1,760,562	455,052	(231,495)	1,984,119
Equipment	59,778	17,941	(15,884)	61,835
Total capital assets, being depreciated	<u>1,820,340</u>	<u>472,993</u>	<u>(247,379)</u>	<u>2,045,954</u>
Less accumulated depreciation for:				
Building and improvements	(44,014)	(53,715)	5,997	(91,732)
Equipment	(36,004)	(6,138)	15,884	(26,258)
Total accumulated depreciation	<u>(80,018)</u>	<u>(59,853)</u>	<u>21,881</u>	<u>(117,990)</u>
Total capital assets, being depreciated, net	<u>1,740,322</u>	<u>413,140</u>	<u>(225,498)</u>	<u>1,927,964</u>
Total Capital Assets	<u>\$ 2,384,799</u>	<u>\$ 413,140</u>	<u>\$ (379,684)</u>	<u>\$ 2,418,255</u>

4. OPERATING LEASE COMMITMENT

The District is under contract for one operating lease for its copy machine, located in the administrative office. The minimum future equipment rental payments under this noncancelable, unsecured 60-month operating lease as of June 30, 2020 are as follows:

Year Ending June 30,	Minimum Lease Commitments
2021	\$ 8,664
2022	8,664
2023	6,498
2024	-
	\$ 23,826

5. DEFINED CONTRIBUTION PENSION PLAN

The District has a Section 408(p) defined contribution pension plan as allowed under the Internal Revenue Code. The plan type sponsored by the District is the Savings Incentive Match Plan for Employees of Small Employers (SIMPLE), which was effective on January 6, 2006. The Plan is a defined contribution retirement plan in which the employer’s contribution is nondiscretionary and is based on a formula that is not related to profit. The Plan sponsor guarantees no benefit and bears no investment risk while the Plan participants bear all investment risk and have no guaranteed level of benefits.

Eligible non-contract employees may begin participating in the Pension Plan following a one-year probationary employment period. The Administrator may begin participating the first day of the month following the employment date of work. The Plan is entirely funded by District contributions of up to 3% of the participants’ gross pay for employees hired on or after March 1, 2006 who contribute up to 3% of their salary to the deferred compensation plan. Participants are fully vested upon joining the plan. Plan provisions and contribution requirements are established and may be amended by the District. Participants are eligible to begin receiving benefits at age 55.

The District’s payroll for employees covered by the Plan for the year ended June 30, 2020, was \$0. Total employer contributions paid by the District amounted to \$0.

Funds paid into the Plan by the District are placed in a SIMPLE IRA account at a financial institution determined by the Plan participants. The financial information of the defined contribution pension plan is not in the accompanying financial statements.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries insurance through Special District Risk Management Authority (SDRMA). SDRMA is a risk pooling joint powers authority formed under the California Government Code to provide insurance coverage for SDRMA's member districts. SDRMA purchases excess insurance from commercial carriers to reduce its exposure to large losses.

At June 30, 2020, the District participated in SDRMA as follows:

General and Auto Liability, Public Officials and Employees' Errors and Omissions and Employment Practices Liability - Single limit of \$2,500,000 per occurrence, subject to deductibles of \$500 per occurrence for third party general liability property damage; \$1,000 per occurrence for third party auto liability property damage, 50% co-insurance of cost expended by SDRMA, in excess of \$10,000 up to \$50,000 per occurrence for employment related claims.

Employee Dishonesty Coverage – Total of \$1,000,000 per loss includes Public employee dishonesty, forgery or alteration and theft, disappearance and destruction.

Property Loss – Replacement cost for property on file, if replaced, and if not replaced within two years after the loss, paid on an actual cash value basis, to a combined total of \$1 billion per occurrence, subject to a \$1,000 deductible per occurrence.

Boiler and Machinery – Replacement cost up to \$100 million per occurrence, subject to a \$1,000 deductible.

Public Officials Personal Liability - \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which coverage applies, subject to a \$1,000 deductible per claim.

Comprehensive and Collision – on selected vehicles, with deductibles of \$250/\$500 or \$500/\$1,000 as elected.

There were no instances in the past three years where a settlement exceeded the District's coverage provided through SDRMA.

7. COMMITMENTS AND CONTINGENCIES

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Covid-19

On January 30, 2020 the World Health Organization (WHO) announced a global health emergency based on an outbreak of a new strain of coronavirus (the COVID-19 outbreak) and the risks that are posed to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on the District's financial condition, liquidity, operations, and workforce. The District cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time; however, if the pandemic continues, it may have a material effect on the District's results of future operations and financial position in fiscal year 2021.

8. CHANGE IN FINANCIAL STATEMENT REPORTING FROM PREVIOUS YEARS

In previous years, the District's financial statements were reported as an Enterprise Fund. Enterprise Funds are used by government agencies to account for operations which are financed and managed in a similar manner to private business enterprises, where the costs and expenses (including depreciation) of providing services to the public on a continuing basis are recovered primarily through user charges. In an Enterprise Fund revenues and expenses are recognized on a full accrual basis in the period incurred.

Since the District's operations are funded by property tax revenues and not user charges, the financial statements for June 30, 2020 are reported as a governmental fund. Governmental funds are reported using the current financial resources measurement focus and modified accrued basis of accounting. Beginning fund balance of the General Fund was computed by adjusting prior year ending Net Position for certain assets and liabilities not normally reported on the modified accrual basis of accounting.

9. SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated all other events and transactions for potential recognition or disclosure through **December XX, 2020**, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
FUND BALANCE, JULY 1	\$ 9,339,361	\$ 9,339,361	\$ 9,339,361	\$ -
Resources (inflows):				
Property tax revenues	\$ 2,046,000	\$ 2,046,000	\$ 1,898,524	\$ (147,476)
Investment earnings	235,000	235,000	322,069	87,069
Lease Income	54,600	54,600	67,200	12,600
Proceeds from sale of land and building	-	-	158,000	158,000
Amount Available for Appropriations	<u>2,335,600</u>	<u>2,335,600</u>	<u>2,445,793</u>	<u>110,193</u>
Charges to Appropriations (Outflows):				
General and Administrative services	611,277	611,277	687,004	(75,727)
Management and maintenance	279,180	279,180	114,287	164,893
Direct care services	206,000	206,000	163,145	42,855
Community healthcare programs	1,193,243	1,193,243	1,225,328	(32,085)
Other Expenditure/Expense	-	-	161,536	(161,536)
Capital Outlay	-	-	472,993	(472,993)
Total Charges to Appropriations	<u>2,289,700</u>	<u>2,289,700</u>	<u>2,824,293</u>	<u>(534,593)</u>
Excess of Resources Over (Under) Charges To Appropriations	<u>45,900</u>	<u>45,900</u>	<u>(378,500)</u>	<u>(424,400)</u>
FUND BALANCE, JUNE 30	<u>\$ 9,385,261</u>	<u>\$ 9,385,261</u>	<u>\$ 8,960,861</u>	<u>\$ (424,400)</u>

General Budget Policies

The Board of Directors adopts an annual budget that begins on July 1. Annual appropriations are approved by the Board of Directors prior to the beginning of each year. All appropriations lapse at year-end. The Board of Directors has the legal authority to amend the budget at any time during the fiscal year.

Budgetary Basis of Accounting

The District's budget is administered on a cash basis that differs from the actual balances which are reported on the modified basis of accounting. The main difference in the June 30, 2020 fiscal year is that capital outlay and proceeds from sale of land and building, reportable on the modified accrual basis of accounting are not budgeted items.

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