

BLOSS MEMORIAL HEALTHCARE DISTRICT
FY 2020 BUDGET

The 2020 Budget Reports are attached and include both the Summary and Detail Formats.

The FY 2020 Budget reflects a projected accrual Net Profit of \$65,631 which includes Other Operating Revenue of \$142,514 and a Net Non-Operating Revenue of \$2,586,649.

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

Total Net Operating Revenue

No Patient Revenue is expected with the sale of the two Surgery Centers, effective June 1, 2018. According to the Sales Agreement Bloss Memorial District will receive any outstanding accounts receivable due to Children's Dental Surgery Center and Central California Dental Surgery Center through May 31, 2018.

Other Revenue includes an estimated \$6,369 for Special Dividends from Beta liability insurance and \$136,145 of Service Reimbursement for BMHD Administrative Service Agreement between Dental Surgery Centers of America (DSCA).

Total Non-Operating Revenues

Bloss Trust is calculated at \$549,685 reflecting the anticipated Year End Distributions for FY 2020. Bloss Trust Revenue is budgeted at actual receipts of FY 2019, expected to be conservative.

Property Tax Revenue is budgeted at the actual receipts of FY 2019 to reflect the tax income earned paid to Bloss Memorial Healthcare District from Merced County in the amount of \$377,766.

Interest Income is estimated at \$134,524 for Promissory Notes and Working Capital Loan totaling \$2,150,000 at 6.0% simple interest. Interest Income also includes an additional Working Capital Loan in the amount of \$80,000 with simple interest of 6.5%. These agreements are between Bloss and DSCA.

Bloss Memorial Health Care District are landlords to two facilities located in Atwater, California. Rental Income is calculated with the current lease agreements with the annual 2% increase and is budgeted at \$1,468,982.

Total operating expense is estimated at \$2,399,852 for the operations of the two facilities located at the Bloss and Castle site. Total operating expense includes half of the rental costs for Sierra Kings located at 145 S. Newmark Avenue, Parlier, California. Dental Surgery Centers of America has signed a Commercial Sublease Agreement and will reimburse Bloss half of the facility Rent. DSCA is responsible for Utilities, Alarm,

Phone, Yard Maintenance, Bio Hazard, Technology, Real Property Taxes, Personal Property taxes and Building Maintenance. These items have been excluded from the Bloss budget.

Operating Expenses

Salaries and Benefits

Total Salaries and Benefits includes the annual increase in compensation and corresponding benefits to obtain Executive Services in the amount of \$179,880.

Professional Fees

Professional Fees total is \$92,471 for Legal Fees, Auditing, and Other Contacted Services which include maintenance services provided by Castle Family Health Centers.

Supplies

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

Purchased Services

The majority of expense in purchased services consists of Other Purchased Services in the amount of \$736,824. These services include pest control, housekeeping, security services, monitoring, lawn care and building repairs and maintenance.

Depreciation

Depreciation Expense is projected on the schedule of existing Assets with the exclusion of CCDSC and Sierra Kings assets. Additional depreciation expense was included in Buildings and Improvements for roof repairs of the two sites located at Bloss and Castle.

Utilities

The majority of operating expense is budgeted in utilities for electricity, gas, water, garbage, and sewer totaling \$427,957.

Other Operating

Other operating expense budget is for facility liability insurance, Telephone, Training, and other expense.

Transfer to On-Going Grant Reserves

Transfer to On-Going Grant Reserves are funds in the amount of \$200,000 for grants to assist partnering healthcare organizations in providing medical programs to the community.

SUMMARY**Bloss Memorial Healthcare District, A Public Entity****FY 20 BUDGET**

NET PATIENT REVENUE	<u>0</u>
OTHER REVENUE	<u>142,514</u>
TOTAL NET OPERATING REVENUE	<u>142,514</u>
OPERATING EXPENSES	
SALARIES AND WAGES	156,496
EMPLOYEE BENEFITS	23,385
PROFESSIONAL FEES	92,471
SUPPLIES	10,536
PURCHASED SERVICES	736,824
DEPRECIATION	635,235
RENTS AND LEASES	114,612
UTILITIES	427,957
INSURANCE	172,290
OTHER EXPENSE	<u>30,047</u>
TOTAL OPERATING EXPENSE	<u>2,399,852</u>
NET INCOME FROM OPERATIONS	-2,257,338
NON-OPERATING REVENUE	2,586,649
NON-OPERATING EXPENSE	<u>63,681</u>
NET NON-OPERATING INCOME	<u>2,522,969</u>
Transfer to On-Going Grant Reserves	<u>200,000</u>
NET INCOME	<u>65,631</u>

DETAILED

Bloss Memorial Healthcare District, A Public Entity

FY 20 BUDGET

REVENUES

NET PATIENT REVENUE	0
SERVICE REIMBURSEMENT	136,145
MISC OTHER OPERATING REVENUE	6,369
TOTAL OTHER OPERATING REVENUE	142,514
TOTAL NET OPERATING REVENUE	142,514

EXPENSES

SALARIES

MANAGEMENT AND SUPERVISION	146,807
VACATION EXPENSE	9,689
TOTAL SALARIES	156,496

BENEFITS

FICA	11,304
UNEMPLOYMENT INSURANCE	6,291
PENSION PLAN	5,790
TOTAL BENEFITS	23,385

TOTAL SALARIES AND BENEFITS	179,880
------------------------------------	----------------

PROFESSIONAL FEES

CONSULTING & MANAGEMENT	2,061
LEGAL	65,587
ACCOUNTING/AUDIT	10,000
OTHER CONTRACTED SERVICE	14,823
TOTAL PROFESSIONAL FEES	92,471

SUPPLIES

FOOD	992
OFFICE SUPPLIES	1,295

OTHER MINOR EQUIPMENT	889
OTHER NON-MEDICAL SUPPLIES	3,605
FREIGHT ON PURCHASES	3,755
	0
TOTAL SUPPLIES	10,536
PURCHASED SERVICES	
REPAIRS AND MAINTENANCE	263,335
MANAGEMENT SERVICES	10,200
OTHER PURCHASED SERVICES	463,289
TOTAL PURCHASED SERVICES	736,824
DEPRECIATION	
DEPREC-BUILDINGS & IMPROVEMENT	581,801
DEPREC-LEASEHOLD IMPROVEMENT	9,885
DEPREC-EQUIPMENT	43,549
TOTAL DEPRECIATION	635,235
RENTS AND LEASES	
RENTAL - BUILDING SIERRA KINGS	114,612
TOTAL RENTS AND LEASES	114,612
UTILITIES	
ELECTRICITY	329,066
NATURAL GAS	45,472
WATER	20,705
UTILITIES - OTHER	32,714
TOTAL UTILITIES	427,957
OTHER OPERATING EXPENSES	
INSURANCE	172,290
TAX AND LICENSE	13,600
TRAINING	6,000
TELEPHONE	2,860
SUBSCRIPTIONS & DUES	5,550
OTHER EXPENSE	2,037

TOTAL OTHER OPERATING EXPENSE	202,337
TOTAL OPERATING EXPENSE	<u>2,399,852</u>
NET INCOME FROM OPERATIONS	(2,257,338)
NON-OPERATING REVENUES	
BLOSS TRUST	549,685
GAIN ON INVESTMENTS	55,692
INTEREST INCOME	134,524
PROPERTY TAX REVENUE	377,766
RENTAL INCOME	1,468,982
TOTAL NON-OPERATING REVENUE	2,586,649
NON-OPERATING EXPENSE	
LOSS ON MARKETABLE SECURITY	<u>63,681</u>
TOTAL NON-OPERATING EXPENSE	63,681
NET NON-OPERATING INCOME	<u>2,522,969</u>
Transfer to On-Going Grant Reserves	<u>200,000</u>
NET INCOME (LOSS)	<u>65,631</u>