



BOARD OF DIRECTORS

Steve Pittson, DC, President
Daniel Robinson, Vice-President
Becky Campo, Secretary
Anne Stokman, RN, Treasurer
Sheree Lustgarten, Member

PO Box 187, Patterson, CA 95363
Phone (209) 892-8781 Fax (209) 892-3755

AGENDA

March 25, 2019

6:30 pm

Del Puerto Health Center Conference Room

1700 Keystone Pacific Parkway, Unit B,
Patterson, California

The Del Puerto Health Care District welcomes you to this meeting, which is regularly held the last Monday of each month, and your interest is encouraged and appreciated.

PUBLIC COMMENT PERIOD: Matters under the jurisdiction of the Board, and not on the posted agenda, may be addressed by the general public at the beginning of the regular agenda. If you wish to speak on an item on the agenda, you are welcome to do so during consideration of the agenda item itself. If you wish to speak on a matter that does not appear on the agenda, you may do so during the Public Comment period, however California law prohibits the Board from taking action on any matter which is not on the posted agenda unless it is determined to be an emergency by the Board of Directors. Persons speaking during the Public Comment will be limited to five minutes or, depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board. Public comments must be addressed to the board as a whole through the President. Comments to individuals or staff are not permitted.

CONSENT CALENDAR: These matters include routine financial and administrative actions and are identified with an asterisk (*). All items on the consent calendar will be voted on as a single action at the beginning of the meeting under the section titled "Consent Calendar" without discussion. If you wish to discuss an item on the Consent Calendar, please notify the Clerk of the Board prior to the beginning of the meeting or you may speak about the item during Public Comment Period.

REGULAR CALENDAR: These items will be individually discussed and include all items not on the consent calendar, all public hearings and correspondence.

CLOSED SESSION: Is the portion of the meeting conducted in private without the attendance of the public or press to discuss certain confidential matters specifically permitted by the Brown Act. The public will be provided an opportunity to comment on any matter to be considered in closed session prior to the Board adjourning into closed session.

ANY MEMBER OF THE AUDIENCE DESIRING TO ADDRESS THE BOARD ON A MATTER ON THE AGENDA: Please raise your hand or step to the podium at the time the item is announced by the Board President. In order that interested parties have an opportunity to speak, any person addressing the Board will be limited to a maximum of 5 minutes unless the President of the Board grants a longer period of time.

BOARD AGENDAS AND MINUTES: Board agendas and minutes are typically posted on the Internet on Friday afternoons preceding a Monday meeting at the following website: <https://dphealth.specialdistrict.org/board-meeting-agendas>.

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District office at 875 E Street, Patterson, CA during normal business hours. Such documents are also available online, subject to staff's ability to post the documents before the meeting, at the following website <https://dphealth.specialdistrict.org/board-meeting-agendas>.

NOTICE REGARDING NON-ENGLISH SPEAKERS: Board of Director meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

REASONABLE ACCOMMODATIONS: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board at (209) 892-8781. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

Cell phones must to be silenced or set in a mode that will not disturb District business during the meeting.



1. **Call to Order**
2. **Pledge of Allegiance**
3. **Board of Directors Roll Call**
4. **Reading of the Mission Statement**
"The District's primary mission is to provide the highest quality health care services through Patterson District Ambulance and Del Puerto Health Center, while continuing to expand healthcare availability to the citizens of the Del Puerto Health Care District."
5. **Public Comment Period** *[Members of the public may address the Board on any issues on the Consent Calendar and items not listed on the agenda that are within the purview of the District. Comments on matters that are list on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of five minutes. Board members may not comment or acting on items not on the agenda.]*
6. **Declarations of Conflict** *[Board members disclose any conflicts of interest with agenda items]*
7. **Approval of Agenda** **Action**
*[*Directors may request any consent calendar item be moved to regular calendar or change the order of the agenda items.]*
8. **Consent Calendar*** *[Routine committee reports, minutes, and non-controversial items]* **Action**
 - A. * Approve Board Minutes for Meeting, February 25, 2019
 - B. * Approve MVEMSA Contract Extension to December 31, 2019 for Zones 5 & B
 - C. * Approve the Purchase of Four Replacement Laptops for the Ambulance Department
 - D. * Approve Resolution 19-03 Local Agency Investment Fund \$500,000 Deposit
 - E. * Approve Resolution 19-04 TCB Keystone C Loan Principal Paydown of \$55,000
9. **Regular Calendar**
 - A. Resolutions of Appreciation for Chuck Coelho and Brian Hanne Meyer **Action**
 - B. Presentation and Acceptance of FYE 2018 Audited Financial Statements by WIPFLI **Action**
 - C. * *Any Consent calendar items moved to regular calendar*
10. **Reports**
 - A.

<u>Employee Anniversaries & New Hires</u>	<u>March</u>	<u>Years</u>
Health Center:	Jacqueline Palominos	7
 - B. District Wide Community Assessment – Director Stokman
 - C. West Side Health Care Task Force – Director Lustgarten
 - D. Ambulance
 - E. Health Center
 - F. Administration



BOARD OF DIRECTORS MEETING AGENDA
March 25, 2019 @ 6:30 pm
Del Puerto Health Center Conference Room,
1700 Keystone Pacific Parkway, Unit B, Patterson, CA

12. Upcoming Regular Board and Standing Committee Meeting Dates

Finance – Wednesday, Apr 24	Board – Monday, Apr 29
Finance – Wednesday, May 22	Board – May 27 No Meeting (Due to Holiday)
Finance – Wednesday, June 19	Board – Monday, June 24

13. Closed Session *[Board of Directors may recess to closed session for discussion of certain matters as legally permitted. Any action taken shall be reported in open session.]*

- A. Gov't Code section 54956.8 Conference with Real Property Negotiator
Property: APN 0131-024-007

- B. Gov't Code § 54956.9(b) Conference with Legal Counsel – Anticipated litigation or
significant exposure to litigation: One (1) potential case.

- C. Gov't Code section 54957.6 Conference with Labor Negotiator
Employee Organization: USW TEMSA Local 12911
Negotiators: David Ritchie, JD, Karin Hennings
 Paul Willette

14. Reconvene to Open Session – Report of Closed Session

15. Adjourn

The Board of Directors of the Del Puerto Health Care District

BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA ITEM #: 8.A,B,C,D,E,

AGENDA DATE: 03/25/2019

SUBJECT: Consent Calendar

- A. Approve Board Minutes for Meeting, February 25, 2019
- B. Approve MVEMSA Contract Extension to December 31, 2019 for Zones 5 & B.
- C. Approve the Purchase of Four Replacement Laptops for the Ambulance Department.
- D. Approve Resolution 19-03 Local Agency Investment Fund \$500,000 Deposit.
- E. Approve Resolution 19-04 TCB Keystone C Loan Principal Paydown of \$55,000.

BOARD ACTION AS FOLLOWS:

MOTION:

On motion of Director _____, Seconded by Director _____ and approved by the following vote,

Ayes: Directors _____

Noes: Directors _____

Excused or Absent: Directors _____

Abstaining: Directors _____

_____ Approved as recommended

_____ Denied

_____ Approved as amended

ATTEST: Becky Campo, Secretary of the Board of Directors

Date

The Board of Directors of the Del Puerto Health Care District

BOARD AGENDA ITEM

DEPT: CHIEF EXECUTIVE OFFICE	BOARD AGENDA:	8.A
CONSENT CALENDAR: YES	AGENDA DATE:	03/25/2019
CEO CONCURRENCE: YES	4/5 VOTE REQUIRED:	NO

SUBJECT:

Approve Board Minutes for February 25, 2019

RECOMMENDATION:

The Board of Directors accept the Board Minutes for February 25, 2019.

MOTION:

On motion of Director_____. Seconded by Director_____

with the following vote:

Ayes: Directors_____

Noes: Directors_____

Excused or Absent Directors_____

____ Approved as recommended

____ Denied

____ Approved as amended

____ Other

ATTEST: Becky Campo, Board Secretary

Date



BOARD OF DIRECTORS MEETING

February 25, 2019 @ 6:30 pm
Del Puerto Health Center Conference Room,
1700 Keystone Pacific Parkway, Unit B, Patterson

Board of Directors Minutes

1. **Call to Order at 6:32**

2. **Pledge of Allegiance**

3. **Board of Directors Roll Call**

Directors Present: Director, Steve Pittson (arrived at 6:33)
Director, Dan Robinson
Director, Anne Stokman
Director, Becky Campo

Directors Absent: Director, Sheree Lustgarten

Staff Present: Administrative Director/CEO, Karin Hennings
Ambulance Director, Paul Willette
Health Center Manager, Suzie Talamantes
Financial Accounting Manager, Maria Reyes
Clerk of the Board, Cheryle Pickle

District Legal Council: Dave Ritchie, Cate, Huber, LLP

4. **Reading of the Mission Statement**

"The District's primary mission is to provide the highest quality health care services through Patterson District Ambulance and Del Puerto Health Center, while continuing to expand healthcare availability to the citizens of the Del Puerto Health Care District."

5. **Public Comment Period**

There were no public comments. The Board welcome employee, Danae Skinner from Administration.

6. **Declarations of Conflict:** There were no conflicts declared

7. **Approval of Agenda**

M/S/C To accept the agenda.

Director Stokman/Director
Robinson/

Ayes; Directors Pittson, Robinson,
Stokman, Campo

Nays: None

Absent: Director Lustgarten

8. **Consent Calendar**

**M/S/C To accept the Consent
Calendar**

Director Stokman/Director Campo
Ayes: Directors Pittson, Robinson,
Stokman, Campo

Nays: None

Absent: Director Lustgarten

BOARD OF DIRECTORS MEETING

February 25, 2019 @ 6:30 pm

Del Puerto Health Center Conference Room,
1700 Keystone Pacific Parkway, Unit B, Patterson

- A. * Approve Board Minutes for January 28, 2019
- B. * Accept Finance Committee Minutes for Meeting November 26, 2018
- C. * Accept Financial Report & Warrants for November 2018, December 2018, and January 2019

9. **Regular Calendar**

- A. Resolution # 2019-01 Banking access and Security Resolution

Ms. Hennings explained the reason for the Resolution each year is that the Banks require a resolution anytime there is a change in signatories. She explained the changes and recommendations. This was reviewed and recommended by the Finance Committee on 02/18/19.

M/S/C To Accept Resolution #19-02, The 2019 Banking Access And Security Resolution/
Director Stokman/Director Campo
Ayes: Directors Pittson, Robinson, Stokman, Campo
Nays: None
Absent: Director Lustgarten

- B. Resolution # 2019-02 Authorizing Signers for the Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund (LAIF) was explained by Ms. Hennings. It is administered by the State for Public Agencies. A handout, "LAIF Interest Income Analysis" was distributed by Ms. Hennings. The purpose of the handout was to demonstrate possible options the District may take advantage of in the future. At this time, we are not transferring any funds. The purpose of the Resolution is to establish who would be able to authorize the deposits and withdrawals of funds (with directions from the Board) into/out of the account.

It was discussed that the Board of Directors would need to have a Resolution to make deposits/withdrawals from this account. It was discussed that if the Board did invest in this account and wanted to withdraw funds, it would take a Resolution by the Board and 10 business days to process.

M/S/C To Pass and adopt Resolution #19-02 Authorizing Investment of Monies in the Local Agency Investment Fund
Director Robinson/Director Campo
Ayes: Directors Pittson, Robinson Stokman, Campo
Nays: None
Absent: Director Lustgarten

- C. West Side Health Care Task Force - Appointment of Board Representative
Need a Representative on the West Side Health Care Taskforce. Director Pittson recommended Director Lustgarten. Ms. Hennings added that Director Lustgarten had indicated that she would accept this assignment. The next meeting is March 12, 2019.

M/S/C To assign Director Lustgarten

BOARD OF DIRECTORS MEETING
February 25, 2019 @ 6:30 pm
Del Puerto Health Center Conference Room,
1700 Keystone Pacific Parkway, Unit B, Patterson

**to be the Board Representative to the
West Side Health Care Team**

Director Pittson/ Director Robinson
Ayes: Directors Pittson, Robinson,
Stokman, Campo

Nays: None

Absent: Director Lustgarten

10. **Reports**

A. <u>Employee Anniversaries & New Hires</u>	<u>February</u>	<u>Years</u>
Ambulance:	Chuck Coelho	7
	Lori Valdovinos	7
Health Center:	Daiana Flores	2
	Susi Perez	3

B. District Wide Community Health Assessment – Director Stokman

Director Stokman informed the Board that she had learned that the County data can be accessed by zip code. This will help to filter the information that we receive for the county data. She was invited to the Patterson focus group but did not stay since all (4) participants were speaking Spanish. It is a slow process, but we need to learn as much as we can from the county data before we spend any funds. We will be able to better focus the information we need when we get ready to hire consultants to complete our assessment.

Next Meeting is 03/08/2019 at 11:00 am.

C. Ambulance

Mr. Willette reviewed the numbers for January Transports. He distributed the January report. The numbers are down from last year. This is due to a less aggressive flu season, there were 35 less calls a, and 14 less transports. Yet, today it was very busy in Modesto and both of our ambulances were called into their area to cover calls.

Mr. Willette brought charts to demonstrate the different zones that PDA is responsible for. The Urban area has 100 people or more in the square mile. The Suburban has 50-99 in a square mile. The Rural area has 7-49 people in a square mile. Wilderness has < 6 people in a square mile. Each of these zones has different times to respond to a call. He explained that some areas might have more people, but the area must be contiguous to be given the designation.

There was also a handout of the Patterson Monthly KPI Dashboard. This is a new report provided by our billing company which delineates our payor mix. It provides a lot more information than we have had in the past.

BOARD OF DIRECTORS MEETING
February 25, 2019 @ 6:30 pm
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D. Health Center

Ms. Talamantes reviewed the January report. The numbers are down. Trying to get a Locum and another pediatrician. They also would like to add another mid-level provider.

Last week they had an audit of the Vaccines of Children. This covered the last 3 years. This program provided \$178k for Vaccines. The audit was very extensive. She is happy to report they had zero deficiencies. The results of the audit just prove how the staff is working to do things right.

Next, they have 3 weeks of chart audits.

There were questions about how many patients we have lost to the new pediatrician at Livingston. They have some data from Health Net, but it needs to be qualified because it includes patients that left Health Net but not necessarily the clinic. But we have definitely lost some patients.

E. Administration

Ms. Hennings distributed the Administrative Director / CEO Report – February 2019. Ambulance

She noted that our QI Educator, Jacob Schulke, was presenting at the Annual Regional Pre-Hospital Cardiovascular Conference tomorrow. The ambulance has been undergoing Infrequent Skills training. This has been in conjunction with Stryker and PH1 Air Transport.

Stanislaus county released the Proposal for ambulance services. We do not have to bid for our area. They are proposing to add areas along the 99-corridor that previously not been assigned. We had been providing some services in this area, however we are fine with these areas being added to the 99-corridor.

She shared that the State Controller's office published the 2019 Special District Uniform Accounting and Reporting Procedures. We will be changing our accounting numbering system to comply. We will be working with the Finance Committee during this transition.

She provided a list of Educational Webinars provided by CSDA and encouraged the Board members to attend. Some are no charge, and some have a fee. We have funds available for those who are interested in attending. Please contact Ms. Hennings for details.

11. Upcoming Regular Board and Standing Committee Meeting Dates

Finance – Wednesday, Mar 20

Board – Monday, Mar 25

Finance – Wednesday, Apr 24

Board – Monday, Apr 29

BOARD OF DIRECTORS MEETING
February 25, 2019 @ 6:30 pm
Del Puerto Health Center Conference Room,
1700 Keystone Pacific Parkway, Unit B, Patterson

Finance – Wednesday, May 22

Board – May 27 No Meeting (due to holiday)

Adjourned to Closed Session at 7:40

12. **Closed Session** *[Board of Directors may recess to closed session for discussion of certain matters as legally permitted. Any action taken shall be reported in open session.]*
- A. Gov't Code section 54956.8 Conference with Real Property Negotiator
Property: APN 0131-024-007
 - B. Gov't Code § 54956.9(b) Conference with Legal Counsel – Anticipated litigation or
significant exposure to litigation: One (1) potential case.
 - C. Gov't Code section 54957.6 Conference with Labor Negotiator
Employee Organization: USW TEMSA Local 12911
Negotiators: David Ritchie, JD, Karin Hennings
Paul Willette
13. **Reconvene to Open Session – Report of Closed Session** at 8:58 pm.
There were no reportable actions. Instructions were given to staff
14. **Adjourn at 8:59 pm.** Pittson, Robinson, Stokman, Campo

***Note due to technical error the Board of Director Meeting was not recorded.

Respectfully Submitted,

Becky Campo, Secretary
Board of Directors

Date

The Board of Directors of the Del Puerto Health Care District

BOARD AGENDA ITEM

DEPT: CHIEF EXECUTIVE OFFICE	BOARD AGENDA:	8.B
CONSENT CALENDAR: YES	AGENDA DATE:	03/25/2019
CEO CONCURRENCE: YES	4/5 VOTE REQUIRED:	NO

SUBJECT:

MVEMSA Contract extension to December 31, 2019 for Zones 5 & B.

RECOMMENDATION:

The Board of Directors approves the extension of the MVEMSA Contract for Zones 5 & B to December 31, 3019.

MOTION:

On motion of Director_____. Seconded by Director_____

with the following vote:

Ayes: Directors_____

Noes: Directors_____

Excused or Absent Directors_____

____ Approved as recommended

____ Denied

____ Approved as amended

____ Other

ATTEST: Becky Campo, Board Secretary

Date



Mountain-Valley

EMERGENCY MEDICAL SERVICES AGENCY

RECEIVED

MAR 18 2019

KEW

March 14, 2019

Karin Hennings
Administrative Director / CEO
Del Puerto Health Care District
875 E. St.
Patterson, CA 95363

Dear Ms. Hennings,

On February 13, 2019 the Mountain-Valley EMS Agency JPA Board of Directors approved the enclosed second amendment to the present agreement for Rural Emergency Ambulance Service in Stanislaus County Zones 5 and B. This amendment further extends the agreement through December 31, 2019.

Please sign both copies of the amendment and return them to us at:

Mountain-Valley EMS Agency
Attn: Susan Watson
1101 Standiford Ave., Suite D1
Modesto, CA 95350

If you have any questions, please contact Susan Watson at (209) 566-7202 or via email:
swatson@mvemsa.com

Sincerely,



Lance Doyle
Executive Director

Encl

THIRD AMENDMENT TO STANISLAUS COUNTY AMBULANCE PROVIDER AGREEMENT

This is an Amendment to the Agreement for Rural Emergency Ambulance Service in Stanislaus County Zones 5 and B ("Agreement") between Mountain-Valley EMS Agency ("Agency") and Patterson District Ambulance ("Contractor"), herein after, the "parties".

WHEREAS, the Agreement is from May 1, 2018 through October 31, 2019; and

WHEREAS, the parties to the Agreement are negotiating in good faith a new agreement that is not yet completed;

NOW THEREFORE, the parties hereby agree to extend the Agreement through December 31, 2019.

The terms of the extension remain unchanged from the first amendment:

Section 4.1.D.1, Response Time Compliance, Assessment of Fines shall not be enforced; *and*

Section 10.4, Fines and Fees shall be changed to read:

A. Contractor shall be liable for all of the monitoring costs provided in this Agreement, Exhibit H.

B. Payment Methodology – Contractor shall pay the Agency according to the schedule listed in Exhibit H; *and*

Section 11.2.L, Termination for Cause, Failure to Pay Fines shall not be enforced; *and*

Exhibit D, Non-Compliance Fine Amounts shall not be enforced.

All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Amendment on this _____.

Mountain-Valley EMS Agency

Patterson District Ambulance

By:  _____
Lance Doyle
Executive Director

By: _____
Karin Hennings
Administrative Director / CEO
Del Puerto Health Care District
dba: Patterson District Ambulance

"Agency"

"Contractor"

APPROVED AS TO FORM:

By: _____
Stanislaus County Counsel

The Board of Directors of the Del Puerto Health Care District

BOARD AGENDA ITEM and ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA: 8.C

CEO CONCURRENCE: Yes

AGENDA DATE: March 25, 2019

CONSENT CALENDAR: Yes

4/5 Vote Required: NO

SUBJECT: **Capital Expenditure** – Four Replacement Laptops for Ambulances

1. ACTION REQUESTED:

Approve the Ambulance Capital Expenditure Request to purchase four replacement ePCR tablets at a cost of \$15,435.

2. BACKGROUND:

Each Ambulance is equipped with a laptop to document the patient care record (PCR). The laptops to be replaced are 4 years old and fully depreciated. This equipment receives a lot of rugged use in the field so durable exteriors and solid-state drives are required. Our current manufacturer is GETAC. While the Dell laptop is slightly less expensive, it does not offer a rear camera which is used to capture document and other images in the field to the PCR. Our experience has shown that GETAC equipment quality and warranty service is exceptional and well worth the Board's investment.

3. FINANCIAL IMPACT:

The District depreciates all equipment during its useful life and since 2017 has set aside the annual amount depreciated into the Asset Replacement Fund. The purchase of these laptops will be funded from the Asset Replacement Fund.

4. ATTACHMENT: Capital Expenditure Request (detailed quotes available in District Office).

BOARD ACTION AS FOLLOWS:

MOTION: To approve the purchase of four Ambulance Department replacement laptops from GETAC at a cost of \$15,435 funded from the Asset Replacement Fund.

On motion of Director _____, Seconded by Director _____ with the following vote,

Ayes: Directors _____

Noes: Directors _____

Excused or Absent: Directors _____

Abstaining: Directors _____

_____ Approved as recommended

_____ Denied

_____ Approved as amended__Other:

ATTEST: Becky Campo, Secretary of the Board of Directors

Date

Del Puerto Health Care District

Capital Expenditure Request

Date Submitted: March 13, 2019 Fiscal Year: 2018-19
 Department: Ambulance
 Requestor: P. Willette
 Project Name/Description: PCR Tablet Replacement
 Type of Purchase: New → Replacement Upgrade
 Type (circle one) Office Equipment Computer Equipment Furniture
 Facilities Medical Equipment Vehicle
 Other:
 Life Expectancy (Years) 3-5 yrs

Description / Justification: Include a detailed description of the purchase and justification. If this is a replacement or upgrade, include the asset number and description of the item(s) to be replaced. Attach documentation as necessary.

Getac rugged tablets were purchased in September 2015 for use as our patient care reporting platform. The devices have performed well however now show their age as performance has decreased, especially with the implementation of the latest version of Zoll software. The proposed replacement devices exceed the hardware requirements for current Zoll PCR software. Current Getac devices will be renewed with Windows 10 and serve as backup devices.

Top Three Vendors *attach quotes and/or other documentation

Quote #	Vendor Name	Amount \$	Requestor's Ranking
# 1	GETAC i7 256GB Duratech * Meets all Specs	15,435	1
2	GETAC i7 - 128GB Duratech * smaller drive	14,791	2
3	Latitude 5420 - 256GB Dell * No rear camera	13,115	3

For Use by Accounting Department *attach copy of budget to support the purchase

Funding Source ASSET REPLACEMENT FUND Account # 122.02
 Included in Fiscal Year Operation Budget? Yes No Amount \$ _____
 Included in Fiscal Year Capital Budget? Yes No Amount \$ _____
 Is Depreciation included in current Budget? Yes No Monthly Amount \$ _____
 Presentation to Finance Committee Date: 3/22/19 Approved? Yes No
 Presentation to Board Date: 3/25/19 Approved? Yes No

Approved to Purchase

Approved Quote # _____ Amount \$ _____

Administrative Director / CEO Approval _____ Date _____

The Board of Directors of the Del Puerto Health Care District

BOARD AGENDA ITEM

DEPT: CHIEF EXECUTIVE OFFICE	BOARD AGENDA:	8.D
CONSENT CALENDAR: YES	AGENDA DATE:	03/25/2019
CEO CONCURRENCE: YES	4/5 VOTE REQUIRED:	NO

SUBJECT:

Resolution 19-03 Local Agency Investment Fund \$500,000 Deposit

RECOMMENDATION:

The Board of Directors adopts Resolution 19-03 Local Agency Investment Fund \$500,000 Deposit.

MOTION:

On motion of Director_____. Seconded by Director_____

with the following vote:

Ayes: Directors_____

Noes: Directors_____

Excused or Absent Directors_____

____ Approved as recommended

____ Denied

____ Approved as amended

____ Other

ATTEST: Becky Campo, Board Secretary

Date

Del Puerto Health Care District – Resolution No. 19-03

Transfer of Funds to Local Agency Investment Fund Account

Topic	Resolution 2019-03: Deposit Monies to LAIF Account
Requestor	Karin Hennings, Administrative Director / CEO
Purpose	To deposit excess funds for possible higher interest income .
Position at FYE February, 2019	<ul style="list-style-type: none"> • Unrestricted Cash and Cash Equivalent \$2,042,000 • TCB Operating 1739, Feb 28, 2019 Balance \$1,772,000 • Operating Reserves for 3 months \$1,440,000 • Available Balance to Transfer/Deposit \$ 602,000 • Annual Interest Rate (as of Qtr Ending Dec 2018) 2.40%
	<p>Whereas, The District has a total cash and cash equivalent of \$2,042,0000 as of February 2019; and</p> <p>Whereas, The District has an average \$480,000 operating expenses per month; with a total of three (3) months reserve to \$1,440,000; with an excess funds of \$602,000 and available for deposit; and</p> <p>Whereas, the District is looking for a possible higher interest income on excess funds; and</p> <p>Whereas, Local Agency Investment Fund has a higher interest rate of 2.40% paid on a quarterly basis.</p> <p>Be it now resolved,</p> <p>The Board of Directors authorizes a Deposit/Transfer of Funds from Operating Account to District's Local Agency Investment Fund Account # 205-0002 in the amount of <u>\$500,000</u>.</p>
Recommendation	Finance Committee recommends Board discussion of a specific amount and adoption of the Resolution.
ACTION	Move that the Board of Directors approve Resolution 2019-03.

Motion: _____ Second: _____

Ayes: _____

Noes: _____

Abstains: _____

IN WITNESS WHEREOF, I hereunto set my hand and the corporate seal of the corporation, this ____ day of _____, _____.

Board Secretary

**Del Puerto Health Care District
LAIF Interest Income Analysis**

LAIF Interest Calculation

CURRENT			
Balance	\$ 185		
# days in a Qtr	92		
Dollar Day Total / Qtr	\$ 17,020		
Interest Rate	2.40%		
QTR Interest	\$ 1.12		
Annual Interest	\$ 4.48		

Option 1			
Balance	\$ 100,000		
# days in a Qtr	92		
Dollar Day Total / Qtr	\$ 9,200,000		
Interest Rate	2.40%		
QTR Interest	\$ 604.93		
Annual Interest	\$ 2,419.73		

Option 2			
Balance	\$ 250,000		
# days in a Qtr	92		
Dollar Day Total / Qtr	\$ 23,000,000		
Interest Rate	2.40%		
QTR Interest	\$ 1,512.33		
Annual Interest	\$ 6,049.32		

Option 3			
Balance	\$ 500,000		
# days in a Qtr	92		
Dollar Day Total / Qtr	\$ 46,000,000		
Interest Rate	2.40%		
QTR Interest	\$ 3,024.66		
Annual Interest	\$ 12,098.63		

NOTES:

1. Average monthly spending is \$480K.
2. Lowest Bank Balance is \$972K which is December 2018 Operating Bank Balance before receiving Taxes.

The Board of Directors of the Del Puerto Health Care District

BOARD AGENDA ITEM

DEPT: CHIEF EXECUTIVE OFFICE	BOARD AGENDA:	8.E
CONSENT CALENDAR: YES	AGENDA DATE:	03/25/2019
CEO CONCURRENCE: YES	4/5 VOTE REQUIRED:	NO

SUBJECT:

Resolution 19-04 TCB Keystone C Loan Principal Paydown of \$55,000

RECOMMENDATION:

The Board of Directors adopts Resolution 19-04 TCB Keystone C Loan Payment Paydown of \$55,000.

MOTION:

On motion of Director_____. Seconded by Director_____

with the following vote:

Ayes: Directors_____

Noes: Directors_____

Excused or Absent Directors_____

____ Approved as recommended

____ Denied

____ Approved as amended

____ Other

ATTEST: Becky Campo, Board Secretary

Date

Del Puerto Health Care District – Resolution No. 19-04

Proposed Keystone C Loan Partial Payment

Topic	Resolution 2019-04: Reduction of Keystone C Loan Principal
Requestor	Karin Hennings, Administrative Director / CEO
Purpose	To reduce the principal balance of the seven-year loan on Keystone C.
Position at FYE June 30, 2018	<ul style="list-style-type: none"> • Loan Balance June 30, 2018 \$1,238,000 • Annual Interest Rate 4.25% • Keystone C Net Income FY2018 \$66,000 • Keystone C Acct # 8641 Balance Feb 2019 \$152,000
	<p>Whereas, The District has a seven-year loan at Tri Counties Bank on the property 1700 Keystone Pacific Parkway, Suite C (Keystone C); and</p> <p>Whereas, Keystone C had a net operating income of \$66,000 at the end of FY 2018; and</p> <p>Whereas, the District desires to reduce the principal of the Keystone C loan to lower the amount owed and total interest paid; and</p> <p>Whereas, the reduction of principal means the District will have less interest expense during the life of the loan;</p> <p>Be it now resolved,</p> <p>The Board of Directors authorizes a payment from Equity: Unrestricted towards the principal of the Keystone C loan (i.e., Tri Counties Bank Loan #2220073160) in the amount of <u>\$55,000</u>.</p>
Recommendation	Board to approve payment of \$55,000 on Tri-Counties Bank Loan for Keystone C
ACTION	Move that the Board of Directors approve Resolution 2019-04.

Motion: _____ Second: _____

Ayes: _____

Noes: _____

Abstains: _____

IN WITNESS WHEREOF, I hereunto set my hand and the corporate seal of the corporation, this ____ day of _____, _____.

Becky Campo, Board Secretary

Calculation of Proposed Partial TCB Loan Payment

(based on Financials as of Feb 28, 2019)

1 TCB Loan Balance FY18	\$	1,237,749	<i>Loan Amount for the fiscal year 2018</i>
2 Keystone C Net Income FY18	\$	65,957	<i>Net Tenant Income for last fiscal year 2018</i>
3 CALCULATION			
a 12 mos payment @7442.07	\$	89,305	<i>Total Amount of Principal & Interest Payment for one year</i>
b Repair Allowance Spent FY17 4,445.08 Spent FY18 4,464.54 Spent FY19 (\$1754.81 as of Jan 19) 3,008.25		3,973	<i>Average Repair Allowance</i>
c CAM Liability Balance, Feb 2019		991	<i>Balance to pay for CAM</i>
Reserve		94,268	<i>Balance that we should keep in the bank to cover for annual loan payment, repair and CAM allowance</i>
Less: Bank Acct xxx 8641 Balance, Feb 2019		152,027	<i>Current account balance where partial payment will be taken out</i>
4 Amount for Loan Payment Proposal	\$	(57,759)	<i>Amount that we can use for partial payment</i>

The Board of Directors of the Del Puerto Health Care District

BOARD AGENDA ITEM

DEPT: CHIEF EXECUTIVE OFFICE	BOARD AGENDA:	9.A
CONSENT CALENDAR: NO	AGENDA DATE:	03/25/2019
CEO CONCURRENCE: YES	4/5 VOTE REQUIRED:	NO

SUBJECT:

Resolutions of Appreciation for Chuck Coelho and Brian Hannameyer

RECOMMENDATION:

The Board of Directors Adopts Resolutions of Appreciation for Chuck Coelho and Brian Hannameyer to commend nomination to the 2019 California Ambulance Association Star of Life Award.

MOTION:

On motion of Director_____. Seconded by Director_____

with the following vote:

Ayes: Directors_____

Noes: Directors_____

Excused or Absent Directors_____

____ Approved as recommended

____ Denied

____ Approved as amended

____ Other

ATTEST: Becky Campo, Board Secretary

Date

Resolution of Recognition and Appreciation

- WHEREAS, the Del Puerto Health Care District is fortunate to have dedicated staff committed to the mission of the Patterson District Ambulance; and
- WHEREAS, CARL “CHUCK” COELHO began his public service career in 1979 as a volunteer firefighter in Newman, California, became an EMT in 1981 and a Paramedic in 1986; and
- WHEREAS, CARL “CHUCK” COELHO joined Patterson District Ambulance in 1988, continued his volunteer fire department work, and served in fire and EMS management roles throughout his career; and
- WHEREAS, CARL “CHUCK” COELHO semi-retired in 2012 but continues his paramedic work at Patterson District Ambulance with 24-hour shifts, leadership as Acting Chief, and as a community instructor for American Heart Association CPR; and
- WHEREAS, CARL “CHUCK” COELHO has an unwavering commitment to his rural community, serves with steadfast calm in even the most chaotic emergency scenes, and is an exemplary employee and a role model to all who cross his path;

NOW THEREFORE BE IT RESOLVED THAT

The Del Puerto Health Care District Board of Directors recognizes and appreciates the continuing service of CARL “CHUCK” COELHO and **commends his selection for the 2019 California Ambulance Association ‘Star of Life’ Award.**

This Resolution of Recognition and Appreciation was adopted, inscribed, and conveyed to CARL “CHUCK” COELHO with a copy to be included in the official minutes of the March 25, 2019 meeting of the Del Puerto Board of Directors.

Dr. Steven Pittson, President

Daniel Robinson, Vice President

Becky Campo, Secretary

Anne Stokman, Treasurer

Sheree Lustgarten, Member

Resolution of Recognition and Appreciation

- WHEREAS, the Del Puerto Health Care District is fortunate to have dedicated staff committed to the mission of the Patterson District Ambulance; and
- WHEREAS, BRIAN HANNAMEYER became an EMT in 2006 and started his EMS career at Calaveras Consolidated Fire Protection District in 2007; and
- WHEREAS, BRIAN HANNAMEYER began as a part-time EMT at Patterson District Ambulance in 2015, enrolled and completed CSU Sacramento's Paramedic Training Program, transitioned into a Regular Full-Time position, and became a Paramedic at PDA in November 2016; and
- WHEREAS, BRIAN HANNAMEYER has devoted time to learn the Zoll ePCR software, leveraged the functionality of the program, and freely shared that knowledge with his peers; and
- WHEREAS, BRIAN HANNAMEYER is committed to do whatever it takes to get the job done at PDA, including routinely volunteering for extra shifts; and
- WHEREAS, BRIAN HANNAMEYER learns from each patient contact, often further researches the illnesses and injuries he encounters, and demonstrates daily his commitment to provide the very best care to his patients;

NOW THEREFORE BE IT RESOLVED THAT

The Del Puerto Health Care District Board of Directors recognizes and appreciates the continuing service of BRIAN HANNAMEYER and **commends his selection for the 2019 California Ambulance Association 'Star of Life' Award.**

This Resolution of Recognition and Appreciation was adopted, inscribed, and conveyed to BRIAN HANNAMEYER with a copy to be included in the official minutes of the March 25, 2019 meeting of the Del Puerto Board of Directors.

Dr. Steven Pittson, President

Daniel Robinson, Vice President

Becky Campo, Secretary

Anne Stokman, Treasurer

Sheree Lustgarten, Member

The Board of Directors of the Del Puerto Health Care District

BOARD AGENDA ITEM

DEPT: CHIEF EXECUTIVE OFFICE	BOARD AGENDA:	9.B
CONSENT CALENDAR: NO	AGENDA DATE:	03/25/2019
CEO CONCURRENCE: YES	4/5 VOTE REQUIRED:	NO

SUBJECT:

Presentation and Acceptance of FYE 2018 Audited Financial Statement by WIPFLI

RECOMMENDATION:

The Board of Directors accepts the FYE 2018 Audited Financial Statement by WIPFLI

MOTION:

On motion of Director_____. Seconded by Director_____

with the following vote:

Ayes: Directors_____

Noes: Directors_____

Excused or Absent Directors_____

____ Approved as recommended

____ Denied

____ Approved as amended

____ Other

ATTEST: Becky Campo, Board Secretary

Date

Del Puerto Health Care District

Patterson, California

Financial Statements

Years Ended June 30, 2018 and 2017

WIPFLi^{LLP}
CPAs and Consultants

Del Puerto Health Care District

Years Ended June 30, 2018 and 2017

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Independent Auditor's Report

Board of Directors
Del Puerto Health Care District
Patterson, California

Report on the Financial Statements

We have audited the accompanying financial statements of Del Puerto Health Care District (the "District"), as of the years ended June 30, 2018 and 2017, and the related statements of revenue, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

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; 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits 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 misstatement 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 opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2018 and 2017, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 3 through 7 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, 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.

Wipfli LLP

[enter date]

Spokane, Washington

Del Puerto Health Care District

Management's Discussion and Analysis

Years Ended June 30, 2018 and 2017

Our discussion and analysis of the financial performance of Del Puerto Health Care District (the "District") provides an overview of the District's financial activities for the fiscal years ended June 30, 2018 and 2017. Please read it in conjunction with the District's financial statements, which begin on page 8.

Financial Highlights

- The District's net position increased by \$961,000 in the past year from \$4,181,000 at June 30, 2017, to \$5,142,000 at June 30, 2018. In the prior year, the District's net position increased by \$495,000 from \$3,686,000 at June 30, 2016, to \$4,181,000 at June 30, 2017.
- Gross patient revenue increased 34% from \$7,825,000 in fiscal year 2017 to \$10,468,000 in fiscal year 2018. Revenue deductions increased 49% in the past year from \$3,708,000 to \$5,514,000. Operating expenses increased 6% in the past year from \$4,966,000 to \$5,240,000 in fiscal year 2018.

Using this Annual Report

The District's financial statements consist of three statements—statements of net position; statements of revenue, expenses, and changes in net position; and statements of cash flows. These financial statements and related notes to the financial statements provide information about the activities of the District, including resources held by the District.

The Statements of Net Position and Statements of Revenue, Expenses, and Changes in Net Position

The District's financial statements begins on page 8. One of the most important questions asked about the District's finances is, "Is the District as a whole better or worse off as a result of the year's activities?" The statements of net position and statements of revenue, expenses, and changes in net position report information about the District's resources and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

The two statements referred to above report the District's net position and its changes. The District's net position—the difference between assets and liabilities—is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are indicators of whether its financial health is improving or deteriorating. Readers should also consider other nonfinancial factors such as changes in the District's patient base, measures of quality of service it provides to the community, as well as local economic factors to assess the overall health of the District.

The Statements of Cash Flows

The final required statement is the statement of cash flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It provides answers to such questions as, "Where did cash come from?", "What was cash used for?", and "What was the change in cash balances during the reporting period?"

Del Puerto Health Care District

Management's Discussion and Analysis (Continued)

Years Ended June 30, 2018 and 2017

The District's Net Position

The District's net position is the difference between the assets and liabilities reported in the statements of net position on page 8. The District's net position increased from June 30, 2017 to June 30, 2018, by \$961,000, as detailed in the following table:

Condensed Statements of Net Position at June 30 (in thousands)

	2018	2017	Increase (Decrease)
Assets:			
Current assets	\$ 2,894	\$ 2,373	\$ 521
Noncurrent assets	5,491	5,217	274
Total assets	8,385	7,590	795
Liabilities:			
Current liabilities	344	367	(23)
Long-term liabilities	2,899	3,042	(143)
Total liabilities	3,243	3,409	(166)
Net position:			
Net invested in capital assets	2,204	1,906	298
Restricted for debt service	92	80	12
Unrestricted	2,846	2,195	651
Total net position	5,142	4,181	961
TOTAL LIABILITIES AND NET POSITION	\$ 8,385	\$ 7,590	\$ 795

Del Puerto Health Care District

Management's Discussion and Analysis (Continued)

Years Ended June 30, 2018 and 2017

Operating Results and Changes in the Del Puerto's Net Position

Revenue, Expenses, and Changes in Net Position For The Years Ended June 30 (in thousands):

	2018	2017	Increase (Decrease)
Operating revenue:			
Gross patient service revenue	\$ 10,468	\$ 7,825	\$ 2,643
Contractual adjustments	(5,514)	(3,708)	(1,806)
Provision for bad debts	(755)	(494)	(261)
Net patient service revenue	4,199	3,623	576
Other operating revenue	189	234	(45)
Total operating revenue	4,388	3,857	531
Operating expenses:			
Salaries and wages	2,138	2,017	121
Employee benefits	475	591	(116)
Professional fees	892	847	45
Purchased services	483	476	7
Supplies	176	163	13
Utilities	69	78	(9)
Rental and lease	9	10	(1)
Insurance	410	254	156
Repairs and maintenance	126	88	38
Depreciation	257	246	11
Other	205	196	9
Total operating expenses	5,240	4,966	274
Loss from operations	(852)	(1,109)	257
Nonoperating revenue	1,813	1,604	209
Excess of revenue over expenses	961	495	466
Net position - At beginning	4,181	3,686	495
Net position - At end	\$ 5,142	\$ 4,181	\$ 961

Del Puerto Health Care District

Management's Discussion and Analysis (Continued)

Years Ended June 30, 2018 and 2017

Operating Income

Gross patient service revenue increased \$2,643,000 compared to an increase of \$2,067,000 in revenue deductions. Gross patient service revenue increased in fiscal year 2018 because of an increase in ambulance rates that took effect in May 2017. The increase in revenue deductions is primarily the result of the increase in gross charges coupled with low reimbursement rates which increase revenue deductions.

Total operating expenses increased \$274,000 from fiscal year 2016 - 2017. This change is due primarily to increases in salaries and benefits of \$122,000, legal and professional fees of \$45,000, and repairs and maintenance costs of \$38,000. Salaries and benefits increased due to elevated FTEs and average hourly rate and the benefits associated with them along with increased health insurance cost. Legal and professional fees increased because of ongoing litigation. Repairs and maintenance costs increased due to additional building maintenance and additional ambulance maintenance required as a result of high mileage and fully depreciated ambulances that are beyond their service life. Management has presented a vehicle replacement plan to reduce the average age of ambulances which will reduce excessive repair costs.

Nonoperating Income

For the fiscal year 2018, nonoperating revenue consisted primarily of property tax revenue. The District received \$1,524,000 in property tax revenue. During 2017, property and sales tax revenue received by the District totaled \$1,371,000. In addition, the District received \$230,000 in Impact Mitigation fees in 2018 compared with \$20,000 in 2017.

The District's Cash Flows

Changes in the District's cash flows are consistent with changes in operating income and nonoperating revenue and expenses discussed earlier.

Del Puerto Health Care District

Management's Discussion and Analysis (Continued)

Years Ended June 30, 2018 and 2017

Capital Assets and Accumulated Depreciation

As of June 30, 2018, the District had \$5,184,000 invested in capital assets, net of accumulated depreciation. The historical cost and additions to capital assets, and the changes in accumulated depreciation, for the year ended June 30, 2018, are detailed in the following table:

Capital Assets and accumulated Depreciation For The Year Ended June 30, 2018 (in thousands):

June 30	Balance 2017	Additions	Disposals	Transfer and adjustments	Balance 2018
Land and improvements	\$ 311	\$ -	\$ -	\$ -	311
Buildings and leasehold improvements	4,927	-	-	-	4,927
Fixed and moveable equipment	1,357	83	-	-	1,440
Subtotal	6,595	83	-	-	6,678
Less: Accumulated depreciation	1,564	257	-	-	1,821
Subtotal	5,031	(174)	-	-	4,857
Construction in progress	4	382	-	59	327
Capital assets - Net	\$ 5,035	\$ 208	\$ -	\$ 59	\$ 5,184

Long-term Liabilities

At year end, the District's long-term liabilities consisted of a USDA notes payable totaling \$1,743,000 and a bank loan for real property in the amount of \$1,238,000, for an aggregate outstanding total liabilities of \$2,980,000. Of this amount, \$81,000 is due in installments over the next 12-month period.

Contacting the District's Financial Management

This financial report is designed to provide our patients, suppliers, creditors, and members of our community with a general overview of the District's finances and to show the District's accountability for the money it receives. For questions about this report or for additional financial information, please contact the Administrative Director / Chief Executive Officer at Del Puerto Health Care District, 875 E Street, Patterson, CA 95363.

Del Puerto Health Care District

Statements of Net Position

<i>June 30,</i>	2018	2017
Current assets:		
Cash and cash equivalents		
Cash	\$ 1,847,554	\$ 1,544,462
Restricted Cash	91,941	79,771
Receivables:		
Patient accounts receivables - Net	683,592	566,872
Third-party settlements	184,989	141,348
Other accounts receivables	15,645	14,193
Inventory	36,957	32,981
Prepays	33,209	7,161
Total current assets	2,893,887	2,372,595
Noncurrent assets:		
Board restricted cash and cash equivalents	307,349	182,401
Capital assets:		
Nondepreciable capital assets	638,503	314,914
Depreciable capital assets - Net	4,545,565	4,720,159
Capital assets - Net	5,184,068	5,035,073
Total noncurrent assets	5,491,417	5,217,474
TOTAL ASSETS	\$ 8,385,304	\$ 7,590,069

Del Puerto Health Care District

Statements of Net Position (Continued)

<i>June 30,</i>	2018	2017
Current liabilities:		
Current portion of long-term debt	\$ 80,828	\$ 86,795
Accounts payable	124,794	160,236
Deposits held for others	534	1,798
Accrued compensation and related liabilities	137,397	118,103
Total current liabilities	343,553	366,932
Noncurrent liabilities:		
Long-term debt - less current portion	2,899,515	3,042,474
Total liabilities	3,243,068	3,409,406
Net position:		
Net investment in capital assets	2,203,725	1,905,804
Restricted for debt service	91,941	79,771
Unrestricted	2,846,570	2,195,088
Total net position	5,142,236	4,180,663
TOTAL LIABILITIES AND NET POSITION	\$ 8,385,304	\$ 7,590,069

Del Puerto Health Care District

Statements of Revenues, Expenditures, and Changes in Net Position

<i>Years Ended June 30,</i>	2018	2017
Operating revenue:		
Net patient service revenue	\$ 4,199,489	\$ 3,622,918
Other operating revenue	188,759	234,242
Total operating revenue	4,388,248	3,857,160
Operating expenses:		
Salaries and wages	2,138,196	2,016,632
Employee benefits	475,169	591,227
Professional fees	892,245	846,506
Purchased services	482,626	476,239
Supplies	176,380	162,966
Utilities	68,536	78,424
Rental and lease	9,411	10,498
Insurance	409,549	254,452
Repairs and maintenance	125,851	87,552
Depreciation	257,389	245,833
Other	204,650	195,757
Total operating expenses	5,240,002	4,966,086
Loss from operations	(851,754)	(1,108,926)
Nonoperating revenue (expenses):		
Property taxes	1,524,494	1,370,649
Impact mitigation fees	229,557	20,051
Rental income	164,995	162,661
Contributions	-	150,000
Grants	937	10,392
Interest earnings	2,287	1,229
Other income	11,353	14,319
Interest expense	(120,296)	(125,659)
Total nonoperating revenue	1,813,327	1,603,642
Excess of revenue over expenses	961,573	494,716
Net position - Beginning of year	4,180,663	3,685,947
Net position - End of year	\$ 5,142,236	\$ 4,180,663

Del Puerto Health Care District

Statements of Cash Flows

<i>Years Ended June 30,</i>	2018	2017
Cash flows from operating activities:		
Receipts from and on behalf of patients	\$ 4,024,935	\$ 3,913,198
Receipts from other operating revenue	188,759	234,242
Payments to employee	(2,605,786)	(2,586,411)
Payments to suppliers	(2,425,715)	(2,059,590)
Net cash used in operating activities	(817,807)	(498,561)
Cash flows from noncapital financing activities:		
Property tax revenues	1,524,494	1,370,649
Impact mitigation fees	229,557	20,051
Other nonoperating revenue	177,285	189,170
Net cash provided by noncapital financing activities	1,931,336	1,579,870
Cash flows from capital and related financing activities:		
Principal payments on capital debt	(148,926)	(84,367)
Interest payments on capital debt	(120,296)	(125,659)
Purchase of capital assets	(406,384)	(55,735)
Net cash used in capital and related financing activities	(675,606)	(265,761)
Cash flows from investing activities:		
Net change in board designated cash and cash equivalents	(137,118)	(96,351)
Interest received	2,287	1,229
Net cash used in investing activities	(134,831)	(95,122)
Net increase in cash and cash equivalents	303,092	720,426
Cash and cash equivalents - Beginning of year	1,544,462	824,036
Cash and cash equivalents - End of year	\$ 1,847,554	\$ 1,544,462

Del Puerto Health Care District

Statements of Cash Flows (Continued)

<i>Years Ended June30,</i>	2018	2017
Reconciliation of loss from operations to net cash used in operating activities:		
Loss from operations	\$ (851,754)	\$ (1,108,926)
Adjustments to reconcile loss from operations to net cash used in operating activities:		
Depreciation	257,389	245,833
Provision for uncollectible accounts	755,198	755,198
Change in operating assets and liabilities:		
Receivable:		
Patient accounts	(886,111)	(261,135)
Due from third-party payors	(43,641)	57,004
Inventory	(3,976)	2,240
Prepays	(14,333)	6,230
Accounts payable	(38,158)	44,334
Accrued compensation and related liabilities	7,579	21,448
Total adjustments	33,947	610,365
Net cash used in operating activities	(817,807)	(498,561)
Non-cash capital and investing activities:		
Contributions for capital assets	\$ -	\$ (150,000)

Del Puerto Health Care District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Del Puerto Health Care District (the "District") is a public entity organized under Local Health Care District Laws as set forth in the Health and Safety Code of the State of California. The district operates a federally designated Rural Health Clinic, providing physician and related health care services, and an advanced life support ambulance service for the community of Patterson and the surrounding area. As a political subdivision of the State of California, the District is generally not subject to federal or state income taxes. The Board of Trustees consists of five residents of the District elected or appointed to four-year terms.

The District provides health care services to patients in western Stanislaus County, California. The services provided include adult, pediatric, and industrial health services, as well as health care education, diabetes education for the public, laceration treatment, and asthmatic treatment programs. The ambulance service offers 24-hour emergency medical services as well as event standby services. As part of the future growth plan, the District purchased a building in June 2016, which it currently operates and leases to 75% healthcare related tenants (gym, physical therapy, and orthodontics) until such time it may be needed for operational purposes.

Basis of Accounting

The accounting policies of the District conform to Generally Accepted Accounting Principles (GAAP) as applicable to proprietary funds of governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body in the United States for establishing governmental accounting and financial reporting principles.

The District uses enterprise fund accounting. Revenue and expenses are recognized on the accrual basis using the economic resources measurement focus.

Use of Estimates in Preparation of Consolidated Financial Statements

The preparation of the accompanying financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The District considers cash and cash investments with an original maturity of three months or less to be cash equivalents.

Board Restricted Cash and Cash Equivalents

Noncurrent cash and cash equivalents include designated assets set aside by the Board of Directors for certain debt agreements, over which the Board of Directors retains control and may at its discretion subsequently use for other purposes.

Del Puerto Health Care District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Patient Accounts Receivable and Credit Policy

Patient accounts receivable are uncollateralized patient obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from local residents, most of whom are insured under third-party payor agreements. The District bills third-party payors on the patients' behalf, or if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary payor is billed, and patients are billed for copay and deductible amounts that are the patients' responsibility. Payments on patient accounts receivable are applied to the specific claim identified on the remittance advice or statement. The District does not have a policy to charge interest on past due accounts. Patient accounts receivable are recorded in the accompanying statements of net position net of contractual adjustments and an allowance for doubtful accounts, which reflects management's estimate of the amounts that will not be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross patient service revenue and a credit to patient accounts receivable.

In addition, management provides for probable uncollectible amounts, primarily for uninsured patients and amounts patients are personally responsible for, through a reduction of gross revenue and a credit to a valuation allowance.

In evaluating the collectability of patient accounts receivable, the District analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

Specifically, for receivables associated with services provided to patients who have third-party coverage, the District analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely.

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the District records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Del Puerto Health Care District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories

Inventories consist of pharmaceutical, medical-surgical, and other supplies and are valued at the lower of cost or market, determined on an average-cost method.

Capital Assets and Equipment

Property and equipment acquisitions are recorded at cost if purchased or, if donated, at acquisition value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Depreciation and amortization have been computed using the straight-line method over the following estimated useful service lives:

Land improvements	10 to 15 years
Buildings and improvements	10 to 40 years
Fixed and major moveable equipment	3 to 15 years
IT equipment and software	3 to 10 years

Asset Impairment

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset might have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations, other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent on the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenue, expenses, and changes in net position. No impairment loss was recorded for the years ended June 30, 2018 and 2017.

Del Puerto Health Care District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

Net position is reported in three categories:

Net investment in capital assets: This category consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build, acquire, or improve those assets. Deferred outflows of resources and deferred inflow of resources that are attributable to the construction, acquisition, or improvement of those assets or the related debt are also included in this category. Unspent portions of capital-related debt proceeds are not included in this category.

Restricted: This category consists of noncapital assets whose use is restricted reduced by liabilities and deferred inflows of resources related to those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This category consist of the remaining net position that does not meet the definition of the two preceding categories including amounts the Board has designated for specific purposes.

Operating Revenue and Expenses

The District's statements of revenue, expenses, and changes in net position distinguish between operating and nonoperating revenue and expenses. Operating revenue results from exchange transactions associated with providing health care services, the District's principal activity. Nonexchange revenue, including grants, property taxes, and contributions received for purposes other than capital asset acquisition, is reported as nonoperating revenue. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Net Patient and Resident Service Revenue

The District recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. Certain third-party payor reimbursement agreements are subject to audit and retrospective adjustments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The provision for uncollectible accounts is offset by recoveries that are received on prior-year bad debts from patient payments.

Revenue in Excess of Expenses

The accompanying statements of revenue, expenses, and changes in net position include excess of revenue over expenses, which is considered the operating indicator. Changes in unrestricted net position that are excluded from the operating indicator include assets acquired using contributions that by donor restriction were to be used for the purpose of acquiring such assets.

Del Puerto Health Care District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Grants and Contributions

The District receives grants as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or capital purposes. Amounts that are unrestricted or are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue (expenses).

Advertising Costs

The District charges advertising costs to operations as incurred.

Tax Status

The District is a local agency of the State of California within the meaning of Section 56054 of the California Government Code. Accordingly, the District is exempt from federal income and state income, property, and franchise taxes.

Reclassifications

Certain reclassifications of 2017 amounts have been made in the accompanying financial statements to conform to the 2018 presentation.

Subsequent Events

Subsequent events have been evaluated through [enter date], which is the date the financial statements were available to be issued.

Note 2: Cash and Cash Equivalents

The District maintains depository relationships with area financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured institutions. Depository accounts at these institutions are insured by the FDIC up to \$250,000. At June 30, 2018, the District had an uninsured and uncollateralized deposit balance of \$1,726,712. All funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for federally insured funds.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

Del Puerto Health Care District

Notes to Financial Statements

Note 2: Cash and Cash Equivalents (Continued)

Currently, all investments are held in money market accounts with maturities of less than three months and are considered cash and cash equivalents.

Under the terms of the USDA Rural Development loan, the District is required to maintain a separate debt service reserve equal to an average annual loan installment, which will be accumulated at the rate of one-tenth of the monthly payment until the required level is met. As of June 30, 2018, the District's restricted cash reserve balance is \$91,941.

Note 3: Reimbursement Arrangements With Third-Party Payors

The District has agreements with third-party payors that provide for payments to the District at amounts different from established rates. A summary of the basis of reimbursement from major third-party payors by enterprise operation is as follows:

Health Care

Medicare - The District's health center is designated as a rural health clinic (RHC). Under this designation, ambulatory patient care and professional services provided by physicians and other clinicians services are paid on a cost-reimbursement methodology.

Medi-Cal - Fee-For-Service and managed care patient encounters are reimbursed based on prospectively determined fee schedules per eligible visit.

Others -The District has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the District under these agreements includes fee for service, discounts from established charges, and others.

Ambulance

Medicare- Emergency Medical transport services are provided to Medicare beneficiaries under a fee-for-service rate. The rate is predetermined by the government and pays a set rate per transport plus mileage.

Medi-Cal- The District provides services to both fee-for-service and managed care beneficiaries. Fee-for-service transports are later settled through the Ground Emergency Medical Transport (GEMT) supplemental reimbursement which pays 50% of uncompensated cost. Medi-Cal transports provided to managed care beneficiaries are not eligible for the GEMT program.

Others- The District does not contract or enter payment agreements with any commercial insurance carriers, health maintenance organization or preferred provider organizations. However, most commercial insurance pays the amount they have independently determined as reasonable. The District must aggressively pursue full reimbursement from the third-party payor or balance bill the patient.

Del Puerto Health Care District

Notes to Financial Statements

Note 3: Reimbursement Arrangements With Third-Party Payors (Continued)

Accounting for Contractual Arrangements

The District is reimbursed for Health Center cost items at interim rates, with final settlements determined after audit of the related annual cost reports by the respective Medicare and Medi-Cal fiscal intermediaries. Estimated provisions to approximate the final expected settlements after review by the intermediaries are included in the accompanying financial statements. The District's cost reports have been examined through 2017 by Medicare fiscal intermediaries and 2015 by Medi-Cal fiscal intermediaries.

Compliance

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include but are not necessarily limited to matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and billing regulations. Government activity with respect to investigations and allegations concerning possible violations of such regulations by health care providers has increased.

Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayment for patient services previously billed. While no significant regulatory inquiries have been made of the District, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

The Centers for Medicare and Medicaid Services (CMS) uses recovery audit contractors (RAC) to search for potentially inaccurate Medicare payments. RACs search for potentially inaccurate Medicare payments that might have been made to health care providers and were not detected through existing CMS program integrity efforts. Once a RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. The District will then have the opportunity to appeal the adjustment before final settlement of the claim is made.

The District's policy is to adjust revenue for decreases in reimbursement from the RAC reviews when these amounts are estimable and to adjust revenue for increases in reimbursement from the RAC reviews when the increase in reimbursement is agreed upon. As of June 30, 2018, the District had not been notified of any potential reimbursement adjustments.

Del Puerto Health Care District

Notes to Financial Statements

Note 4: Patient and Resident Accounts Receivable

Patient accounts receivable consisted of the following at June 30, 2018:

	Ambulance	Clinic	Total
Receivables from patients and their insurance carriers	\$ 704,453	\$ 42,003	\$ 746,456
Receivables from Medicare	107,753	36,013	143,766
Receivables from Medi-Cal	60,196	246,865	307,061
Total patient accounts receivable	872,402	324,881	1,197,283
Less:			
Allowance for contractual adjustments	(246,488)	(51,167)	(297,655)
Allowance for doubtful accounts	(216,022)	(14)	(216,036)
Net patient accounts receivables	\$ 409,892	\$ 273,700	\$ 683,592

Patient accounts receivable consisted of the following at June 30, 2017:

	Ambulance	Clinic	Total
Receivables from patients and their insurance carriers	\$ 538,308	\$ 53,142	\$ 591,450
Receivables from Medicare	49,644	23,474	73,118
Receivables from Medi-Cal	122,744	206,993	329,737
Total patient accounts receivable	710,696	283,609	994,305
Less:			
Allowance for contractual adjustments	(199,239)	(31,871)	(231,110)
Allowance for doubtful accounts	(196,320)	(3)	(196,323)
Net patient accounts receivables	\$ 315,137	\$ 251,735	\$ 566,872

Note 5: Accrued Compensation and Related Liabilities

Employees of the District earn vacation and sick hours at varying rates as provided by the District's employee benefit policies. The District's policy is to permit employees to accumulate paid time-off up to a maximum. Employees are paid for accumulated vacation benefits, but do not receive payment of accumulated sick leave upon termination or retirement. Accrued vacation liabilities for the years ended June 30, 2018 and 2017, were \$101,678 and \$96,290, respectively.

Del Puerto Health Care District

Notes to Financial Statements

Note 6: Capital Assets

Capital asset balances and activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Transfer/ Additions	Retirements	Balance June 30, 2018
Nondepreciable assets:				
Land	\$ 310,914	\$ -	\$ -	\$ 310,914
Construction in progress	4,000	323,589	-	327,589
Total nondepreciable capital assets	314,914	323,589	-	638,503
Depreciable assets:				
Buildings and leasehold improvements	4,927,190	-	-	4,927,190
Equipment	1,356,733	82,877	-	1,439,610
Total depreciable capital assets	6,283,923	82,877	-	6,366,800
Total capital assets before depreciation	6,598,837	406,466	-	7,005,303
Less - Accumulated depreciation for:				
Building and leasehold improvements	564,273	88,828	-	653,101
Equipment	999,491	168,643	-	1,168,134
Total accumulated depreciation	1,563,764	257,471	-	1,821,235
Total capital asset - Net	\$ 5,035,073	\$ 148,995	\$ -	\$ 5,184,068

Del Puerto Health Care District

Notes to Financial Statements

Note 6: Capital Assets (Continued)

Capital asset balances and activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Transfer/ Additions	Retirements	Balance June 30, 2017
Nondepreciable assets:				
Land	\$ 310,914	\$ -	\$ -	\$ 310,914
Construction in progress	-	4,000	-	4,000
Total nondepreciable capital assets	310,914	4,000	-	314,914
Depreciable assets:				
Buildings and leasehold improvements	4,927,190	-	-	4,927,190
Equipment	1,430,685	201,735	275,687	1,356,733
Total depreciable capital assets	6,357,875	201,735	275,687	6,283,923
Total capital assets before depreciation	6,668,789	205,735	275,687	6,598,837
Less - Accumulated depreciation for:				
Building and leasehold improvements	439,187	125,086	-	564,273
Equipment	1,154,431	120,747	275,687	999,491
Total accumulated depreciation	1,593,618	245,833	275,687	1,563,764
Total capital asset - Net	\$ 5,075,171	\$ (40,098)	\$ -	\$ 5,035,073

Del Puerto Health Care District

Notes to Financial Statements

Note 7: Long-Term Debt

A schedule of changes in the District's long-term debt obligations for 2018 follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due Within One Year
USDA note payable, 3.75% interest, monthly principal/interest payments of \$10,060; matures in 2040; secured by property	\$ 1,796,855	\$ -	\$ 54,261	\$ 1,742,594	\$ 53,948
Bank note payable, 4.25% interest, monthly principal/interest payments of \$7,442; matures in 2023; secured by property	1,332,414	-	94,665	1,237,749	26,880
Totals	\$ 3,129,269	\$ -	\$ 148,926	\$ 2,980,343	\$ 80,828

Del Puerto Health Care District

Notes to Financial Statements

Note 7: Long-Term Debt (Continued)

A schedule of changes in the District's long-term debt obligations for 2017 follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amounts Due Within One Year
USDA note payable, 3.75% interest, monthly principal/interest payments of \$10,060; matures in 2040; secured by property	\$ 1,848,636	\$ -	\$ 51,781	\$ 1,796,855	\$ 54,284
Bank note payable, 4.25% interest, monthly principal/interest payments of \$7,442; matures in 2023; secured by property	1,365,000	-	32,586	1,332,414	32,511
Totals	\$ 3,213,636	\$ -	\$ 84,367	\$ 3,129,269	\$ 86,795

Scheduled principal and interest repayments on long-term debt are as follows:

	Principal	Interest	Total
2019	\$ 80,828	\$ 119,730	\$ 200,558
2020	93,789	116,236	210,025
2021	97,720	112,305	210,025
2022	101,662	108,363	210,025
2023	105,765	104,260	210,025
2024 - 2028	593,449	456,677	1,050,126
2029 - 2033	723,740	326,384	1,050,124
2034 - 2038	883,888	166,236	1,050,124
2039 - 2043	299,502	18,325	317,827
Totals	\$ 2,980,343	\$ 1,528,516	\$ 4,508,859

The District's loan agreements provide for various restrictive covenants.

Del Puerto Health Care District

Notes to Financial Statements

Note 8: Net Patient and Resident Service Revenue

Net patient service revenue consisted of the following for the year ended June 30, 2018:

	Ambulance	Clinic	Total
Gross patient service revenue	\$ 8,215,728	\$ 2,252,674	\$ 10,468,402
Less:			
Contractual allowances	5,666,746	(153,031)	5,513,715
Provision for uncollectible accounts	722,801	32,397	755,198
Net patient service revenue	\$ 1,826,181	\$ 2,373,308	\$ 4,199,489

Net patient service revenue consisted of the following for the year ended June 30, 2017:

	Ambulance	Clinic	Total
Gross patient service revenue	\$ 5,452,522	\$ 2,372,209	\$ 7,824,731
Less:			
Contractual allowances	3,566,533	140,869	3,707,402
Provision for uncollectible accounts	491,013	3,398	494,411
Net patient service revenue	\$ 1,394,976	\$ 2,227,942	\$ 3,622,918

Del Puerto Health Care District

Notes to Financial Statements

Note 8: Net Patient and Resident Service Revenue (Continued)

The following table reflects the percentage of gross patient service revenue by payor source for the year ended June 30, 2018:

	Ambulance	Clinic
Medicare	37.4 %	3.8 %
Medi-Cal	36.8	77.6
Other third-party payors	18.3	18.1
Self-pay	7.5	0.5
Totals	100.0 %	100.0 %

The following table reflects the percentage of gross patient service revenue by payor source for the year ended June 30, 2017:

	Ambulance	Clinic
Medicare	38.6 %	2.5 %
Medi-Cal	31.2	79.9
Other third-party payors	19.7	17.0
Self-pay	10.5	0.6
Totals	100.0 %	100.0 %

Note 9: Property Tax Revenue

The District received approximately 24.16% and 24.65% of its financial support from property taxes in the years ended June 30, 2018 and 2017, respectively. Property taxes are levied by the District and collected by the Stanislaus County Treasurer for operations. Taxes estimated to be collectible are recorded as revenue in the year of the levy. No allowance for doubtful taxes receivable is considered necessary. Taxes levied are recorded as nonoperating revenue and are intended to finance the District's activities of the same fiscal year. Amounts of tax levied are based on assessed property values as of the first day of January for the fiscal year for which the taxes are levied.

The funds used to support operations were \$1,524,494 and \$1,370,649 for the years ended June 30, 2018 and 2017, respectively.

Del Puerto Health Care District

Notes to Financial Statements

Note 10: Charity Care

Consistent with the mission of the District, care is provided to patients regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources or who are underinsured. The District has a sliding scale fee discount program based on the Federal Poverty Scale determined by patient household size and income. Health care services to patients under government programs such as Medi-Cal are also considered part of the District's benefit provided to the community, since a substantial portion of such services is reimbursed at amounts that are less than the costs of providing care.

Note 11: Risk Management

Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. The District carries commercial insurance for these risks of loss. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three years.

Medical Malpractice Claims

The District obtains medical malpractice insurance through BETA Healthcare Group (BETA), which offers the District a professional and general liability policy on a "claims made" basis with primary limits of \$5,000,000 per claim and an annual aggregate limit of \$15,000,000. The policy has no deductible.

No liability has been accrued for future coverage of acts, if any, occurring in this or prior years. Also, it is possible that claims may exceed coverage available in any given year.

Del Puerto Health Care District

Notes to Financial Statements

Note 12: Concentration of Credit Risk

The District grants credit without collateral to its patients and third-party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the District, and management does not believe there are any credit risks associated with these government agencies. Contracted and other patient accounts receivable consist of various payors including individuals who are involved in diverse activities, are subject to differing economic conditions, and do not represent any concentrated credit risks to the District. Concentration of patient accounts receivable at June 30, 2018 and 2017, was as follows:

	2018	2017
Medicare	12 %	8 %
Medi-Cal	26 %	33 %
Other third-party payors	44 %	39 %
Self-pay	18 %	20 %
Totals	100 %	100 %

Note 13: Commitments and Contingencies

Litigation - The District may, from time to time, be involved in litigation and regulatory investigations that arise in the normal course of doing business. After consultation with legal counsel, management estimated that matters existing as of June 30, 2018 and 2017, will be resolved without material adverse effect to the District's future financial position, results from operations, or cash flows.

Operating leases - The District leases various pieces of equipment under operating leases expiring at various dates. Total equipment leases and rent expense for the years ended June 30, 2018 and 2017, were \$9,411 and \$10,498, respectively. Future minimum lease payments for succeeding years under operating leases with remaining terms in excess of one year as of June 30, 2018 and 2017, were not considered material.

Health Insurance Portability and Accountability Act - The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include but are not limited to matters such as the Affordable Care Act, licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes the District is in compliance with all such applicable laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretations as well as regulatory actions unknown at this time.

Del Puerto Health Care District

Notes to Financial Statements

Note 14: Retirement Plan

The District has a defined contribution retirement plan covering substantially all of the District's employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The District contributes to the plan at a rate of three percent of eligible compensation, which is defined by the plan. The District also has an optional program which matches employee contributions of up to 6 percent of their wages at a rate of 50 percent. The maximum contribution by the District is an additional 3 percent. The District's contributions become fully vested after five years of continuous service. The District's pension expense for the plan was \$57,796 and \$53,817 for the years ended June 30, 2018 and 2017, respectively.

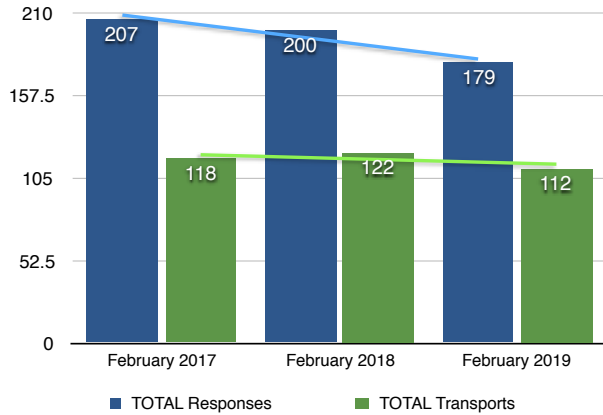
Note 15: Collective Bargaining Agreement

The District has a collective bargaining agreement covering certain employees within its ambulance services (approximately 27 employees). The contract covering EMTs and paramedics expired on March 30, 2016 and subsequent attempts to reach agreements in 2016 and 2017 failed. Negotiations for a successor contract were in process at the date the financial statements were available to be issued.

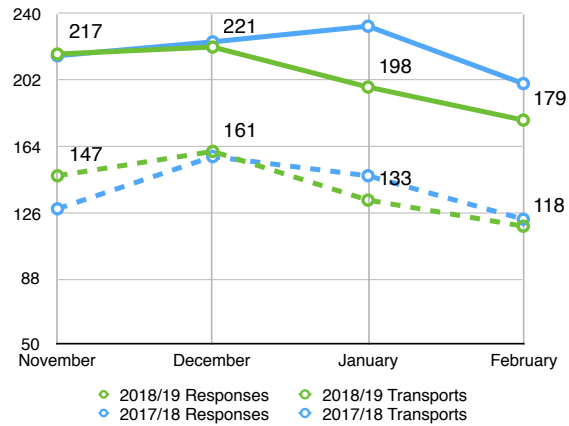
Patterson District Ambulance Response Report February 1, 2019 - February 28, 2019 Monthly Response Summary

	P91	P92	P93	P1	WS	AMR	PDA TOTALS	Other TOTALS	GRAND TOTALS
Responses	93	86		2	10	1	179	11	190
Transports	52	60			5	0	112	5	117
Transport %	55.91%	69.77%	0.00%		50.00%	0.00%	62.57%	45.45%	61.58%
Cancelled Response	12	12	2						
Adjusted Transport %	64.20%	81.08%	0.00%						

3 Year Data for Month



Response and Transport Data



Mutual Aid Responses

	Westside		AMR	
	Responses	Transports	Responses	Transports
INTO District	10	5	1	0
OUT of District	2	1	12	7

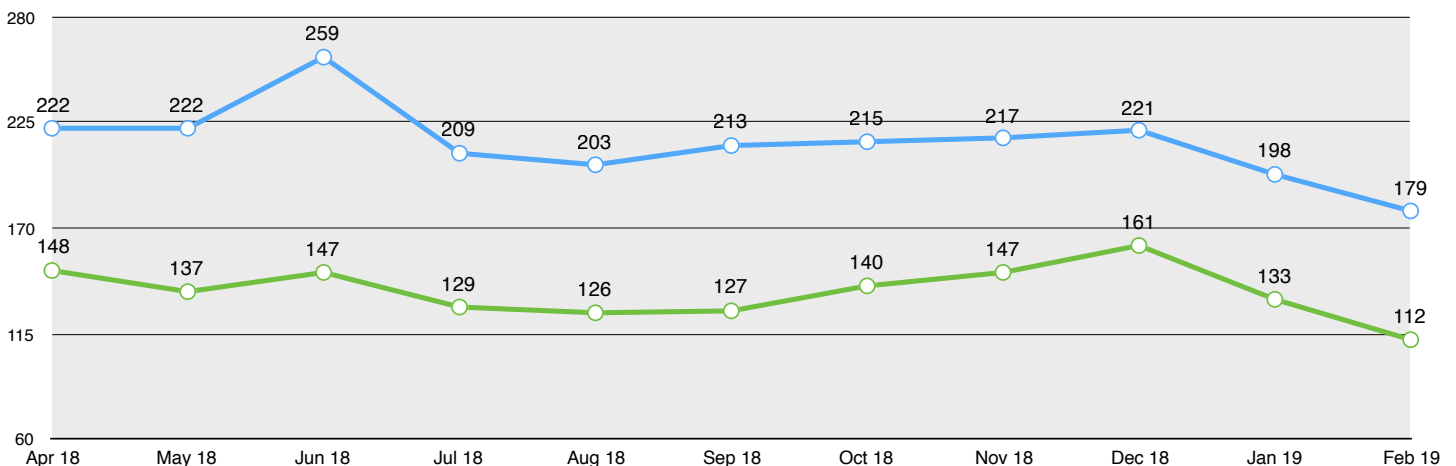
PDA In District Response %

Last Month %	This Month %	NET Change %
94.20%	94.21%	0.01%

Rolling Compliance Periods - Snapshot on March 22, 2019

Urban		Suburban		Rural	
Code 3	Code 2	Code 3	Code 2	Code 3	Code 2
90.67%	96.92%	93.88%	100%	98.03%	98.08%

Rolling 12 Months - Responses / Transports



Patterson District Ambulance Financial Summary



Executive Summary Snapshot

Revenue Cycle Performance

02/28/19

01/31/19

16 Month Avg

02/28/19

01/31/19

16 Month Avg

Gross Charges

Month Ending

Charges by Class

\$507,869.00

\$636,887.00

\$650,636.06

02/28/19

Payor Class	Current Month	Previous Month	16 Month Avg
Medicare	\$255,404.00	\$236,777.00	\$255,724.19
Medicaid	\$114,215.00	\$241,030.00	\$193,828.13
Insurance	\$106,350.00	\$101,500.00	\$117,105.94
Self Pay	\$31,900.00	\$57,580.00	\$83,977.81
Facility	\$0.00	\$0.00	

Transports

122

144

151

02/28/19

01/31/19

16 Month Avg

Collections

Collection % Gross

Collections by Class

\$139,498.00

\$134,173.00

\$141,845.95

27.5%

21.1%

21.8%

Payor Class	Current Month	Previous Month	16 Month Avg
Medicare	\$34,570.00	\$39,938.00	\$32,274.72
Medicaid	\$10,196.00	\$10,900.00	\$10,171.25
Insurance	\$86,171.00	\$66,828.00	\$90,310.54
Self Pay	\$8,561.00	\$16,507.00	\$9,089.44
Facility			

Contractual Adjustments

Accounted for Funds

\$459,166.00

\$627,585.00

\$487,706.67

117.9%

93.2%

92.4%

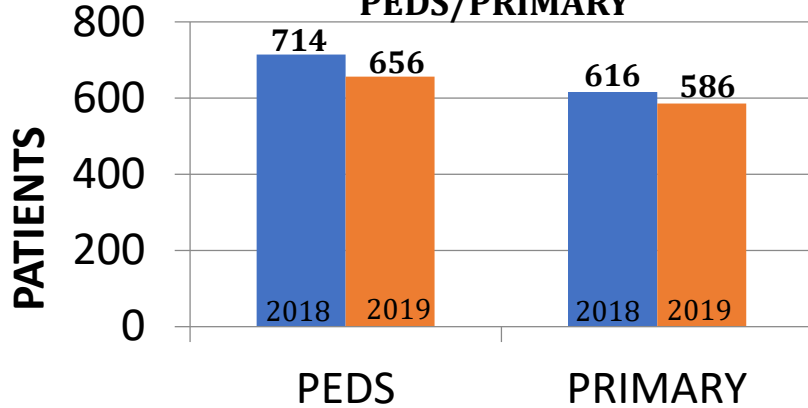
DEL PUERTO HEALTH CENTER

FEBRUARY 2018/2019

2018= 1,330
2019= 1,242

- 6.6 %

PATIENT VOLUME PEDS/PRIMARY



PRIMARY CARE

2018 RODRIGUEZ/ CHRISTINE / LENNARD
2019 RODRIGUEZ/ CHRISTINE/ LENNARD

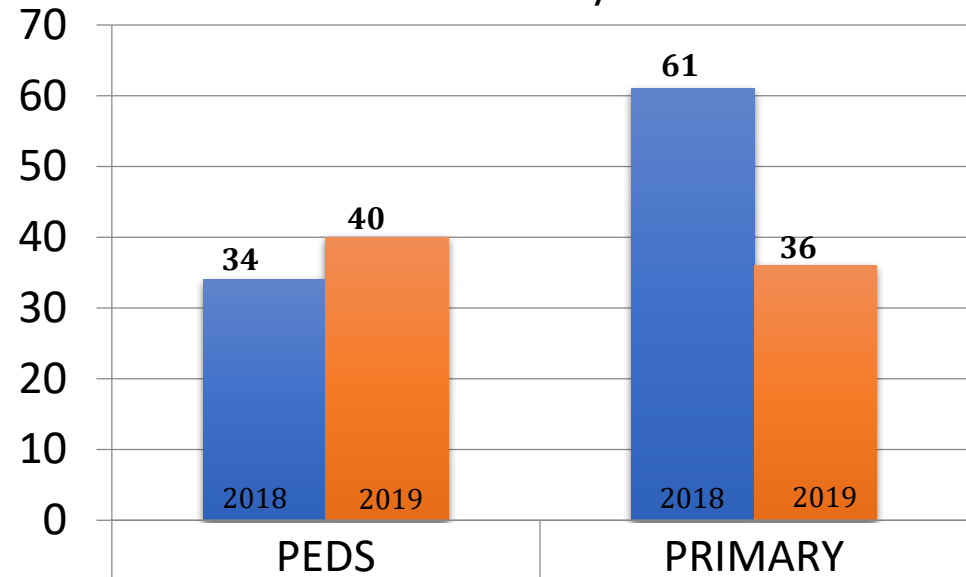
PEDIATRICS

2018 CHRISTINE/RODRIGUEZ/LENNARD/LOCUMS
2019 CHRISTINE/ RODRIGUEZ/ LENNARD /RAY-DATTA

2018 = 95
2019 = 76

- 20 %

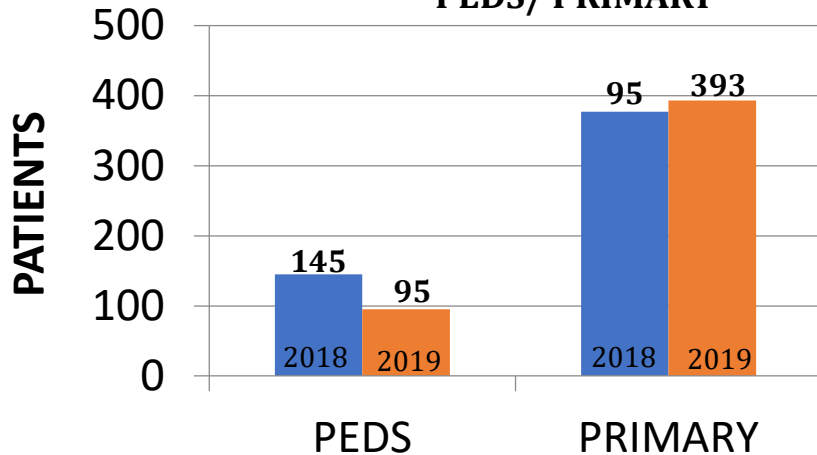
NEW PATIENT VOLUME PEDS / PRIMARY



2018= 522
2019= 488

- 6.5 %

SAME DAY APPOINTMENTS PEDS/ PRIMARY



■ 2018	34	61
■ 2019	40	36

Productivity per Provider FEBRUARY 2017-2019

