

**TEHACHAPI VALLEY HEALTHCARE DISTRICT**

**NOTICE OF A SPECIAL MEETING  
FINANCE COMMITTEE**

**January 15, 2025  
12:30 PM  
116 W. F Street  
Tehachapi, CA 93561**

**AGENDA**

**I. Call to Order**

**II. Public Comments on Items Not On The Agenda**

The public may comment on any item not on the agenda that is within the jurisdiction of the District. Time is limited to 3 minutes per speaker. Any person desiring to speak on an agenda item will be given an opportunity to do so prior to the Committee taking action on the item.

**III. Consent Agenda**

A. Approval of Finance Meeting Minutes for November 2024

**IV. Reports**

A. Finance Report for November and December 2024  
B. American Express Log

**V. Old Business**

None

**VI. New Business**

A. FY2023-2024 Audit

**VII. Director Comments On Items Not On The Agenda**

**VIII. Adjournment**



TEHACHAPI VALLEY HEALTHCARE DISTRICT  
FINANCE COMMITTEE MINUTES - SPECIAL  
November 13, 2024  
116 W F Street  
Tehachapi, CA 93561  
12:30 PM

**Board Members Present:** Mike Nixon, BreAnne Patterson

**Staff Present:** Peggy Mendiburu, CEO; Julia Pence, Contractor

**Transcribed by:**

Approval: \_\_\_\_\_ Date: \_\_\_\_\_

- I. **CALL TO ORDER**  
Director Lydia Chaney called the Finance Committee Meeting to order at 12:30pm
- II. **PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**  
None
- III. **APPROVAL OF MINUTES**  
Approval of Finance Meeting minutes for 10/09/24. **MSA:**  
**Patterson/Mendiburu/Nixon**
- IV. **REPORTS**
  - A. Finance Reports  
Committee reviewed finance report for October 2024
  - B. American Express  
Committee reviewed American Express for October 2024
  - C. Petty Cash  
No updates/changes with petty cash.
- V. **OLD BUSINESS**
  - A. None
- VI. **NEW BUSINESS**
  - A. None
- VII. BOARD COMMENTS ON BUSINESS NOT APPEARING ON THE AGENDA  
None.
- VIII. **ADJOURNMENT**  
Meeting adjourned at 1:00pm



# Finance Committee Report

TVHD

For the period ended November 2024



Prepared by

**Peggy Mendiburu**

Prepared on

**January 14, 2025**

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# Balance Sheet

Nov 1 - Nov 30 2024

DISTRIBUTION ACCOUNT	TOTAL
<b>Assets</b>	
Current Assets	
Bank Accounts	
1001-011 Valley Strong	\$6,273.99
1002-011 Valley Strong Payroll	\$19,164.46
1004-011 Litigation Reserve Account (deleted)	--
1005-012 Valley Strong Money Mkt	\$4,452,018.56
1007-013 Petty Cash Change Fund	\$423.26
1008-011 Bank of Sierra Payroll - 8577 (deleted)	--
1008-012 LAIF	\$5,787,711.52
1008-013 Valley Strong Savings	\$8,693.92
1008-014 Bank of Sierra - 8569	\$224,572.89
1008-015 Wells Fargo (deleted)	--
1008-020 Bank of Sierra Prop Tax -5470 (deleted)	--
<b>Total for Bank Accounts</b>	<b>\$10,498,858.60</b>
Accounts Receivable	
1020-000 Patient / Insurance Receivables	--
<b>Total for Accounts Receivable</b>	<b>0</b>
Other Current Assets	
1041-000 Bad Debt - UNCOLL ALLOW	--
1064-000 Other Receivables - LAIF Interest Rcv	\$63,817.17
1064-222 Other Receivables - Property Tax	\$29,186.59
1064-300 Election Costs	--
1069-003 Receivable - IGT	--
1101-035 Prepaid Expense - Insurance	\$24,487.55
1108-039 Prepaid Dues	\$3,578.00
Payments to deposit	--
<b>Total for Other Current Assets</b>	<b>\$121,069.31</b>
<b>Total for Current Assets</b>	<b>\$10,619,927.91</b>
Fixed Assets	
1200-042 Land	\$101,926.63
1200-043 Land - New Hospital	\$2,125,484.88
1200-044 Land - F Street	\$52,800.00
1211-045 Land Improvements	\$163,939.14
1221-046 Building - Hospital	\$102,944,793.77
1221-050 Building - Valley Blvd	\$954,550.06
1225-049 Building Improvements - Equipment	--

DISTRIBUTION ACCOUNT	TOTAL
1229-049 DE - Fixed Equipment	--
1240-000 Capitalized Software Cost	\$6,538.79
1241-050 MM Equipment - Telemed Grant	--
1241-051 Major Moveable Equipment	--
1241-060 Other Asset	\$627,000.00
1242-051 Minor Equipment	\$3,910.53
1255-000 CIP - Old Hospital Renovations	--
1291-045 Accum Depr - Land Improvements	-\$102,713.37
1291-046 Accum Depr - Building	-\$13,993.91
1291-047 Accum Depr - Bldg Improv	-\$15,418,351.11
1291-048 Accum Depr - New IT System	-\$762.86
1291-510 Accum Depr - Maj Moveable Equip	--
<b>Total for Fixed Assets</b>	<b>\$91,445,122.55</b>
Other Assets	
1510-530 Bond C	\$55.83
1510-535 Bond C Cost	\$364,569.46
1510-550 Restricted Bond Fund	\$58,940.19
1510-576 Bond Funds 2009-Series 2013-42189	\$0.45
1510-586 Refunding Bond Fund 2013 Proj	\$906,640.33
1510-590 County Funds #42191 2006 Bond	\$131,034.89
1510-591 County Funds Bond Elec 2009, S2013	\$2,134,328.61
1600-001 Loss on 2013-2021 Refin	\$2,639,519.49
1610-001 Accumulated Amort - Loss 2013-2021 Ref	-\$311,122.07
County Funds Current Offset	-\$2,428,633.33
Reclass to Current	\$2,428,633.33
<b>Total for Other Assets</b>	<b>\$5,923,967.18</b>
<b>Total for Assets</b>	<b>\$107,989,017.64</b>
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
2021-590 Accounts Payable (A/P)	\$8,288.93
<b>Total for Accounts Payable</b>	<b>\$8,288.93</b>
Credit Cards	
2310-110 American Express	--
<b>Total for Credit Cards</b>	<b>0</b>
Other Current Liabilities	
2030-000 Payroll Liabilities	0
2010-000 Payroll Clearing	\$0.02
2031-620 Accrued Compensation - Payroll	\$3,312.87



DISTRIBUTION ACCOUNT	TOTAL
2032-630 Accrued PTO	\$3,443.19
2039-750 Accrued Supp Life Insurance	-\$17.86
2039-760 Accrued Retirement Plan	\$150.00
<b>Total for 2030-000 Payroll Liabilities</b>	<b>\$6,888.22</b>
2041-780 Other Accrued Exp - Interest Payable	\$240,658.32
2041-781 Other Accrued Exp - Acc Interest Pay	\$3,262,331.35
2046-810 Other Accrued Exp - Audit Fees	\$27,124.92
2091-150 Inter Co Payable - Due to SJ/AH	\$21,603,398.00
2103-000 Deferred Income - Other	--
2131-000 Deferred Interest	-\$665,477.00
2131-100 Deferred Amortization	\$632,058.00
2250-000 GO Bonds - 2004 Series A	\$374,987.70
2251-000 GO Bonds - 2006 Series B	\$1,009,990.75
2252-000 GO Bonds - 2009 Series C	\$685,000.00
2260-100 Less Current Rent	--
<b>Total for Other Current Liabilities</b>	<b>\$27,176,960.26</b>
<b>Total for Current Liabilities</b>	<b>\$27,185,249.19</b>
Long-term Liabilities	
1390-002 Bond Iss Costs - Bond Premium 2022	\$3,825.00
1390-003 Bond Premium - 2004	\$11,561.00
1390-005 Bond Premium - 2006	\$90,959.00
1390-007 Refunding Bond Premium 2013	\$16,444.00
2253-000 Refunding Bonds Payable 2013	\$2,645,000.00
2254-000 GO Bonds Payable - 2009, Series 2013	\$52,070,000.00
2259-000 Current Portion of Long Term Liability	--
<b>Total for Long-term Liabilities</b>	<b>\$54,837,789.00</b>
<b>Total for Liabilities</b>	<b>\$82,023,038.19</b>
Equity	
Retained Earnings	-\$11,782,539.88
Net Income	-\$4,641,595.60
Invested in Capital Assets	\$38,473,826.29
Opening balance equity	--
Restricted Net Position	\$3,916,288.64
<b>Total for Equity</b>	<b>\$25,965,979.45</b>
<b>Total for Liabilities and Equity</b>	<b>\$107,989,017.64</b>

# Profit and Loss

Nov 1 - Nov 30 2024

DISTRIBUTION ACCOUNT	TOTAL
Income	
5700-230 Rental Income	\$1,800.00
<b>Total for Income</b>	<b>\$1,800.00</b>
Cost of Goods Sold	--
<b>Gross Profit</b>	<b>\$1,800.00</b>
Expenses	
8610-100 Dir/Mgr/Sup	\$7,378.26
8610-160 FICA	\$844.72
8610-171 Payroll Billing	\$745.41
8610-175 Grp Health Ins	\$2,920.63
8610-176 Health Insurance - Active Dir	\$299.98
8610-210 Consulting	\$1,260.00
8610-215 Legal	\$3,225.00
8610-230 Other Contracted	\$52.02
8610-345 Office Supplies	\$168.60
8610-380 IT	\$2,403.72
8610-390 Repairs & Maintenance	\$2,702.12
8610-400 Security	\$92.95
8610-550 Trustee Stipends	\$800.00
8610-700 Utilities	\$850.49
8610-735 Phone	\$127.17
8610-800 Insur - PLGL/DO	\$677.58
8610-805 Insurance - Other	\$3,498.23
8610-815 Dues & Subscriptions	\$45.00
8610-835 TVHD Comm Outreach	\$3,000.00
8610-900 Bank Fees	\$15.00
Uncategorized Expense	--
<b>Total for Expenses</b>	<b>\$31,106.88</b>
<b>Net Operating Income</b>	<b>-\$29,306.88</b>
Other Income	
9060-111 Interest Income	\$15,949.06
9160-069 Kern County Tax Rev Fund 42186	\$46,940.79
9400-089 Non-Oper Revenue Other	\$75,000.00
<b>Total for Other Income</b>	<b>\$137,889.85</b>
Other Expenses	
8811-900 New Hospital Depreciation	\$214,374.50

DISTRIBUTION ACCOUNT	TOTAL
8811-901 DEPRECIATION W. VALLEY BLVD	\$1,988.91
8811-902 Depreciation - Land Improvements	\$412.97
8811-903 Depreciation Guild Roof	\$184.37
8811-904 Depreciation Flooring - F Street	\$46.11
8811-905 Depreciation - Community Garden	\$32.09
8811-906 Depreciation - IT Equipment	\$108.98
<b>Total for Other Expenses</b>	<b>\$217,147.93</b>
<b>Net Other Income</b>	<b>-\$79,258.08</b>
<b>Net Income</b>	<b>-\$108,564.96</b>

# Profit and Loss

Jul 1 - Nov 30 2024

DISTRIBUTION ACCOUNT	TOTAL
Income	
5700-230 Rental Income	\$12,500.00
5790-100 Bad Debt Recovery	\$390.00
<b>Total for Income</b>	<b>\$12,890.00</b>
Cost of Goods Sold	--
<b>Gross Profit</b>	<b>\$12,890.00</b>
Expenses	
8610-100 Dir/Mgr/Sup	\$85,189.73
8610-110 Bond Financing Fees	\$750.00
8610-160 FICA	\$7,346.96
8610-171 Payroll Billing	\$2,770.67
8610-175 Grp Health Ins	\$18,527.74
8610-176 Health Insurance - Active Dir	\$599.96
8610-190 Workers Compensation	-\$353.00
8610-210 Consulting	\$16,580.00
8610-215 Legal	\$11,137.50
8610-220 Audit	\$6,300.00
8610-230 Other Contracted	\$457.86
8610-345 Office Supplies	\$3,507.25
8610-375 Postage	\$119.78
8610-380 IT	\$13,882.23
8610-390 Repairs & Maintenance	\$24,764.01
8610-400 Security	\$464.75
8610-507 Election Cost	\$793.00
8610-550 Trustee Stipends	\$3,600.00
8610-602 Rent - Storage & Equip Lease	\$2,050.00
8610-700 Utilities	\$5,440.05
8610-735 Phone	\$1,363.14
8610-800 Insur - PLGL/DO	\$2,710.32
8610-805 Insurance - Other	\$19,624.73
8610-811 Fees	\$35.69
8610-812 Licenses	\$27.00
8610-815 Dues & Subscriptions	\$246.44
8610-822 Travel Meals/Entertainment	\$45.01
8610-835 TVHD Comm Outreach	\$3,588.77
8610-900 Bank Fees	\$100.23
Uncategorized Expense	--

DISTRIBUTION ACCOUNT	TOTAL
<b>Total for Expenses</b>	<b>\$231,669.82</b>
<b>Net Operating Income</b>	<b>-\$218,779.82</b>
Other Income	
9060-111 Interest Income	\$211,741.05
9160-069 Kern County Tax Rev Fund 42186	\$185,126.30
9400-089 Non-Oper Revenue Other	\$375,000.00
<b>Total for Other Income</b>	<b>\$771,867.35</b>
Other Expenses	
8811-900 New Hospital Depreciation	\$1,071,872.50
8811-901 DEPRECIATION W. VALLEY BLVD	\$9,944.55
8811-902 Depreciation - Land Improvements	\$1,905.92
8811-903 Depreciation Guild Roof	\$921.85
8811-904 Depreciation Flooring - F Street	\$230.55
8811-905 Depreciation - Community Garden	\$319.39
8811-906 Depreciation - IT Equipment	\$544.90
<b>Total for Other Expenses</b>	<b>\$1,085,739.66</b>
<b>Net Other Income</b>	<b>-\$313,872.31</b>
<b>Net Income</b>	<b>-\$532,652.13</b>

# A/P Aging Summary

As of January 14, 2025

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
CALL ME LINDSAY V. INC.	200.00					200.00
DEX IMAGING LLC	282.16					282.16
HUMANA INSURANCE CO. (AUTO PAY)		449.97				449.97
UNITED HEALTHCARE (AUTO PAY)		2,620.65				2,620.65
<b>TOTAL</b>	<b>\$482.16</b>	<b>\$3,070.62</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,552.78</b>

California State Treasurer  
**Fiona Ma, CPA**



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

January 09, 2025

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

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TEHACHAPI VALLEY HEALTHCARE DISTRICT

ADMINISTRATOR  
P.O. BOX 1900  
TEHACHAPI, CA 93581-1900

[Tran Type Definitions](#)

**Account Number:** 20-15-003

November 2024 Statement

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	5,787,711.52
Total Withdrawal:	0.00	Ending Balance:	5,787,711.52



P.O. BOX 9506 BAKERSFIELD, CA 93389-9506

CHANGE SERVICE REQUESTED

831766 4460 1/6 UNQ 12-01-24 CLT  
000004459 1



TEHACHAPI VALLEY HEALTHCARE DISTRICT  
116 W E ST  
TEHACHAPI CA 93561-1608

# Account Statement

(661) 833-7900 | (800) 221-3311  
www.valleystrong.com

MEMBER NUMBER XXXXXXXXX20

STATEMENT FOR 11/01/2024 - 11/30/2024

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## YOUR ACCOUNT BALANCES AS OF 11/30/2024

BUSINESS SHARE SAVINGS ID 0001	\$8,693.92
SMART BUSINESS MONEY MARKET ID 0003	\$4,452,018.56
BASIC BUS CHECKING- PAYROLL ID 0004	\$19,164.46
BASIC BUS CHECKING ID 0005	\$10,368.80
<b>ACCOUNT BALANCE TOTAL</b>	<b>\$4,490,245.74</b>
TOTAL DIVIDENDS PAID YEAR-TO-DATE	\$167,180.53

**Need a Loan?**  
Call (800) 221-3311

### BUSINESS SHARE SAVINGS

BEGINNING BALANCE	\$8,693.56
1 TOTAL CREDITS	\$0.36
0 TOTAL DEBITS	\$0.00
ENDING BALANCE	\$8,693.92

ANNUAL PERCENTAGE YIELD EARNED 0.050% FROM 11/01/2024 THROUGH 11/30/2024

#### DATE CREDIT TRANSACTION DESCRIPTION

#### AMOUNT

11/30 DEPOSIT DIVIDEND	\$0.36
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### SMART BUSINESS MONEY MARKET

BEGINNING BALANCE	\$4,424,129.07
2 TOTAL CREDITS	\$62,889.49
2 TOTAL DEBITS	\$35,000.00-
ENDING BALANCE	\$4,452,018.56

ANNUAL PERCENTAGE YIELD EARNED 4.500% FROM 11/01/2024 THROUGH 11/30/2024

#### DATE DEBIT TRANSACTION DESCRIPTION

#### AMOUNT

11/05 WITHDRAWAL ONLINE TRANSFER TRANSFER TO SHARE 0004 FOR PAYROLL	\$25,000.00-
11/05 WITHDRAWAL ONLINE TRANSFER TRANSFER TO SHARE 0005	\$10,000.00-

#### DATE CREDIT TRANSACTION DESCRIPTION

#### AMOUNT

11/27 DEPOSIT ACH COUNTY OF KERN TYPE: ACCTS PAY CO: COUNTY OF KERN ENTRY CLASS CODE: PPD	\$46,940.79
11/30 DEPOSIT DIVIDEND	\$15,948.70

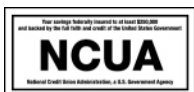
### BASIC BUS CHECKING- PAYROLL

BEGINNING BALANCE	\$6,913.22
2 TOTAL CREDITS	\$27,581.03
16 TOTAL DEBITS	\$15,329.79-
ENDING BALANCE	\$19,164.46

#### DATE DEBIT TRANSACTION DESCRIPTION

#### AMOUNT

11/01 WITHDRAWAL ACH B6079 TEHACHAPI TYPE: BILLING CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$101.46-
11/05 WITHDRAWAL ACH VALIC TYPE: EREMIT PRM CO: VALIC ENTRY CLASS CODE: CCD	\$150.00-
11/14 WITHDRAWAL ACH PAYLOCITY CORPOR TYPE: TAX COL CO: PAYLOCITY CORPOR ENTRY CLASS CODE: CCD	\$1,335.83-
11/14 WITHDRAWAL ACH B6079 TEHACHAPI TYPE: DIR DEP CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$2,471.94-
11/15 WITHDRAWAL ACH B6079 TEHACHAPI TYPE: BILLING CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$101.46-
11/19 WITHDRAWAL ACH VALIC TYPE: EREMIT PRM CO: VALIC ENTRY CLASS CODE: CCD	\$150.00-
11/22 WITHDRAWAL ACH B6079 TEHACHAPI TYPE: BILLING CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$332.74-



Federally Insured  
by NCUA

Packet Page #16  
Continued on next page.







P.O. BOX 9506 BAKERSFIELD, CA 93389-9506

# Account Statement

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MEMBER NUMBER XXXXXXXXX20

STATEMENT FOR 11/01/2024 - 11/30/2024

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## BASIC BUS CHECKING- PAYROLL

11/22	WITHDRAWAL ACH PAYLOCITY CORPOR	TYPE: TAX COL CO: PAYLOCITY CORPOR	ENTRY CLASS CODE: CCD	\$1,390.32-
11/22	WITHDRAWAL ACH B6079 TEHACHAPI	TYPE: TRUST CO: B6079 TEHACHAPI	ENTRY CLASS CODE: CCD	\$2,581.03-
11/26	WITHDRAWAL ACH B6079 TEHACHAPI	TYPE: BILLING CO: B6079 TEHACHAPI	ENTRY CLASS CODE: CCD	\$101.46-
11/26	WITHDRAWAL ACH B6079 TEHACHAPI	TYPE: BILLING CO: B6079 TEHACHAPI	ENTRY CLASS CODE: CCD	\$101.46-
11/26	WITHDRAWAL ACH B6079 TEHACHAPI	TYPE: DIR DEP CO: B6079 TEHACHAPI	ENTRY CLASS CODE: CCD	\$2,581.03-
11/27	WITHDRAWAL ACH PAYLOCITY CORPOR	TYPE: TAX COL CO: PAYLOCITY CORPOR	ENTRY CLASS CODE: CCD	\$1,335.79-
11/27	WITHDRAWAL ACH B6079 TEHACHAPI	TYPE: DIR DEP CO: B6079 TEHACHAPI	ENTRY CLASS CODE: CCD	\$2,471.98-
11/29	WITHDRAWAL ACH B6079 TEHACHAPI	TYPE: BILLING CO: B6079 TEHACHAPI	ENTRY CLASS CODE: CCD	\$108.29-
11/30	WITHDRAWAL SERVICE FEE			\$15.00-

DATE	CREDIT TRANSACTION DESCRIPTION	AMOUNT
11/05	DEPOSIT ONLINE TRANSFER TRANSFER FROM SHARE 0003 FOR PAYROLL	\$25,000.00
11/26	DEPOSIT ACH B6079 TEHACHAPI TYPE: REV TRUST CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$2,581.03

## BASIC BUS CHECKING

BEGINNING BALANCE	\$18,326.82
4 TOTAL CREDITS	\$12,099.98
33 TOTAL DEBITS	\$20,058.00-
ENDING BALANCE	\$10,368.80

DATE	DEBIT TRANSACTION DESCRIPTION	AMOUNT
11/01	WITHDRAWAL ACH DEX IMAGING TYPE: WEB PAY CO: DEX IMAGING ENTRY CLASS CODE: CCD	\$763.59-
11/01	DRAFT 142327 TRACER 907200000001754	\$200.00-
11/04	WITHDRAWAL ACH GETSTREAMLINE.CO TYPE: GETSTREAML CO: GETSTREAMLINE.CO ENTRY CLASS CODE: CCD	\$126.00-
11/04	WITHDRAWAL ACH RACE COMMUNICATI TYPE: RACE COMMU CO: RACE COMMUNICATI ENTRY CLASS CODE: CCD	\$202.98-
11/04	WITHDRAWAL ACH AMERICAN EXPRESS TYPE: BILL PAYMT CO: AMERICAN EXPRESS ENTRY CLASS CODE: PPD	\$481.06-
11/04	DRAFT 142329 TRACER 907500000004473	\$100.00-
11/05	WITHDRAWAL ACH SO CAL GAS TYPE: PAID SCGC CO: SO CAL GAS NAME: 301601474266376824 ENTRY CLASS CODE: WEB	\$20.65-
11/05	WITHDRAWAL ACH SO CAL EDISON CO TYPE: DIRECTPAY CO: SO CAL EDISON CO ENTRY CLASS CODE: CCD	\$76.19-
11/06	WITHDRAWAL ACH DEX IMAGING TYPE: BILL PAYMT CO: DEX IMAGING ENTRY CLASS CODE: PPD	\$334.45-
11/08	WITHDRAWAL ACH CALPERS TYPE: BILL PAYMT CO: CALPERS ENTRY CLASS CODE: PPD	\$50.00-
11/08	WITHDRAWAL ACH AXION COMMUNICAT TYPE: BILL PAYMT CO: AXION COMMUNICAT ENTRY CLASS CODE: PPD	\$127.13-
11/08	WITHDRAWAL ACH 6PENCE BOOKKEEPI TYPE: SALE CO: 6PENCE BOOKKEEPI NAME: TEHACHAPI VALLEY HEALT ENTRY CLASS CODE: WEB	\$1,060.00-
11/08	DRAFT 142326 TRACER 907900000003775	\$180.00-
11/12	WITHDRAWAL ACH INTUIT * TYPE: QBOOKS ONL CO: INTUIT * ENTRY CLASS CODE: CCD	\$45.00-
11/12	WITHDRAWAL ACH SO CAL EDISON CO TYPE: DIRECTPAY CO: SO CAL EDISON CO ENTRY CLASS CODE: CCD	\$194.21-
11/12	WITHDRAWAL ACH HUMANA, INC. TYPE: INS PYMT CO: HUMANA, INC. ENTRY CLASS CODE: PPD	\$449.97-
11/13	WITHDRAWAL ACH UNITED HEALTHCAR TYPE: EDI PAYMTS CO: UNITED HEALTHCAR ENTRY CLASS CODE: CTX	\$2,620.65-
11/15	WITHDRAWAL ACH BETA HEALTHCARE TYPE: BILL PAYMT CO: BETA HEALTHCARE ENTRY CLASS CODE: PPD	\$677.58-
11/15	WITHDRAWAL ACH DANNY ORELLANA TYPE: BILL PAYMT CO: DANNY ORELLANA ENTRY CLASS CODE: PPD	\$958.50-
11/15	WITHDRAWAL ACH NAVE LAW OFFICE, TYPE: BILL PAYMT CO: NAVE LAW OFFICE, ENTRY CLASS CODE: PPD	\$1,680.00-
11/19	WITHDRAWAL ACH DEX IMAGING TYPE: BILL PAYMT CO: DEX IMAGING ENTRY CLASS CODE: PPD	\$340.98-
11/20	WITHDRAWAL ACH AFLAC COLUMBUS TYPE: ACHPMT CO: AFLAC COLUMBUS ENTRY CLASS CODE: CCD	\$27.32-
11/20	DRAFT 142341 TRACER 909100000049275 ON US DRAFT	\$200.00-
11/21	WITHDRAWAL ACH CITY OF TEHACHAP TYPE: BILL PAYMT CO: CITY OF TEHACHAP ENTRY CLASS CODE: PPD	\$75.91-
11/21	WITHDRAWAL ACH CITY OF TEHACHAP TYPE: BILL PAYMT CO: CITY OF TEHACHAP ENTRY CLASS CODE: PPD	\$132.75-
11/21	WITHDRAWAL ACH CALL ME LINDSAY TYPE: BILL PAYMT CO: CALL ME LINDSAY ENTRY CLASS CODE: PPD	\$200.00-
11/21	WITHDRAWAL ACH TEHACHAPI MINI S TYPE: BILL PAYMT CO: TEHACHAPI MINI S ENTRY CLASS CODE: PPD	\$275.00-
11/21	WITHDRAWAL ACH ESQUIVEL'S JANIT TYPE: BILL PAYMT CO: ESQUIVEL'S JANIT ENTRY CLASS CODE: PPD	\$320.00-
11/21	WITHDRAWAL ACH CSDA TYPE: BILL PAYMT CO: CSDA ENTRY CLASS CODE: PPD	\$3,578.00-
11/21	DRAFT 142342 TRACER 909200000000753	\$637.62-



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# Account Statement

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MEMBER NUMBER XXXXXXXXX20

STATEMENT FOR 11/01/2024 - 11/30/2024

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## BASIC BUS CHECKING

11/25	DRAFT 142343 TRACER 909600000002363	\$200.00-
11/27	DRAFT 142337 TRACER 909800000000960	\$3,519.48-
11/29	WITHDRAWAL ACH RACE COMMUNICATI TYPE: RACE COMMU CO: RACE COMMUNICATI ENTRY CLASS CODE: CCD	\$202.98-

DATE	CREDIT TRANSACTION DESCRIPTION	AMOUNT
11/05	DEPOSIT ONLINE TRANSFER TRANSFER FROM SHARE 0003	\$10,000.00
11/06	DEPOSIT VALLEY STRONG MOBILE	\$149.99
11/06	DEPOSIT VALLEY STRONG MOBILE	\$1,800.00
11/18	DEPOSIT VALLEY STRONG MOBILE	\$149.99

## SUMMARY BY CHECK NUMBER \* Asterisk next to number indicates skip in sequence 7 CHECKS CLEARED FOR \$5,037.10

NUMBER	CLEARED	AMOUNT	NUMBER	CLEARED	AMOUNT	NUMBER	CLEARED	AMOUNT
142326	11/08/24	\$180.00	142327	11/01/24	\$200.00	142329 *	11/04/24	\$100.00
142337 *	11/27/24	\$3,519.48	142341 *	11/20/24	\$200.00	142342	11/21/24	\$637.62
142343	11/25/24	\$200.00						

# Finance Committee Report

TVHD

For the period ended December 31, 2024



Prepared by

**Peggy Mendiburu**

Prepared on

**January 14, 2025**

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# Balance Sheet

Dec 1 - Dec 31 2024

DISTRIBUTION ACCOUNT	TOTAL
<b>Assets</b>	
Current Assets	
Bank Accounts	
1001-011 Valley Strong	\$39,055.39
1002-011 Valley Strong Payroll	\$10,662.89
1004-011 Litigation Reserve Account (deleted)	--
1005-012 Valley Strong Money Mkt	\$4,919,795.93
1007-013 Petty Cash Change Fund	\$423.26
1008-011 Bank of Sierra Payroll - 8577 (deleted)	--
1008-012 LAIF	\$5,787,711.52
1008-013 Valley Strong Savings	\$8,694.29
1008-014 Bank of Sierra - 8569	\$224,572.89
1008-015 Wells Fargo (deleted)	--
1008-020 Bank of Sierra Prop Tax -5470 (deleted)	--
<b>Total for Bank Accounts</b>	<b>\$10,990,916.17</b>
Accounts Receivable	
1020-000 Patient / Insurance Receivables	--
<b>Total for Accounts Receivable</b>	<b>0</b>
Other Current Assets	
1041-000 Bad Debt - UNCOLL ALLOW	--
1064-000 Other Receivables - LAIF Interest Rcv	\$63,817.17
1064-222 Other Receivables - Property Tax	\$29,186.59
1064-300 Election Costs	--
1069-003 Receivable - IGT	--
1101-035 Prepaid Expense - Insurance	\$20,989.32
1108-039 Prepaid Dues	\$3,578.00
Payments to deposit	--
<b>Total for Other Current Assets</b>	<b>\$117,571.08</b>
<b>Total for Current Assets</b>	<b>\$11,108,487.25</b>
Fixed Assets	
1200-042 Land	\$101,926.63
1200-043 Land - New Hospital	\$2,125,484.88
1200-044 Land - F Street	\$52,800.00
1211-045 Land Improvements	\$163,939.14
1221-046 Building - Hospital	\$102,944,793.77
1221-050 Building - Valley Blvd	\$954,550.06
1225-049 Building Improvements - Equipment	--

DISTRIBUTION ACCOUNT	TOTAL
1229-049 DE - Fixed Equipment	--
1240-000 Capitalized Software Cost	\$6,538.79
1241-050 MM Equipment - Telemed Grant	--
1241-051 Major Moveable Equipment	--
1241-060 Other Asset	\$627,000.00
1242-051 Minor Equipment	\$3,910.53
1255-000 CIP - Old Hospital Renovations	--
1291-045 Accum Depr - Land Improvements	-\$103,158.43
1291-046 Accum Depr - Building	-\$15,982.82
1291-047 Accum Depr - Bldg Improv	-\$15,632,956.09
1291-048 Accum Depr - New IT System	-\$871.84
1291-510 Accum Depr - Maj Moveable Equip	--
<b>Total for Fixed Assets</b>	<b>\$91,227,974.62</b>
Other Assets	
1510-530 Bond C	\$55.83
1510-535 Bond C Cost	\$364,569.46
1510-550 Restricted Bond Fund	\$58,940.19
1510-576 Bond Funds 2009-Series 2013-42189	\$0.45
1510-586 Refunding Bond Fund 2013 Proj	\$906,640.33
1510-590 County Funds #42191 2006 Bond	\$131,034.89
1510-591 County Funds Bond Elec 2009, S2013	\$2,134,328.61
1600-001 Loss on 2013-2021 Refin	\$2,639,519.49
1610-001 Accumulated Amort - Loss 2013-2021 Ref	-\$311,122.07
County Funds Current Offset	-\$2,428,633.33
Reclass to Current	\$2,428,633.33
<b>Total for Other Assets</b>	<b>\$5,923,967.18</b>
<b>Total for Assets</b>	<b>\$108,260,429.05</b>
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
2021-590 Accounts Payable (A/P)	\$4,652.45
<b>Total for Accounts Payable</b>	<b>\$4,652.45</b>
Credit Cards	
2310-110 American Express	--
<b>Total for Credit Cards</b>	<b>0</b>
Other Current Liabilities	
2030-000 Payroll Liabilities	0
2010-000 Payroll Clearing	\$0.02
2031-620 Accrued Compensation - Payroll	\$3,312.87

DISTRIBUTION ACCOUNT	TOTAL
2032-630 Accrued PTO	\$3,443.19
2039-750 Accrued Supp Life Insurance	\$7.36
2039-760 Accrued Retirement Plan	--
<b>Total for 2030-000 Payroll Liabilities</b>	<b>\$6,763.44</b>
2041-780 Other Accrued Exp - Interest Payable	\$240,658.32
2041-781 Other Accrued Exp - Acc Interest Pay	\$3,262,331.35
2046-810 Other Accrued Exp - Audit Fees	\$27,124.92
2091-150 Inter Co Payable - Due to SJ/AH	\$21,528,398.00
2103-000 Deferred Income - Other	--
2131-000 Deferred Interest	-\$665,477.00
2131-100 Deferred Amortization	\$632,058.00
2250-000 GO Bonds - 2004 Series A	\$374,987.70
2251-000 GO Bonds - 2006 Series B	\$1,009,990.75
2252-000 GO Bonds - 2009 Series C	\$685,000.00
2260-100 Less Current Rent	--
<b>Total for Other Current Liabilities</b>	<b>\$27,101,835.48</b>
<b>Total for Current Liabilities</b>	<b>\$27,106,487.93</b>
Long-term Liabilities	
1390-002 Bond Iss Costs - Bond Premium 2022	\$3,825.00
1390-003 Bond Premium - 2004	\$11,561.00
1390-005 Bond Premium - 2006	\$90,959.00
1390-007 Refunding Bond Premium 2013	\$16,444.00
2253-000 Refunding Bonds Payable 2013	\$2,645,000.00
2254-000 GO Bonds Payable - 2009, Series 2013	\$52,070,000.00
2259-000 Current Portion of Long Term Liability	--
<b>Total for Long-term Liabilities</b>	<b>\$54,837,789.00</b>
<b>Total for Liabilities</b>	<b>\$81,944,276.93</b>
Equity	
Retained Earnings	-\$11,782,539.88
Net Income	-\$4,291,422.93
Invested in Capital Assets	\$38,473,826.29
Opening balance equity	--
Restricted Net Position	\$3,916,288.64
<b>Total for Equity</b>	<b>\$26,316,152.12</b>
<b>Total for Liabilities and Equity</b>	<b>\$108,260,429.05</b>

# Profit and Loss

Dec 1 - Dec 31 2024

DISTRIBUTION ACCOUNT	TOTAL
Income	
5700-230 Rental Income	\$2,400.00
5790-100 Bad Debt Recovery	-\$25.00
<b>Total for Income</b>	<b>\$2,375.00</b>
Cost of Goods Sold	--
<b>Gross Profit</b>	<b>\$2,375.00</b>
Expenses	
8610-100 Dir/Mgr/Sup	\$7,378.26
8610-160 FICA	\$562.50
8610-171 Payroll Billing	\$421.03
8610-175 Grp Health Ins	\$2,770.64
8610-176 Health Insurance - Active Dir	-\$299.98
8610-210 Consulting	\$3,215.00
8610-220 Audit	\$4,150.00
8610-230 Other Contracted	\$52.02
8610-345 Office Supplies	-\$87.07
8610-380 IT	\$2,668.41
8610-390 Repairs & Maintenance	\$1,002.50
8610-400 Security	\$52.95
8610-602 Rent - Storage & Equip Lease	\$550.00
8610-700 Utilities	\$1,032.90
8610-735 Phone	\$127.17
8610-800 Insur - PLGL/DO	\$677.58
8610-805 Insurance - Other	\$3,498.23
8610-815 Dues & Subscriptions	\$45.00
8610-900 Bank Fees	\$15.00
<b>Total for Expenses</b>	<b>\$27,832.14</b>
<b>Net Operating Income</b>	<b>-\$25,457.14</b>
Other Income	
9060-111 Interest Income	\$17,529.82
9160-069 Kern County Tax Rev Fund 42186	\$500,247.92
9400-089 Non-Oper Revenue Other	\$75,000.00
<b>Total for Other Income</b>	<b>\$592,777.74</b>
Other Expenses	
8811-900 New Hospital Depreciation	\$214,374.50
8811-901 DEPRECIATION W. VALLEY BLVD	\$1,988.91



DISTRIBUTION ACCOUNT	TOTAL
8811-902 Depreciation - Land Improvements	\$412.97
8811-903 Depreciation Guild Roof	\$184.37
8811-904 Depreciation Flooring - F Street	\$46.11
8811-905 Depreciation - Community Garden	\$32.09
8811-906 Depreciation - IT Equipment	\$108.98
<b>Total for Other Expenses</b>	<b>\$217,147.93</b>
<b>Net Other Income</b>	<b>\$375,629.81</b>
<b>Net Income</b>	<b>\$350,172.67</b>

# Profit and Loss

Jul 1 - Dec 31 2024

DISTRIBUTION ACCOUNT	TOTAL
Income	
5700-230 Rental Income	\$14,900.00
5790-100 Bad Debt Recovery	\$365.00
<b>Total for Income</b>	<b>\$15,265.00</b>
Cost of Goods Sold	--
<b>Gross Profit</b>	<b>\$15,265.00</b>
Expenses	
8610-100 Dir/Mgr/Sup	\$92,567.99
8610-110 Bond Financing Fees	\$750.00
8610-160 FICA	\$7,909.46
8610-171 Payroll Billing	\$3,191.70
8610-175 Grp Health Ins	\$21,298.38
8610-176 Health Insurance - Active Dir	\$299.98
8610-190 Workers Compensation	-\$353.00
8610-210 Consulting	\$19,795.00
8610-215 Legal	\$11,137.50
8610-220 Audit	\$10,450.00
8610-230 Other Contracted	\$509.88
8610-345 Office Supplies	\$3,420.18
8610-375 Postage	\$119.78
8610-380 IT	\$16,550.64
8610-390 Repairs & Maintenance	\$25,766.51
8610-400 Security	\$517.70
8610-507 Election Cost	\$793.00
8610-550 Trustee Stipends	\$3,600.00
8610-602 Rent - Storage & Equip Lease	\$2,600.00
8610-700 Utilities	\$6,472.95
8610-735 Phone	\$1,490.31
8610-800 Insur - PLGL/DO	\$3,387.90
8610-805 Insurance - Other	\$23,122.96
8610-811 Fees	\$35.69
8610-812 Licenses	\$27.00
8610-815 Dues & Subscriptions	\$291.44
8610-822 Travel Meals/Entertainment	\$45.01
8610-835 TVHD Comm Outreach	\$3,588.77
8610-900 Bank Fees	\$115.23
Uncategorized Expense	--

DISTRIBUTION ACCOUNT	TOTAL
<b>Total for Expenses</b>	<b>\$259,501.96</b>
<b>Net Operating Income</b>	<b>-\$244,236.96</b>
Other Income	
9060-111 Interest Income	\$229,270.87
9160-069 Kern County Tax Rev Fund 42186	\$685,374.22
9400-089 Non-Oper Revenue Other	\$450,000.00
<b>Total for Other Income</b>	<b>\$1,364,645.09</b>
Other Expenses	
8811-900 New Hospital Depreciation	\$1,286,247.00
8811-901 DEPRECIATION W. VALLEY BLVD	\$11,933.46
8811-902 Depreciation - Land Improvements	\$2,318.89
8811-903 Depreciation Guild Roof	\$1,106.22
8811-904 Depreciation Flooring - F Street	\$276.66
8811-905 Depreciation - Community Garden	\$351.48
8811-906 Depreciation - IT Equipment	\$653.88
<b>Total for Other Expenses</b>	<b>\$1,302,887.59</b>
<b>Net Other Income</b>	<b>\$61,757.50</b>
<b>Net Income</b>	<b>-\$182,479.46</b>

# A/P Aging Summary

As of December 31, 2024

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
ADVANCED DATA STORAGE, INC.	52.02					52.02
ALERT 360	52.95					52.95
AMEX		133.50				133.50
AXION COMMUNICATIONS	127.17					127.17
DANNY'S CLEANING & LANDSCAPE, LLC	532.50					532.50
GAS COMPANY (AUTO PAY)	471.75					471.75
HUMANA INSURANCE CO. (AUTO PAY)	449.97					449.97
SO CAL EDISON (AUTO PAY)	211.94					211.94
UNITED HEALTHCARE (AUTO PAY)	2,620.65					2,620.65
<b>TOTAL</b>	<b>\$4,518.95</b>	<b>\$133.50</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,652.45</b>



# BANK OF THE SIERRA

[Bank of the Sierra Homepage](#)

Date 12/31/24

Page 1

TEHACHAPI VALLEY HEALTHCARE DISTRICT  
PO BOX 669  
Tehachapi CA 93581

## CHECKING ACCOUNT

**Have you moved recently, or changed your phone number or email address? Please let us know! It's important that Bank of the Sierra has your most up-to-date contact information so we can reach out to you if necessary. If you believe your information may not be up to date, please call our Customer Service Center at 1-888-454-BANK.**

Public Demand		Number of Enclosures	0
Account Number	XXXXXX8569	Statement Dates	12/02/24 thru 12/31/24
Previous Balance	224,572.89	Days in the statement period	30
Deposits/Credits	.00	Average Ledger	224,572.89
Checks/Debits	.00	Average Collected	224,572.89
Service Charge	.00		
Interest Paid	.00		
Ending Balance	224,572.89		

## DAILY BALANCE INFORMATION

Date	Balance
12/02	224,572.89

**Keep Climbing**

California State Treasurer  
**Fiona Ma, CPA**



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

January 09, 2025

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

---

TEHACHAPI VALLEY HEALTHCARE DISTRICT

ADMINISTRATOR  
P.O. BOX 1900  
TEHACHAPI, CA 93581-1900

[Tran Type Definitions](#)

**Account Number:** 20-15-003

December 2024 Statement

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	5,787,711.52
Total Withdrawal:	0.00	Ending Balance:	5,787,711.52



P.O. BOX 9506 BAKERSFIELD, CA 93389-9506

CHANGE SERVICE REQUESTED

843750 4416 1/8 UNQ 01-01-25 CLT  
000004415 1



TEHACHAPI VALLEY HEALTHCARE DISTRICT  
116 W E ST  
TEHACHAPI CA 93561-1608

# Account Statement

(661) 833-7900 | (800) 221-3311  
www.valleystrong.com

MEMBER NUMBER XXXXXXXXX20

STATEMENT FOR 12/01/2024 - 12/31/2024

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**Refer a Business**

**GET \$250!**

SCAN ME

\*Terms and conditions apply. Visit [valleystrong.com/refer-business](http://valleystrong.com/refer-business) or scan the QR code to learn more.

### YOUR ACCOUNT BALANCES AS OF 12/31/2024

BUSINESS SHARE SAVINGS ID 0001	\$8,694.29
PUBLIC BUSINESS MONEY MARKET ID 0003	\$4,919,795.93
BASIC BUS CHECKING- PAYROLL ID 0004	\$10,662.89
BASIC BUS CHECKING ID 0005	\$43,796.38
<b>ACCOUNT BALANCE TOTAL</b>	<b>\$4,982,949.49</b>
TOTAL DIVIDENDS PAID YEAR-TO-DATE	\$184,710.35

**Need a Loan?**  
Call (800) 221-3311

#### BUSINESS SHARE SAVINGS

BEGINNING BALANCE	\$8,693.92
1 TOTAL CREDITS	\$0.37
0 TOTAL DEBITS	\$0.00
ENDING BALANCE	\$8,694.29

ANNUAL PERCENTAGE YIELD EARNED 0.050% FROM 12/01/2024 THROUGH 12/31/2024

#### DATE CREDIT TRANSACTION DESCRIPTION

#### AMOUNT

12/31 DEPOSIT DIVIDEND	\$0.37
------------------------	--------

#### PUBLIC BUSINESS MONEY MARKET

BEGINNING BALANCE	\$4,452,018.56
3 TOTAL CREDITS	\$517,777.37
1 TOTAL DEBITS	\$50,000.00-
ENDING BALANCE	\$4,919,795.93

ANNUAL PERCENTAGE YIELD EARNED 4.550% FROM 12/01/2024 THROUGH 12/31/2024

#### DATE DEBIT TRANSACTION DESCRIPTION

#### AMOUNT

12/05 WITHDRAWAL HOME BANKING TRANSFER TO SHARE 0005 CHECKING WHOLE	\$50,000.00-
---	--------------

#### DATE CREDIT TRANSACTION DESCRIPTION

#### AMOUNT

12/12 DEPOSIT ACH COUNTY OF KERN TYPE: ACCTS PAY CO: COUNTY OF KERN ENTRY CLASS CODE: PPD	\$107,157.14
12/20 DEPOSIT ACH COUNTY OF KERN TYPE: ACCTS PAY CO: COUNTY OF KERN ENTRY CLASS CODE: PPD	\$393,090.78
12/31 DEPOSIT DIVIDEND	\$17,529.45

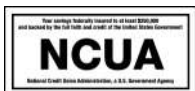
#### BASIC BUS CHECKING- PAYROLL

BEGINNING BALANCE	\$19,164.46
0 TOTAL CREDITS	\$0.00
10 TOTAL DEBITS	\$8,501.57-
ENDING BALANCE	\$10,662.89

#### DATE DEBIT TRANSACTION DESCRIPTION

#### AMOUNT

12/03 WITHDRAWAL ACH VALIC TYPE: EREMIT PRM CO: VALIC ENTRY CLASS CODE: CCD	\$150.00-
12/12 WITHDRAWAL ACH PAYLOCITY CORPOR TYPE: TAX COL CO: PAYLOCITY CORPOR ENTRY CLASS CODE: CCD	\$1,335.79-
12/12 WITHDRAWAL ACH B6079 TEHACHAPI TYPE: DIR DEP CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$2,471.98-
12/13 WITHDRAWAL ACH B6079 TEHACHAPI TYPE: BILLING CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$101.46-
12/17 WITHDRAWAL ACH VALIC TYPE: EREMIT PRM CO: VALIC ENTRY CLASS CODE: CCD	\$150.00-
12/26 WITHDRAWAL ACH PAYLOCITY CORPOR TYPE: TAX COL CO: PAYLOCITY CORPOR ENTRY CLASS CODE: CCD	\$1,335.79-
12/26 WITHDRAWAL ACH B6079 TEHACHAPI TYPE: DIR DEP CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$2,471.98-



Federally Insured  
by NCUA

Packet Page #31

Continued on next page.





P.O. BOX 9506 BAKERSFIELD, CA 93389-9506

# Account Statement

(661) 833-7900 | (800) 221-3311

www.valleystrong.com

MEMBER NUMBER XXXXXXXXX20

STATEMENT FOR 12/01/2024 - 12/31/2024

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## BASIC BUS CHECKING- PAYROLL

12/27	WITHDRAWAL ACH B6079 TEHACHAPI TYPE: BILLING CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$319.57-
12/30	WITHDRAWAL ACH VALIC TYPE: EREMIT PRM CO: VALIC ENTRY CLASS CODE: CCD	\$150.00-
12/31	WITHDRAWAL SERVICE FEE	\$15.00-

## BASIC BUS CHECKING

BEGINNING BALANCE	\$10,368.80
7 TOTAL CREDITS	\$53,199.96
33 TOTAL DEBITS	\$19,772.38-
ENDING BALANCE	\$43,796.38

DATE	DEBIT TRANSACTION DESCRIPTION	AMOUNT
12/02	WITHDRAWAL ACH GETSTREAMLINE.CO TYPE: GETSTREAML CO: GETSTREAMLINE.CO ENTRY CLASS CODE: CCD	\$126.00-
12/02	WITHDRAWAL ACH GOLDEN HILLS COM TYPE: BILL PAYMT CO: GOLDEN HILLS COM ENTRY CLASS CODE: PPD	\$135.81-
12/02	WITHDRAWAL ACH RACE COMMUNICATI TYPE: RACE COMMU CO: RACE COMMUNICATI ENTRY CLASS CODE: CCD	\$202.98-
12/04	WITHDRAWAL ACH SO CAL EDISON CO TYPE: DIRECTPAY CO: SO CAL EDISON CO ENTRY CLASS CODE: CCD	\$100.12-
12/04	WITHDRAWAL ACH 6PENCE BOOKKEEPI TYPE: SALE CO: 6PENCE BOOKKEEPI ENTRY CLASS CODE: CCD	\$640.00-
12/04	DRAFT 142340 TRACER 910500000003798	\$200.00-
12/05	WITHDRAWAL ACH TEL TEC SECURITY TYPE: TEMP CO: TEL TEC SECURITY ENTRY CLASS CODE: PPD	\$80.00-
12/05	DRAFT 142346 TRACER 910600000002851	\$1,000.00-
12/09	WITHDRAWAL ACH SO CAL GAS TYPE: PAID SCGC CO: SO CAL GAS NAME: 301601474269079320 ENTRY CLASS CODE: WEB	\$100.61-
12/09	WITHDRAWAL ACH SO CAL EDISON CO TYPE: DIRECTPAY CO: SO CAL EDISON CO ENTRY CLASS CODE: CCD	\$126.94-
12/09	WITHDRAWAL ACH SO CAL GAS TYPE: PAID SCGC CO: SO CAL GAS NAME: 301601474269079319 ENTRY CLASS CODE: WEB	\$135.68-
12/09	DRAFT 142279 TRACER 911000000000838	\$185.00-
12/09	DRAFT 142344 TRACER 911000000006042	\$1,000.00-
12/09	DRAFT 142345 TRACER 911000000005093	\$1,000.00-
12/10	WITHDRAWAL ACH CENTRAL SEC. GRO TYPE: 8883455630 CO: CENTRAL SEC. GRO NAME: TEHACHAPI VALLEY HEALT ENTRY CLASS CODE: WEB	\$52.95-
12/10	WITHDRAWAL ACH DEX IMAGING TYPE: BILL PAYMT CO: DEX IMAGING ENTRY CLASS CODE: PPD	\$323.80-
12/11	WITHDRAWAL ACH UNITED HEALTHCAR TYPE: EDI PAYMTS CO: UNITED HEALTHCAR ENTRY CLASS CODE: CTX	\$2,620.65-
12/12	WITHDRAWAL ACH INTUIT * TYPE: QBOOKS ONL CO: INTUIT * ENTRY CLASS CODE: CCD	\$45.00-
12/12	WITHDRAWAL ACH STERICYCLE TYPE: BILL PAYMT CO: STERICYCLE ENTRY CLASS CODE: PPD	\$168.60-
12/12	WITHDRAWAL ACH AXION COMMUNICAT TYPE: BILL PAYMT CO: AXION COMMUNICAT ENTRY CLASS CODE: PPD	\$254.34-
12/12	WITHDRAWAL ACH EMMA PEREZ TYPE: BILL PAYMT CO: EMMA PEREZ ENTRY CLASS CODE: PPD	\$360.00-
12/12	WITHDRAWAL ACH DANNY ORELLANA TYPE: BILL PAYMT CO: DANNY ORELLANA ENTRY CLASS CODE: PPD	\$426.00-
12/12	WITHDRAWAL ACH HUMANA, INC. TYPE: INS PYMT CO: HUMANA, INC. ENTRY CLASS CODE: PPD	\$449.97-
12/12	WITHDRAWAL ACH BETA HEALTHCARE TYPE: BILL PAYMT CO: BETA HEALTHCARE ENTRY CLASS CODE: PPD	\$677.58-
12/12	WITHDRAWAL ACH NAVE LAW OFFICE, TYPE: BILL PAYMT CO: NAVE LAW OFFICE, ENTRY CLASS CODE: PPD	\$1,545.00-
12/12	WITHDRAWAL ACH GOLDEN HILLS IT TYPE: BILL PAYMT CO: GOLDEN HILLS IT ENTRY CLASS CODE: PPD	\$1,871.76-
12/17	DRAFT 142347 TRACER 911800000076438 ON US DRAFT	\$879.63-
12/17	DRAFT 142339 TRACER 911800000003856	\$200.00-
12/19	WITHDRAWAL ACH AFLAC COLUMBUS TYPE: ACHPMT CO: AFLAC COLUMBUS ENTRY CLASS CODE: CCD	\$40.98-
12/24	WITHDRAWAL ACH ESQUIVEL'S JANIT TYPE: BILL PAYMT CO: ESQUIVEL'S JANIT ENTRY CLASS CODE: PPD	\$320.00-
12/24	WITHDRAWAL ACH JWT & ASSOCIATES TYPE: BILL PAYMT CO: JWT & ASSOCIATES ENTRY CLASS CODE: PPD	\$4,150.00-
12/30	WITHDRAWAL ACH RACE COMMUNICATI TYPE: RACE COMMU CO: RACE COMMUNICATI ENTRY CLASS CODE: CCD	\$202.98-
12/31	DRAFT 142348 TRACER 913200000006760	\$150.00-

DATE	CREDIT TRANSACTION DESCRIPTION	AMOUNT
12/05	DEPOSIT HOME BANKING TRANSFER FROM SHARE 0003 CHECKING WHOLE	\$50,000.00
12/10	DEPOSIT VALLEY STRONG MOBILE	\$149.99
12/10	DEPOSIT VALLEY STRONG MOBILE	\$299.98





P.O. BOX 9506 BAKERSFIELD, CA 93389-9506

# Account Statement

(661) 833-7900 | (800) 221-3311  
 www.valleystrong.com

MEMBER NUMBER XXXXXXXX20

STATEMENT FOR 12/01/2024 - 12/31/2024

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## BASIC BUS CHECKING

12/10	DEPOSIT VALLEY STRONG MOBILE	\$149.99
12/10	DEPOSIT VALLEY STRONG MOBILE	\$1,800.00
12/10	DEPOSIT VALLEY STRONG MOBILE	\$600.00
12/18	DEPOSIT ACH CALL ME LINDSAY TYPE: BILL PAYMT CO: CALL ME LINDSAY ENTRY CLASS CODE: PPD	\$200.00

## SUMMARY BY CHECK NUMBER

\* Asterisk next to number indicates skip in sequence

8 CHECKS CLEARED FOR \$4,614.63

NUMBER	CLEARED	AMOUNT	NUMBER	CLEARED	AMOUNT	NUMBER	CLEARED	AMOUNT
142279	12/09/24	\$185.00	142339 *	12/17/24	\$200.00	142340	12/04/24	\$200.00
142344 *	12/09/24	\$1,000.00	142345	12/09/24	\$1,000.00	142346	12/05/24	\$1,000.00
142347	12/17/24	\$879.63	142348	12/31/24	\$150.00			

750004416 1 3/8 UNQ 01-01+25 CLT



TVHD

Transaction Detail by Account  
December 2024

DATE	TRANSACTION TYPE	NUM	ADJ	NAME	CLASS	MEMO/DESCRIPTION	SPLIT	AMOUNT	BALANCE
2310-110 American Express									
12/04/2024	Expenditure		No	WALMART		Copy Paper & Paper Towels	8610-345 Office Supplies	80.30	80.30
12/12/2024	Expenditure		No	Office Depot			8610-345 Office Supplies	53.20	133.50
<b>Total for 2310-110 American Express</b>								<b>\$133.50</b>	
8610-345 Office Supplies									
12/04/2024	Expenditure		No	WALMART	ADMIN	Coffee; Cups; Tape, etc.	2310-110 American Express	80.30	80.30
12/12/2024	Expenditure		No	Office Depot	ADMIN	Black on White Label Tape	2310-110 American Express	53.20	133.50
<b>Total for 8610-345 Office Supplies</b>								<b>\$133.50</b>	



# TVHD

## Budget vs. Actuals: Budget\_FY25\_P&L - FY25 P&L

July 2024 - June 2025

	TOTAL		
	ACTUAL	BUDGET	REMAINING
<b>Revenue</b>			
5700-230 Rental Income	16,700.00	60,000.00	43,300.00
5790-100 Bad Debt Recovery	365.00	1,500.00	1,135.00
<b>Total Revenue</b>	<b>\$17,065.00</b>	<b>\$61,500.00</b>	<b>\$44,435.00</b>
<b>GROSS PROFIT</b>	<b>\$17,065.00</b>	<b>\$61,500.00</b>	<b>\$44,435.00</b>
<b>Expenditures</b>			
8440-250 Housekpg-Purch Svcs Non-Med		0.00	0.00
8610-100 Dir/Mgr/Sup	96,248.76	134,000.00	37,751.24
8610-110 Bond Financing Fees	750.00	5,000.00	4,250.00
8610-160 FICA	8,189.99	8,000.00	-189.99
8610-171 Payroll Billing	3,191.70	3,110.00	-81.70
8610-175 Grp Health Ins	21,298.38	32,000.00	10,701.62
8610-176 Health Insurance - Active Dir	149.99	0.00	-149.99
8610-190 Workers Compensation	-353.00		353.00
8610-210 Consulting	19,995.00	25,000.00	5,005.00
8610-215 Legal	13,537.50	35,000.00	21,462.50
8610-220 Audit	10,450.00	20,000.00	9,550.00
8610-230 Other Contracted	509.88		-509.88
8610-345 Office Supplies	5,192.34	5,000.00	-192.34
8610-375 Postage	119.78	1,000.00	880.22
8610-380 IT	17,034.62	30,000.00	12,965.38
8610-386 Advertising		5,000.00	5,000.00
8610-387 Public Relations/Marketing		0.00	0.00
8610-390 Repairs & Maintenance	26,381.51	150,000.00	123,618.49
8610-400 Security	517.70		-517.70
8610-505 Continuing Education - Staff		5,000.00	5,000.00
8610-506 Continuing Education - Trustee		3,000.00	3,000.00
8610-507 Election Cost	793.00	15,000.00	14,207.00
8610-550 Trustee Stipends	3,600.00	11,000.00	7,400.00
8610-602 Rent - Storage & Equip Lease	2,600.00	8,000.00	5,400.00
8610-700 Utilities	6,472.95	10,000.00	3,527.05
8610-735 Phone	1,490.31	2,500.00	1,009.69
8610-800 Insur - PLGL/DO	4,065.48		-4,065.48
8610-805 Insurance - Other	23,122.96	50,000.00	26,877.04
8610-811 Fees	35.69		-35.69
8610-812 Licenses	27.00		-27.00
8610-815 Dues & Subscriptions	291.44	8,000.00	7,708.56
8610-820 Travel		1,500.00	1,500.00
8610-822 Travel Meals/Entertainment	45.01		-45.01
8610-835 TVHD Comm Outreach	3,588.77	22,000.00	18,411.23
8610-900 Bank Fees	115.23	100.00	-15.23
Uncategorized Expense	0.00		0.00
<b>Total Expenditures</b>	<b>\$269,461.99</b>	<b>\$589,210.00</b>	<b>\$319,748.01</b>

# TVHD

## Budget vs. Actuals: Budget\_FY25\_P&L - FY25 P&L

July 2024 - June 2025

	TOTAL		
	ACTUAL	BUDGET	REMAINING
<b>NET OPERATING REVENUE</b>	<b>\$ -252,396.99</b>	<b>\$ -527,710.00</b>	<b>\$ -275,313.01</b>
Other Revenue			
9060-111 Interest Income	229,270.87	300,000.00	70,729.13
9160-069 Kern County Tax Rev Fund 42186	685,374.22	1,225,935.00	540,560.78
9400-089 Non-Oper Revenue Other	450,000.00	75,000.00	-375,000.00
<b>Total Other Revenue</b>	<b>\$1,364,645.09</b>	<b>\$1,600,935.00</b>	<b>\$236,289.91</b>
Other Expenditures			
8811-900 New Hospital Depreciation	1,286,247.00		-1,286,247.00
8811-901 DEPRECIATION W. VALLEY BLVD	11,933.46		-11,933.46
8811-902 Depreciation - Land Improvements	2,318.89		-2,318.89
8811-903 Depreciation Guild Roof	1,106.22		-1,106.22
8811-904 Depreciation Flooring - F Street	276.66		-276.66
8811-905 Depreciation - Community Garden	351.48		-351.48
8811-906 Depreciation - IT Equipment	653.88		-653.88
<b>Total Other Expenditures</b>	<b>\$1,302,887.59</b>	<b>\$0.00</b>	<b>\$ -1,302,887.59</b>
<b>NET OTHER REVENUE</b>	<b>\$61,757.50</b>	<b>\$1,600,935.00</b>	<b>\$1,539,177.50</b>
<b>NET REVENUE</b>	<b>\$ -190,639.49</b>	<b>\$1,073,225.00</b>	<b>\$1,263,864.49</b>



**Audited Financial Statements**  
**TEHACHAPI VALLEY**  
**HEALTHCARE DISTRICT**  
**June 30, 2024 and 2023**



Audited Financial Statements

TEHACHAPI VALLEY HEALTHCARE DISTRICT

June 30, 2024

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## Management's Discussion and Analysis

### TEHACHAPI VALLEY HEALTHCARE DISTRICT

June 30, 2024

The management of the Tehachapi Valley Healthcare District (the District) has prepared this annual discussion and analysis in order to provide an overview of the District's performance for the fiscal year ended June 30, 2024 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the District's historical financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2024 and accompanying notes to the financial statements to enhance one's understanding of the District's financial performance.

#### ***Financial Highlights***

- Total assets and deferred outflows decreased by \$5,164,736 from the prior fiscal year.
- Total cash and cash equivalents and short-term investments increased by \$1,323,651 over the prior year.
- There were no new debt borrowings this year. During 2021/22, the District refinanced the 2013 series general obligation bonds with a new series 2021 general obligation bonds in the amount of \$53,985,000 and in the process paid of the 2013 series which had a carrying value of \$48,530,000 at the time the bonds were defeased.
- Current assets increased by \$696,198 as current liabilities increased by \$572,253 from the prior fiscal year resulting in a current ratio of 3.41 as of June 30, 2024 as compared to 3.78 as of June 30, 2023.
- Unearned revenues decreased by \$900,000 over the prior year according to schedule.
- The current year decrease in net position was \$(,365,361) as compared to the prior year increase of \$784,359.

#### ***Adventist Health Agreements***

In November, 2016, the District entered into three separate agreements with Adventist Health (AH) due to the need for an external funding source required to supplement the construction of the new hospital within the boundaries of the District: (1) the Master Lease agreement became effective November 1, 2016 whereby AH leased the District-owned hospital facilities. Monthly rental income amounts \$75,000 a month; (2) the Affiliation Agreement allowed District assets and liabilities to be acquired and assumed by AH effective November 1, 2016. As of June 30, 2024 and 2023 the net payable to AH by the District as a result of this agreement is \$-0- and \$-0-, respectively; (3) The Construction Funding Agreement allowed the District to receive rent advances pursuant to the Master Lease Agreement up to \$27,000,000 in order to complete construction of the new hospital. These borrowings from AH are being repaid over time by rent payments due to the District. As of June 30, 2024 and 2023 unearned revenue related to this agreement amounted to \$21,978,398 and \$22,878,398, respectively.

# JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

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## *Report of Independent Auditors*

The Board of Directors  
Tehachapi Valley Healthcare District  
Tehachapi, California

### *Opinion*

We have audited the accompanying financial statements of the Tehachapi Valley Healthcare District (the District), as of June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern

for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial

statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provided us with sufficient evidence to express an opinion or provide any assurance.

*Other Reporting Required by Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*GW7 & Associates, LLP*

Fresno, California

December 5, 2024

Statements of Net Position

TEHACHAPI VALLEY HEALTHCARE DISTRICT

	June 30	
	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current assets:		
Cash, cash equivalents	\$ 4,704,013	\$ 4,762,266
Short-term investments	5,656,063	4,274,159
Assets limited as to use, available for current obligations	2,980,658	2,428,633
Other receivables	93,004	1,278,200
Prepaid expenses and deposits	<u>13,316</u>	<u>7,598</u>
Total current assets	13,447,054	12,750,856
Assets limited as to use, less available for current obligations	614,911	1,487,655
Other assets	627,000	
Capital assets, net of accumulated depreciation	<u>91,900,077</u>	<u>97,368,805</u>
Total assets	106,589,042	111,607,316
<b>Deferred outflows of resources</b>	<u>2,361,817</u>	<u>2,508,279</u>
Total assets and deferred outflows of resources	<u><u>\$108,950,859</u></u>	<u><u>\$114,115,595</u></u>
<b>Liabilities and net position</b>		
Current liabilities:		
Current principal maturities of debt borrowings	\$ 2,740,000	\$ 2,110,000
Accounts payable and accrued expenses	285,891	350,548
Unearned revenue - current portion	900,000	900,000
Accrued payroll and related liabilities	<u>17,814</u>	<u>10,904</u>
Total current liabilities	3,943,705	3,371,452
Unearned revenue, less current portion	21,078,398	21,978,398
Debt borrowings, net of current principal maturities	<u>57,430,099</u>	<u>59,901,727</u>
Total liabilities	82,452,202	85,251,577
Net position (deficit):		
Invested in capital assets, net of related debt	31,729,978	38,473,827
Restricted	3,595,570	3,916,289
Unrestricted (deficit)	<u>(8,826,891)</u>	<u>(13,526,098)</u>
Total net position	<u>26,498,657</u>	<u>28,864,018</u>
Total liabilities and net position	<u><u>\$108,950,859</u></u>	<u><u>\$114,115,595</u></u>

*See accompanying notes and auditor's report*

Statements of Revenues, Expenses and Changes in Net Position

TEHACHAPI VALLEY HEALTHCARE DISTRICT

	Year Ended June 30	
	<u>2024</u>	<u>2023</u>
<b>Operating revenues</b>		
Net service revenue		
Facility rent	\$ 945,500	\$ 930,000
Other operating revenue	<u>32,550</u>	<u>55,845</u>
Total operating revenues	978,050	985,845
<b>Operating expenses</b>		
Salaries, wages and benefits	230,530	99,042
Professional fees	96,479	92,336
Supplies	56,175	20,161
Purchased services	60,656	32,456
Repairs and maintenance	32,203	43,980
Utilities	1,510	12,821
Building and equipment rent	13,138	14,835
Insurance	56,919	40,045
Depreciation and amortization	2,728,530	3,101,335
Other operating expenses	<u>72,381</u>	<u>31,296</u>
Total operating expenses	<u>3,348,521</u>	<u>3,488,307</u>
Operating (loss)	(2,370,471)	(2,502,462)
<b>Nonoperating revenues (expenses)</b>		
District tax revenues for operations	1,190,228	1,135,514
District tax revenues for debt service	3,467,156	4,297,195
Investment and accretion income	388,307	136,881
Loss on disposal of assets	(3,122,077)	
Interest expense	<u>(1,918,504)</u>	<u>(2,282,769)</u>
Total nonoperating revenues (expenses)	<u>5,110</u>	<u>3,286,821</u>
Increase (decrease) in net position	(2,365,361)	784,359
Net position at beginning of the year	<u>28,864,018</u>	<u>28,079,659</u>
Net position at end of the year	<u>\$ 26,498,657</u>	<u>\$ 28,864,018</u>

*See accompanying notes and auditor's report*

Statements of Cash Flows

TEHACHAPI VALLEY HEALTHCARE DISTRICT

	Year Ended June 30	
	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Cash received from patients and third-parties on behalf of patients		\$ 20,290
Cash changes from operations, other than patient services	\$ 2,163,246	(283,029)
Cash payments suppliers and contractors	(459,836)	(283,619)
Cash payments to employees and benefit programs	<u>(223,620)</u>	<u>(102,700)</u>
Net cash provided by (used in) operating activities	1,479,790	(649,058)
<b>Cash flows from noncapital financing activities:</b>		
District tax revenues	<u>1,190,228</u>	<u>1,135,514</u>
Net cash provided by noncapital financing activities	1,190,228	1,135,514
<b>Cash flows from capital and related financing activities:</b>		
Purchase of capital assets and other asset changes	(594,045)	(258,466)
District taxes revenues for debt service	3,467,156	4,297,195
Principal payments on debt borrowings	(2,110,000)	(2,080,000)
Interest payments	<u>(1,918,504)</u>	<u>(1,939,327)</u>
Net cash provided by (used in) capital financing activities	(1,155,393)	19,402
<b>Cash flows from investing activities:</b>		
Net change in unearned revenue	(900,000)	(900,000)
Net change in assets limited as to use	320,719	(200,934)
Net change in short-term investments	(1,381,904)	1,124,609
Interest received and other	<u>388,307</u>	<u>136,881</u>
Net cash (used in) investing activities	<u>(1,572,878)</u>	<u>160,556</u>
Net increase (decrease) in cash and cash equivalents	(58,253)	666,414
Cash and cash equivalents at beginning of year	<u>4,762,266</u>	<u>4,095,852</u>
Cash and cash equivalents at end of year	<u>\$ 4,704,013</u>	<u>\$ 4,762,266</u>

*See accompanying notes and auditor's report*



Statements of Cash Flows (continued)

TEHACHAPI VALLEY HEALTHCARE DISTRICT

	Year Ended June 30	
	<u>2024</u>	<u>2023</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating (loss)	\$ (2,370,471)	\$ (2,502,462)
Adjustments to reconcile the operating loss to net cash provided by or used in operating activities:		
Depreciation and amortization	2,728,530	3,101,335
Changes in operating assets and liabilities:		
Patient accounts receivables		20,290
Other receivables	1,185,196	(1,268,874)
Prepaid expenses and deposits	(5,718)	(5,659)
Accounts payable and accrued expenses	(64,657)	9,970
Accrued payroll and related liabilities	<u>6,910</u>	<u>(3,658)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,479,790</u>	<u>\$ (649,058)</u>

*See accompanying notes and auditor's report*

TEHACHAPI VALLEY HEALTHCARE DISTRICT

June 30, 2024

**NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity:** Tehachapi Valley Healthcare District, (the District) is a public entity organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The District is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The District is governed by a five-member Board of Directors, elected from within the district to specified terms of office. The District, located in Tehachapi, California, owns an acute care and long-term care facility under the “critical access hospital” designation. The District also owns several rural health clinics in Tehachapi, California City and Mojave, California. These facilities are leased to Adventist Health who operates the District facilities in order to provide health care services primarily to individuals who reside in the local geographic area.

**Basis of Preparation:** The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the Hospital has elected to apply the provisions of all relevant pronouncements as the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

**Management’s Discussion and Analysis:** Effective July 1, 2002, the District adopted the provisions of GASB 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments* (Statement 34), as amended by GASB 37, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement 38, *Certain Financial Statement Note Disclosures*. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. One of the main components of these new provisions allows the inclusion of a management’s discussion and analysis to accompany the financial statement presentation.

The management’s discussion and analysis is a narrative introduction and analytical overview of the District’s financial activities for the year being presented. This analysis is similar to the analysis provided in the annual reports of organizations in the private sector. As stated in the opinion letter, the management’s discussion and analysis is not a required part of the financial statements but is supplementary information and therefore not subject to audit procedures or the expression of an opinion on it by auditors.

TEHACHAPI VALLEY HEALTHCARE DISTRICT

**NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Net Position:** Net position is presented in three categories. The first category is net position “invested in capital assets, net of related debt”. This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is “restricted” net position. This category consists of externally designated constraints placed on those net position by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

The third category is “unrestricted” net position. This category consists of net position that do not meet the definition or criteria of the previous two categories.

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents:** The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in nonoperating revenues.

**Assets Limited as to Use:** Assets limited as to use include contributor restricted funds, amounts designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees under specified agreements. Assets limited as to use consist primarily of deposits on hand with local banking and investment institutions, and bond trustees.

TEHACHAPI VALLEY HEALTHCARE DISTRICT

**NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets:** Capital assets consist of property and equipment and are reported on the basis of cost at the date of acquisition, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 40 years for buildings and improvements, and 3 to 10 years for equipment. The District periodically reviews its capital assets for value impairment. As of June 30, 2024 and 2023, the District has determined that there are no capital assets that are significantly impaired.

Costs incurred in obtaining computer software for internal use, which includes costs of configuration, installation and testing, are capitalized by the District. Costs incurred during the post-implementation stages of internal use software are expensed as incurred. The capitalization and ongoing assessment of recoverability of computer software costs require considerable judgement with respect to external factors, including, but not limited to, technological and economic feasibility and estimated economic useful life.

**Deferred Outflows of Resources:** The statements of net position sheet report a separate section for deferred outflows of resources. Deferred outflows of resources represent outflows of resources (decrease or consumption of net position) that apply to future periods and therefore will not be recognized as an expense until that time. At June 30, 2024 and 2023, the District reported deferred outflows of resources resulting from the difference between the reacquisition price and the refunding bond proceeds. These charges will be expensed as amortization expense in future years over the shorter period of the remaining maturity of the original bonds or the new bonds according to GASB 20. For the year ended June 30, 2024 and 2023, the District recognized \$146,462 and \$153,614 of amortization expense.

**Concentrations of credit risk:** Financial instruments which potentially subject the District to concentrations of credit risk consist primarily of investments and accounts receivable. The investment portfolios are managed by outside investment firms and Kern County within guidelines which, as a matter of policies, limit the amounts which may be invested in any one issuer. Concentration of credit risk with respect to accounts receivable, other than from government programs, is limited due to the large number of third-party and self-pay payors comprising the District's patient base.

**Compensated Absences:** The District's employees earn paid-time-off (PTO) benefits at varying rates depending on years of service. Benefits can accumulate up to specified maximum levels. Employees are paid for accumulated PTO if they leave either upon termination or retirement. Accrued PTO liabilities as of June 30, 2024 and 2023 were \$13,772 and \$7,734, respectively and are included in accrued payroll and related liabilities as presented on the statements of net position.

TEHACHAPI VALLEY HEALTHCARE DISTRICT

**NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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. Commercial insurance coverage is purchased for claims arising from such matters. In the case of employee health coverage, the District provides traditional indemnity programs.

**Net Patient Service Revenues:** Net patient service revenues are reported at the estimated net realized amounts from patients, third-party payors and others, including estimated retroactive adjustments under reimbursement agreements with third-party programs, during the period in which the healthcare services were provided. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, per diem amounts and other. Normal estimation differences between final reimbursement and amounts accrued in previous years are reported as adjustments of current year's net patient service revenues.

**Charity Care:** The District accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the District. Essentially, these policies define charity services as those services for which no payment is anticipated. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenues. Services provided are recorded as gross patient revenues and then written off entirely as an adjustment to net patient service revenues.

**District Tax Revenues:** The District receives financial support from property taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Property taxes are levied by the County on the District's behalf during the year, and are intended to help finance the District's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date. Property taxes are considered delinquent on the day following each payment date. Those dates are: (1) lien date of January 1; (2) due dates of November 1 and February 1; and (3) delinquent dates of December 10 and April 10.

**Operating Revenues and Expenses:** The District's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Nonoperating revenues and expenses are those transactions not considered directly linked to providing health care services.

TEHACHAPI VALLEY HEALTHCARE DISTRICT

**NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)**

**Revenue Recognition:** As previously stated, net patient service revenues are reported at amounts that reflect the consideration to which the District expects to be entitled in exchange for patient services. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of third-party payor audits, reviews, and investigations. Although the District is no longer managing the hospital operations, it is still collecting residual patient revenue. This revenue was generated when the District was operating the hospital and generally, the District would bill the patients and third-party payors several days after the patient received healthcare services at the hospital. Revenue was then recognized as services were rendered.

The District had agreements with third-party payors that provided for payments to the District at amounts different from its established rates. Payment arrangements included prospectively determined rates per day, discharge or visit, reimbursed costs, discounted charges and per diem payments. Retroactive adjustments were accrued on an estimated basis in the period the related services were rendered and adjusted in future periods as final settlements were determined. To date, some of those final settlements are still in process of being determined.

Gifts of long-lived assets such as land, buildings, or equipment are reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit donor restrictions that specify how the asset is to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived asset is placed in service. Cash received in excess of revenue recognized is deferred revenue.

Contributions are recognized as revenue when they are received or unconditionally pledged. Donor stipulations that limit the use of the donation are recognized as contributions with donor restrictions. When the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from donor restrictions. Donor restricted contributions whose restriction expire during the same fiscal year are recognized as net assets without donor restrictions. Absent donor imposed restrictions, the District records donated services, materials, and facilities as net assets without donor restrictions.

From time to time, the District receives grants from various governmental agencies and private organizations. Revenues from grants are recognized when all eligibility requirements, including time requirements are met. Grants may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net position.

TEHACHAPI VALLEY HEALTHCARE DISTRICT

**NOTE B - CASH AND CASH EQUIVALENTS**

As of June 30, 2024 and 2023, the District had deposits invested in various financial institutions in the form of operating cash and cash equivalents amounted to \$4,703,263 and \$4,761,847, respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

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 District 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. Investments consist of U.S. Government securities and state and local agency funds invested in U. S. Government securities and are stated at quoted market values. Changes in market value between years are reflected as a component of investment income in the accompanying statement of revenues, expenses and changes in net assets.

**NOTE C - CONCENTRATION OF CREDIT RISK**

*Financial Instruments:* Financial instruments, potentially subjecting the District to concentrations of credit risk, consist primarily of bank deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. Although deposits exceed the limit in certain bank accounts, management believes that the risk of loss is minimal due to the high financial quality of the bank with which the District does business. Management further believes that there is no risk of material loss due to concentration of credit risk with regards to investments as the District has no investments in equity funds, closed-end funds, exchange-traded products, or other perceived “at risk” alternatives as of June 30, 2024 and 2023.

**NOTE D - OTHER RECEIVABLES**

Other receivables as of June 30, 2024 and 2023 were comprised of the following:

	<u>2024</u>	<u>2023</u>
State of California IGT		\$ 1,211,787
Property tax receivables due from the County	\$ 29,187	24,599
Election cost due back to the District	-0-	8,258
Interest receivable	<u>63,817</u>	<u>33,556</u>
	<u>\$ 93,004</u>	<u>\$ 1,278,200</u>

TEHACHAPI VALLEY HEALTHCARE DISTRICT

**NOTE E - ASSETS LIMITED AS TO USE**

Assets limited as to use as of June 30, 2024 and 2023 were comprised of the following:

	<u>2024</u>	<u>2023</u>
Amounts held by county and others as trustees under bond agreements	\$ 3,595,569	\$ 3,916,288
	3,595,569	3,916,288
Less amounts available for current obligations	<u>(2,980,658)</u>	<u>(2,428,633)</u>
	<u>\$ 614,911</u>	<u>\$ 1,487,655</u>

Interest income, dividends, and other like-kind earnings are recorded as investment income in the statement of revenues, expenses and changes in net position. Unrealized gains and (losses) are also recorded as investment income. Assets limited as to use are funds restricted by either (1) the Board of Directors for specific operating or capital improvement purposes; (2) assets restricted by outside donors to the District; and/or (3) assets held in trust for specific purposes according to bond indenture agreements or other similar agreements.

**NOTE F - EMPLOYEES' RETIREMENT PLANS**

The District has a defined contribution plan (the Plan) in which substantially all District employees are eligible. The Plan is designed to qualify as a governmental plan as defined in Code Section 457(b) Deferred Compensation Plan and a 401(a) Pension Plan (Employer Matching). For 2024 and 2023, participants are permitted to contribute up to a maximum of \$18,000 annually for participants 49 years of age and below, and up to \$24,000 annually for participants that are 50 years of age and older. The District may voluntarily match up to a maximum of 4% of the participant's annual contributions for each plan year. Participants are eligible for vesting beginning their third year of service. Beginning the 5<sup>th</sup> year of service, the participants are fully vested.

**NOTE G - ADVENTIST HEALTH AGREEMENTS**

The District has entered into agreements with Adventist Health (AH) due to the need for an external funding source required to supplement the construction of the new hospital within the boundaries of the District.

**Master Facilities Lease:** Effective November 1, 2016, the District entered into an agreement with AH whereby AH leases the District-owned hospital facilities from which to operate an acute care hospital in Tehachapi. Monthly rental income to the District is \$75,000 and the lease agreement terminates October 31, 2046.

**Construction Funding Agreement:** This agreement allows the District to receive rent advances pursuant to the Master Lease Agreement up to \$27,000,000 in order to complete construction of the new hospital. These borrowings from AH are being repaid over time by rent payments due to the District. As of June 30, 2024 and 2023, unearned revenue related to this agreement amounted to \$21,978,398 and \$22,878,398, respectively.



Notes to Financial Statements (continued)

TEHACHAPI VALLEY HEALTHCARE DISTRICT

**NOTE H - CAPITAL ASSETS**

Capital assets as of June 30, 2024 and 2023 were comprised of the following:

	<u>June 30, 2023</u>	<u>Transfers &amp; Additions</u>	<u>Retirements</u>	<u>June 30, 2024</u>
Land and land improvements	\$ 2,436,800	\$ 13,386	\$ (6,035)	\$ 2,444,151
Buildings and improvements	104,391,700	998,011	(1,490,242)	103,899,469
Equipment and software	11,935,747	6,539	(11,935,747)	6,539
Construction-in-progress	<u>818,062</u>	<u>          </u>	<u>(818,062)</u>	<u>          </u>
Totals at historical cost	119,582,309	1,017,936	(14,250,086)	106,350,159
Less accumulated depreciation for:				
Land and land improvements	(102,230)	(4,293)	6,035	(100,488)
Buildings and improvements	(12,970,011)	(2,577,558)	1,198,193	(14,349,376)
Equipment and software	<u>(9,141,263)</u>	<u>(218)</u>	<u>9,141,263</u>	<u>(218)</u>
Total accumulated depreciation	<u>(22,213,504)</u>	<u>(2,582,069)</u>	<u>10,345,491</u>	<u>(14,450,082)</u>
Capital assets, net	<u>\$ 97,368,805</u>	<u>\$ (1,564,133)</u>	<u>\$ ( 3,904,595)</u>	<u>\$ 91,900,077</u>
	<u>June 30, 2022</u>	<u>Transfers &amp; Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Land and land improvements	\$ 2,436,800			\$ 2,436,800
Buildings and improvements	104,391,700			104,391,700
Equipment and software	11,935,747			11,935,747
Construction-in-progress	<u>750,654</u>	<u>\$ 67,408</u>	<u>          </u>	<u>818,062</u>
Totals at historical cost	119,514,901	67,408		119,582,309
Less accumulated depreciation for:				
Land and land improvements	(97,382)	(4,848)		(102,230)
Buildings and improvements	(10,390,646)	(2,579,365)		(12,970,011)
Equipment and software	<u>(8,624,142)</u>	<u>(517,121)</u>		<u>(9,141,263)</u>
Total accumulated depreciation	<u>(19,112,170)</u>	<u>(3,101,334)</u>		<u>(22,213,504)</u>
Capital assets, net	<u>\$100,402,731</u>	<u>\$ (3,033,926)</u>	<u>\$</u>	<u>\$ 97,368,805</u>

Notes to Financial Statements (continued)

TEHACHAPI VALLEY HEALTHCARE DISTRICT

**NOTE I - DEBT BORROWINGS**

As of June 30, 2024 and 2023, debt borrowings were as follows:

	<u>2024</u>	<u>2023</u>
General Obligation Bonds, 2004 Election, 2004 Series A; interest at 2.0% to 5.0%, due semiannually; principal due in annual amounts; collateralized by District property tax revenues:	\$ 374,988	\$ 374,988
General Obligation Bonds, 2004 Election, 2006 Series B; interest at 4.0% to 4.83%, due semiannually; principal due in annual amounts; collateralized by District property tax revenues:	1,009,991	1,134,991
General Obligation Bonds, 2004 Election, 2009 Series C; interest at 6.0% to 11.9%, due semiannually; principal due in annual amounts; collateralized by District property tax revenues:	685,000	975,000
General Obligation Refunding Bonds, 2004 Election, 2013 Series A; interest at 1.25.0% to 4.0%, due semiannually; principal due in annual amounts; collateralized by District property tax revenues:	2,645,000	3,415,000
General Obligation Refunding Bonds, 2009 Election, Series 2021; interest at 2.50% to 3.25%, due semiannually; principal due in annual amounts; collateralized by District property tax revenues:	52,070,000	52,995,000
Accreted interest payable	3,262,331	2,943,726
Unamortized bond premiums	<u>122,789</u>	<u>173,022</u>
	60,170,099	62,001,727
Less current principal maturities of debt borrowings	<u>(2,740,000)</u>	<u>(2,110,000)</u>
	<u>\$ 57,430,099</u>	<u>\$ 59,901,727</u>

Future principal maturities for debt borrowings for the next five succeeding years are: \$2,740,000 in 2024; \$2,990,000 in 2025; \$2,850,000 in 2026; \$2,850,000 in 2027; \$2,022,281 in 2028; and \$2,170,000 in 2029.

TEHACHAPI VALLEY HEALTHCARE DISTRICT

**NOTE J - INVESTMENTS**

The District’s investment balances and average maturities were as follows at June 30, 2024:

<i>As of June 30, 2024</i>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
Funds held in County treasury	\$ 3,595,514	\$ 3,595,514		
Funds held by LAIF (State treasury)	5,656,063	5,656,063		
Money market and mutual funds	<u>4,420,632</u>	<u>4,420,632</u>		
Total investments	<u>\$ 13,672,209</u>	<u>\$ 13,672,209</u>		

The District’s investment balances and average maturities were as follows at June 30, 2023:

<i>As of June 30, 2023</i>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
Funds held at County treasury	\$ 3,940,832	\$ 3,940,832		
Funds held by LAIF (State treasury)	4,274,159	4,274,159		
Money market and mutual funds	<u>1,858,674</u>	<u>1,858,674</u>		
Total investments	<u>\$ 10,073,665</u>	<u>\$ 10,073,665</u>		

The District’s investments are reported at fair value as previously discussed. The District’s investment policy allows for various forms of investments generally set to mature generally upon demand. The policy identifies certain provisions which address interest rate risk, credit risk and concentration of credit risk.

**Interest Rate Risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the a District can manage its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a position of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for District operations. Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the preceding schedules that shows the distribution of the District’s investments by maturity.

**Credit Risk:** Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Moody’s Investor Service, Inc. Generally, a District’s investment policy for corporate bonds and notes is to invest in companies having a “A” or higher rating by agencies such as Moody’s or Standard and Poor’s.

TEHACHAPI VALLEY HEALTHCARE DISTRICT

**NOTE J - INVESTMENTS (continued)**

***Custodial Credit Risk:*** Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer), a District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. A District's investments are generally held by broker-dealers or bank's trust departments used by a District to purchase securities.

***Concentration of Credit Risk:*** Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment allows investments in the State of California's Local Agency Investment Fund, which has a diverse portfolio generally of money-market and mutual funds of government-backed securities and other instruments.

***Investment Hierarchy*** - The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant other unobservable inputs. The District investments are solely measured by Level 1 inputs and does not have any investments that are measured using Level 2 or 3 inputs.

**NOTE K - COMMITMENTS AND CONTINGENCIES**

***Construction in Progress:*** As of June 30, 2024 and 2023, the District had \$0- and \$818,062, respectively in construction in progress representing cost capitalized mainly for certain renovations of the old hospital. The District has not capitalized interest expense and other related financing costs as a component of construction in progress during the fiscal year ended June 30, 2023. Due to the fact that the former District hospital facilities (the old hospital) did not meet the California Seismic Safety Standards and because the community had outgrown the District's ability to serve their medical needs, the District constructed and completed a new hospital in Tehachapi, funded in part by (1) the issuance of general obligation bond offerings conducted by Kern County by means of a special election and by (2) advance rent payments as discussed in Note G. The new hospital was deemed to be completed on January 1, 2019.

***Operating Leases:*** The District leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2024 and 2023, was \$13,138 and \$14,835, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2024, that have initial or remaining lease terms in excess of one year are not considered material.

***Litigation:*** The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2024 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows. Any litigation contingencies for the current fiscal year have been properly recorded.

Notes to Financial Statements (continued)

TEHACHAPI VALLEY HEALTHCARE DISTRICT

**NOTE K - COMMITMENTS AND CONTINGENCIES (continued)**

***Risk Management:*** The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in Program Beta, to account for and finance certain uninsured risk of loss. Under this program, Program Beta provides basic professional liability coverage with limits to \$5,000,000 per claim. The District purchases commercial insurance for all other risks of loss.

***Workers Compensation Program:*** The District is a participant in the Association of California District's Alpha Fund (the Fund) which administers a self-insured worker's compensation plan for participating District employees of its member Districts. The District pays premiums to the Fund which are adjusted annually. If participation in the Fund is terminated by the District, the District would be liable for its share of any additional premiums necessary for final disposition of all claims and losses covered by the Fund.

**NOTE L - SUBSEQUENT EVENTS**

Management evaluated the effect of subsequent events on the financial statements through December 5, 2024, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.

# JWT & Associates, LLP

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## *Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*

The Board of Directors  
Tehachapi Valley Healthcare District  
Tehachapi, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Tehachapi Valley Healthcare District (the District) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 5, 2024

### *Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

*Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*JW7 & Associates, LLP*

Fresno, California  
December 5, 2024