

**TEHACHAPI VALLEY HEALTHCARE DISTRICT**

**NOTICE OF A REGULAR MEETING  
FINANCE COMMITTEE**

**JULY 10, 2024**

**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 June 12, 2024

**IV. Reports**

- A. Finance Report for June 2024
- B. American Express Log June 2024
- C. Petty Cash Log May & June 2024

**V. Old Business**

- A. 20111 West Valley Sign completed.
- B. Staff are finishing year end in QuickBooks.

**VI. New Business**

- A. FY2025 Finance Budget Report Proposal for review.
- B. District Reconstruction

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

**VIII. Adjournment**

TEHACHAPI VALLEY HEALTHCARE DISTRICT  
FINANCE COMMITTEE MINUTES  
JULY 10, 2024  
116 W F Street  
Tehachapi, CA 93561  
12:30 PM

**Board Members Present:** Carl Gehricke, Lydia Chaney

**Staff Present:** Peggy Mendiburu, CEO, Lisa Hughes, Business Manager, and Ryan Dalmas

**Transcribed by:** Lisa Hughes

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**

May 15, 2024, minutes approved. **MSA: Gericke/Chaney**

**IV. REPORTS**

A. Finance Reports

Committee reviewed finance report for May 2024.

B. American Express

Committee reviewed American Express for May 2024.

C. Petty Cash

Reviewed May 2024 petty cash with no comments.

**V. OLD BUSINESS**

A. 20111 W. Valley Blvd.

CEO working on Cameras for around the building. Getting quotes for paint, flooring. New Gardner and Pest Control for Facility.

B. Taxhachapi, CPA & 6Pence Bookkeeping

Ryan Dalmas, and Julia are making the adjustments for the Year End to be completed for FY2024.

C. The committee decided to present Warrior Pantry in the Fall when school is in.

**VI. BOARD COMMENTS ON BUSINESS NOT APPEARING ON THE AGENDA**

None.

TVHD  
Statement of Activity  
June 2024

	Total
<b>Revenue</b>	
5680-690 Rebates & Refunds	-70,450.13
5700-230 Rental Income	2,650.00
5790-100 Bad Debt Recovery	45.00
<b>Total Revenue</b>	<b>- \$ 67,755.13</b>
<b>Gross Profit</b>	<b>- \$ 67,755.13</b>
<b>Expenditures</b>	
8610-100 Dir/Mgr/Sup	20,139.47
8610-160 FICA	1,005.74
8610-175 Grp Health Ins	3,630.15
8610-180 Group Life Insn	-4,061.60
8610-210 Consulting	4,800.00
8610-215 Legal	1,837.50
8610-220 Audit	2,916.66
8610-230 Other Contracted	400.00
8610-250 Purchases	-8,401.67
8610-345 Office Supplies	1,220.89
8610-365 Non Med Supply	310.06
8610-375 Postage	68.00
8610-380 IT	3,532.92
8610-390 Repairs & Maintenance	1,126.25
8610-400 Security	40.00
8610-500 Outside Training	57.62
8610-602 Rent	479.17
8610-700 Utilities Electric	-8,789.62
8610-705 Utilities Gas	27.84
8610-710 Utilities Water/Trash	308.97
8610-735 Phone	245.92
8610-805 Insurance - Other	3,593.39
8610-811 Fees	490.00
8610-813 Taxes	-30.00
8610-815 Dues & Subscriptions	100.00
8610-822 Travel Meals/Entertainment	307.57
8610-835 TVHD Comm Outreach	2,684.72
8610-845 Other Indirect Expense	749.99
8610-900 Bank Fees	30.00
<b>Total Expenditures</b>	<b>\$ 28,819.94</b>
<b>Net Operating Revenue</b>	<b>- \$ 96,575.07</b>
<b>Other Revenue</b>	
9060-111 Interest Income	-44,130.56
9160-069 Kern County Tax Rev Fund	
42186	-252,840.35
9160-070 Kern County GO Tax Revenue	187,362.62
9400-089 Non-Oper Revenue Other	120,500.00
<b>Total Other Revenue</b>	<b>\$ 10,891.71</b>
<b>Other Expenditures</b>	
1299-000 Loss on Disposal of Fixed Assets	3,725,693.38
8811-900 New Hospital Depreciation	70,953.74
8811-901 DEPRECIATION W. VALLEY BLVD	2,010.36
8811-902 Depreciation - Land Improvements	5,720.22
8811-903 Depreciation Guild Roof	184.38
8811-904 Depreciation Flooring - F Street	46.12
8811-905 Depreciation - Community Garden	32.08
8811-906 Depreciation - IT Equipment	108.98
8811-907 Depreciation - Building Improvements	609.68
Prior Period Adjustments	-1,453.37
<b>Total Other Expenditures</b>	<b>\$ 3,803,905.57</b>
<b>Net Other Revenue</b>	<b>- \$ 3,793,013.86</b>
<b>Net Revenue</b>	<b>- \$ 3,889,588.93</b>



TVHD

Statement of Financial Position

As of June 30, 2024

	JUL. 2023	AUG. 2023	SEP. 2023	OCT. 2023	NOV. 2023	DEC. 2023	JAN. 2024	FEB. 2024	MAR. 2024	APR. 2024	MAY 2024	JUN. 2024
<b>LIABILITIES AND EQUITY</b>												
<b>Liabilities</b>												
<b>Current Liabilities</b>												
Accounts Payable	42,660.06	45,025.45	18,719.44	16,184.44	16,221.05	24,575.08	31,562.08	67,818.27	34,317.40	39,834.71	17,461.61	378.69
2021-590 Accounts Payable (AP)												
<b>Total Accounts Payable</b>	<b>\$45,660.06</b>	<b>\$45,025.45</b>	<b>\$18,719.44</b>	<b>\$16,184.44</b>	<b>\$16,221.05</b>	<b>\$24,575.08</b>	<b>\$31,562.08</b>	<b>\$67,818.27</b>	<b>\$34,317.40</b>	<b>\$39,834.71</b>	<b>\$17,461.61</b>	<b>\$378.69</b>
<b>Other Current Liabilities</b>												
2010-000 Payroll Clearing	0.00	0.00	7,073.25	6,416.10	0.00	0.00	0.00	0.00	7,658.36	6,679.94	0.00	0.00
2031-620 Accrued Compensation - Payroll	3,170.60	3,170.60	3,170.60	3,170.60	3,170.60	3,170.60	3,170.60	3,170.60	3,170.60	3,170.60	3,170.60	3,170.60
2032-630 Accrued PTO	7,733.58	7,733.58	7,733.58	7,733.58	7,733.58	7,733.58	7,733.58	7,733.58	7,733.58	7,733.58	7,733.58	7,733.58
2039-750 Accrued Supp Life Insurance	27.64	47.20	66.76	66.76	-5.30	66.78	-5.28	-77.34	-113.36	-185.42	-281.18	-292.26
2039-760 Accrued Retirement Plan	2.13	-320.03	358.82	988.88	1,820.73	2,474.19	3,121.43	3,763.62	4,761.44	260.80	200.00	200.00
2041-780 Other Accrued Exp - Interest Payable	318,633.33	318,633.33	318,633.33	318,633.33	318,633.33	318,633.33	318,633.33	318,633.33	318,633.33	318,633.33	318,633.33	318,633.33
2041-781 Other Accrued Exp - Acc Interest Pay	2,943,726.95	2,943,726.95	2,943,726.95	2,943,726.95	2,943,726.95	2,943,726.95	2,943,726.95	2,943,726.95	2,943,726.95	2,943,726.95	2,943,726.95	2,943,726.95
2046-810 Other Accrued Exp - Audit Fees	2,916.66	5,633.32	8,749.98	11,666.64	14,583.30	17,499.96	17,499.96	23,333.28	26,248.94	29,166.60	32,083.26	34,999.92
2091-150 Inter Co Payable - Due to SJ/AH	21,993,398.00	21,828,398.00	21,753,398.00	21,678,398.00	21,603,398.00	21,528,398.00	21,528,398.00	21,378,398.00	21,303,398.00	21,228,398.00	21,153,398.00	21,078,398.00
2103-000 Deferred Income - Other	-324,765.41	-660,843.53	-996,921.65	-1,332,999.77	-1,669,077.89	-2,005,156.01	-2,005,156.01	-2,677,312.25	-3,013,390.37	-3,349,468.49	-3,349,468.49	-3,349,468.49
2131-000 Deferred Interest	-665,477.00	-665,477.00	-665,477.00	-665,477.00	-665,477.00	-665,477.00	-665,477.00	-665,477.00	-665,477.00	-665,477.00	-665,477.00	-665,477.00
2131-100 Deferred Amortization	606,030.00	606,030.00	606,030.00	606,030.00	606,030.00	606,030.00	606,030.00	606,030.00	606,030.00	606,030.00	606,030.00	606,030.00
2250-000 GO Bonds - 2004 Series A	374,987.70	374,987.70	374,987.70	374,987.70	374,987.70	374,987.70	374,987.70	374,987.70	374,987.70	374,987.70	374,987.70	374,987.70
2251-000 GO Bonds - 2006 Series B	1,009,990.75	1,009,990.75	1,009,990.75	1,009,990.75	1,009,990.75	1,009,990.75	1,009,990.75	1,009,990.75	1,009,990.75	1,009,990.75	1,009,990.75	1,009,990.75
2252-000 GO Bonds - 2009 Series C	685,000.00	685,000.00	685,000.00	685,000.00	685,000.00	685,000.00	685,000.00	685,000.00	685,000.00	685,000.00	685,000.00	685,000.00
2260-100 Less Current Rent	900,000.00	900,000.00	900,000.00	900,000.00	900,000.00	900,000.00	900,000.00	900,000.00	900,000.00	900,000.00	900,000.00	900,000.00
<b>Total Other Current Liabilities</b>	<b>\$27,765,374.93</b>	<b>\$27,356,910.87</b>	<b>\$26,956,521.07</b>	<b>\$26,548,342.52</b>	<b>\$26,134,514.75</b>	<b>\$25,727,078.83</b>	<b>\$25,727,654.01</b>	<b>\$24,911,901.22</b>	<b>\$24,512,559.92</b>	<b>\$24,033,602.78</b>	<b>\$23,954,682.94</b>	<b>\$23,882,588.52</b>
<b>Total Current Liabilities</b>	<b>\$27,809,034.99</b>	<b>\$27,401,936.32</b>	<b>\$26,975,240.51</b>	<b>\$26,564,526.96</b>	<b>\$26,150,735.80</b>	<b>\$25,751,653.91</b>	<b>\$25,759,216.09</b>	<b>\$24,979,719.49</b>	<b>\$24,546,877.32</b>	<b>\$24,073,437.49</b>	<b>\$23,972,144.55</b>	<b>\$23,882,967.21</b>
<b>Long-Term Liabilities</b>												
1390-002 Bond Iss Costs - Bond Premium 2022	15,311.00	15,311.00	15,311.00	15,311.00	15,311.00	15,311.00	15,311.00	15,311.00	15,311.00	15,311.00	15,311.00	15,311.00
1390-003 Bond Premium - 2004	13,677.00	13,677.00	13,677.00	13,677.00	13,677.00	13,677.00	13,677.00	13,677.00	13,677.00	13,677.00	13,677.00	13,677.00
1390-005 Bond Premium - 2006	104,109.00	104,109.00	104,109.00	104,109.00	104,109.00	104,109.00	104,109.00	104,109.00	104,109.00	104,109.00	104,109.00	104,109.00
1390-007 Refunding Bond Premium 2013	39,925.00	39,925.00	39,925.00	39,925.00	39,925.00	39,925.00	39,925.00	39,925.00	39,925.00	39,925.00	39,925.00	39,925.00
2253-000 Refunding Bonds Payable 2013	3,415,000.00	3,415,000.00	3,415,000.00	3,415,000.00	3,415,000.00	3,415,000.00	3,415,000.00	3,415,000.00	3,415,000.00	3,415,000.00	3,415,000.00	3,415,000.00
2254-000 GO Bonds Payable - 2009, Series 2013	51,300,000.00	51,300,000.00	51,300,000.00	51,300,000.00	51,300,000.00	51,300,000.00	51,300,000.00	51,300,000.00	51,300,000.00	51,300,000.00	51,300,000.00	51,300,000.00
2259-000 Current Portion of Long Term Liability	2,110,000.00	2,110,000.00	2,110,000.00	2,110,000.00	2,110,000.00	2,110,000.00	2,110,000.00	2,110,000.00	2,110,000.00	2,110,000.00	2,110,000.00	2,110,000.00
<b>Total Long-Term Liabilities</b>	<b>\$56,998,022.00</b>	<b>\$56,998,022.00</b>	<b>\$56,998,022.00</b>	<b>\$56,998,022.00</b>	<b>\$56,998,022.00</b>	<b>\$56,998,022.00</b>	<b>\$56,998,022.00</b>	<b>\$56,998,022.00</b>	<b>\$56,998,022.00</b>	<b>\$56,998,022.00</b>	<b>\$56,998,022.00</b>	<b>\$56,998,022.00</b>
<b>Total Liabilities</b>	<b>\$84,806,066.99</b>	<b>\$84,399,958.32</b>	<b>\$83,975,262.51</b>	<b>\$83,562,548.96</b>	<b>\$83,148,757.80</b>	<b>\$82,749,675.91</b>	<b>\$82,757,238.09</b>	<b>\$81,977,741.49</b>	<b>\$81,544,899.32</b>	<b>\$81,071,459.49</b>	<b>\$80,970,166.55</b>	<b>\$80,880,989.21</b>
<b>Equity</b>												
Invested in Capital Assets	38,473,826.29	38,473,826.29	38,473,826.29	38,473,826.29	38,473,826.29	38,473,826.29	38,473,826.29	38,473,826.29	38,473,826.29	38,473,826.29	38,473,826.29	38,473,826.29
Opening balance equity	0.97	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26
Restricted Net Position	3,916,288.64	3,916,288.64	3,916,288.64	3,916,288.64	3,916,288.64	3,916,288.64	3,916,288.64	3,916,288.64	3,916,288.64	3,916,288.64	3,916,288.64	3,916,288.64
Retained Earnings	-13,526,098.90	-13,526,098.90	-13,526,098.90	-13,526,098.90	-13,526,098.90	-13,526,098.90	-13,526,098.90	-13,526,098.90	-13,526,098.90	-13,526,098.90	-13,526,098.90	-13,526,098.90
Net Revenue	228,239.15	490,431.41	893,730.65	1,147,541.60	2,739,849.68	1,743,559.02	1,746,123.51	2,347,313.79	2,379,682.79	2,973,261.35	3,161,032.90	463,763.01
<b>Total Equity</b>	<b>\$29,092,256.15</b>	<b>\$29,354,447.70</b>	<b>\$29,767,746.94</b>	<b>\$30,011,557.89</b>	<b>\$31,603,885.97</b>	<b>\$30,607,575.31</b>	<b>\$30,610,139.80</b>	<b>\$31,211,330.08</b>	<b>\$31,243,709.08</b>	<b>\$31,837,277.64</b>	<b>\$32,095,049.19</b>	<b>\$29,327,779.30</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$113,899,313.14</b>	<b>\$113,754,406.02</b>	<b>\$113,731,009.45</b>	<b>\$113,574,106.85</b>	<b>\$114,752,623.77</b>	<b>\$113,357,251.22</b>	<b>\$113,367,377.89</b>	<b>\$113,188,071.57</b>	<b>\$112,788,608.40</b>	<b>\$112,908,737.13</b>	<b>\$112,995,216.74</b>	<b>\$110,208,789.51</b>

**TVHD**  
**Bill Payment List**  
 June 1-30, 2024

1001-011 Valley Strong

Date	Num	Vendor	Amount	WHY
06/01/2024	142226	4508 UNITEDHEALTHCARE	-\$ 3,555.16	STAFF INSURANCE
06/01/2024	142224	35 BETA HEALTHCARE GROUP	-\$ 657.83	TVHD INSURANCE
06/01/2024	142225	4743 HUMANA INSURANCE CO.	-\$ 524.96	STAFF & BOD INSURANCE
06/06/2024	111	2074 ROTARY CLUB OF TEHACHAPI	-\$ 100.00	TVHD MEMBERSHIP FEE
06/06/2024	0113	53 SOUTHERN CALIF EDISON	-\$ 120.26	UTILITIES
06/06/2024	112	4815 STREAMLINE	-\$ 126.00	WEBSITE
06/06/2024	110	4854 RACE COMMUNICATIONS	-\$ 202.98	INTERNET
06/06/2024	114	4866 EMILY SANDHOLDT	-\$ 250.00	VENDOR FOR TVPRD & TVHD
06/06/2024	119	558 WITT'S	-\$ 12,227.75	NEW OFFICE FURNATURE
06/06/2024	108	220TVHD	-\$ 332.38	PETTY CASH
06/06/2024	104	4859 ESQUIVEL'S JANITORIAL SERVICE	-\$ 400.00	20111 W. VALLEY HOUSEKEEPER
06/06/2024	103	4851 DEX IMAGING LLC	-\$ 499.16	COPIER
06/06/2024	106	4865 JUDY KELLER	-\$ 500.00	VENDOR FOR TVPRD & TVHD
06/06/2024	109	4844 6PENCE BOOKKEEPING, LLC	-\$ 800.00	QB CONSULT
06/06/2024	116	4860 TAXHACHAPI CPA	-\$ 1,000.00	FINANCE CONSULT
06/06/2024	107	4795 NAVE LAW OFFICE, PROFESSIONAL CORP.	-\$ 1,837.50	LEGAL
06/06/2024	101	1787 AMEX	-\$ 3,653.09	CEO
06/04/2024	142227	4865 JUDY KELLER	-\$ 250.00	VENDOR FOR TVPRD & TVHD
06/17/2024	102	4455 DELFIN TORIBIO	-\$ 500.00	GARDNER
06/17/2024	105	4831 HARRISON HANDYMAN & RESTORATION	-\$ 546.25	HANDYMAN
06/17/2024	115	4857 TEHACHAPI VALLEY RECREATION & PARK DIST	-\$ 1,000.00	MOVIE IN THE PARK EVENT
06/17/2024	117	77 TEHACHAPI NEWS	-\$ 530.00	ADVERTISTMENT
06/17/2024	118	4862 TEL-TEC SECURITY SYSTEMS, INC.	-\$ 40.00	ALARM
06/13/2024	0121	4860 TAXHACHAPI CPA	-\$ 1,000.00	FINANCE CONSULT
06/13/2024	0120	368PRIME SIGNS	-\$ 1,052.08	20111 W. VALLEY FRONT SIGN
06/27/2024	142228	4728 MITEL CLOUD SERVICES	-\$ 245.92	PHONE
06/26/2024	0122	4455 DELFIN TORIBIO	-\$ 500.00	116 WEST F. GARDNER
06/26/2024	0123	4831 HARRISON HANDYMAN & RESTORATION	-\$ 162.50	HANDYMAN
06/26/2024	0124	4845 GOLDEN HILLS IT	-\$ 2,498.76	INTERNET
06/26/2024	0125	4816 ADVANCED DATA STORAGE, INC.	-\$ 37.03	SHRED
06/26/2024	0126	4820 GEHRICKE, CARL	-\$ 200.00	BOD
06/26/2024	0127	10 CITY OF TEHACHAPI	-\$ 213.78	WATER
06/26/2024	0128	4825EMMA PEREZ	-\$ 360.00	116 WEST F. HOUSEKEEPER
06/26/2024	0129	2692GOLDEN HILLS COMMUNITY SVC DISTRICT	-\$ 95.19	20111 W. VALLEY WATER
06/26/2024	0130	52 GAS COMPANY	-\$ 27.84	UTILITIES
06/26/2024	0131	4832 LYDIA CHANEY	-\$ 200.00	BOD
06/26/2024	0132	4345 NIXON, MIKE	-\$ 100.00	BOD
06/26/2024	0133	4860 TAXHACHAPI CPA	-\$ 1,000.00	FINANCE CONSULT
06/26/2024	0134	558 WITT'S	-\$ 820.60	OFFICE FURNATURE
06/24/2024	0135	241 TEHACHAPI MINI-STORAGE	-\$ 154.17	OFFSITE STORAGE UNIT
06/25/2024	0137	220TVHD	-\$ 828.02	PETTY CASH
06/27/2024	142229	53 SOUTHERN CALIF EDISON	-\$ 359.48	UTILITIES
06/27/2024	142230	558 WITT'S	-\$ 34.61	OFFICE SUPPLIES
06/27/2024	142231	4867 CALL ME LINDSAY V. INC.	-\$ 400.00	20111 W. VALLEY PROJECT MAN.
06/27/2024	142232	775 AFLAC	-\$ 144.14	STAFF INSURANCE
06/27/2024	142233	2535MENDIBURU, PEGGY	-\$ 307.57	CEO
06/27/2024	142234	4854 RACE COMMUNICATIONS	-\$ 206.02	INTERNET
06/27/2024	142235	4860 TAXHACHAPI CPA	-\$ 1,000.00	FINANCE CONSULT
<b>Total for 1001-011 Valley Strong</b>			<b>-\$ 41,601.03</b>	
<b>1005-012 Valley Strong Money Mkt</b>				
06/17/2024	1002	815 COMPUTERSHARE-WFB	-\$ 450.00	SERVICE FEE
<b>Total for 1005-012 Valley Strong Money Mkt</b>			<b>-\$ 450.00</b>	



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

CHANGE SERVICE REQUESTED

773031 4729 1/9 UNQ 07-01-24 CLT  
000004728 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 06/01/2024 - 06/30/2024

PAGE 1 of 9

Smart Business  
Money Market  
**4.50%\*** APY



Scan the QR Code or visit [valleystrong.com](http://valleystrong.com) to learn more.



\*4.50% annual percentage yield (APY) is based on a dividend rate of 4.41%. Offer valid as of 5/1/24. \$1,000 minimum deposit required and must be maintained to retain the promotional APY. After promotion period ends, rates are subject to change. Fees may reduce earnings. This is a variable account. Valley Strong Membership is required.

## YOUR ACCOUNT BALANCES AS OF 06/30/2024

BUSINESS SHARE SAVINGS ID 0001	\$8,692.09
BASIC BUS CHECKING ID 0002	\$0.00
SMART BUSINESS MONEY MARKET ID 0003	\$4,420,631.94
BASIC BUS CHECKING- PAYROLL ID 0004	\$50,446.18
BASIC BUS CHECKING ID 0005	\$3,793.07
<b>ACCOUNT BALANCE TOTAL</b>	<b>\$4,483,563.28</b>
TOTAL DIVIDENDS PAID YEAR-TO-DATE	\$87,088.36

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

### BUSINESS SHARE SAVINGS

BEGINNING BALANCE	\$8,691.73
2 TOTAL CREDITS	\$33,888.70
1 TOTAL DEBITS	\$33,888.34
ENDING BALANCE	\$8,692.09

ANNUAL PERCENTAGE YIELD EARNED 0.050% FROM 06/01/2024 THROUGH 06/30/2024

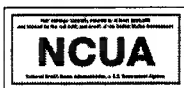
DATE	DEBIT TRANSACTION DESCRIPTION	AMOUNT
06/07	WITHDRAWAL TRANSFER TO SHARE 0005 ACCOUNT CLOSURE - SHARE CLOSURE	\$33,888.34

DATE	CREDIT TRANSACTION DESCRIPTION	AMOUNT
06/07	DEPOSIT TRANSFER FROM SHARE 0002 SHARE CLOSURE TRANSFER	\$33,888.34
06/30	DEPOSIT DIVIDEND	\$0.36

### BASIC BUS CHECKING

BEGINNING BALANCE	\$41,322.47
2 TOTAL CREDITS	\$2,124.98
13 TOTAL DEBITS	\$43,447.45
ENDING BALANCE	\$0.00

DATE	DEBIT TRANSACTION DESCRIPTION	AMOUNT
06/03	DRAFT 142208 TRACER 892100000001008	\$98.20
06/04	DRAFT 142219 TRACER 892200000002407	\$148.99
06/04	DRAFT 142222 TRACER 892200000001360	\$206.02
06/04	DRAFT 142214 TRACER 892200000005727	\$1,000.00
06/04	DRAFT 142223 TRACER 892200000005728	\$1,000.00
06/04	DRAFT 606 TRACER 892200000003497	\$1,740.00
06/05	DRAFT 142218 TRACER 892300000002277	\$52.95
06/05	DRAFT 142227 TRACER 892300000004384	\$250.00
06/05	DRAFT 142220 TRACER 892300000003268	\$325.00
06/05	DRAFT 142224 TRACER 892300000003118	\$657.83
06/05	DRAFT 142226 TRACER 892300000003142	\$3,555.16
06/06	DRAFT 142225 TRACER 892400000002661	\$524.96
06/07	WITHDRAWAL TRANSFER TO SHARE 0001 SHARE CLOSURE TRANSFER	\$33,888.34



Federally Insured  
by NCUA

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 XXXXXXXX20

STATEMENT FOR 06/01/2024 - 06/30/2024

PAGE 2 of 9

## BASIC BUS CHECKING

DATE	CREDIT TRANSACTION DESCRIPTION	AMOUNT
06/03	DEPOSIT BY CHECK	\$1,974.99
06/05	DEPOSIT BY CHECK	\$149.99

**SUMMARY BY CHECK NUMBER** \* Asterisk next to number indicates skip in sequence 12 CHECKS CLEARED FOR \$9,559.11

NUMBER	CLEARED	AMOUNT	NUMBER	CLEARED	AMOUNT	NUMBER	CLEARED	AMOUNT
606	06/04/24	\$1,740.00	142208 *	06/03/24	\$98.20	142214 *	06/04/24	\$1,000.00
142218 *	06/05/24	\$52.95	142219	06/04/24	\$148.99	142220	06/05/24	\$325.00
142222 *	06/04/24	\$206.02	142223	06/04/24	\$1,000.00	142224	06/05/24	\$657.83
142225	06/06/24	\$524.96	142226	06/05/24	\$3,555.16	142227	06/05/24	\$250.00

## SMART BUSINESS MONEY MARKET

BEGINNING BALANCE	\$4,299,591.21
4 TOTAL CREDITS	\$121,490.73
1 TOTAL DEBITS	\$450.00-
ENDING BALANCE	\$4,420,631.94

ANNUAL PERCENTAGE YIELD EARNED 4.500% FROM 06/01/2024 THROUGH 06/30/2024

DATE	DEBIT TRANSACTION DESCRIPTION	AMOUNT
06/25	DRAFT 2004 TRACER 894300000001827	\$450.00-

DATE	CREDIT TRANSACTION DESCRIPTION	AMOUNT
06/17	DEPOSIT ACH COUNTY OF KERN TYPE: ACCTS PAY CO: COUNTY OF KERN ENTRY CLASS CODE: PPD	\$25,307.52
06/26	DEPOSIT BY CHECK	\$45,500.00
06/27	DEPOSIT ACH COUNTY OF KERN TYPE: ACCTS PAY CO: COUNTY OF KERN ENTRY CLASS CODE: PPD	\$35,011.77
06/30	DEPOSIT DIVIDEND	\$15,671.44

**SUMMARY BY CHECK NUMBER** \* Asterisk next to number indicates skip in sequence 1 CHECKS CLEARED FOR \$450.00

NUMBER	CLEARED	AMOUNT	NUMBER	CLEARED	AMOUNT	NUMBER	CLEARED	AMOUNT
2004	06/25/24	\$450.00						

## BASIC BUS CHECKING- PAYROLL

BEGINNING BALANCE	\$65,793.41
0 TOTAL CREDITS	\$0.00
10 TOTAL DEBITS	\$15,347.23-
ENDING BALANCE	\$50,446.18

DATE	DEBIT TRANSACTION DESCRIPTION	AMOUNT
06/04	WITHDRAWAL ACH VALIC TYPE: EREMIT PRM CO: VALIC ENTRY CLASS CODE: CCD	\$200.00-
06/13	WITHDRAWAL ACH PAYLOCITY CORPOR TYPE: TAX COL CO: PAYLOCITY CORPOR ENTRY CLASS CODE: CCD	\$2,270.05-
06/13	WITHDRAWAL ACH B6079 TEHACHAPI TYPE: DIR DEP CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$4,764.04-
06/14	WITHDRAWAL ACH B6079 TEHACHAPI TYPE: BILLING CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$104.37-
06/18	WITHDRAWAL ACH VALIC TYPE: EREMIT PRM CO: VALIC ENTRY CLASS CODE: CCD	\$200.00-
06/18	WITHDRAWAL ACH B6079 TEHACHAPI TYPE: FIX CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$535.27-
06/27	WITHDRAWAL ACH PAYLOCITY CORPOR TYPE: TAX COL CO: PAYLOCITY CORPOR ENTRY CLASS CODE: CCD	\$2,126.04-
06/27	WITHDRAWAL ACH B6079 TEHACHAPI TYPE: DIR DEP CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$4,592.56-
06/28	WITHDRAWAL ACH B6079 TEHACHAPI TYPE: BILLING CO: B6079 TEHACHAPI ENTRY CLASS CODE: CCD	\$539.90-
06/30	WITHDRAWAL SERVICE FEE	\$15.00-

## BASIC BUS CHECKING

BEGINNING BALANCE	\$0.00
5 TOTAL CREDITS	\$36,523.34
34 TOTAL DEBITS	\$32,730.27-
ENDING BALANCE	\$3,793.07

DATE	DEBIT TRANSACTION DESCRIPTION	AMOUNT
06/11	DRAFT 142202 TRACER 892800000006113	\$90.00-
06/11	DRAFT 142193 TRACER 892800000004715	\$180.00-
06/13	DRAFT 108 TRACER 893100000032720 ON US DRAFT	\$332.38-

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 XXXXXXXX20

STATEMENT FOR 06/01/2024 - 06/30/2024

PAGE 3 of 9

## BASIC BUS CHECKING

06/14	DRAFT 105 TRACER 89320000000948	\$546.25-
06/14	DRAFT 109 TRACER 893200000002051	\$800.00-
06/14	DRAFT 119 TRACER 893200000035463 ON US DRAFT	\$12,227.75-
06/17	DRAFT 101 TRACER 091000012814245 PROCESSED CHECK - AMERICAN EXPRESS TYPE: ARC PYMT ENTRY CLASS CODE: ARC	\$3,653.09-
06/18	WITHDRAWAL BY CHECK CHECK 00 100586479 DISBURSED 21.60	\$21.60-
06/18	DRAFT 112 TRACER 893600000003709	\$126.00-
06/18	DRAFT 117 TRACER 893600000000326	\$530.00-
06/20	DRAFT 118 TRACER 893800000001156	\$40.00-
06/20	DRAFT 113 TRACER 893800000005253	\$120.26-
06/20	DRAFT 110 TRACER 893800000002130	\$202.98-
06/20	DRAFT 114 TRACER 893800000003659	\$250.00-
06/20	DRAFT 106 TRACER 893800000003832	\$500.00-
06/20	DRAFT 120 TRACER 893800000001057	\$1,052.08-
06/20	DRAFT 107 TRACER 893800000005319	\$1,837.50-
06/20	DRAFT 124 TRACER 893800000036181 ON US DRAFT	\$2,498.76-
06/21	DRAFT 103 TRACER 893900000005399	\$499.16-
06/21	DRAFT 115 TRACER 893900000003960	\$1,000.00-
06/25	DRAFT 126 TRACER 894300000004483	\$200.00-
06/25	DRAFT 127 TRACER 894300000003408	\$213.78-
06/25	DRAFT 116 TRACER 894300000005771	\$1,000.00-
06/25	DRAFT 121 TRACER 894300000005772	\$1,000.00-
06/26	DRAFT 134 TRACER 894400000024094 ON US DRAFT	\$820.60-
06/26	DRAFT 137 TRACER 894400000112952 ON US DRAFT	\$828.02-
06/27	DRAFT 130 TRACER 042000019272091 PROCESSED CHECK - SOCALGAS TYPE: ARC PYMT ENTRY CLASS CODE: ARC	\$27.84-
06/27	DRAFT 125 TRACER 894500000000930	\$37.03-
06/27	DRAFT 131 TRACER 894500000002200	\$200.00-
06/27	DRAFT 104 TRACER 894500000002760	\$400.00-
06/27	DRAFT 102 TRACER 894500000002718	\$500.00-
06/27	DRAFT 122 TRACER 894500000002719	\$500.00-
06/28	DRAFT 142231 TRACER 894600000114514 ON US DRAFT	\$400.00-
06/28	DRAFT 129 TRACER 894600000150500 ON US DRAFT	\$95.19-

DATE	CREDIT TRANSACTION DESCRIPTION	AMOUNT
06/07	DEPOSIT TRANSFER FROM SHARE 0001 ACCOUNT CLOSURE - SHARE CLOSURE	\$33,888.34
06/12	DEPOSIT BY CHECK	\$850.00
06/13	DEPOSIT BY CHECK	\$20.00
06/17	DEPOSIT FRAUD CLAIM CK#606 WO 6/4/24	\$1,740.00
06/20	DEPOSIT BY CHECK	\$25.00

## SUMMARY BY CHECK NUMBER \* Asterisk next to number indicates skip in sequence 33 CHECKS CLEARED FOR \$32,708.67

NUMBER	CLEARED	AMOUNT	NUMBER	CLEARED	AMOUNT	NUMBER	CLEARED	AMOUNT
101	06/17/24	\$3,653.09	102	06/27/24	\$500.00	103	06/21/24	\$499.16
104	06/27/24	\$400.00	105	06/14/24	\$546.25	106	06/20/24	\$500.00
107	06/20/24	\$1,837.50	108	06/13/24	\$332.38	109	06/14/24	\$800.00
110	06/20/24	\$202.98	112 *	06/18/24	\$126.00	113	06/20/24	\$120.26
114	06/20/24	\$250.00	115	06/21/24	\$1,000.00	116	06/25/24	\$1,000.00
117	06/18/24	\$530.00	118	06/20/24	\$40.00	119	06/14/24	\$12,227.75
120	06/20/24	\$1,052.08	121	06/25/24	\$1,000.00	122	06/27/24	\$500.00
124 *	06/20/24	\$2,498.76	125	06/27/24	\$37.03	126	06/25/24	\$200.00
127	06/25/24	\$213.78	129 *	06/28/24	\$95.19	130	06/27/24	\$27.84
131	06/27/24	\$200.00	134 *	06/26/24	\$820.60	137 *	06/26/24	\$828.02
142193 *	06/11/24	\$180.00	142202 *	06/11/24	\$90.00	142231 *	06/28/24	\$400.00

Continued on next page.

031004729 1 3/9 UNQ 07-01-24 CLT



14448812

Date 6/28/24

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.

<b>Public Demand</b>		<b>Number of Enclosures</b>	<b>0</b>
Account Number	xxxxxx8569	Statement Dates	6/03/24 thru 6/30/24
Previous Balance	224,572.89	Days in the statement period	28
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
6/03	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

July 01, 2024

[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

June 2024 Statement

---

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	5,656,062.64
Total Withdrawal:	0.00	Ending Balance:	5,656,062.64



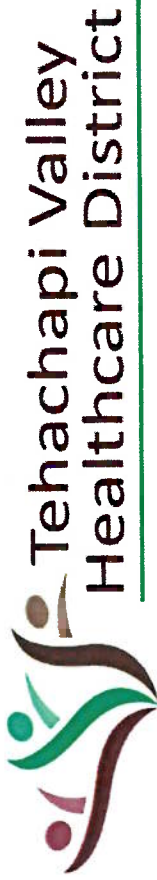
AMERICAN EXPRESS

Tuesday, June 4, 2024

Balance \$3,653.09

Date	Vendor	Description	Amount Withdrawn	Charged to
5/11/2024	QUICK BOOKS	MONTHLY FEE	\$45.00	8610-380
5/11/2024	LOCKED OUT ASSISTANCE TEHACHAPI	20111 W. VALLEY NEW LOCK SYSTEM	\$1,117.80	8610-250
5/12/2024	THE HOME DEPOT	PARTS TO THE GARDEN BEDS	\$17.19	8610-365
5/14/2024	THE HOME DEPOT	RETURN THE PARTS TO GARDEN BED	-\$17.19	8610-365
5/15/2024	U-HAUL	RENT FOR HAULING MANURE	\$53.76	8610-811
5/16/2024	AMAZON	BEEDES FOR KID EVENT COMM GARDEN	\$10.81	8610-835
5/17/2024	U-HAUL	KEPT FOR EXTRA DAY FOR HAULING	\$75.36	8610-811
5/17/2024	U-HAUL	FEE	\$8.57	8610-811
5/17/2024	THE HOME DEPOT	116 WEST F. BACK YARD SHED	\$513.00	8610-365
5/19/2024	THE HOME DEPOT	GARDEN SOIL	\$37.25	8610-365
5/20/2024	LOCKED OUT ASSISTANCE TEHACHAPI	20111 W. VALLEY NEW LOCK SYSTEM	\$543.71	8610-250
5/23/2024	VEGO GARDEN	GARDEN BEDS FOR THE COMM. GARDEN @ 116 WEST F. ST.	\$768.36	8610-835
5/23/2024	WAYFAIR	OFFICE DIVIDER FOR MIRROR	\$71.43	8610-365
5/24/2024	THE HOME DEPOT	1 <sup>st</sup> RETURN FROM ORDER FOR 20111 W. VALLEY	-\$48.23	8610-365

5/24/2024	THE HOME DEPOT	116 WEST F. OFFICE BLIND	\$304.83	8610-365
5/27/2024	SAMS CLUB	GIF I BOIILES FOR IPRD WALK WINNFRS	\$151.44	8610-835
Total		16	\$3,653.09	



Petty Cash Log

Monday, June 3, 2024

Balance \$332.38

Date	Receipt No.	Amount	Description	Amount Withdrawn	Charged to	Received by	Approved by
5/2/2024	30225		NEW LOCK FOR BIG GATE TO COMM. GARDEN	\$15.78	8610-835	LH	PM
5/6/2024	30226		REPLACE HOSE IN BACK OF 116 WEST F. ST. BUILDING	\$33.51	8610-365	LH	PM
5/13/2024	30227		KEYS FOR FRONT AND BACK OF COMM. GARDEN GATES AND SCREWS FOR GARDEN BEDS	\$48.90	8610-835	LH	PM
5/16/2024	30228		GAS FOR U-HAUL RETURN	\$15.00	8610-365	LH	PM
5/24/2024	30229		PAINT FOR FRONT SIGN & SUPPLIES, ROSE FOR FRONT YARD @ 116 WEST F. ST.	\$48.43	8610-365	LH	PM
	30230		VOID		VOID		
5/24/2024	30231		HOSE GARDEN AND BIRD FOOD	\$40.59	8610-365	LH	PM
5/27/2024	30232		SUPPLIES FOR MOVIE NIGHT WITH PARK N REC.	\$7.50	8610-835	LH	PM
5/17/2024	30233		HOSE, SPRINKLER FOR FRONT YARD 116 WEST F.	\$44.79	8610-365	LH	PM
5/18/2024	30234		CANOPY FOR KID EVENT AT THE CHURCH FOR COMMUNITY OUT REACH	\$56.29	8610-365	LH	PM

Date	Receipt No.	Item	Description	Amount Withdrawn	Charged to	Received by	Approved by
5/29/2024	30235		SPRINKLERS FOR GARDEN AREA	\$21.59	8610-365	LH	PM
<b>Total</b>				<b>\$332.38</b>			



## Petty Cash Log

Tuesday, June 25, 2024

Balance \$828.02

Date	Receipt No.	Amount	Description	Amount Withdrawn	Charged to	Received by	Approved by
6/3/2024	30236		COMM.GARDEN EVENT SUPPLIES	\$20.88	8610-835	LH	PM
6/10/2024	30237		REIM PEGGY MENDIBURU FOR NOTARY FEE	\$40.00	8610-811	LH	PM
6/10/2024	30238		PEGGY MENDIBURU TRAVEL REIM FOR OUTSIDE TRAINING	\$57.62	8610-500	LH	PM
6/13/2024	30239		MOVIE IN PARK EVENT SUPPLIES	\$8.40	8610-835	LH	PM
6/13/2024	30240		STAMPS FOR OFFICE	\$68.00	8610-375	LH	PM
6/13/2024	30241		EVENT CHAIRS AND SUPPLIES FOR POPCORN MACHINE	\$74.26	8610-835	LH	PM
6/14/2024	30242		OFFICE BUG SPRAY	\$9.97	8610-365	LH	PM
6/17/2024	30243		GIFT CARDS FOR TVPRD & TVHD SPRING INTO ACTION EVENT	\$200.00	8610-835	LH	PM
6/18/2024	30244		SPRING INTO ACTION TVPRD & TVHD WINNERS GIFT CARDS	\$300.00	8610-835	LH	PM
6/18/2024	30245		THANK CARDS FOR SPRING INTO ACTION WINNERS	\$9.00	8610-835	LH	PM



Date	Receipt No.	Amount	Description	Amount Withdrawn	Charged to	Received by	Approved by
6/24/2024	30246		CORRECT SCREWS FOR GARDEN BED	\$4.89	8610-365	LH	PM
6/23/2024	30247		PLANTS FOR FRONT OF OFFICE BUILDING	\$35.00	8610-365	LH	PM
<b>Total</b>				\$828.02			

	<u>2024 Budget</u>	<u>2024 Actuals</u>	<u>Difference</u>	<u>2025 Proposed Budget</u>
Tehachapi Valley Healthcare District				
Annual Budget FY2025 PROPOSED				
Board Approved:				
<b>REVENUE</b>				
Tax Revenue	\$ 1,090,000	\$ 1,190,228	\$ (100,228)	\$ 1,225,935
Water Rights	\$ 15,000	\$ 45,500	\$ (30,500)	\$ -
101 W E St. Rental Income	\$ 30,000	\$ 30,755	\$ (755)	\$ 60,000
Bad Debt Collections	\$ 2,000	\$ 1,770	\$ 230	\$ 1,500
Private Pay	\$ 1,680	\$ -	\$ 1,680	\$ -
Interest Income	\$ 30,000	\$ 274,257	\$ (244,257)	\$ 300,000
		\$ -	\$ -	
<b>Total Revenue</b>	<b>\$ 1,168,680</b>	<b>\$ 1,542,510</b>	<b>\$ (373,830)</b>	<b>\$ 1,587,435</b>
		\$ -	\$ -	
<b>EXPENSES</b>				
Salaries	\$ 192,150	\$ 171,532	\$ 20,618	\$ 171,532
Payroll Taxes	\$ 13,500	\$ 13,052	\$ 448	\$ 13,052
Payroll Billing	\$ 4,500	\$ 5,967	\$ (1,467)	\$ 600
Staff- Health Ins	\$ 45,000	\$ 47,395	\$ (2,395)	\$ 50,000
Active Directors - Health Ins	\$ 24,120	\$ 13,055	\$ 11,065	\$ -
CALPERS Fees	\$ 750	\$ -	\$ 750	\$ -
Bond Financing Fees	\$ 7,000	\$ -	\$ 7,000	\$ -
Audit Fees	\$ 35,000	\$ 23,625	\$ 11,375	\$ 20,000
Legal Fees	\$ 27,000	\$ 37,748	\$ (10,748)	\$ 35,000
Contractor/Consultants	\$ 8,000	\$ 26,464	\$ (18,464)	\$ 25,000
Community/Staff Outreach	\$ 5,000	\$ 17,034	\$ (12,034)	\$ 20,000
Dues/Subscriptions	\$ 1,610	\$ 7,810	\$ (6,200)	\$ 8,000
Continuing Education - Staff	\$ 3,500	\$ 1,178	\$ 2,322	\$ 5,000
Continuing Education - Trustee	\$ 5,000	\$ 1,667	\$ 3,333	\$ 3,000
Trustee Stipends	\$ 10,000	\$ 10,600	\$ (600)	\$ 11,000
Election Costs	\$ 40,000	\$ -	\$ 40,000	\$ 15,000
Mileage	\$ 500	\$ 1,521	\$ (1,021)	\$ 1,500
Program Materials & Actvts	\$ 500	\$ 1,759	\$ (1,259)	\$ 2,000
Supplies	\$ 3,000	\$ 21,952	\$ (18,952)	\$ 5,000
Software/IT	\$ 61,520	\$ 91,215	\$ (29,695)	\$ 30,000
Postage	\$ 1,000	\$ 1,381	\$ (381)	\$ 1,000
Advertising & Promotion	\$ 3,000	\$ 5,988	\$ (2,988)	\$ 5,000
Repairs & Maintenance	\$ 10,000	\$ 41,619	\$ (31,619)	\$ 100,000
Association Fees	\$ 3,800	\$ -	\$ 3,800	\$ -
Insurance	\$ 75,600	\$ 46,386	\$ 29,214	\$ 50,000
Office Rent	\$ 6,000	\$ -	\$ 6,000	\$ -
Storage Rent/Equip Lease	\$ 9,450	\$ 7,771	\$ 1,679	\$ 8,000
Telephone	\$ 3,700	\$ 5,643	\$ (1,943)	\$ 2,500
Utilities	\$ 9,450	\$ 255	\$ 9,195	\$ 10,000
Licenses & Fees	\$ 1,500	\$ (12,399)	\$ 13,899	\$ 5,000
Bank/Credit Card Charges	\$ 500	\$ 61	\$ 439	\$ 100
		\$ -	\$ -	
		\$ -	\$ -	
<b>Total Expenses</b>	<b>\$ 611,650</b>	<b>\$ 590,279</b>	<b>\$ 21,371.00</b>	<b>\$ 597,284</b>
<b>Net Revenue</b>	<b>\$ 1,168,680</b>	<b>\$ 1,542,510</b>	<b>\$ (373,830)</b>	<b>\$ 1,587,435</b>



**July 10, 2024, Finance Committee Meeting**

**TO:** Finance Committee Directors

**FR:** Peggy Mendiburu, CEO

**RE:** Outsource Finance Services

I am recommending outsourcing finance and payroll functions, which would require the elimination of the business manager position if approved by the board.

I have had two contractors come in, one for QuickBooks setup and training for the business manager and me. The other for an internal audit. Both of their summaries are attached. My observations and recommendations are as follows:

- Since affiliation in 2016, the District has shrank from approximately 200 staff to two. The finance tasks take significantly less time than before especially since moving to QuickBooks. I am approximating ten hours per week.
- Cost of the business manager position is \$85,000 per year (pay and benefits). Outsourcing would cost \$20,000 to \$25,000 for a savings of approximately \$65,000 per year. I am also looking at running payroll through QuickBooks, which would be a \$5500 savings per year in comparison to the current vendor.
- I have reached out to several small districts. Several have responded that they have outsourced finances and payroll and are very happy with the decision.
- As a District, our primary responsibility is to the community to provide the maximum benefit at minimal costs.

Thank you for your consideration. I would like to bring this recommendation to the July 16, 2024, Board meeting.



# Contract Summary Review

## Tehachapi Valley Health Care District

The original contract between Tehachapi Valley Health Care District (“District”) and 6Pence Bookkeeping began in December 2023. The scope of which was for 6Pence Bookkeeping to provide training on Quickbooks due to a software conversion from their previous accounting software solution. The scope of work was adjusted to include assistance with the “clean -up” of the current fiscal year records for accuracy.

The reason for the change in scope is largely due to the discovery that the District’s accounting data was not being kept solely in the original accounting software program. Further examination of the processes and procedures that were being utilized revealed that there was duplication of data being processed through other software resources, such as Excel. These processes not only left the accuracy of the data vulnerable to error and difficult to audit, it also significantly increased the amount of time necessary to perform the accounting duties needed by the District.

It is my opinion that the change in software has removed the need for any extra efforts in the tracking of data, which will substantially cut down the number of hours relating to the bookkeeping. I would also suggest that District adjust their procedures for copying/storage of documents as well as payment of vendor invoices. There are various secure digital storage options available and utilizing electronic payments for vendors would reduce the need for paper checks, envelopes & postage further reducing costs in supplies & labor hours.

Dated: July 7, 2024

By: Julia Pence, CB 6Pence Bookkeeping, LLC

# Tehachapi CPA



## AUDITOR'S REPORT

Management & Board of Directors  
Tehachapi Valley Healthcare District

We performed an internal audit of Tehachapi Valley Healthcare District (the District) for the fiscal year ending June 30, 2024. This internal audit assignment was conducted in accordance with approved Consulting Agreement executed on April 17, 2024.

### **Purpose**

The purpose of our audit was to determine the effectiveness of the District's financial operations.

### **Scope**

The scope of our audit included reviewing the District's compliance with accounting principles generally accepted in the United States of America for the fiscal year ended June 30, 2024.

### **Methodology**

We conducted our audit in conformance with the Institute of Internal Auditors (IIA) International Standards of the Professional Practice of Internal Auditing, unless otherwise stated in this report. These standards require that the internal audit activity be independent and internal auditors be objective in performing their work. The Standards also require internal auditors perform their engagements with proficiency and due professional care; that the

internal audit function be subject to a program of quality assurance; and that the results of engagements are communicated. Audit work was conducted based on inquiry, observation, confirmation, reperformance, and included verification of supporting documentation and identified processes.

Quick and efficient implementation of audit recommendations/suggestions and observations further enhances the value of an audit. To assist in this process, we have identified four core categories for the classification of recommendations/suggestions and observations:

- 1) Compliance – Functioning in accordance with governing laws, regulations, policies, and other authoritative guidance.
- 2) Cost Reduction – Appropriately minimizing costs of District operations.
- 3) Efficiency – Performing effectively without duplication of effort or waste of time, material, or money on unnecessary activities.
- 4) Risk Reduction – Appropriately using techniques which mitigate or minimize operational or control risks.

### **Inherent Limitations in Any System of Internal Control**

Due to inherent limitations in any system of controls, errors or irregularities may nevertheless occur and not be detected. Specific examples include, but are not limited to, resource constraints, carelessness, distraction, management override, poor judgment, and circumvention by collusion. Additionally, there is the possibility that the procedures may become inadequate due to changes in conditions and compliance with the procedures may deteriorate. Accordingly, our audit would not necessarily disclose all weaknesses in the Districts' operating procedures, accounting practices, and compliance with District policy.

### **Management Responsibilities in Terms of Governance, Risk, and Controls**

Management is responsible for the establishment and maintenance of effective systems of governance to:

- Promote appropriate ethics and values within the District.
- Ensure effective organizational performance, management, and accountability.
- Communicate risk and control information to appropriate areas within the District.

In addition, management is responsible for the establishment and maintenance of an effective system of internal control and risk management. The objectives of the system of internal control are to provide management with reasonable, but not absolute, assurance that:

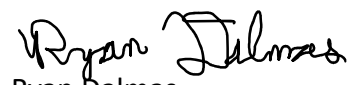
- Objectives are achieved.
- Financial and operational information is reliable.
- Operations and programs are efficient and effective.
- Assets are safeguarded.
- Laws, regulations, policies, procedures, and contracts are complied with as required.

- Risks are identified, appropriate risk responses selected, communicated, and managed.

The principal safeguard against fraud, misstatement, and/or irregularities is an effective system of internal control. However, due to limitations in any system of internal control, the prevention and detection of fraud is management's responsibility. Management is also responsible for implementing corrective actions to address process and control deficiencies.

### **Summary**

This report includes our internal audit suggested improvements and observations looking at possible ways in which controls and operations could be improved to overcome identified weaknesses in control and increase the adequacy, efficiency, and effectiveness of controls based on the risk identified. The matters raised in this report are only those which have come to our attention arising from our audit that we believe should be brought to the attention of your Board. We have concluded that management of the District has satisfactorily established and maintained an effective process for governance, risk, and internal control in the areas examined with the exception of the suggested improvements and observations listed below. Each suggested improvement and observation is explained with the goal of avoiding future audit findings. This report is intended for the information and use of management, others within the District, and the Board of Directors. We would like to thank the District for their time and assistance on this engagement.

  
Ryan Dalmas  
Senior Accountant  
July 8, 2024

## **District Suggested Improvements & Observations For Fiscal Year Ended June 30, 2024**

### **Suggested Improvements:**

Suggestions for improvement are for issues that the auditor considers not to be of an immediate serious nature and/or for issues which the District is able to correct at the time of the audit. Unlike formal audit findings, written District responses are not required for these issues. Our suggestions are outlined below:

#### **1. Statement of Net Position Accounts**

We noted that the fiscal year 2023 Trial Balance provided to us out of Healthland did not agree to the ending statement of net position balances on the audited financial statements. We recommend that the District request/post AJEs from the external auditor if their books do not agree to the audited financials. Furthermore, we recommend that the District implement a “soft close” and “hard close” during their year-end procedures to ensure that final financial statement balances are correct in case of any proposed external audit adjustments.

**Value added:** *Compliance, Efficiency, Risk Reduction*

#### **2. Capital Assets**

We noted that the most recent depreciation schedule on the District shared drive was for fiscal year 2022 and that reliance was placed on the external auditor to provide/calculate depreciation figures. We recommend that the District update their depreciation schedule when there are any capital asset acquisitions or deletions and utilize this schedule to post depreciation.

**Value added:** *Compliance, Risk Reduction*

#### **3. Capital Assets**

We noted that the District’s depreciation schedule contained obsolete items including some that were related to the old hospital. We recommend that the District review its schedule at least annually for accuracy and completeness.

**Value added:** *Compliance, Risk Reduction*

#### **4. Payroll**

We noted that the District does not record a monthly payroll accrual nor a year-end payroll accrual. We recommend that the District accrue payroll expenses at least annually to ensure accurate financial records for management and the Board to utilize.

**Value added:** *Compliance, Risk Reduction*



**5. Long Term Debt**

We noted that the debt schedule was not updated for fiscal year 2024 as principal and interest payments became due. We recommend that the District update supporting schedules for internal analysis, external reporting and auditing.

**Value added:** *Compliance, Risk Reduction*

**6. Tracing Testing**

We tested 25 transactions per our attributes for correct accounting treatment noting that 4 of our samples required correction for amount, 2 samples required an adjusting journal entry for improvements that were originally expensed that should have been capitalized and 3 samples that were coded to the incorrect account. We recommend that the District review its financial accounts as part of their month-end close procedures to ensure accurate account classification and train staff on which accounts to use for various activity.

**Value added:** *Compliance, Efficiency*

**7. Vouching Testing**

We tested 25 transactions per our attributes for correct accounting treatment noting that 2 of our samples required correction for amount, 3 samples required an adjusting journal entry for purchases that were originally expensed that should have been capitalized and 6 samples that were coded to the incorrect account. We recommend that the District review its financial accounts as part of their month-end close procedures to ensure accurate account classification and train staff on which accounts to use for various activity.

**Value added:** *Compliance, Efficiency*

**8. Journal Entry Approvals**

We noted that there is not currently a formal review process for journal entries made in QuickBooks Online. We recommend that management include an electronic approval trail to show that there is proper oversight for journal entries.

**Value added:** *Compliance, Risk Reduction*

**9. External Auditor Firm &/or Partner Rotation**

We noted that the District has engaged Rick Jackson as the Partner on their external audit for the last 6 fiscal years (FY 2018 to FY 2023). We recommend that the District update and monitor their "Audit Firm & Partner Rotation Schedule" spreadsheet (created by us) to remain in compliance with Government Code section 12410.6(b) which does not allow a local agency to have the same audit partner perform audit services for more than 6 consecutive fiscal years. The District has requested a different partner for the FY 2024 external audit from JWT & Associates, LLP.

**Value added:** *Compliance, Cost Reduction, Risk Reduction*

## **Observations:**

Observations are significant details that the auditor notices while in performance of the audit that may be important to the reader. They can be positive in nature; commending the District for taking initiative. They could also be negative in nature; however, if negative, they are not considered to be as significant as suggested improvements and written responses are not required. Our observations are outlined below:

### **1. Source Document Stamp & Approval Signatures**

We tested transactions for appropriate supporting documents and management authorization without exception during our testing procedures.

**Value added:** *Compliance, Risk Reduction*

### **2. Bank Reconciliations**

We recommend that the District have a monthly record (electronic or physical signatures) showing the preparer, reviewer and dates completed of bank reconciliations for District cash accounts pertaining to the prior month. Best business practice for the District would be to have their reconciliations completed and reviewed within a week of month-end to ensure discrepancies are resolved in a timely manner before monthly meetings are held.

**Value added:** *Efficiency, Risk Reduction*

### **3. Policies & Procedures**

We noted there was duplicate documents and/or non-current versions of various District policies. We recommend that the District organize their shared drive to make policies, procedures and desk guides more accessible. Additionally, the District should refer to the California Special District Association's sample policy handbook when needing to update policy.

**Value added:** *Compliance, Risk Reduction*