FINANCE COMMITTEE MEETING MINUTES

TUESDAY, August 27, 2024, 11:00AM
1011 G Street
Reedley, CA 93654

REASONABLE ACCOMMODATIONS FOR ANY INDIVIDUAL WITH A DISABILITY. Pursuant to the Rehabilitation Act of 1973 and the Americans with Disability Act of 1990, any meeting or function of the Sierra Kings Health Care District, may request assistance, by contacting the District, 1011 G. Street, Reedley, CA 93654 – telephone 559.726-2268.

BOARD MEMBERS PRESENT:	**REPRESENTATION**
Bruce Hunter	Zone 1
Pete Perez	Zone 4

BOARD MEMBERS ABSENT:	**REPRESENTATION**

BOARD STAFF PRESENT:	**TITLE**
Chinayera Black Hardaman, MPA	Chief Executive Officer
Merari Gutierrez	Program/ Finance Manager
Brooke Garcia	Executive Assistant
Teresa Jacques via zoom	Chief Finance Officer (Contract)

OTHERS PRESENT:

1.0 **CALL TO ORDER:**
The meeting was called to order at 11:00 a.m. by Bruce Hunter.

2.0 ROLL CALL: Present: Bruce Hunter and Pete Perez.

3.0 CONSENT AGENDA:
3.1 Consideration of the Committee Agenda
3.2 Consideration of the June 2024 Meeting Minutes

ACTION: Motion to approve the Finance Committee Agenda and June Minutes as presented. M/S Hunter/Perez. Motion passed unanimously: Hunter-aye and Perez-aye.

4.0 PUBLIC COMMENT:

None

5.0 ACTION AND DISCUSSION ITEMS

PRESENTATION OF JUNE & JULY FINANCIAL STATEMENTS

BALANCE SHEET – JUNE 2024

- **Cash in bank** – $182,540
  - Decrease of $322,400 over May. Transfers were made to LAIF in the amount of $362,000.
- **LAIF** - $3,604,553
  - Increase of $376,482 reflects the June transfers of $362,000 and interest accruals and quarterly interest true ups in the amount of $14,482.
- **US Bank Investments** - $6,485,586
  - Net increase in market value of $41,328
    - The unrealized gain (change in market value) was $17,714. The current book value for June is $6,488,041. The book value with accrued interest is $6,488,281.
- **Accrued Property Taxes** - $105,621
  - Increase of $166,158 over May reflects the June accrual and fiscal year reconciliation of the District's actual property taxes vs. the FY24 budget.
- **Grants Prepaid -** $7,461
  - Decrease of $10,931, due primarily to the refund of Reedley Trails Murals grant.
- **Accrued Expenses** – Other - $19,283
  - Decrease of $44,479 over May. Several grantees were paid in June.
- Increase in Net Position was $397,456.

Profit and Loss Statement-June 2024. And FY2024

- In June, the net position increased significantly by $397,456, with $259,448 of this gain coming from non-operating activities. The net operating income, excluding depreciation, was $225,633, primarily due to property tax revenues. Expenses for June were $28,623 below budget, largely due to savings in Grant Awards, Professional Fees, and Salaries and Benefits.

Operating and Non-Operating Revenues for FY2024

- Board Member Pete Perez noted an error in the overview: all income under "Operating Revenues" and "Non-Operating Revenues" should be categorized as "under budget" rather than "over budget."
- CFO Teresa Jacques indicated that all audit work has been completed, so she does not anticipate any changes to the June financials. The final audit report is expected to be available by September or early October.

Balance Sheet-July 2024

- **Cash in bank** - $305,504
  - Increase of $122,964 over June. We received the final property tax payment for FY24 in July in the amount of $104,913 and transfers were made to LAIF in the amount of $36,000.
- **LAIF** -$10,148,157
  - Increase of $6,543,964 over June. The investment account was cashed out and transferred to in the amount of $6,470,399 in addition to a regular transfer of $36,000 and interest accruals of $37,964.
- **US Bank Investments** -$1,991
  - Decrease of $6,483,594. By July 8th the investments in Chandler/US Bank were sold as directed and the cash remaining in the investment account was $1,991. The amount transferred to the District for the sale of investments was $6,470,399. We received a final payment of $8,474 in August as the last remaining interest payment was received.
- **Grants Prepaid**
  - Decrease of $10,931, due primarily to the refund of Reedley Trails Murals grant.

- The Reedley Trails Murals grant was refunded because the grantees were unable to complete the murals.

- **Accrued Expenses** – $68,669
  - Increase of $49,386 over June. This is for the accrual of July grant expenses.
- **GO Bond – Taxes at County – $533,503**
  - Decrease of $1,143,329. The decrease is the net of July bond revenue accrual and the semi-annual bond payment. The bond payment was $1,286,825 which included both the annual principal ($835,000) and semi-annual interest payment ($451,825).
- **Accrued Interest** – GO Bonds – ($2,551)
  - Decrease of $379,072. This is the net of the semi-annual interest payment and July interest accrual.
- **GO Bond 2015 Bond Payable** - $17,540,000
  - Decrease of $870,000. The long-term debt of $870,000 was transferred to short-term debt and the $835,000 paid out of short-term debt was replaced with next year's payment. This lowered the long-term portion of the GO Bond debt; the total GO Bond debt is $18,410,000.
- Increase in Net Position was $58,827.

Profit and Loss Statement- July 2024 (FY2025)

Overall, the net position increased by $58,827 in July. Of this, $102,537 came from non-operating activities. The net operating income, excluding depreciation, was $43,916. Expenses for the month were $27,196 under budget, with 79% of the savings attributed to the professional fees category.

6.0 ANNOUNCEMENTS

None

7.0 NEXT MEETING

The next regularly scheduled meeting of the Sierra Kings Health Care District shall be on Tuesday, September 24, 2024.

8.0. ADJOURNMENT:

ACTION: Motion to adjourn the Finance Committee meeting at 11:30am. M/S Perez/Hunter. Motion passed unanimously: Perez-aye, Hunter-aye and Omachi-aye.

Respectfully submitted,

Suzanne Johnson
Board Secretary