

APPENDIX 2

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Discussion and Analysis of Unaudited Financial Statements
For the Period July 1, 2023 through April 30, 2024

The April 30, 2024, financial statements of the California Prison Health Care Receivership Corp (CPR) are presented in compliance with the measurement focus, basis of accounting and financial presentation set forth by the Government Accounting Standards Board (GASB) and include a Statement of Net Assets and General Fund Balance (Balance Sheet) and a Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance (Revenues and Expenses). In lieu of comparing net asset and operating activities to prior period amounts, operating activities are compared to budget.

A review of expenses included on the unaudited statement of activities compared to what was budgeted for the ten months ended April 30, 2024, shows a total difference of \$950,208 or 26.8% variance under budget. One line item or activity account for the majority of the difference. Professional fees were \$760,108 or 28.1% under budget.

No Capital assets have been purchased during the first ten months of the Fiscal year.

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the ten months ended
April 30, 2024

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	\$337,814	\$ -	\$ 337,814
Due From Special Deposit Fund	\$0		\$0
Prepaid items	\$8,940	-	8,940
	346,754	-	346,754
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	-	-	-
Total assets	\$ 346,754	-	\$ 346,754
Liabilities			
Liabilities:			
Accounts payable	377,116	-	377,116
Accrued salaries and benefits	23,630	-	23,630
Other accrued expenses	98,179		98,179
Compensated absences	0	\$68,460	68,460
	-	-	-
Total liabilities	\$ 498,925	\$ 68,460	\$ 567,385
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	8,940	(8,940)	-
Unreserved, undesignated	(161,111)	161,111	-
	-	-	-
Fund Total fund balance	(152,171)	152,171	-
Total liabilities and fund balance	\$ 346,754		
Net Position:			
Unrestricted		(220,634)	(220,634)
		-	-
Total Net Position		\$ (220,634)	\$ (220,634)

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
 Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
 For the ten months ended
 April 30, 2024

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 2,435,000	-	\$ 2,435,000
General revenues:			
Investment earnings	30	-	30
Miscellaneous Income	0	-	-
	2,435,030	-	2,435,030
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	612,159	-	612,159
Legal and professional services	1,949,052	-	1,949,052
Travel	14,075	-	14,075
Insurance	15,765	-	15,765
Other	7,131	-	7,131
Capital outlay - Fixed Assets	-	-	-
	2,598,182	-	2,598,182
Change in fund balance/net position	(163,152)	-	(163,152)
Fund balance/net position - July 1, 2023	10,978	(\$68,460)	(57,482)
Fund balance/net position - April 30, 2024	\$ (152,174)	\$ (68,460)	\$ (220,634)

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the ten months ended
April 30, 2024

	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance between Final Budget and Actual</u>
Revenues:			
State of California appropriation to Receivership	\$3,548,390	\$2,435,000	\$ (1,113,390)
Investment earnings	\$0	\$30	30
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$3,548,390</u>	<u>\$2,435,030</u>	<u>(1,113,360)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	774,730	612,159	162,571
Legal and professional services	2,709,160	1,949,052	760,108
Travel	18,500	14,075	4,425
Office expenses	2,000	1,516	484
Insurance	19,000	15,765	3,235
Other	25,000	\$5,616	19,384
Capital outlay	-	-	-
Total expenditures	<u>3,548,390</u>	<u>2,598,182</u>	<u>950,208</u>
Change in fund balance	<u>\$ -</u>	(163,152)	\$ (163,152)
Fund balance - July 1, 2023		<u>10,978</u>	
Fund balance April 30, 2024		<u>\$ (152,174)</u>	

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the nine months ended
March 31, 2024

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	\$86,974	\$ -	\$ 86,974
Due From Special Deposit Fund	\$0		\$0
Prepaid items	\$10,691	-	10,691
	<u>97,665</u>	<u>-</u>	<u>97,665</u>
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	<u>-</u>	<u>\$0</u>	<u>-</u>
Total assets	<u>\$ 97,665</u>	<u>-</u>	<u>\$ 97,665</u>
Liabilities			
Liabilities:			
Accounts payable	56,796	-	56,796
Accrued salaries and benefits	23,630	-	23,630
Other accrued expenses	293,878		293,878
Compensated absences	0	\$68,460	68,460
	<u>0</u>	<u>\$68,460</u>	<u>68,460</u>
Total liabilities	<u>\$ 374,304</u>	<u>\$ 68,460</u>	<u>\$ 442,764</u>
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	10,691	(10,691)	-
Unreserved, undesignated	(287,330)	287,330	-
	<u>(276,639)</u>	<u>276,639</u>	<u>-</u>
Fund Total fund balance	<u>(276,639)</u>	<u>276,639</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 97,665</u>		
Net Position:			
Unrestricted		(345,100)	(345,100)
Total Net Position		<u>\$ (345,100)</u>	<u>\$ (345,100)</u>

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the nine months ended
March 31, 2024

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 2,085,000	-	\$ 2,085,000
General revenues:			
Investment earnings	30	-	30
Miscellaneous Income	0	-	-
	2,085,030	-	2,085,030
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	539,418	-	539,418
Legal and professional services	1,802,404	-	1,802,404
Travel	10,452	-	10,452
Insurance	14,013	-	14,013
Other	6,361	-	6,361
Capital outlay - Fixed Assets	-	-	-
	2,372,648	-	2,372,648
Change in fund balance/net position	(287,618)	-	(287,618)
Fund balance/net position - July 1, 2023	10,978	(\$68,460)	(57,482)
Fund balance/net position - March 31, 2024	\$ (276,640)	\$ (68,460)	\$ (345,100)

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the nine months ended
March 31, 2024

	Budget	Actual (Budgetary Basis)	Variance between Final Budget and Actual
Revenues:			
State of California appropriation to Receivership	\$3,193,551	\$2,085,000	\$ (1,108,551)
Investment earnings	\$0	\$30	30
Miscellaneous Income	-	\$0	-
Total revenues	\$3,193,551	\$2,085,030	(1,108,521)
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	697,257	539,418	157,839
Legal and professional services	2,438,244	1,802,404	635,840
Travel	16,650	10,452	6,198
Office expenses	1,800	1,409	391
Insurance	17,100	14,013	3,087
Other	22,500	\$4,952	17,548
Capital outlay	-	-	-
Total expenditures	3,193,551	2,372,648	820,903
Change in fund balance	\$ -	(287,618)	\$ (287,618)
Fund balance - July 1, 2023		10,978	
Fund balance March 31, 2024		\$ (276,640)	

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the eight months ended
February 29, 2024

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	(\$291,169)	\$ -	\$ (291,169)
Due From Special Deposit Fund	\$0		\$0
Prepaid items	\$12,443	-	12,443
	(278,726)	-	(278,726)
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	-	\$0	-
Total assets	\$ (278,726)	-	\$ (278,726)
Liabilities			
Liabilities:			
Accounts payable	56,556	-	56,556
Accrued salaries and benefits	23,630	-	23,630
Other accrued expenses	161,323		161,323
Compensated absences	0	\$68,460	68,460
	-	\$68,460	68,460
Total liabilities	\$ 241,509	\$ 68,460	\$ 309,969
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	12,443	(12,443)	-
Unreserved, undesignated	(532,678)	532,678	-
	-	532,678	-
Fund I Total fund balance	(520,235)	520,235	-
Total liabilities and fund balance	\$ (278,726)		
Net Position:			
Unrestricted		(588,697)	(588,697)
Total Net Position		\$ (588,697)	\$ (588,697)

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
 Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
 For the eight months ended
 February 29, 2024

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 1,585,000	-	\$ 1,585,000
General revenues:			
Investment earnings	30	-	30
Miscellaneous Income	0	-	-
Total Revenues	1,585,030	-	1,585,030
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	469,261	-	469,261
Legal and professional services	1,622,677	-	1,622,677
Travel	6,582	-	6,582
Insurance	12,262	-	12,262
Other	5,463	-	5,463
Capital outlay - Fixed Assets	-	-	-
Total Expenditures/Expenses	2,116,245	-	2,116,245
Change in fund balance/net position	(531,215)	-	(531,215)
Fund balance/net position - July 1, 2023	10,978	(\$68,460)	(57,482)
Fund balance/net position - February 29, 2024	\$ (520,237)	\$ (68,460)	\$ (588,697)

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the eight months ended
February 29, 2024

	Budget	Actual (Budgetary Basis)	Variance between Final Budget and Actual
Revenues:			
State of California appropriation to Receivership	\$2,838,712	\$1,585,000	\$ (1,253,712)
Investment earnings	\$0	\$30	30
Miscellaneous Income	-	\$0	-
Total revenues	\$2,838,712	\$1,585,030	(1,253,682)
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	619,784	469,261	150,523
Legal and professional services	2,167,328	1,622,677	544,651
Travel	14,800	6,582	8,218
Office expenses	1,600	1,105	495
Insurance	15,200	12,262	2,938
Other	20,000	\$4,358	15,642
Capital outlay	-	-	-
Total expenditures	2,838,712	2,116,245	722,467
Change in fund balance	\$ -	(531,215)	\$ (531,215)
Fund balance - July 1, 2023		10,978	
Fund balance February 29, 2024		\$ (520,237)	

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the seven months ended
January 31, 2024

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	\$146,705	\$ -	\$ 146,705
Due From Special Deposit Fund	\$0		\$0
Prepaid items	\$14,195	-	14,195
	160,900	-	160,900
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
Total assets	\$ 160,900	-	\$ 160,900
Liabilities			
Liabilities:			
Accounts payable	675,920	-	675,920
Accrued salaries and benefits	23,630	-	23,630
Other accrued expenses	82,528		82,528
Compensated absences	0	\$68,460	68,460
Total liabilities	\$ 782,078	\$ 68,460	\$ 850,538
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	14,195	(14,195)	-
Unreserved, undesignated	(635,373)	635,373	-
Fund 1 Total fund balance	(621,178)	621,178	-
Total liabilities and fund balance	\$ 160,900		
Net Position:			
Unrestricted		(689,640)	(689,640)
Total Net Position		\$ (689,640)	\$ (689,640)

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the seven months ended
January 31, 2024

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 1,285,000	-	\$ 1,285,000
General revenues:			
Investment earnings	30	-	30
Miscellaneous Income	0	-	-
	1,285,030	-	1,285,030
Total Revenues			
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	411,408	-	411,408
Legal and professional services	1,483,923	-	1,483,923
Travel	6,427	-	6,427
Insurance	10,510	-	10,510
Other	4,920	-	4,920
Capital outlay - Fixed Assets	-	-	-
	1,917,188	-	1,917,188
Total Expenditures/Expenses			
Change in fund balance/net position	(632,158)	-	(632,158)
Fund balance/net position - July 1, 2023	10,978	(\$68,460)	(57,482)
Fund balance/net position - January 31, 2024	\$ (621,180)	\$ (68,460)	\$ (689,640)

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the seven months ended
January 31, 2024

	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance between Final Budget and Actual</u>
Revenues:			
State of California appropriation to Receivership	\$2,483,873	\$1,285,000	\$ (1,198,873)
Investment earnings	\$0	\$30	30
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$2,483,873</u>	<u>\$1,285,030</u>	<u>(1,198,843)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	542,311	411,408	130,903
Legal and professional services	1,896,412	1,483,923	412,489
Travel	12,950	6,427	6,523
Office expenses	1,400	973	427
Insurance	13,300	10,510	2,790
Other	17,500	\$3,947	13,553
Capital outlay	-	-	-
Total expenditures	<u>2,483,873</u>	<u>1,917,188</u>	<u>566,685</u>
Change in fund balance	<u>\$ -</u>	(632,158)	\$ (632,158)
Fund balance - July 1, 2023		<u>10,978</u>	
Fund balance January 31, 2024		<u>\$ (621,180)</u>	