APPENDIX 2

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION Discussion and Analysis of Unaudited Financial Statements For the Period July 1, 2019 through June 30, 2020

The June 30, 2020 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 twelve months ended June 30, 2020 shows a total difference of \$905,509 or 26.0% variance under budget. Legal and Professional fees account for the majority of the difference. Under budget by \$923,122 or 33.7%.

No Capital assets have been purchased during the Fiscal year.

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION

Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance For the tweleve months ended June 30, 2020

140 - 50	General Fund	Ad	Adjustments		atement of let Assets
Assets					
Current assets: Cash	(mail) 5	****		\$	(210 220)
	(\$218,7		**	9	(218,730)
Due From Special Deposit Fund	\$625.0				2.053
Prepaid items	\$2,9		<u>)+)</u>	9	2,953
30	409.2	223	300		(215,777)
Noncurrent assets:					
Deposits with others		0	# . # .		-
Capital assets, net			\$0		
Total assets	\$ 409.2	223	1 4 7/		(215,777)
Liabilities					
Liabilities:					
Accounts payable	288,2	284	15		288.284
Accrued salaries and benefits	32,6	671	(*)		32.671
Other accrued expenses	18.8	871			18.871
Compensated absences	-		\$55,342	1	55,342
Total liabilities	\$ 339,8	826	55.342	_\$	395,168
Fund Balance/Net Position					
Fand balance:					
Reserved for prepaid items and deposits with others		953	(2,953)		*
Unreserved, undesignated -	66.4	444	(66,444)		
Total fund balance	69.3	397	(69.397)	_	
Total liabilities and fund balance	\$ 409.3	223			
Net Position:					
Unrestricted			8,543		0 = 45
OTHERNIQUE			0,343	-	8,543
Total Net Position		\$	8.543	\$	8,543

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION

Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance

For the twelve months ended

June 30, 2020

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues.			
Operating grants and contributions			
State of California appropriation to Receivership	\$ 2,600,000	.5	\$ 2,600,000
General revenues:			
Investment earnings	7		7
Miscellaneous (noome	0		
Total Revenues	2,600,007		2,600,007
Expenditures/Expenses:			
Prison health care administration and oversight			
Current			
Salaries and benefits	722,466		722,466
Logal and professional services	1.818,110	-	1,818 110
Travel	4,465	-	4,465
Insurance	18,064		18 064
Other	8,914		8,914
Depreciation	0	0	
Capital outlay - Fixed Assets			- 2
Total Expenditures/Expenses	2,572.019	:	2 572,019
Change in fund balance/net position	27,988	*	27,988
Fund balance/net position - July 1, 2019	35,897	(\$55,342)	(19,445)
Fund balance/net position - June 30, 2020	\$ 63,885	S (55,342)	\$ 8,543

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION

Statement of Activities and General Fund Revenues. Expenditures and Changes in Fund Balance
For the twelve months ended
June 30, 2020.

	Final Budget	Actual (Budgetary Basis)	Fina	nce between Budget and Actual
Revenues:				
State of California appropriation to Receivership	\$3,477,528	\$2,600,000	\$	(877 528)
Investment earnings	\$0	\$7		7
Miscellaneous Income		\$0		- 1
Total revenues	\$3,477,528	S2,600,007	-	(877.521)
Expenditures;				
Prison health care administration and oversight:				
Current:				
Salaries and benefits	675,696	722,466		(46,769)
Legal and professional services	2 741,232	1818,110		923 122
Travel	18,000	4,465		13,535
Office expenses	5,100	2,105		2,995
Telephone and network		3		
Insurance	20,400	18.064		2,336
Other	17 100	\$6 809		10,291
Capital outlay	-			-
Total expenditures	3,477.528	2 572,019		905,509
Change in fund balance	3	27,988	\$	27 988
Fund balance - July 1, 2019		35.897		
Sura suranes surj. 1.2017		50.371		
Fund balance June 30, 2020		\$ 63,885		

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION

Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance For the eleven months ended May 31, 2020

A 8		ieneral Fund			Statement of Net Assets	
Assets						
Current assets: Cash		1071 //123	ď		\$	(61,023)
		(\$61.023)	\$	-	D	(01,023)
Due From Special Deposit Fund		\$0				(1.017)
Prepaid items		(\$1.812)	-			(1,812)
		(62,835)		-		(62.835)
Noncurrent assets:		6				
Deposits with others		0		- m		7.
Capital assets, net	_			\$0		-
Total assets	S	(62.835)		<u>.</u>	_\$	(62,835)
Liabilities						
Liabilities:						
Accounts payable		241,067				241.067
Accrued salaries and benefits		24,496				24,496
Other accrued expenses		109.173				109,173
Compensated absences	_	0_	à	\$49,833		49,833
Total liabilities	\$	374.736	\$	49,833	\$	424,569
Fund Balance/Net Position						
Fund balance:						
Reserved for prepaid items and deposits with others		(1.812)		1,812		
Unreserved, undesignated	-	(435,759)		435,759		
Total fund balance	-	(437,571)	8	437,571		
Total liabilities and fund balance	\$	(62.835)				
Net Position:						
Unrestricted			72-30	(487,408)	-	(487.408)
Tutal Net Position			\$	(487,408)	\$	(487,408)

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION

Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Salance
For the eleven months ended

May 31, 2020

	General Fund	Adjustments	Statement of Activities	
Revenues				
Program revenues:				
Operating grants and contributions:				
State of California appropriation to Receivership	\$ 1.725,000	**	\$ 1,725,000	
General revenues:				
Investment earnings	7	+	7	
Miscellaneous Income	0		-	
Total Revenues	1.725 007	÷.	1,725 (X)7	
Expenditures/Expenses:				
Prison health care administration and oversight:				
Current:				
Salaries and benefits	654,409	424	654,409	
Legal and professional services	1,517,019	3.0	1,517,019	
Travel	4,465		4,465	
Insurance	14,759	13411	14,759	
Other	7,827	8.28	7,827	
Depreciation	O	0	20	
Capital outlay - Fixed Assets		(*)		
Total Expenditures/Expenses	2,198.479	<u> </u>	2.198,479	
Change in fund balance/net position	(473.472)	929	(473,472)	
Fund balance/net position - July 1 2019	35.897	(\$49,833)	(13,936)	
Fund balance/net position - May 31 2020	\$ (437.575)	\$ (49,833)	\$ (487,408)	

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION

Statement of Activities and General Fund Revenues. Expenditures and Changes in Fund Balance For the eleven months ended May 31, 2020

	Final Budget	Actual (Budgetary Basis)		ance between al Budget and Actual
Revenues:				
State of California appropriation to Receivership	\$3,187,734	\$1,725,000	S	(1.462,734)
Investment carnings	\$ 0	S7		7
Miscellaneous Income				-
Total revenues	\$3,187,734	\$1,725,007	-	(1 462,727)
Expenditures:				
Prison health care administration and oversight:				
Current				
Salaries and bonofits	619,388	654,409		(35,021)
Legal and professional services	2,512,796	1,517,019		995 777
Travel	16,500	4,465		12,035
Office expenses	4,675	1,790		2,885
Telephone and network	251			-
Insurance	18,700	14.759		3,941
Other	15,675	\$6,038		9,637
Capital outlay	- 25	-		
Total expenditures	3,187,734	2,198,479	*****	989,255
Change in fund balance	\$ -	(473,472)	\$	(473,472)
Fund balance July 1, 2019		35,897		
Tuna balance Suly 1, 2017		33,897		
Lund balance May 31, 2020		S (437 575)		

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION Discussion and Analysis of Unaudited Financial Statements For the Period July 1, 2020 through August 31, 2020

The August 31, 2020 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 two months ended August 31, 2020 shows a total difference of \$181,027 or 38.4% variance under budget. One line item or activity in the statement account for the majority of the difference, Professional fees were \$178,750 or 58.9% under budget.

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

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues. Expenditures and Changes in Fund Satance
For the two months ended
August 31, 2020

	Draft Budget	Actual (Budgetary Basis)		ance between I Budget and Actual
Revenues:				
State of California appropriation to Receivership	\$470,942	\$250,000	\$	(220,947)
Investment earnings	\$0	\$0		-
Miscellaneous Income	340	\$0	R	381
Total revenues	\$470,942	\$250,000		(220,942)
Expenditures;				
Prison health care administration and oversight:				
Current:				
Salaries and benefits	157.144	162,044		(4,900)
Legal and professional services	303 348	124 598		178,750
Travel	3 000	276		2,724
Office expenses	750	423		327
Telephone and network	527	12		2
Insurance	3,600	1,476		2 124
Other	3,100	\$1,098		2,002
Capital outlay		- 2 [±]		<u>*</u> .
Total expenditures	470,942	289,915		181,027
Change in fund balance	<u>S</u>	(39,915)	\$	(39,915)
Fund balance - July 1 2020		63,885		
Fund balance August 31, 2020		\$ 23,970		

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION

Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the two months ended
August 31, 2020

x 2	General Fund		Adjustments		Statement of Net Assets	
Assets						
Current assets:		101010101111111111111	20		223	1010012110211010
Cash		(\$197,542)	\$	-	\$	(197,542)
Due From Special Deposit Fund		\$325,000				
Propaid items	8	\$16,750		- _	: 	16,750
Noncurrent assets:		144,208				(180,792)
Deposits with others						
Capital assets, not		0				
Capital assets, no	(i)	<u>R</u>	9	50_	Ī	
Total assets	\$	144,208	·	<u>=</u>		(180,792)
Liabilities						
Liabilities:						
Accounts payable		0		2		22
Accrued salaries and benefits		32.671		27		32,671
Other accrued expenses		82.054				82.054
Compensated absences	(0		555,342	=	55,342
Total liabilities	_\$	114,725	S	55,342	\$	170,067
Fund Balance/Net Position						
Fund balance:						
Reserved for prepaid items and deposits with others		16.750		(16.750)		-
Unreserved, undesignated		12,733	-	(12.733)	9	
Total fund balance		29,483	-	(29,483)	¥4	25.
Total liabilities and fund balance		144,208				
Net Position:						
Unrestricted				(31,372)		(31,372)
			926		-	
Total Net Position			\$	(31,372)	S	(31.372)

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the two months ended
August 31, 2020

General Fund		Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions			
State of California appropriation to Receivership	\$ 250,000	(*)	\$ 250,000
General revenues:			
Investment earnings	0	(8)	2
Miscellaneous Income		1 12	***************************************
Total Revenues	250,000	S	250,000
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	162,044	12	162,044
Legal and professional services	124,598	*	124,598
Travel	276	8.	276
Insurance	1,476	2	1,476
Other	1.521	Z**	1,521
Depreciation	0	0	~
Capital outlay - Pixed Assets		*	200
Total Expenditures/Expenses	289,915		289,915
Change in fund balance/net position	(39,915)	7	(39,915)
Fund balance/net position July 1, 2020	63,885	(\$55,342)	8 543
Fund balance/net position August 31, 2020	\$ 23,970	\$ (55,342)	\$ (31,372)

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION

Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the one month ended
July 31 2020

	Draft Budget	Actual (Budgetary Basis)	Final	nce between Budget and Actual
Revenues:				
State of California appropriation to Receivership	\$235,471	\$250,000	S	14,529
Investment earnings	\$0	\$0		91
Miscellaneous Income	(6)	\$0	5	**
Total revenues	<u>S235,471</u>	S250,000	-	14 529
Expenditures:				
Prison health care administration and oversight:				
Current:				
Salaries and benefits	78,572	70,419		8,153
Legal and professional services	151,674	69,598		82,076
Travel	1,500			1,500
Office expenses	375	26		349
Telephone and network	¥	*		2
Insurance	1,800	*		1,800
Other	1,550	\$435		1,115
Capital outlay	3 <u> </u>	<u> </u>	3	<u> </u>
Total expenditures	235,471	140,478	3(94,993
Change in fund balance	<u>s</u> -	109 522	S	109,522
Found followed by J. 2020		عقد بازر		
Fund balance - July 1 2020		63,885		
Fund hatance July 31, 2020		\$ 173.407		

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION

Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the one month ended
July 31, 2020

400000	General Fund		Adj	Adjustments		et Assets
Assets						
Current assets:		(\$25.884)	\$	3201	S	(25,884)
Cash		\$325.000	-D		ુ	(25,004)
Duc From Special Deposit Fund		\$752		20E		752
Propaid items	*	299,868			45	(25,132)
(IX) V N NA 00		299,000		8.E		(25,152)
Noncurrent assets:		0		45		1920
Deposits with others		V.		\$0		320
Capital assets, net			-	20		
Total assets	\$	299.868	2004	3.2	<u>s</u>	(25,132)
Liabilities						
Liabilities:						
Accounts payable		50,166		1 2		50,166
Accrued salaries and benefits		32,671		12		32.671
Other accrued expenses		38,111				38,111
Compensated absences	8	0	17-	\$55,342	<u> </u>	55,342
Total liabilities	_\$	120,948	\$	55,342_	\$	176,290
Fund Balance/Net Position						
Fund balance:						
Reserved for prepaid items and deposits with others		752		(752)		3
Unreserved, undesignated	9 <u></u>	178,168	-	(178,168)	·	8_
Total fund balance	91	178.920	35	(178,920)	:	
Total liabilities and fund balance	\$	299.868				
Net Position:						
Unrestricted				118,065		118,065
			•	118,065	-	118,065
Total Net Position			\$	110,003	<u></u>	110,003

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CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expénditures and Changes in Fund Balance
For the one month ended
July 31 2020

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 250,000	5	\$ 250,000
General revenues:			
Investment carnings	Ð		
Miscellaneous lucome	0		
Total Revenues	250,000	<u> </u>	250,000
Expenditures/Expenses:			
Prison health cure administration and oversight:			
Current:			
Salaries and benefits	70 419		70,419
Legal and professional services	69.598	-	69,598
Travel	0		390
Insurance	O	(4)	
Other	461	-	461
Depreciation	0	0	-
Capital outlay - Fixed Assets	=-	-	
Total Expenditures/Expenses	140,478		140,478
Change in fund balance/net position	109.522	-	109,522
Fund balance/net position July 1,2020	63,885	(\$55,342)	5,543
Fund balance/net position July 31, 2020	\$ 173,407	\$ (55,342)	\$ 118,065