

APPENDIX 2

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

The December 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 six months ended December 31, 2020 shows a total difference of \$278,865 or 18.3% variance over budget. One line item or activity in the statement account for the difference. Professional fees were \$287,829 or 31.6% over budget.

No Capital assets have been purchased during the first six 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 six months ended
December 31, 2020

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	(\$6,007)	\$ -	\$ (6,007)
Due From Special Deposit Fund	\$650,000		
Prepaid items	\$8,374	-	8,374
	<u>652,367</u>	<u>-</u>	<u>2,367</u>
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 652,367</u>	<u>-</u>	<u>\$ 2,367</u>
Liabilities			
Liabilities:			
Accounts payable	174,638	-	174,638
Accrued salaries and benefits	32,671	-	32,671
Other accrued expenses	375,410		375,410
Compensated absences	0	\$55,342	55,342
	<u>-</u>	<u>55,342</u>	<u>55,342</u>
Total liabilities	<u>\$ 582,719</u>	<u>\$ 55,342</u>	<u>\$ 638,061</u>
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	8,374	(8,374)	-
Unreserved, undesignated	- 61,274	(61,274)	-
	<u>69,648</u>	<u>(69,648)</u>	<u>-</u>
Total fund balance	<u>69,648</u>	<u>(69,648)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 652,367</u>		
Net Position:			
Unrestricted		14,304	14,304
Total Net Position		<u>\$ 14,304</u>	<u>\$ 14,304</u>

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

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 1,800,000	-	\$ 1,800,000
General revenues:			
Investment earnings	0	-	-
Miscellaneous Income	0	-	-
Total Revenues	1,800,000	-	1,800,000
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	587,028	-	587,028
Legal and professional services	1,198,273	-	1,198,273
Travel	1,406	-	1,406
Insurance	9,052	-	9,052
Other	3,993	-	3,993
Capital outlay - Fixed Assets	-	-	-
Total Expenditures/Expenses	1,799,753	-	1,799,753
Change in fund balance/net position	247	-	247
Fund balance/net position - July 1, 2020	69,399	(\$55,342)	14,057
Fund balance/net position - December 31, 2020	\$ 69,646	\$ (55,342)	\$ 14,304

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

	<u>Draft Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance between Final Budget and Actual</u>
Revenues:			
State of California appropriation to Receivership	\$1,520,888	\$1,800,000	\$ 279,112
Investment earnings	\$0	\$0	-
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$1,520,888</u>	<u>\$1,800,000</u>	<u>279,112</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	580,194	587,028	(6,834)
Legal and professional services	910,444	1,198,273	(287,829)
Travel	9,000	1,406	7,594
Office expenses	1,550	1,267	283
Telephone and network	-	-	-
Insurance	10,800	9,052	1,748
Other	8,900	\$2,727	6,173
Capital outlay	-	-	-
Total expenditures	<u>1,520,888</u>	<u>1,799,753</u>	<u>(278,865)</u>
Change in fund balance	<u>\$ -</u>	247	\$ 247

Fund balance - July 1, 2020	<u>69,399</u>
Fund balance December 31, 2020	<u>\$ 69,646</u>

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the five months ended
November 30, 2020

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	(\$296,263)	\$ -	\$ (296,263)
Due From Special Deposit Fund	\$0		
Prepaid items	\$10,099	-	10,099
	(286,164)	-	(286,164)
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
Total assets	<u>\$ (286,164)</u>	<u>-</u>	<u>\$ (286,164)</u>
Liabilities			
Liabilities:			
Accounts payable	117,676	-	117,676
Accrued salaries and benefits	32,671	-	32,671
Other accrued expenses	88,022		88,022
Compensated absences	0	\$55,342	55,342
Total liabilities	<u>\$ 238,369</u>	<u>\$ 55,342</u>	<u>\$ 293,711</u>
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	10,099	(10,099)	-
Unreserved, undesignated	- (534,632)	534,632	-
Total fund balance	<u>(524,533)</u>	<u>524,533</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ (286,164)</u>		
Net Position:			
Unrestricted		(579,876)	(579,876)
Total Net Position		<u>\$ (579,876)</u>	<u>\$ (579,876)</u>

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the five months ended
November 30, 2020

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 750,000	-	\$ 750,000
General revenues:			
Investment earnings	0	-	-
Miscellaneous Income	0	-	-
	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Total Revenues	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	472,778	-	472,778
Legal and professional services	858,935	-	858,935
Travel	1,406	-	1,406
Insurance	7,527	-	7,527
Other	3,287	-	3,287
	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay - Fixed Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures/Expenses	<u>1,343,933</u>	<u>-</u>	<u>1,343,933</u>
Change in fund balance/net position	(593,933)	-	(593,933)
Fund balance/net position - July 1, 2020	<u>69,399</u>	<u>(\$55,342)</u>	<u>14,057</u>
Fund balance/net position - November 30, 2020	<u>\$ (524,534)</u>	<u>\$ (55,342)</u>	<u>\$ (579,876)</u>

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the five months ended
November 30, 2020

	<u>Draft Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance between Final Budget and Actual</u>
Revenues:			
State of California appropriation to Receivership	\$1,251,498	\$750,000	\$ (501,498)
Investment earnings	\$0	\$0	-
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$1,251,498</u>	<u>\$750,000</u>	<u>(501,498)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	467,528	472,778	(5,250)
Legal and professional services	758,670	858,935	(100,265)
Travel	7,500	1,406	6,094
Office expenses	1,350	1,006	344
Telephone and network	-	-	-
Insurance	9,000	7,527	1,473
Other	7,450	\$2,281	5,169
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,251,498</u>	<u>1,343,933</u>	<u>(92,435)</u>
Change in fund balance	<u>\$ -</u>	<u>(593,933)</u>	<u>\$ (593,933)</u>

Fund balance - July 1, 2020	<u>69,399</u>
Fund balance November 30, 2020	<u>\$ (524,534)</u>

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

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	\$355,212	\$ -	\$ 355,212
Due From Special Deposit Fund	\$0		
Prepaid items	\$11,824	-	11,824
	<u>367,036</u>	<u>-</u>	<u>367,036</u>
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 367,036</u>	<u>-</u>	<u>\$ 367,036</u>
Liabilities			
Liabilities:			
Accounts payable	538,261	-	538,261
Accrued salaries and benefits	32,671	-	32,671
Other accrued expenses	51,729		51,729
Compensated absences	0	\$55,342	55,342
	<u>622,661</u>	<u>55,342</u>	<u>678,003</u>
Total liabilities	<u>\$ 622,661</u>	<u>\$ 55,342</u>	<u>\$ 678,003</u>
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	11,824	(11,824)	-
Unreserved, undesignated	(267,449)	267,449	-
	<u>(255,625)</u>	<u>255,625</u>	<u>-</u>
Total fund balance	<u>(255,625)</u>	<u>255,625</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 367,036</u>		
Net Position:			
Unrestricted		(310,969)	(310,969)
Total Net Position		<u>\$ (310,969)</u>	<u>\$ (310,969)</u>

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

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 750,000	-	\$ 750,000
General revenues:			
Investment earnings	0	-	-
Miscellaneous Income	0	-	-
Total Revenues	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	361,986	-	361,986
Legal and professional services	703,829	-	703,829
Travel	421	-	421
Insurance	6,002	-	6,002
Other	2,787	-	2,787
Capital outlay - Fixed Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures/Expenses	<u>1,075,026</u>	<u>-</u>	<u>1,075,026</u>
Change in fund balance/net position	(325,026)	-	(325,026)
Fund balance/net position - July 1, 2020	<u>69,399</u>	<u>(\$55,342)</u>	<u>14,057</u>
Fund balance/net position - October 31, 2020	<u>\$ (255,627)</u>	<u>\$ (55,342)</u>	<u>\$ (310,969)</u>

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

	<u>Draft Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance between Final Budget and Actual</u>
Revenues:			
State of California appropriation to Receivership	\$982,108	\$750,000	\$ (232,108)
Investment earnings	\$0	\$0	-
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$982,108</u>	<u>\$750,000</u>	<u>(232,108)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	354,862	361,986	(7,124)
Legal and professional services	606,896	703,829	(96,933)
Travel	6,000	421	5,579
Office expenses	1,150	966	184
Telephone and network	-	-	-
Insurance	7,200	6,002	1,198
Other	6,000	\$1,821	4,179
Capital outlay	-	-	-
Total expenditures	<u>982,108</u>	<u>1,075,026</u>	<u>(92,918)</u>
Change in fund balance	<u>\$ -</u>	<u>(325,026)</u>	<u>\$ (325,026)</u>
Fund balance - July 1, 2020		<u>69,399</u>	
Fund balance October 31, 2020		<u>\$ (255,627)</u>	

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the three months ended
September 30, 2020

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	\$254,912	\$ -	\$ 254,912
Due From Special Deposit Fund	\$0		
Prepaid items	\$13,549	-	13,549
	<u>268,461</u>	<u>-</u>	<u>268,461</u>
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 268,461</u>	<u>-</u>	<u>\$ 268,461</u>
Liabilities			
Liabilities:			
Accounts payable	50,818	-	50,818
Accrued salaries and benefits	32,671	-	32,671
Other accrued expenses	455,921		455,921
Compensated absences	0	\$55,342	55,342
	<u>539,410</u>	<u>55,342</u>	<u>594,752</u>
Total liabilities	<u>\$ 539,410</u>	<u>\$ 55,342</u>	<u>\$ 594,752</u>
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	13,549	(13,549)	-
Unreserved, undesignated	(284,498)	284,498	-
	<u>(270,949)</u>	<u>270,949</u>	<u>-</u>
Total fund balance	<u>(270,949)</u>	<u>270,949</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 268,461</u>		
Net Position:			
Unrestricted		(326,292)	(326,292)
Total Net Position		<u>\$ (326,292)</u>	<u>\$ (326,292)</u>

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the three months ended
September 30, 2020

	<u>Draft Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance between Final Budget and Actual</u>
Revenues:			
State of California appropriation to Receivership	\$712,718	\$500,000	\$ (212,718)
Investment earnings	\$0	\$0	-
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$712,718</u>	<u>\$500,000</u>	<u>(212,718)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	242,196	247,998	(5,802)
Legal and professional services	455,122	585,533	(130,411)
Travel	4,500	276	4,224
Office expenses	950	734	216
Telephone and network	-	-	-
Insurance	5,400	4,477	923
Other	4,550	\$1,331	3,219
Capital outlay	-	-	-
Total expenditures	<u>712,718</u>	<u>840,349</u>	<u>(127,631)</u>
Change in fund balance	<u>\$ -</u>	<u>(340,349)</u>	<u>\$ (340,349)</u>

Fund balance July 1, 2020	<u>69,399</u>
Fund balance September 30, 2020	<u>\$ (270,950)</u>

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the three months ended
September 30, 2020

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 500,000	-	\$ 500,000
General revenues:			
Investment earnings	0	-	-
Miscellaneous Income	0	-	-
	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total Revenues			
	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	247,998	-	247,998
Legal and professional services	585,533	-	585,533
Travel	276	-	276
Insurance	4,477	-	4,477
Other	2,065	-	2,065
	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay - Fixed Assets			
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures/Expenses			
	<u>840,349</u>	<u>-</u>	<u>840,349</u>
Change in fund balance/net position	(340,349)	-	(340,349)
Fund balance/net position - July 1, 2020	69,399	(\$55,342)	14,057
Fund balance/net position - September 30, 2020	<u>\$ (270,950)</u>	<u>\$ (55,342)</u>	<u>\$ (326,292)</u>