

APPENDIX 2

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Discussion and Analysis of Unaudited Financial Statements
For the Period July 1, 2020 through April 30, 2021

The April 30, 2021 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, 2021 shows a total difference of \$520,870 or 14.2% variance under budget. One line item or activity in the statement account for the difference. Professional fees were \$562,824 or 21.7% under 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 ten months ended
April 30, 2021

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	(\$68,612)	\$ -	\$ (68,612)
Due From Special Deposit Fund	\$350,000		\$350,000
Prepaid items	\$1,474	-	1,474
	<u>282,862</u>	<u>-</u>	<u>282,862</u>
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 282,862</u>	<u>-</u>	<u>\$ 282,862</u>
Liabilities			
Liabilities:			
Accounts payable	54,900	-	54,900
Accrued salaries and benefits	32,671	-	32,671
Other accrued expenses	89,359		89,359
Compensated absences	0	\$100,671	100,671
	<u>-</u>	<u>\$100,671</u>	<u>100,671</u>
Total liabilities	<u>\$ 176,930</u>	<u>\$ 100,671</u>	<u>\$ 277,601</u>
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	1,474	(1,474)	-
Unreserved, undesignated	104,458	(104,458)	-
	<u>105,932</u>	<u>(105,932)</u>	<u>-</u>
Total fund balance	<u>105,932</u>	<u>(105,932)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 282,862</u>		
Net Position:			
Unrestricted		5,260	5,260
Total Net Position		<u>\$ 5,260</u>	<u>\$ 5,260</u>

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, 2021

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 3,150,000	-	\$ 3,150,000
General revenues:			
Investment earnings	0	-	-
Miscellaneous Income	0	-	-
	<u>3,150,000</u>	<u>-</u>	<u>3,150,000</u>
Total Revenues			
	<u>3,150,000</u>	<u>-</u>	<u>3,150,000</u>
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	1,049,501	45,329	1,094,830
Legal and professional services	2,035,556	-	2,035,556
Travel	5,555	-	5,555
Insurance	15,152	-	15,152
Other	7,703	-	7,703
Capital outlay - Fixed Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures/Expenses	<u>3,113,468</u>	<u>45,329</u>	<u>3,158,797</u>
Change in fund balance/net position	36,532	-	36,532
Fund balance/net position - July 1, 2020	<u>69,399</u>	<u>(\$100,671)</u>	<u>(31,272)</u>
Fund balance/net position - April 30, 2021	<u>\$ 105,931</u>	<u>\$ (100,671)</u>	<u>\$ 5,260</u>

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, 2021

	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance between Final Budget and Actual</u>
Revenues:			
State of California appropriation to Receivership	\$3,679,667	\$3,150,000	\$ (529,667)
Investment earnings	\$0	\$0	-
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$3,679,667</u>	<u>\$3,150,000</u>	<u>(529,667)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	1,030,862	1,094,830	(63,968)
Legal and professional services	2,598,380	2,035,556	562,824
Travel	15,000	5,555	9,445
Office expenses	2,725	1,765	960
Telephone and network	-	-	-
Insurance	18,000	15,152	2,848
Other	14,700	\$5,938	8,762
Capital outlay	-	-	-
Total expenditures	<u>3,679,667</u>	<u>3,158,797</u>	<u>520,870</u>
Change in fund balance	<u>\$ -</u>	(8,797)	\$ (8,797)

Fund balance - July 1, 2020	<u>69,399</u>
Fund balance April 30, 2021	<u>\$ 60,602</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, 2021

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	\$81,439	\$ -	\$ 81,439
Due From Special Deposit Fund	\$0		
Prepaid items	\$3,199	-	3,199
	<u>84,638</u>	<u>-</u>	<u>84,638</u>
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 84,638</u>	<u>-</u>	<u>\$ 84,638</u>
Liabilities			
Liabilities:			
Accounts payable	154,252	-	154,252
Accrued salaries and benefits	32,671	-	32,671
Other accrued expenses	56,497		56,497
Compensated absences	0	\$55,342	55,342
	<u>243,420</u>	<u>55,342</u>	<u>298,762</u>
Total liabilities	<u>\$ 243,420</u>	<u>\$ 55,342</u>	<u>\$ 298,762</u>
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	3,199	(3,199)	-
Unreserved, undesignated	(161,981)	161,981	-
	<u>(158,782)</u>	<u>158,782</u>	<u>-</u>
Total fund balance	<u>(158,782)</u>	<u>158,782</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 84,638</u>		
Net Position:			
Unrestricted		(214,125)	(214,125)
Total Net Position		<u>\$ (214,125)</u>	<u>\$ (214,125)</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, 2021

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 2,500,000	-	\$ 2,500,000
General revenues:			
Investment earnings	0	-	-
Miscellaneous Income	0	-	-
	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	934,325	-	934,325
Legal and professional services	1,768,836	-	1,768,836
Travel	4,203	-	4,203
Insurance	13,627	-	13,627
Other	7,191	-	7,191
Capital outlay - Fixed Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures/Expenses	<u>2,728,182</u>	<u>-</u>	<u>2,728,182</u>
Change in fund balance/net position	(228,182)	-	(228,182)
Fund balance/net position - July 1, 2020	<u>69,399</u>	<u>(\$55,342)</u>	<u>14,057</u>
Fund balance/net position - March 31, 2021	<u>\$ (158,783)</u>	<u>\$ (55,342)</u>	<u>\$ (214,125)</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, 2021

	Budget	Actual (Budgetary Basis)	Variance between Final Budget and Actual
Revenues:			
State of California appropriation to Receivership	\$3,139,841	\$2,500,000	\$ (639,841)
Investment earnings	\$0	\$0	-
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$3,139,841</u>	<u>\$2,500,000</u>	<u>(639,841)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	918,195	934,325	(16,130)
Legal and professional services	2,176,396	1,768,836	407,560
Travel	13,500	4,203	9,297
Office expenses	2,300	1,722	578
Telephone and network	-	-	-
Insurance	16,200	13,627	2,573
Other	13,250	\$5,469	7,781
Capital outlay	-	-	-
Total expenditures	<u>3,139,841</u>	<u>2,728,182</u>	<u>411,659</u>
Change in fund balance	<u>\$ -</u>	<u>(228,182)</u>	<u>\$ (228,182)</u>

Fund balance - July 1, 2020	<u>69,399</u>
Fund balance March 31, 2021	<u>\$ (158,783)</u>

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the eight months ended
February 28, 2021

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	\$135,156	\$ -	\$ 135,156
Due From Special Deposit Fund	\$0		
Prepaid items	\$4,924	-	4,924
	<u>140,080</u>	<u>-</u>	<u>140,080</u>
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 140,080</u>	<u>-</u>	<u>\$ 140,080</u>
Liabilities			
Liabilities:			
Accounts payable	240,734	-	240,734
Accrued salaries and benefits	32,671	-	32,671
Other accrued expenses	74,256		74,256
Compensated absences	0	\$55,342	55,342
	<u>-</u>	<u>\$55,342</u>	<u>55,342</u>
Total liabilities	<u>\$ 347,661</u>	<u>\$ 55,342</u>	<u>\$ 403,003</u>
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	4,924	(4,924)	-
Unreserved, undesignated	(212,505)	212,505	-
	<u>(207,581)</u>	<u>207,581</u>	<u>-</u>
Total fund balance	<u>(207,581)</u>	<u>207,581</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 140,080</u>		
Net Position:			
Unrestricted		(262,923)	(262,923)
Total Net Position		<u>\$ (262,923)</u>	<u>\$ (262,923)</u>

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the eight months ended
February 28, 2021

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 2,200,000	-	\$ 2,200,000
General revenues:			
Investment earnings	0	-	-
Miscellaneous Income	0	-	-
Total Revenues	<u>2,200,000</u>	<u>-</u>	<u>2,200,000</u>
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	818,822	-	818,822
Legal and professional services	1,637,039	-	1,637,039
Travel	2,599	-	2,599
Insurance	12,102	-	12,102
Other	6,418	-	6,418
Capital outlay - Fixed Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures/Expenses	<u>2,476,980</u>	<u>-</u>	<u>2,476,980</u>
Change in fund balance/net position	(276,980)	-	(276,980)
Fund balance/net position - July 1, 2020	<u>69,399</u>	<u>(\$55,342)</u>	<u>14,057</u>
Fund balance/net position - February 28, 2021	<u><u>\$ (207,581)</u></u>	<u><u>\$ (55,342)</u></u>	<u><u>\$ (262,923)</u></u>

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Statement of Activities and General Fund Revenues, Expenditures and Changes in Fund Balance
For the eight months ended
February 28, 2021

	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance between Final Budget and Actual</u>
Revenues:			
State of California appropriation to Receivership	\$2,600,240	\$2,200,000	\$ (400,240)
Investment earnings	\$0	\$0	-
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$2,600,240</u>	<u>\$2,200,000</u>	<u>(400,240)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	805,528	818,822	(13,294)
Legal and professional services	1,754,412	1,637,039	117,373
Travel	12,000	2,599	9,401
Office expenses	2,100	1,433	667
Telephone and network	-	-	-
Insurance	14,400	12,102	2,298
Other	11,800	\$4,985	6,815
Capital outlay	-	-	-
Total expenditures	<u>2,600,240</u>	<u>2,476,980</u>	<u>123,260</u>
Change in fund balance	<u>\$ -</u>	<u>(276,980)</u>	<u>\$ (276,980)</u>

Fund balance - July 1, 2020	<u>69,399</u>
Fund balance February 28, 2021	<u>\$ (207,581)</u>

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, 2021

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	\$453,659	\$ -	\$ 453,659
Due From Special Deposit Fund	\$0		
Prepaid items	\$6,649	-	6,649
	<u>460,308</u>	<u>-</u>	<u>460,308</u>
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 460,308</u>	<u>-</u>	<u>\$ 460,308</u>
Liabilities			
Liabilities:			
Accounts payable	554,662	-	554,662
Accrued salaries and benefits	32,671	-	32,671
Other accrued expenses	107,722		107,722
Compensated absences	0	\$55,342	55,342
	<u>-</u>	<u>\$55,342</u>	<u>55,342</u>
Total liabilities	<u>\$ 695,055</u>	<u>\$ 55,342</u>	<u>\$ 750,397</u>
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	6,649	(6,649)	-
Unreserved, undesignated	(241,396)	241,396	-
	<u>(234,747)</u>	<u>234,747</u>	<u>-</u>
Total fund balance	<u>(234,747)</u>	<u>234,747</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 460,308</u>		
Net Position:			
Unrestricted		(290,089)	(290,089)
Total Net Position		<u>\$ (290,089)</u>	<u>\$ (290,089)</u>

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, 2021

	Budget	Actual (Budgetary Basis)	Variance between Final Budget and Actual
Revenues:			
State of California appropriation to Receivership	\$2,060,639	\$1,900,000	\$ (160,639)
Investment earnings	\$0	\$0	-
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$2,060,639</u>	<u>\$1,900,000</u>	<u>(160,639)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	692,861	704,118	(11,257)
Legal and professional services	1,332,428	1,481,458	(149,030)
Travel	10,500	2,599	7,901
Office expenses	1,900	1,308	592
Telephone and network	-	-	-
Insurance	12,600	10,577	2,023
Other	10,350	\$4,086	6,264
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,060,639</u>	<u>2,204,146</u>	<u>(143,507)</u>
Change in fund balance	<u>\$ -</u>	<u>(304,146)</u>	<u>\$ (304,146)</u>
Fund balance - July 1, 2020		<u>69,399</u>	
Fund balance January 31, 2021		<u>\$ (234,747)</u>	

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, 2021

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 1,900,000	-	\$ 1,900,000
General revenues:			
Investment earnings	0	-	-
Miscellaneous Income	0	-	-
Total Revenues	<u>1,900,000</u>	<u>-</u>	<u>1,900,000</u>
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	704,118	-	704,118
Legal and professional services	1,481,458	-	1,481,458
Travel	2,599	-	2,599
Insurance	10,577	-	10,577
Other	5,393	-	5,393
Capital outlay - Fixed Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures/Expenses	<u>2,204,146</u>	<u>-</u>	<u>2,204,146</u>
Change in fund balance/net position	(304,146)	-	(304,146)
Fund balance/net position - July 1, 2020	<u>69,399</u>	<u>(\$55,342)</u>	<u>14,057</u>
Fund balance/net position - January 31, 2021	<u>\$ (234,747)</u>	<u>\$ (55,342)</u>	<u>\$ (290,089)</u>