

APPENDIX 2

CALIFORNIA HEALTH CARE RECEIVERSHIP CORPORATION
Discussion and Analysis of Unaudited Financial Statements
For the Period July 1, 2023 through December 31, 2023

The December 31, 2023, 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, 2023, shows a total difference of \$789,075 or 37.1% variance under budget. One line item or activity account for the majority of the difference. Professional fees were \$652,558 or 40.1% 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 six months ended
December 31, 2023

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	\$69,952	\$ -	\$ 69,952
Due From Special Deposit Fund	\$250,000		\$250,000
Prepaid items	\$15,946	-	15,946
	335,898	-	335,898
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	-	-	-
Total assets	\$ 335,898	-	\$ 335,898
Liabilities			
Liabilities:			
Accounts payable	102,094	-	102,094
Accrued salaries and benefits	23,630	-	23,630
Other accrued expenses	254,123		254,123
Compensated absences	0	\$68,460	68,460
	-	-	-
Total liabilities	\$ 379,847	\$ 68,460	\$ 448,307
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	15,946	(15,946)	-
Unreserved, undesignated	(59,895)	59,895	-
	-	-	-
Fund Total fund balance	(43,949)	43,949	-
Total liabilities and fund balance	\$ 335,898		
Net Position:			
Unrestricted		(112,411)	(112,411)
Total Net Position		\$ (112,411)	\$ (112,411)

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, 2023

	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
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	348,195	-	348,195
Legal and professional services	972,938	-	972,938
Travel	5,757	-	5,757
Insurance	8,758	-	8,758
Other	4,311	-	4,311
Capital outlay - Fixed Assets	-	-	-
	1,339,959	-	1,339,959
Change in fund balance/net position	(54,929)	-	(54,929)
Fund balance/net position - July 1, 2023	10,978	(\$68,460)	(57,482)
Fund balance/net position - December 31, 2023	\$ (43,951)	\$ (68,460)	\$ (112,411)

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, 2023

	Budget	Actual (Budgetary Basis)	Variance between Final Budget and Actual
Revenues:			
State of California appropriation to Receivership	\$2,129,034	\$1,285,000	\$ (844,034)
Investment earnings	\$0	\$30	30
Miscellaneous Income	-	\$0	-
Total revenues	\$2,129,034	\$1,285,030	(844,004)
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	464,838	348,195	116,643
Legal and professional services	1,625,496	972,938	652,558
Travel	11,100	5,757	5,343
Office expenses	1,200	749	451
Insurance	11,400	8,758	2,642
Other	15,000	\$3,562	11,438
Capital outlay	-	-	-
Total expenditures	2,129,034	1,339,959	789,075
Change in fund balance	\$ -	(54,929)	\$ (54,929)
Fund balance - July 1, 2023		10,978	
Fund balance December 31, 2023		\$ (43,951)	

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, 2023

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	(\$31,481)	\$ -	\$ (31,481)
Due From Special Deposit Fund	\$0		\$0
Prepaid items	\$17,698	-	17,698
	(13,783)	-	(13,783)
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	-	\$0	-
Total assets	\$ (13,783)	-	\$ (13,783)
Liabilities			
Liabilities:			
Accounts payable	73,897	-	73,897
Accrued salaries and benefits	23,630	-	23,630
Other accrued expenses	181,565		181,565
Compensated absences	0	\$68,460	68,460
	-	\$68,460	68,460
Total liabilities	\$ 279,092	\$ 68,460	\$ 347,552
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	17,698	(17,698)	-
Unreserved, undesignated	-	310,573	-
	(310,573)	310,573	-
Fund I Total fund balance	(292,875)	292,875	-
Total liabilities and fund balance	\$ (13,783)		
Net Position:			
Unrestricted		(361,337)	(361,337)
Total Net Position		\$ (361,337)	\$ (361,337)

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, 2023

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 835,000	-	\$ 835,000
General revenues:			
Investment earnings	23	-	23
Miscellaneous Income	0	-	-
Total Revenues	<u>835,023</u>	<u>-</u>	<u>835,023</u>
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	291,024	-	291,024
Legal and professional services	832,363	-	832,363
Travel	5,521	-	5,521
Insurance	7,007	-	7,007
Other	2,963	-	2,963
Capital outlay - Fixed Assets	-	-	-
Total Expenditures/Expenses	<u>1,138,878</u>	<u>-</u>	<u>1,138,878</u>
Change in fund balance/net position	(303,855)	-	(303,855)
Fund balance/net position - July 1, 2023	<u>10,978</u>	<u>(\$68,460)</u>	<u>(57,482)</u>
Fund balance/net position - November 30, 2023	<u>\$ (292,877)</u>	<u>\$ (68,460)</u>	<u>\$ (361,337)</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, 2023

	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance between Final Budget and Actual</u>
Revenues:			
State of California appropriation to Receivership	\$1,774,195	\$835,000	\$ (939,195)
Investment earnings	\$0	\$23	23
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$1,774,195</u>	<u>\$835,023</u>	<u>(939,172)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	387,365	291,024	96,341
Legal and professional services	1,354,580	832,363	522,217
Travel	9,250	5,521	3,729
Office expenses	1,000	597	403
Insurance	9,500	7,007	2,493
Other	12,500	\$2,365	10,135
Capital outlay	-	-	-
Total expenditures	<u>1,774,195</u>	<u>1,138,878</u>	<u>635,317</u>
Change in fund balance	<u>\$ -</u>	<u>(303,855)</u>	<u>\$ (303,855)</u>
Fund balance - July 1, 2023		<u>10,978</u>	
Fund balance November 30, 2023		<u>\$ (292,877)</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, 2023

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	\$172,739	\$ -	\$ 172,739
Due From Special Deposit Fund	\$0		\$0
Prepaid items	\$19,450	-	19,450
	192,189	-	192,189
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	-	-	-
Total assets	\$ 192,189	-	\$ 192,189
Liabilities			
Liabilities:			
Accounts payable	304,067	-	304,067
Accrued salaries and benefits	23,630	-	23,630
Other accrued expenses	177,361		177,361
Compensated absences	0	\$68,460	68,460
	-	-	-
Total liabilities	\$ 505,058	\$ 68,460	\$ 573,518
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	19,450	(19,450)	-
Unreserved, undesignated	(332,319)	332,319	-
	-	-	-
Fund 1 Total fund balance	(312,869)	312,869	-
Total liabilities and fund balance	\$ 192,189		
Net Position:			
Unrestricted		(381,331)	(381,331)
Total Net Position		\$ (381,331)	\$ (381,331)

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, 2023

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 585,000	-	\$ 585,000
General revenues:			
Investment earnings	17	-	17
Miscellaneous Income	0	-	-
Total Revenues	<u>585,017</u>	<u>-</u>	<u>585,017</u>
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	212,430	-	212,430
Legal and professional services	684,049	-	684,049
Travel	4,589	-	4,589
Insurance	5,255	-	5,255
Other	2,542	-	2,542
Capital outlay - Fixed Assets	-	-	-
Total Expenditures/Expenses	<u>908,866</u>	<u>-</u>	<u>908,866</u>
Change in fund balance/net position	(323,849)	-	(323,849)
Fund balance/net position - July 1, 2023	<u>10,978</u>	<u>(\$68,460)</u>	<u>(57,482)</u>
Fund balance/net position - October 31, 2023	<u>\$ (312,871)</u>	<u>\$ (68,460)</u>	<u>\$ (381,331)</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, 2023

	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance between Final Budget and Actual</u>
Revenues:			
State of California appropriation to Receivership	\$1,419,356	\$585,000	\$ (834,356)
Investment earnings	\$0	\$17	17
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$1,419,356</u>	<u>\$585,017</u>	<u>(834,339)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	309,892	212,430	97,462
Legal and professional services	1,083,664	684,049	399,615
Travel	7,400	4,589	2,811
Office expenses	800	504	296
Insurance	7,600	5,255	2,345
Other	10,000	\$2,039	7,961
Capital outlay	-	-	-
Total expenditures	<u>1,419,356</u>	<u>908,866</u>	<u>510,490</u>
Change in fund balance	<u>\$ -</u>	(323,849)	\$ (323,849)
Fund balance - July 1, 2023		<u>10,978</u>	
Fund balance October 31, 2023		<u>\$ (312,871)</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, 2023

	General Fund	Adjustments	Statement of Net Assets
Assets			
Current assets:			
Cash	\$513,148	\$ -	\$ 513,148
Due From Special Deposit Fund	\$0		\$0
Prepaid items	\$21,201	-	21,201
	534,349	-	534,349
Noncurrent assets:			
Deposits with others	0	-	-
Capital assets, net	-	\$0	-
	-	-	-
Total assets	\$ 534,349	-	\$ 534,349
Liabilities			
Liabilities:			
Accounts payable	279,953	-	279,953
Accrued salaries and benefits	23,630	-	23,630
Other accrued expenses	400,941		400,941
Compensated absences	0	\$68,460	68,460
	-	-	-
Total liabilities	\$ 704,524	\$ 68,460	\$ 772,984
Fund Balance/Net Position			
Fund balance:			
Reserved for prepaid items and deposits with others	21,201	(21,201)	-
Unreserved, undesignated	(191,376)	191,376	-
	-	-	-
Fund Total fund balance	(170,175)	170,175	-
Total liabilities and fund balance	\$ 534,349		
Net Position:			
Unrestricted		(238,635)	(238,635)
Total Net Position		\$ (238,635)	\$ (238,635)

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, 2023

	General Fund	Adjustments	Statement of Activities
Revenues			
Program revenues:			
Operating grants and contributions:			
State of California appropriation to Receivership	\$ 585,000	-	\$ 585,000
General revenues:			
Investment earnings	10	-	10
Miscellaneous Income	0	-	-
Total Revenues	<u>585,010</u>	<u>-</u>	<u>585,010</u>
Expenditures/Expenses:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	163,766	-	163,766
Legal and professional services	595,754	-	595,754
Travel	1,079	-	1,079
Insurance	3,503	-	3,503
Other	2,061	-	2,061
Capital outlay - Fixed Assets	-	-	-
Total Expenditures/Expenses	<u>766,163</u>	<u>-</u>	<u>766,163</u>
Change in fund balance/net position	(181,153)	-	(181,153)
Fund balance/net position - July 1, 2023	<u>10,978</u>	<u>(\$68,460)</u>	<u>(57,482)</u>
Fund balance/net position - September 30, 2023	<u>\$ (170,175)</u>	<u>\$ (68,460)</u>	<u>\$ (238,635)</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, 2023

	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance between Final Budget and Actual</u>
Revenues:			
State of California appropriation to Receivership	\$1,064,517	\$585,000	\$ (479,517)
Investment earnings	\$0	\$10	10
Miscellaneous Income	-	\$0	-
Total revenues	<u>\$1,064,517</u>	<u>\$585,010</u>	<u>(479,507)</u>
Expenditures:			
Prison health care administration and oversight:			
Current:			
Salaries and benefits	232,419	163,766	68,653
Legal and professional services	812,748	595,754	216,994
Travel	5,550	1,079	4,471
Office expenses	600	411	189
Insurance	5,700	3,503	2,197
Other	7,500	\$1,650	5,850
Capital outlay	-	-	-
Total expenditures	<u>1,064,517</u>	<u>766,163</u>	<u>298,354</u>
Change in fund balance	<u>\$ -</u>	(181,153)	\$ (181,153)
Fund balance - July 1, 2023		<u>10,978</u>	
Fund balance September 30, 2023		<u>\$ (170,175)</u>	