



**Two Rivers**  
HEALTH DISTRICT

---

KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners  
Packet**

**Thursday, Feb. 24, 2022  
Meeting via Zoom**

**5:00 p.m.**

Kennewick Public Hospital District  
Kennewick, Benton County, Washington  
Consent Agenda  
Feb. 24, 2022

All Materials under the Consent Agenda are considered routine by the Board of Commissioners and will be adopted by one motion in the form listed below. There will be no separate discussion of these items. An item may be removed from the Consent Agenda and considered separately if the board members or the public desire further discussion.

1. Approval of Minutes:
  - a. Meeting Minutes, Jan. 27, 2022
  - b. Special Meeting Minutes, Feb. 2, 2022

# Financials

# Management Reports

Kennewick Public Hospital District  
For the period ended January 31, 2022

Prepared by

**Epic Tax Solutions a Subsidiary of Epic Trust Financial Group**

Prepared on

**February 7, 2022**

# Table of Contents

---

Statement of Activity With Year to Date .....4

Statement of Financial Position .....5

Statement of Cash Flows - Last Month .....7

---

These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them. Additionally, management has chosen to omit formal notes to these interim monthly financial statements. However, district leadership have provided explanations on select accounts below.

### **Financial Statement Explanation of Terms**

The District's Financial documents use bookkeeping and accounting terms and phrases that have the following meanings:

Account 200 Community Care Agreement under the "Cost of Goods Sold" Section—This section represents the accounting software category designated for payments required by the Community Care Agreement to RCCH Trios to provide healthcare services which include charity care, reimbursements and on-going hospital operations.

Account 1013 Home Health Escrow—Funds held in escrow to ensure against debt to purchasers from 2018 sale of Home Health entity. Expires June 2021. District has no interest or control of these funds.

Account 1020 Health Initiative Fund—Funds held to pursue Recovery Center acquisition of Auburn Campus originally received from the sale of the District's interest in the Tri-City Cancer Center.

Account 1040 Worker's Compensation Account—This is a pass-through account with funds received from Trios RCCH to benefit pre-petition employees who are receiving workman's compensation benefits. It is beyond the requirements of the Community Care Agreement and provided by Trios RCCH to benefit prior and continuing employees.

Account 2001 Richmond Trust Account—This is a Legacy Trust with an income interest donated to the District by Mrs. Richmond.

Account 2100 Adult Day Services Loan Account—The District borrowed funds from ADS to satisfy a long-term debt owed to the Kennewick Liquidation Trust which it repays quarterly.

Account 3000 Auburn Building Account—The District retains ownership of a building located in the Kennewick Medical Dental Center which it presently uses as office space and has it listed for sale.

# Statement of Activity With Year to Date

January 2022

|   | Jan 2022             | Total<br>Jan 2022 (YTD) |
|---|----------------------|-------------------------|
| <b>REVENUE</b>                          |                      |                         |
| 100 Property Tax Revenue                | 3,461.96             | 3,461.96                |
| <b>Total Revenue</b>                    | <b>3,461.96</b>      | <b>3,461.96</b>         |
| <b>COST OF GOODS SOLD</b>               |                      |                         |
| 200 Community Care Agreement            | 2,795.26             | 2,795.26                |
| <b>Total Cost of Goods Sold</b>         | <b>2,795.26</b>      | <b>2,795.26</b>         |
| <b>GROSS PROFIT</b>                     | <b>666.70</b>        | <b>666.70</b>           |
| <b>EXPENDITURES</b>                     |                      |                         |
| 305 Bank Fees                           | 96.43                | 96.43                   |
| 315 Commissioner Mtg Stipend            | 4,096.80             | 4,096.80                |
| 320 Facilities Expense                  |                      |                         |
| 321 Building Association Dues           | 344.71               | 344.71                  |
| 323 Utilities                           | 421.47               | 421.47                  |
| 325 Repairs and Maintenance             | 220.91               | 220.91                  |
| <b>Total 320 Facilities Expense</b>     | <b>987.09</b>        | <b>987.09</b>           |
| 326 Insurance                           | 190.20               | 190.20                  |
| 330 Legal and Professional              |                      |                         |
| 331 Attorney Fees                       | 1,603.50             | 1,603.50                |
| 332 Accounting                          | 1,457.00             | 1,457.00                |
| 335 Administrative Support              | 2,200.00             | 2,200.00                |
| <b>Total 330 Legal and Professional</b> | <b>5,260.50</b>      | <b>5,260.50</b>         |
| 340 Office Expenses                     | 365.10               | 365.10                  |
| 346 Public Records Request              | 972.50               | 972.50                  |
| 347 Public Election Costs               | 47,651.30            | 47,651.30               |
| 360 Superintendent Compensation         | 3,000.00             | 3,000.00                |
| <b>Total Expenditures</b>               | <b>62,619.92</b>     | <b>62,619.92</b>        |
| <b>NET OPERATING REVENUE</b>            | <b>-61,953.22</b>    | <b>-61,953.22</b>       |
| <b>OTHER REVENUE</b>                    |                      |                         |
| 960 Interest and Dividend Income        | 1.92                 | 1.92                    |
| <b>Total Other Revenue</b>              | <b>1.92</b>          | <b>1.92</b>             |
| <b>OTHER EXPENDITURES</b>               |                      |                         |
| 810 Interest Expense                    | 3,952.50             | 3,952.50                |
| <b>Total Other Expenditures</b>         | <b>3,952.50</b>      | <b>3,952.50</b>         |
| <b>NET OTHER REVENUE</b>                | <b>-3,950.58</b>     | <b>-3,950.58</b>        |
| <b>NET REVENUE</b>                      | <b>\$ -65,903.80</b> | <b>\$ -65,903.80</b>    |

# Statement of Financial Position

As of January 31, 2022

|  | Total                 |
|--|-----------------------|
| <b>ASSETS</b>                              |                       |
| <b>Current Assets</b>                      |                       |
| <b>Bank Accounts</b>                       |                       |
| 1010 US Bank Checking 4037                 | 116,468.95            |
| 1020 Health Initiative Reserves 2765       | 682,000.00            |
| 1030 Restricted - US Bank 6221             | 100.00                |
| 1040 Key Bank Worker's Comp                | 26,181.41             |
| <b>Total Bank Accounts</b>                 | <b>824,750.36</b>     |
| <b>Other Current Assets</b>                |                       |
| 1105 Tax Receivable                        | 5,778.00              |
| <b>Total Other Current Assets</b>          | <b>5,778.00</b>       |
| <b>Total Current Assets</b>                | <b>830,528.36</b>     |
| <b>Fixed Assets</b>                        |                       |
| 3000 District Building                     | 238,350.00            |
| 3010 Accumulated Depreciation              |                       |
| 3010-1 Accum Depr - Buildings - KPD        | -238,350.00           |
| <b>Total 3010 Accumulated Depreciation</b> | <b>-238,350.00</b>    |
| <b>Total Fixed Assets</b>                  | <b>0.00</b>           |
| <b>Other Assets</b>                        |                       |
| 1210 Prepaid Expenses                      | 484.86                |
| 2001 Richmond Trust (Restricted)           | 710,231.38            |
| <b>Total Other Assets</b>                  | <b>710,716.24</b>     |
| <b>TOTAL ASSETS</b>                        | <b>\$1,541,244.60</b> |
| <b>LIABILITIES AND EQUITY</b>              |                       |
| <b>Liabilities</b>                         |                       |
| <b>Current Liabilities</b>                 |                       |
| <b>Accounts Payable</b>                    |                       |
| 2020 Accounts Payable                      | -7,514.36             |
| <b>Total Accounts Payable</b>              | <b>-7,514.36</b>      |
| <b>Other Current Liabilities</b>           |                       |
| 2021.50 Current Portion ADS Loan Payable   | 25,482.00             |
| <b>Total Other Current Liabilities</b>     | <b>25,482.00</b>      |
| <b>Total Current Liabilities</b>           | <b>17,967.64</b>      |
| <b>Long-Term Liabilities</b>               |                       |
| 2100 Loan from ADS                         | 230,086.76            |
| <b>Total Long-Term Liabilities</b>         | <b>230,086.76</b>     |
| <b>Total Liabilities</b>                   | <b>248,054.40</b>     |
| <b>Equity</b>                              |                       |
| 3001 Net Assets                            | 291,809.57            |
| 3200 Net Position                          | 1,067,284.43          |
| Net Revenue                                | -65,903.80            |

|                                     | Total                 |
|-------------------------------------|-----------------------|
| Total Equity                        | 1,293,190.20          |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>\$1,541,244.60</b> |

# Statement of Cash Flows - Last Month

January 2022

|   | <b>Total</b>        |
|---|---------------------|
| <b>OPERATING ACTIVITIES</b>   |                     |
| Net Revenue   | -65,903.80          |
| Adjustments to reconcile Net Revenue to Net Cash provided by operations:              |                     |
| 2020 Accounts Payable   | -483,975.11         |
| <b>Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:</b> | <b>-483,975.11</b>  |
| <b>Net cash provided by operating activities</b>                                      | <b>-549,878.91</b>  |
| <b>INVESTING ACTIVITIES</b>   |                     |
| 1210 Prepaid Expenses   | 161.10              |
| <b>Net cash provided by investing activities</b>                                      | <b>161.10</b>       |
| <b>FINANCING ACTIVITIES</b>   |                     |
| 2100 Loan from ADS  | -7,020.11           |
| <b>Net cash provided by financing activities</b>                                      | <b>-7,020.11</b>    |
| <b>NET CASH INCREASE FOR PERIOD</b>   | <b>-556,737.92</b>  |
| Cash at beginning of period   | 1,381,488.28        |
| <b>CASH AT END OF PERIOD</b>  | <b>\$824,750.36</b> |

# Kennewick Public Hospital District

## Check Detail

January 2022

| DATE                       | NUM  | NAME                                      | AMOUNT      |
|----------------------------|------|---|-------------|
| 1010 US Bank Checking 4037 |      |   |             |
| 01/03/2022                 |      | Kenmore Team Property Management          | -249.39     |
|                            |      |   | 249.39      |
| 01/03/2022                 |      | Kenmore Team Property Management          | -95.32      |
|                            |      |   | 95.32       |
| 01/04/2022                 | 1560 | Adult Day Services                        | -10,972.61  |
|                            |      |   | -10,972.61  |
| 01/04/2022                 |      | Mutual of Enumclaw                        | -190.20     |
|                            |      |   | 190.20      |
| 01/06/2022                 | 1561 | Salem Snowdy Development LLC              | -2,200.00   |
|                            |      |   | -2,200.00   |
| 01/06/2022                 | 1562 | U.S. Postal Service                       | -204.00     |
|                            |      |   | -204.00     |
| 01/06/2022                 | 1563 | Kuffel, Hultgrenn, Klashke, Shea & Ellerd | -2,253.48   |
|                            |      |   | -2,253.48   |
| 01/07/2022                 |      | Accountants World                         | -0.51       |
|                            |      |   | 0.51        |
| 01/11/2022                 | 1564 | Trios Health - V                          | -487,711.24 |
|                            |      |   | -487,711.24 |
| 01/13/2022                 |      | Accountants World                         | -7,096.00   |
|                            |      |   | 4,096.00    |
|                            |      |   | 3,000.00    |
| 01/14/2022                 |      | US Bank                                   | -96.43      |
|                            |      |   | 96.43       |
| 01/14/2022                 |      | Accountants World                         | -1.00       |
|                            |      |   | 1.00        |
| 01/18/2022                 | 1565 | U.S.Bank CC (4195)                        | -24.03      |
|                            |      |   | -24.03      |
| 01/18/2022                 |      | Epic Tax Solutions                        | -1,457.00   |
|                            |      |   | 1,457.00    |

# Kennewick Public Hospital District

## Check Detail

January 2022

| DATE       | NUM  | NAME                    | AMOUNT     |
|------------|------|-------------------------|------------|
| 01/25/2022 |      | Accountants World       | -256.00    |
|            |      |                         | 256.00     |
| 01/27/2022 | 1566 | Benton County Elections | -47,651.30 |
|            |      |                         | -47,651.30 |

DocuSigned by:

*Steve Blodgett* 2/15/2022

A4D097FEEDB4465...

# Minutes

**Kennewick Public Hospital District**  
**Wednesday, February 2, 2022, | Remote Meeting Via Zoom**  
**9:00 am**  
**SPECIAL MEETING MINUTES**

**CALL TO ORDER:** At 9:00 am, President Gary Long called the meeting to order.

**PRESENT:** Gary Long, Rick Reil, Mark Brault, Marv Kinney, Steve Blodgett, Sheila Dunlop, Heidi Ellerd, Lee Kerr, Salem Thompson.

**ABSENT, EXCUSED:** Wanda Briggs

Due to the state of emergency and the Governor's proclamation relating to in-person public meetings, the meeting was held with all parties participating remotely via Zoom. Commissioner Long called the meeting to order at 5:00 pm after confirming that all parties were connected and could hear and participate in the meeting.

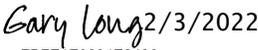
**I. DISTRICT BUSINESS:**

**A. Approval of JANUARY minutes for business purposes\***

The minutes required one correction. In section, I, A, the motion language should state "after FINANCIALS were removed" rather than "after MINUTES were removed." All agreed, and the correction was made.

IT WAS MOVED AND SECONDED TO APPROVE THE JANUARY 27, 2022 MEETING MINUTES AS CORRECTED. NO DISCUSSION. MOTION CARRIED.

**ADJOURNMENT 9:08 am.**

DocuSigned by:  
  
FBFE1E9294E2496...  
Board President

**Kennewick Public Hospital District**  
**Thursday, Feb. 24, 2022 | Remote Meeting Via Zoom**  
**5:00 PM**  
**AGENDA**

**I. DISTRICT BUSINESS:**

**II. Regular Board Meeting Business**

**A. Approval of Consent Agenda\***

**B. Public Comment**

**III. NEW BUSINESS:**

**A. Reports**

1. Lee Kerr – Superintendent, General Update
  - a. Potential equipment purchase
  
2. Legal Report - Heidi Ellerd, Legal Counsel
  - a. Updates
  
3. Administrative Report, Salem Thompson, Board Coordinator
  - a. Records project update
  - b. IT services update and agreement\*

**B. Committee Reports/Recommendations**

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
  - a. January financial statements – Nathan Burt
  - b. Treasurer’s Report – Steve Blodgett
  - c. Payments Policy\*
  
2. Governance Committee Updates – Gary Long
  - a. General update
  
3. Planning Committee – Wanda Briggs
  - a. General update
  
4. Adult Day Services – General Update Steve Blodgett / Rick Reil
  - a. Property purchase update

**C. Executive Session – Superintendent Evaluation**

**IV. COMMISSIONER COMMENTS**

**A. Upcoming items**

1. Planning Committee’s full commission Strategic Planning Retreat - date and details TBD

**V. BOARD MEETINGS/EVENTS/EDUCATION:**

**Next Regularly Scheduled Board Meeting – Thursday, March 31, 2022 @ 5:00p.m.**

**ADJOURNMENT**

Note - Items noted with an asterisk constitute possible action by the Board of Commissioners.