



**Two Rivers**  
HEALTH DISTRICT

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KENNEWICK PUBLIC HOSPITAL DISTRICT

**Board of Commissioners  
Packet**

**Thursday, June 24, 2021  
Meeting via Zoom**

**5:00 p.m.**

Kennewick Public Hospital District  
Kennewick, Benton County, Washington  
Consent Agenda  
**June 24, 2021**

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, May 27, 2021**

**2. Acceptance of Financial Report:**

- a. Approval of P&L Statements May, 2021**

**KENNEWICK PUBLIC HOSPITAL DISTRICT  
BOARD OF COMMISSIONERS  
BOARD MEETING**

**Thursday, May 27, 2021 | Remote Meeting Via Zoom**

**CALL TO ORDER** Gary Long called the meeting to order at 5:00 pm.

**Attendance: Gary Long, Steve Blodgett, Marv Kinney, Mark Brault, Wanda Briggs, Len Dreisbach, Rick Reil, Lee Kerr, Heidi Ellerd, Nathan Burt, and Salem Thompson.**

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 Consent Agenda**

The materials listed under the Consent Agenda are considered routine by the Board of Commissioners and are adopted by one motion. There will be no separate discussion of the following items:

- Approval of the previous month's Board minutes
- Approval of the May 12, 2021, Special Meeting Board minutes
- Acceptance of the financial report

However, an item may be removed from the Consent Agenda and considered separately if the Board members desire further discussion. As of this date, the Board of Commissioners unanimously approves by a majority vote the payment of those items included in the Consent Agenda and further described as follows:

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA AS SUBMITTED. NO DISCUSSION MOTION CARRIED.

**II. NEW BUSINESS:**

**A. Executive Report – Lee Kerr –**

Lee discussed continuing discussions with RCCH/LifePoint regarding the proposed recovery center.

Lee described Benton County's efforts surrounding the proposed recovery center.

Lee has sought to reengage Franklin County and the Cities in the discussion as well. Next

Tuesday, a meeting is scheduled at the HAPO center with the joint commissions (Benton and Franklin Counties) on the proposed recovery center.

Lee discussed meeting with Senator Murray's office.

**B. Committee Reports/Recommendations**

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt

a. April financial statements – Review by Nathan Burt.

b. Treasurer's Report: Update on 2020 Financial Audit – Nathan's office has been working with Eide Bailly to fulfill requests. Also being audited is Adult Day Services and it is going well. The accounting firm and the bookkeeper have been providing timely information to keep the

audit going forward.

- c. Camp Trios participation – The finance committee received a request for sponsorship of Camp Trios once again. The total amount requested is \$10,000. The Richmond Trust funds should be used for education, and this camp fits well, and there are adequate funds and cash flow. The committee recommends participation.

Motion to contribute \$10,000 to Camp Trios. Seconded. No Discussion. Motion carried.

2. Planning Committee – Wanda Briggs and Lee Kerr
  - a. Communications intern update – Brad Gamble's first task will be to make a webpage on the District site dedicated to information sharing on the proposed recovery center.
  - b. Spaulding building occupancy – At this time, there is no date for occupancy. Tom Cinko will be in touch once the tenant improvements are on the schedule to be completed.
3. Adult Day Services – General Update Rick Reil or Steve Blodgett –

ADS is still closed, performing phone support calls to clients. As stated, the current audit tasks are going well, and they are financially sound.

The staff is working on a reopening plan for the end of June.
4. Governance Committee – Gary Long
  - a. Consent agenda – Talked about the Consent Agenda for each meeting. The packets will be organized to follow the approval of consent agenda items. The approval of "warrants" has been removed since it does not apply.
5. Public Records Requests and Records Project Update – Heidi Ellerd and Salem Thompson

Policy for in-person meetings is tabled at this time, pending more information from the Governor's office.

The District is applying for a WA State Archives records grant. Applications are due June 30, and awards will be made in September. If awarded, these funds would be used to address the records currently stored at CI and transfer any appropriate documents to the State Archives.

**III. COMMISSIONER COMMENTS** – Each commissioner was allotted time to make a comment.

**A. Upcoming items:** Attendance at the upcoming joint county commission is encouraged.

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

**Next Regularly Scheduled Board Meeting – Thursday, June. 24, 2021, @ 5:00 pm.**

**ADJOURNMENT – 6:43 pm**

# Management Reports

Kennewick Public Hospital District  
For the period ended May 31, 2021

Prepared by

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

Prepared on

**June 9, 2021**

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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

May 2021

	May 2021	Jan - May, 2021 (YTD)	Total
<b>REVENUE</b>			
100 Property Tax Revenue	141,638.58		826,126.16
109 Other Revenue			1,155.50
<b>Total Revenue</b>	<b>141,638.58</b>		<b>827,281.66</b>
<b>COST OF GOODS SOLD</b>			
200 Community Care Agreement	113,310.86		660,900.93
<b>Total Cost of Goods Sold</b>	<b>113,310.86</b>		<b>660,900.93</b>
<b>GROSS PROFIT</b>	<b>28,327.72</b>		<b>166,380.73</b>
<b>EXPENDITURES</b>			
301 Health Initiative Contributions			2,770.45
305 Bank Fees	371.06		1,706.94
315 Commissioner Mtg Stipend	3,200.00		15,360.00
320 Facilities Expense			462.44
321 Building Association Dues	91.01		827.71
323 Utilities	352.48		1,973.41
325 Repairs and Maintenance			12,305.32
<b>Total 320 Facilities Expense</b>	<b>443.49</b>		<b>15,568.88</b>
326 Insurance			875.20
330 Legal and Professional			
331 Attorney Fees	1,124.38		5,795.74
332 Accounting	1,553.80		7,098.61
333 Audit Expense			18,805.77
335 Administrative Support	2,200.00		11,000.00
336 Other Professional Fees	36.76		340.51
<b>Total 330 Legal and Professional</b>	<b>4,914.94</b>		<b>43,040.63</b>
339 Licenses and Taxes			39.22
340 Office Expenses	216.15		1,703.40
346 Public Records Request	1,063.25		6,584.25
347 Public Election Costs			10,477.75
360 Superintendent Compensation	3,000.00		15,000.00
380 Payroll Expenses			
381 Benefits			25.00
<b>Total 380 Payroll Expenses</b>			<b>25.00</b>
<b>Total Expenditures</b>	<b>13,208.89</b>		<b>113,151.72</b>
<b>NET OPERATING REVENUE</b>	<b>15,118.83</b>		<b>53,229.01</b>
<b>OTHER REVENUE</b>			
900 Richmond Trust Income			2,148.44
950 Worker's Comp Reimbursements	34,486.96		77,919.88
960 Interest and Dividend Income	3.03		10.14
<b>Total Other Revenue</b>	<b>34,489.99</b>		<b>80,078.46</b>
<b>OTHER EXPENDITURES</b>			

		Total
	May 2021	Jan - May, 2021 (YTD)
800 Workers Comp Claims Paid	35,539.34	74,250.62
810 Interest Expense		8,620.53
<b>Total Other Expenditures</b>	<b>35,539.34</b>	<b>82,871.15</b>
NET OTHER REVENUE	-1,049.35	-2,792.69
NET REVENUE	<b>\$14,069.48</b>	<b>\$50,436.32</b>

# Statement of Financial Position

As of May 31, 2021

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1010 US Bank Checking 4037	726,213.55
1020 Health Initiative Reserves 2765	341,000.00
1030 Restricted - US Bank 6221	100.00
1040 Key Bank Worker's Comp	23,177.30
<b>Total Bank Accounts</b>	<b>1,090,490.85</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>1,096,268.85</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>	
1013 Home Health Escrow 2021	144,979.22
1210 Prepaid Expenses	1,001.94
2001 Richmond Trust (Restricted)	676,310.45
<b>Total Other Assets</b>	<b>822,291.61</b>
<b>TOTAL ASSETS</b>	<b>\$1,918,560.46</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2020 Accounts Payable	559,850.00
<b>Total Accounts Payable</b>	<b>559,850.00</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>585,332.00</b>
<b>Long-Term Liabilities</b>	
2100 Loan from ADS	250,434.09
<b>Total Long-Term Liabilities</b>	<b>250,434.09</b>
<b>Total Liabilities</b>	<b>835,766.09</b>
<b>Equity</b>	
3001 Net Assets	291,809.57
3200 Net Position	740,548.48

	<b>Total</b>
Net Revenue	50,436.32
<b>Total Equity</b>	<b>1,082,794.37</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$1,918,560.46</b>

# Statement of Cash Flows - Last Month

May 2021

	<b>Total</b>
<b>OPERATING ACTIVITIES</b>	
Net Revenue	14,069.48
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
2020 Accounts Payable	99,245.45
<b>Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:</b>	<b>99,245.45</b>
<b>Net cash provided by operating activities</b>	<b>113,314.93</b>
<b>INVESTING ACTIVITIES</b>	
1210 Prepaid Expenses	166.15
<b>Net cash provided by investing activities</b>	<b>166.15</b>
<b>NET CASH INCREASE FOR PERIOD</b>	<b>113,481.08</b>
Cash at beginning of period	977,009.77
<b>CASH AT END OF PERIOD</b>	<b>\$1,090,490.85</b>

**KENNEWICK PUBLIC HOSPITAL DISTRICT  
BOARD OF COMMISSIONERS  
BOARD MEETING  
AGENDA**

**Thursday, June 24, 2021 | Remote Meeting Via Zoom**

**CALL TO ORDER**

**I. DISTRICT BUSINESS:**

- A. Approval of Consent Agenda\***
- B. Public Comment**

**II. NEW BUSINESS:**

**A. Executive Report – Lee Kerr**

**B. Committee Reports/Recommendations**

1. Finance Committee – Steve Blodgett, Finance Chair / Nathan Burt
  - a. May financial statements
  - b. Treasurer’s Report: Update on 2020 Financial Audit
  - c. Propose EFT payments instead of checks
  - d. D&O Insurance update
2. Planning Committee
  - a. Communications intern update (Wanda)
  - b. 805/807 Auburn update
  - c. Spaulding building occupancy
3. Adult Day Services – General Update Rick Reil or Steve Blodgett
4. Governance Committee
  - a. Letter of appreciation for contribution
  - b. Auxiliary request for space
5. Legal – Heidi Ellerd
  - a. Future in-person commission meetings
6. Administrative Items - Salem Thompson
  - a. WA State Archives records Grant application

**III. COMMISSIONER COMMENTS**

- A. Upcoming items –**

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

**Next Regularly Scheduled Board Meeting – Thursday, July. 29, 2021, @ 5:00 p.m.**

**ADJOURNMENT**

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