



C. L. Brumback

**Primary Care Clinics**

Health Care District Palm Beach County

## **FINANCE COMMITTEE**

**August 26, 2020**

**12:15 P.M.**

*If a person decides to appeal any decision made by the board, with respect to any matter at such meeting or hearing, he will need a record of the proceedings, and that, for such purpose, he may need to ensure that a verbatim record of the proceedings made, which record includes the testimony and evidence upon which the appeal is to be based.*

**FINANCE COMMITTEE MEETING  
AGENDA  
August 26, 2020  
12:15 PM  
Zoom Webinar Meeting**

Remote Participation Login: <https://tinyurl.com/yda3vnks>

or

**DIAL +1 (646) 558 8656 ; Meeting ID: 550 789 5592; Access number: 946503**

- 1. Call to Order**
  - A. Roll Call
- 2. Agenda Approval**
  - A. Additions/Deletions/Substitutions
  - B. Motion to Approve Agenda
- 3. Awards, Introductions and Presentations**
- 4. Disclosure of Voting Conflict**
- 5. Public Comment**
- 6. Meeting Minutes**
  - 6A-1 **Staff recommends a MOTION TO APPROVE:**  
Finance Committee Meeting Minutes of July 29, 2020. [Pages 1-5]
- 7. Consent Agenda – Motion to Approve Consent Agenda Items**
  - A. **ADMINISTRATION**
    - 7A-1 **RECEIVE AND FILE:**  
August 2020 Internet Posting of District Public Meeting.  
<https://www.hcdpbc.org/resources/public-meetings>
    - 7A-2 **RECEIVE AND FILE:**  
Attendance Tracking. [Page 6]

**8. Regular Agenda**

A. **FINANCE**

8A-1 **Staff recommends a MOTION TO APPROVE:**

C. L. Brumback Primary Care Clinics Financial Report June 2020.  
(Joel Snook) [Pages 7-25]

**9. VP and Executive Director of Clinic Services Comments**

**10. Board Member Comments**

**11. Establishment of Upcoming Meetings**

**September 30, 2020 (Zoom)**

12:15pm Finance Committee

**October 28, 2020 (TBD)**

12:15pm Finance Committee

**November 25, 2020 (TBD)**

12:15pm Finance Committee

**December 16, 2020 (TBD)**

12:15pm Finance Committee

**12. Motion to Adjourn**

\*District Clinic Holdings, Inc. welcomes public comment during its regular monthly meetings. This month, public comment should be emailed to [jdominiq@hcdpbc.org](mailto:jdominiq@hcdpbc.org) or submitted via phone (561) 804-5780 prior to Noon on The Scheduled Meeting Date. All comments received during this time frame will be read aloud and included in the official meeting record.

Any person(s) not adhering to the Board's guidelines or who make comments which could be perceived as slanderous or disruptive may be barred from making future comments before the Board.

**DISTRICT CLINIC HOLDINGS, INC.  
d.b.a. C.L. BRUMBACK PRIMARY CARE CLINICS  
BOARD OF DIRECTORS FINANCE COMMITTEE  
MEETING MINUTES  
July 29, 2020  
Zoom Webinar Meeting**

**1. Call to Order**

Mr. Smith called the meeting to order at 12:14 p.m.

A. Roll Call

Committee members present: Mike Smith, James Elder, Tammy Jackson-Moore  
Committee members excused:

Staff present included: Darcy Davis, CEO; Dr. Belma Andric, VP & Executive Director of Clinic Services; Valerie Shahriari, General Counsel; Joel Snook, VP & Chief Financial Officer; Dr. Hyla Fritsch, Executive Director of Clinic Operations and Pharmacy Services; Andrea Steele, Director of Corporate Quality

Recording/transcribing Secretary: Jonathan Dominique

B. Affirmation of Mission: To provide compassionate, comprehensive health services to all Palm Beach County residents, through collaboration and partnership, in a culturally sensitive environment.

**2. Agenda Approval**

A. Additions/Deletions/Substitutions

None

B. Motion to Approve Agenda

**CONCLUSION/ACTION: Ms. Jackson Moore made a motion to approve the agenda as presented/amended. The motion was duly seconded by Mr. Elder. A vote was called, and the motion passed unanimously.**

**3. Awards and Presentations**

None.

**4. Disclosure of Voting Conflict**

None.

**5. Public Comment**

None.

**6. Meeting Minutes**

- 6A-1 **Staff recommends a MOTION TO APPROVE:**  
Finance Committee Meeting Minutes of June 24, 2020.

**CONCLUSION/ACTION:** Mr. Elder made a motion to approve the Meeting Minutes of June 24, 2020. The motion was duly seconded by Ms. Jackson-Moore. A vote was called, and the motion passed unanimously.

**7. Consent Agenda – Motion to Approve Consent Agenda Items**

**CONCLUSION/ACTION:** Mr. Elder made a motion to approve the Consent Agenda items. The motion was duly seconded by Ms. Jackson-Moore. A vote was called, and the motion passed unanimously.

**A. ADMINISTRATION**

- 7A-1 **RECEIVE AND FILE:**  
July 2020 Internet Posting of District Public Meeting  
<http://www.hcdpbc.org-Resources-Public Meetings>

- 7A-2 **RECEIVE AND FILE:**  
Attendance Tracking

**8. Regular Agenda**

**A. FINANCE**

- 8A-1 **RECEIVE AND FILE:**  
C.L. Brumback Primary Care Clinics Finance Report: May 2020

The May statements represent the financial performance for the eight month of the 2020 fiscal year for C.L.Brumback Primary Care Clinics. Total YTD revenue was unfavorable to budget by (\$783k) due mostly to grant revenue timing and closure of clinics starting mid-March through May. Net patient revenue YTD was unfavorable to budget by (\$59k). The COVID-19 national emergency started mid-March and 9 clinics were closed to start countywide COVID-19 testing. Expenses before depreciation were over budget by (\$261k) or (1.5%) due mostly to negative variances in salaries and wages (\$129k), purchase services (\$105k), medical services (\$32k), and repair and maintenance (\$143k). Total YTD net margin was (\$8.5M) compared to budget of (\$7.4M) for a variance of (\$1.1M) or

(15.3%). The Medical clinics total YTD revenue was unfavorable to budget by (\$245k), this unfavorable variance resulted from grant revenue timing of (\$1.3M). Gross patient revenue under budget of (\$2.5M) or (20.2%) was a result of reduced clinic operation and closure from mid-March through May. During clinic closure, staff were reassigned to start countywide COVID-19 testing. Total operating expenses of \$14.7M were unfavorable to budget of \$14.1M by (\$523k) or (3.7%). This negative variance is mostly related to salaries, wages and benefits (\$261k), purchase services (\$92k), medical supplies (\$43k), medical services (\$32k) and repairs and maintenance (\$160k). Purchase services are unfavorable to budget due to higher collection fees from Athena. Medical supplies and medical services are unfavorable to budget due to unanticipated service use and supplies purchases. Repairs and maintenance is unfavorable to budget primarily due to unanticipated Allscripts software maintenance cost. Total YTD net margin of (\$7.5M) was unfavorable to budget of (\$6.7M) by (\$828k) or (12.5%). The Dental clinics gross patient revenue was unfavorable to budget by (\$505k) or (17.7%). Total revenue of \$2.4M was under budget of \$2.9M by (\$538k) or (18.4%) due to grant revenue recognition timing, as well as reduced services. Total operating expenses of \$2.8M were favorable to budget by \$261k or 8.6% due mainly to combined salaries, wages, and benefits \$169k, medical supplies of \$60k, and repairs and maintenance \$17k. Total YTD net margin was (\$1.0M) compared to a budgeted loss of (\$727k) for a variance of (\$299k). As of May 15, 2020, the District has been awarded \$3M in COVID-19 grants from HRSA (\$2.9M) and the CARES Act (\$50K) to make up for lost revenue related to the pandemic and to prevent, prepare, respond with increased Healthcare capacity and staffing levels for COVID-19. These funds were appropriated under the HRSA and the CARES Act to cover health care related expenses or lost revenues that are attributable to coronavirus and to expand testing and increase health care capacity. The Clinics through May have recognized \$809k of the \$3M and the remaining monies will be recognized in coming months as the Clinics incur payroll and other expenses related to COVID-19 due to the implementation of countywide testing to respond to COVID-19. The District has established strong internal control systems to ensure compliance with grantor requirements. On the Comparative Statement of Net Position, dues from other government entities decreased to \$2.8M. This balance is due mainly from Health Resources and Service Administration (HRSA). The District subsidy YTD for the Medical and Dental clinics are \$9.2M, and \$1.4M respectively for a combined subsidy of \$10.6M.

Mr. Smith asked where the expenses for the testing cost get charged. Mr. Snook answered that we are still charging to the salaries and wages budget we usually charge, as we did set up new department budgets. We are charging through the clinics and we are also receiving help from the grants, offsetting the increased expenses. Mr. Smith asked that when we initially shut down certain clinics were the costs for employees working at the testing clinics still go through to their home clinics. Mr. Snook confirmed that that was correct. Ms. Jackson-Moore asked about the discussion around losses and how the CARES dollars have helped mitigate those losses. Mr. Snook explained that the Clinics operated at a loss even before the pandemic, and that the Health care district funds any losses that the clinics have. The pandemic increased both revenue and expenses, CARES has helped. We are expecting \$3 million so far in CARES money, and have recognized \$809k so far. Dr. Andric asked if the CARES money is included in the additional grants category. Mr. Snook answered yes, in the financial statement the CARES fund falls under "other financial assistance". Dr. Andric asked Ms. Steele for the breakdown of HRSA CARES monies. Ms. Steele provided a breakdown: \$150k, \$2M, 800K in a third installment. Dr. Andric further on explained to Ms. Jackson Moore that when speaking about losses, these are budgeted, as the clinic cannot operate on just the patient and grant revenue. The

HCD subsidizes the remainder. Mr. Smith asked about the changes in patient revenue between this year and last year and why it was budgeted so low for this year. Mr. Snook explained that though he was not a part of that budget, he assumes that the budget was constructed based on expected volume. What did change is that we had a lot more charity care in comparison to last year, however we have also improved on collecting on our contractual allowances, and our eligibility process. Mr. Smith asked if the school nurses were reassigned to COVID testing units. Dr. Andric answered that many were and still are part of testing operations. Ms. Davis, CEO, explained that of the 224 nurses, 55 were assigned to do other work as most wanted to keep their schedule where they did not work during the summer. She continued to say that she is confident that Dr. Andric and Dr. Fritsch will integrate the other nurses into the testing operations.

**CONCLUSION/ACTION: Receive & File. No further action necessary.**

**9. VP and Executive Director of Clinic Services Comments**

None.

**10. Board Member Comments**

Mr. Elder asked about employee morale with uncertainty and stress that surrounds the pandemic, especially with staff that have young children, etc. Dr. Fritsch answered that morale seems to be pretty good especially with the clinic staff, even though some might feel a bit worn down. This pandemic has given the team the opportunity to pull together as opposed to being pushed apart. Dr. Fritsch commended her staff for being willing to go anywhere and do anything requested of them, and expressed pride in the way they have conducted themselves.

Dr. Andric explained that we have had some staff that contracted the virus, but we have been lucky to receive them all back after recovery. Dr. Fritsch went on to say that staff continues to return after recovery. Dr. Andric also stated that there isn't a stigma around the company when it comes to COVID. Those who are sick, recover, and return to work.

**11. Establishment of Upcoming Meetings**

**August 26, 2020 (TBD)**  
12:15pm Finance Committee

**September 30, 2020 (TBD)**  
12:15pm Finance Committee

**October 28, 2020 (TBD)**  
12:15pm Finance Committee

**November 25, 2020 (TBD)**  
12:15pm Finance Committee

**December 16, 2020 (TBD)**  
12:15pm Finance Committee

**12. Motion to Adjourn**

**Ms. Jackson-Moore made a motion to adjourn. The motion was duly seconded by Mr. Elder. A vote was called, and the motion passed unanimously.**

There being no further business, the meeting was adjourned at 12:38 p.m.

\_\_\_\_\_  
**DCHI Finance Committee Chair**

\_\_\_\_\_  
**Date**



**C. L. Brumback Primary Care Clinics  
Finance Committee**

**Attendance Tracking**

|                     | 1/29/20 | 2/26/20 | 5/27/20 | 6/24/20 | 7/29/20 | 8/26/20 | 9/30/20 | 10/28/20 | 11/25/20 | 12/16/20 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|
| James Elder         | X       | X       | X       | X       | X       |         |         |          |          |          |
| Michael Smith       | X       | X       | X       | X       | X       |         |         |          |          |          |
| Gary Butler         | X       | X       |         |         |         |         |         |          |          |          |
| Tammy Jackson-Moore |         |         |         |         | X       |         |         |          |          |          |

X= Present

C= Cancel

E= Excused

A= Absent

**DISTRICT CLINIC HOLDINGS, INC**  
**FINANCE COMMITTEE**  
**August 26, 2020**

**1. Description: District Clinic Holdings, Inc. Financial Report June 2020**

**2. Summary:**

The YTD June 2020 financial statements for the District Clinic Holdings, Inc. are presented for Finance Committee review.

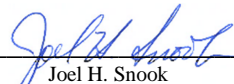
**3. Substantive Analysis:**

Management has provided the income statements and key statistical information for District Clinics Holdings, Inc. Additional Management discussion and analysis is incorporated into the financial statements presentation.

**4. Fiscal Analysis & Economic Impact Statement:**

|                      | <b>Amount</b> | <b>Budget</b>  |
|----------------------|---------------|--|
| Capital Requirements | <b>N/A</b>    | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Annual Net Revenue   | <b>N/A</b>    | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Annual Expenditures  | <b>N/A</b>    | Yes <input type="checkbox"/> No <input type="checkbox"/> |

Reviewed for financial accuracy and compliance with purchasing procedure:

  
 \_\_\_\_\_  
 Joel H. Snook  
 VP & Chief Financial Officer

**5. Reviewed/Approved by Committee:**

N/A  
 \_\_\_\_\_  
 Committee Name

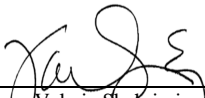
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 Date Reviewed/Approved

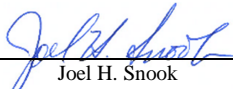
**DISTRICT CLINIC HOLDINGS, INC**  
**FINANCE COMMITTEE**  
**August 26, 2020**


**6. Recommendation:**

Staff recommends that the Finance Committee approve the District Clinic Holdings, Inc. June 2020 YTD financial statements.

Approved for Legal sufficiency:

  
\_\_\_\_\_  
Valerie Shahriari  
VP & General Counsel

  
\_\_\_\_\_  
Joel H. Snook  
VP & Chief Financial Officer

  
\_\_\_\_\_  
Dr. Belma Andric  
Chief Medical Officer, VP & Executive Director  
of Clinic Services

## MEMO

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To: Finance Committee  
From: Joel H. Snook  
VP & Chief Financial Officer  
Date: July 29, 2020

Subject: Management Discussion and Analysis of June 2020 C.L. Brumback Primary Care Clinic Financial Statements.

The June statements represent the financial performance for the ninth month of the 2020 fiscal year for C.L. Brumback Primary Care Clinics. Total YTD revenue was unfavorable to budget by (\$1.6M) due mostly to grant revenue timing and closure of clinics starting mid-March through May. Net patient revenue YTD was unfavorable to budget by (\$367k). The COVID-19 national emergency started mid-March and 9 clinics were closed to start countywide COVID-19 testing. Expenses before depreciation were over budget by (\$610k) or (3.2%) due mostly to negative variances in salaries, wages, and benefits (\$416k), purchase services (\$102k), medical services (\$95k), and repair and maintenance (\$145k). Total YTD net margin was (\$10.2M) compared to budget of (\$7.9M) for a variance of (\$2.3M) or (29.4%).

The Medical clinics total YTD revenue was unfavorable to budget by (\$738k), this unfavorable variance resulted from grant revenue timing of (\$2.2M). Gross patient revenue under budget of (\$2.8M) or (19.9%) was a result of reduced clinic operation and closure from mid-March through May. During clinic closure, staff were reassigned to start countywide COVID-19 testing. Total operating expenses of \$16.8M were unfavorable to budget of \$15.9M by (\$872k) or (5.5%). This negative variance is mostly related to salaries, wages and benefits (\$562k), purchase services (\$89k), medical supplies (\$46k), medical services (\$95k) and repairs and maintenance (\$164k). Purchase services are unfavorable to budget due to higher collection fees from Athena. Medical supplies and medical services are unfavorable to budget due to unanticipated service use and supplies purchases. Repairs and maintenance is unfavorable to budget primarily due to unanticipated Allscripts software maintenance cost. Total YTD net margin of (\$8.8M) was unfavorable to budget of (\$7.1M) by (\$1.6M) or (23.1%).

The Dental clinics gross patient revenue was unfavorable to budget by (\$796k) or (24.6%). Total revenue of \$2.5M was under budget of \$3.4M by (\$911k) or (27.0%) due to grant revenue recognition timing, as well as reduced services. Total operating expenses of \$3.2M were favorable to budget by \$262k or 7.6% due mainly to combined salaries, wages, and benefits \$146k, medical supplies of \$75k, and repairs and maintenance \$19k. Total YTD net margin was (\$1.4M) compared to a budgeted loss of (\$737k) for a variance of (\$667k).

As of June 2020, the Clinics has been awarded \$3.1M in COVID-19 grants from HRSA (\$3.0M) and the CARES Act (\$51K) to make up for lost revenue related to the pandemic and to prevent, prepare, respond with increase healthcare capacity and staffing levels for COVID-19. These funds were appropriated under the HRSA and the CARES Act to cover health care related expenses or lost revenues that are attributable to coronavirus and to expand

testing and increase health care capacity. The Clinics through May have recognized \$1.4M of the \$3.1M and the remaining monies will be recognized in coming months as the Clinics incur payroll and other expenses related to COVID-19 due to the implementation of countywide testing to respond to COVID-19. The District has established strong internal control systems to ensure compliance with grantor requirements.

On the Comparative Statement of Net Position, due from other governments increased to \$3.6M, this balance is due mainly from Health Resources and Service Administration (HRSA). The District subsidy YTD for the Medical and Dental clinics are \$9.2M, and \$1.4M respectively for a combined subsidy of \$10.6M.

**DISTRICT CLINIC HOLDINGS, INC.**  
**COMPARATIVE STATEMENT OF NET POSITION**

|  | <u>Jun 30, 2020</u> | <u>May 31, 2020</u> | <u>Increase<br/>(Decrease)</u> |
|--|---------------------|---------------------|--------------------------------|
| <b>Assets</b>  |                     |                     |                                |
| Cash and Cash Equivalents  | (1,261,007)         | 596,839             | \$ (1,857,845)                 |
| Accounts Receivable, net   | 1,569,555           | 1,528,278           | 41,277                         |
| Due From Other Funds   | -                   | -                   | -                              |
| Due from Other Governments   | 3,594,531           | 2,751,795           | 842,736                        |
| Other Current Assets   | 162,984             | 190,101             | (27,117)                       |
| Net Investment in Capital Assets   | 2,414,681           | 2,433,790           | (19,109)                       |
| <b>Total Assets</b>  | <u>\$ 6,480,745</u> | <u>\$ 7,500,803</u> | <u>\$ (1,020,058)</u>          |
| <b>Liabilities</b>   |                     |                     |                                |
| Accounts Payable   | 280,899             | 268,519             | 12,380                         |
| Due To Other Governments   | -                   | -                   | -                              |
| Deferred Revenue   | 277,932             | 277,932             | -                              |
| Other Current Liabilities  | 2,378,026           | 1,982,762           | 395,265                        |
| Non-Current Liabilities  | 1,353,023           | 1,134,950           | 218,074                        |
| <b>Total Liabilities</b>   | <u>4,289,881</u>    | <u>3,664,163</u>    | <u>625,718</u>                 |
| <b>Deferred Inflows of Resources</b>   |                     |                     |                                |
| Deferred Inflows- Other Post Employment Benefits                             | <u>\$ 543</u>       | <u>\$ 543</u>       | <u>\$ -</u>                    |
| <b>Net Position</b>  |                     |                     |                                |
| Net Investment in Capital Assets   | 2,414,681           | 2,433,790           | (19,109)                       |
| Unrestricted   | (224,360)           | 1,402,307           | (1,626,667)                    |
| <b>Total Net Position</b>  | <u>2,190,321</u>    | <u>3,836,097</u>    | <u>(1,645,776)</u>             |
| <b>Total Liabilities, Deferred Inflows of Resources<br/>and Net Position</b> | <u>\$ 6,480,745</u> | <u>\$ 7,500,803</u> | <u>\$ (1,020,058)</u>          |

**Note:** Amounts may not foot due to rounding.



# District Clinics Holdings, Inc. Statement of Revenues and Expenses

FOR THE NINTH MONTH ENDED JUNE 30, 2020

| Current Month                |                     |                       |                |                     |                       |                | Fiscal Year To Date                      |                        |                       |                       |                |                       |                       |                 |
|------------------------------|---------------------|-----------------------|----------------|---------------------|-----------------------|----------------|--|------------------------|-----------------------|-----------------------|----------------|-----------------------|-----------------------|-----------------|
| Actual                       | Budget              | Variance              | %              | Prior Year          | Variance              | %              | Actual                                   | Budget                 | Variance              | %                     | Prior Year     | Variance              | %                     |                 |
| 19,109                       | 13,280              | (5,829)               | (43.9%)        | 13,232              | (5,877)               | (44.4%)        | Depreciation                             | 165,491                | 119,520               | (45,971)              | (38.5%)        | 118,753               | (46,738)              | (39.4%)         |
| <i>Overhead Allocations:</i> |                     |                       |                |                     |                       |                |  |                        |                       |                       |                |                       |                       |                 |
| 2,526                        | 2,255               | (272)                 | (12.0%)        | 293                 | (2,233)               | (761.3%)       | Risk Mgt                                 | 18,418                 | 20,293                | 1,876                 | 9.2%           | 25,179                | 6,761                 | 26.9%           |
| 126,169                      | 96,913              | (29,257)              | (30.2%)        | 91,067              | (35,102)              | (38.5%)        | Rev Cycle                                | 1,162,953              | 872,214               | (290,738)             | (33.3%)        | 819,603               | (343,350)             | (41.9%)         |
| 1,144                        | 5,506               | 4,363                 | 79.2%          | 5,141               | 3,997                 | 77.8%          | Internal Audit                           | 40,512                 | 49,558                | 9,045                 | 18.3%          | 47,357                | 6,844                 | 14.5%           |
| 20,731                       | 21,420              | 689                   | 3.2%           | 19,969              | (762)                 | (3.8%)         | Home Office Facilities                   | 170,122                | 192,782               | 22,660                | 11.8%          | 170,512               | 390                   | 0.2%            |
| 37,362                       | 36,548              | (815)                 | (2.2%)         | 24,941              | (12,422)              | (49.8%)        | Administration                           | 309,009                | 328,929               | 19,919                | 6.1%           | 224,286               | (84,723)              | (37.8%)         |
| 36,991                       | 40,465              | 3,474                 | 8.6%           | 32,479              | (4,512)               | (13.9%)        | Human Resources                          | 360,978                | 364,186               | 3,208                 | 0.9%           | 304,216               | (56,761)              | (18.7%)         |
| 14,207                       | 18,543              | 4,336                 | 23.4%          | 12,733              | (1,474)               | (11.6%)        | Legal                                    | 143,697                | 166,886               | 23,189                | 13.9%          | 114,597               | (29,100)              | (25.4%)         |
| 6,976                        | 8,410               | 1,434                 | 17.0%          | 6,245               | (731)                 | (11.7%)        | Records                                  | 60,760                 | 75,690                | 14,930                | 19.7%          | 56,320                | (4,440)               | (7.9%)          |
| 4,708                        | 11,534              | 6,826                 | 59.2%          | 7,134               | 2,425                 | 34.0%          | Compliance                               | 78,431                 | 103,807               | 25,376                | 24.4%          | 58,663                | (19,767)              | (33.7%)         |
| -                            | -                   | -                     | 0.0%           | -                   | -                     | 0.0%           | Planning/Research                        | -                      | -                     | -                     | 0.0%           | 5,582                 | 5,582                 | 100.0%          |
| 10,927                       | 31,318              | 20,390                | 65.1%          | 26,415              | 15,488                | 58.6%          | Finance                                  | 276,035                | 281,860               | 5,826                 | 2.1%           | 263,999               | (12,036)              | (4.6%)          |
| 5,757                        | 11,356              | 5,600                 | 49.3%          | 8,464               | 2,707                 | 32.0%          | Public Relations                         | 86,229                 | 102,207               | 15,978                | 15.6%          | 73,438                | (12,791)              | (17.4%)         |
| 94,306                       | 109,427             | 15,121                | 13.8%          | 91,245              | (3,062)               | (3.4%)         | Information Technology                   | 834,437                | 984,846               | 150,409               | 15.3%          | 810,517               | (23,920)              | (3.0%)          |
| 3,058                        | 1,447               | (1,611)               | (111.3%)       | 1,648               | (1,410)               | (85.6%)        | Corporate Quality                        | 17,368                 | 13,026                | (4,342)               | (33.3%)        | 21,407                | 4,039                 | 18.9%           |
| 2,327                        | 4,999               | 2,672                 | 53.5%          | -                   | (2,327)               | 0.0%           | Project MGMT Office                      | 59,985                 | 44,989                | (14,996)              | (33.3%)        | -                     | (59,985)              | 0.0%            |
| 1,520                        | 3,755               | 2,235                 | 59.5%          | 3,223               | 1,703                 | 52.8%          | Managed Care Contract                    | 23,407                 | 33,798                | 10,391                | 30.7%          | 31,848                | 8,441                 | 26.5%           |
| 368,711                      | 403,897             | 35,186                | 8.7%           | 330,996             | (37,715)              | (11.4%)        | Total Overhead Allocations               | 3,642,339              | 3,635,071             | (7,269)               | (0.2%)         | 3,027,522             | (614,817)             | (20.3%)         |
| <b>2,904,842</b>             | <b>2,585,715</b>    | <b>(319,127)</b>      | <b>(12.3%)</b> | <b>2,402,638</b>    | <b>(502,204)</b>      | <b>(20.9%)</b> | <b>Total Expenses</b>                    | <b>23,775,351</b>      | <b>23,112,172</b>     | <b>(663,180)</b>      | <b>(2.9%)</b>  | <b>21,669,560</b>     | <b>(2,105,791)</b>    | <b>(9.7%)</b>   |
| <b>\$ (1,668,465)</b>        | <b>\$ (483,801)</b> | <b>\$ (1,184,664)</b> | <b>244.9%</b>  | <b>\$ (397,799)</b> | <b>\$ (1,270,666)</b> | <b>319.4%</b>  | <b>Net Margin</b>                        | <b>\$ (10,175,101)</b> | <b>\$ (7,863,163)</b> | <b>\$ (2,311,939)</b> | <b>29.4%</b>   | <b>\$ (2,416,019)</b> | <b>\$ (7,759,083)</b> | <b>321.2%</b>   |
| 10,532                       | 3,988               | (6,544)               | (164.1%)       | (220,227)           | (230,758)             | 104.8%         | Capital                                  | 13,276                 | 35,892                | 22,616                | 63.0%          | (108,153)             | (121,429)             | 112.3%          |
| <b>\$ 33,221</b>             | <b>\$ 476,679</b>   | <b>\$ 443,458</b>     | <b>93.0%</b>   | <b>\$ -</b>         | <b>\$ (33,221)</b>    | <b>0.0%</b>    | <b>General Fund Support/ Transfer In</b> | <b>\$ 10,587,867</b>   | <b>\$ 7,809,055</b>   | <b>\$ (2,778,812)</b> | <b>(35.6%)</b> | <b>\$ 2,627,860</b>   | <b>\$ (7,960,007)</b> | <b>(302.9%)</b> |



## District Clinics Holdings, Inc. Statement of Revenues and Expenses by Month

|   | Oct-19                | Nov-19                | Dec-19                | Jan-20                | Feb-20            | Mar-20                | Apr-20                | May-20             | Jun-20                | Jul-20      | Aug-20      | Sep-20      | Year to Date           |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-------------------|-----------------------|-----------------------|--------------------|-----------------------|-------------|-------------|-------------|------------------------|
| <b>Gross Patient Revenue</b>  | <b>2,170,266</b>      | <b>1,734,463</b>      | <b>1,899,323</b>      | <b>2,006,755</b>      | <b>2,006,769</b>  | <b>1,801,952</b>      | <b>160,855</b>        | <b>403,778</b>     | <b>1,413,235</b>      | -           | -           | -           | <b>13,597,395</b>      |
| Contractual Allowances  | 453,586               | 336,609               | 271,867               | 363,658               | 456,343           | 271,731               | (59,194)              | 114,972            | 256,581               | -           | -           | -           | 2,466,154              |
| Charity Care  | 811,861               | 727,479               | 715,762               | 727,882               | 755,536           | 763,916               | 60,440                | 96,417             | 462,775               | -           | -           | -           | 5,122,067              |
| Bad Debt  | 341,494               | 193,678               | 306,448               | 343,282               | 34,054            | 266,273               | 189,943               | 133,496            | 515,415               | -           | -           | -           | 2,324,082              |
| Other Patient Revenue   | 385,820               | 385,820               | 341,366               | 190,933               | 514,094           | 363,607               | 333,912               | 778,072            | 394,539               | -           | -           | -           | 3,688,162              |
| <b>Net Patient Revenue</b>  | <b>949,144</b>        | <b>862,516</b>        | <b>946,612</b>        | <b>762,866</b>        | <b>1,274,930</b>  | <b>863,640</b>        | <b>303,579</b>        | <b>836,965</b>     | <b>573,003</b>        | -           | -           | -           | <b>7,373,255</b>       |
| Collections %   | 43.73%                | 49.73%                | 49.84%                | 38.01%                | 63.53%            | 47.93%                | 188.73%               | 207.28%            | 40.55%                | -           | -           | -           | 54.23%                 |
| Grant Funds   | 53,241                | 48,416                | 28,234                | 383,141               | 1,156,633         | 797,135               | 1,364,639             | 862,240            | 102,955               | -           | -           | -           | 4,796,633              |
| Other Financial Assistance  | -                     | -                     | -                     | -                     | -                 | -                     | -                     | 809,249            | 554,571               | -           | -           | -           | 1,363,820              |
| Other Revenue   | 21,291                | 2,647                 | 6,897                 | 1,641                 | 12,750            | 5,134                 | 4,770                 | 5,564              | 5,849                 | -           | -           | -           | 66,542                 |
| Total Other Revenues  | 74,531                | 51,063                | 35,130                | 384,782               | 1,169,383         | 802,270               | 1,369,409             | 1,677,053          | 663,374               | -           | -           | -           | 6,226,995              |
| <b>Total Revenues</b>   | <b>1,023,676</b>      | <b>913,579</b>        | <b>981,742</b>        | <b>1,147,648</b>      | <b>2,444,313</b>  | <b>1,665,909</b>      | <b>1,672,988</b>      | <b>2,514,018</b>   | <b>1,236,377</b>      | -           | -           | -           | <b>13,600,250</b>      |
| <i>Direct Operational Expenses:</i>                                   |                       |                       |                       |                       |                   |                       |                       |                    |                       |             |             |             |                        |
| Salaries and Wages  | 1,489,724             | 1,328,404             | 1,427,860             | 1,204,612             | 1,217,711         | 1,440,687             | 1,543,379             | 1,234,387          | 1,587,443             | -           | -           | -           | 12,474,207             |
| Benefits  | 380,176               | 378,148               | 365,616               | 354,929               | 265,010           | 369,330               | 366,442               | 424,266            | 466,608               | -           | -           | -           | 3,370,526              |
| Purchased Services  | 101,033               | 80,005                | 43,837                | 125,015               | 59,974            | 80,642                | 57,310                | 56,861             | 63,545                | -           | -           | -           | 694,073                |
| Medical Supplies  | 15,280                | 65,422                | 33,103                | 32,205                | 48,440            | 53,844                | 12,994                | 10,092             | 23,562                | -           | -           | -           | 294,941                |
| Other Supplies  | 8,043                 | 19,713                | 1,026                 | 15,087                | 18,774            | 11,678                | 16,520                | 1,213              | 24,577                | -           | -           | -           | 116,632                |
| Medical Services  | 67,974                | 43,699                | 53,733                | 61,772                | 93,803            | 74,266                | 71,459                | 71,459             | 131,722               | -           | -           | -           | 692,533                |
| Drugs   | 65,352                | 106,112               | 85,786                | 79,805                | 83,941            | 76,212                | 84,585                | 96,741             | 68,456                | -           | -           | -           | 746,990                |
| Repairs & Maintenance   | 36,932                | 11,167                | 19,935                | 19,129                | 24,857            | 102,610               | 22,582                | 16,666             | 15,665                | -           | -           | -           | 269,544                |
| Lease & Rental  | 117,472               | 120,395               | 121,087               | 102,313               | 100,186           | 110,890               | 115,797               | 116,344            | 112,369               | -           | -           | -           | 1,016,853              |
| Utilities   | 6,959                 | 6,781                 | 4,724                 | 4,942                 | 3,268             | 4,694                 | 4,407                 | 4,607              | 3,895                 | -           | -           | -           | 44,277                 |
| Other Expense   | 19,578                | 37,182                | 33,567                | 43,749                | 17,228            | 17,735                | 26,386                | 13,042             | 16,952                | -           | -           | -           | 225,420                |
| Insurance   | 2,377                 | 2,377                 | 2,377                 | 2,377                 | 2,377             | 2,377                 | 1,320                 | 3,716              | 2,228                 | -           | -           | -           | 21,526                 |
| Total Operational Expenses  | 2,310,900             | 2,199,405             | 2,192,652             | 2,045,937             | 1,935,571         | 2,370,815             | 2,345,826             | 2,049,393          | 2,517,022             | -           | -           | -           | 19,967,521             |
| <b>Net Performance before Depreciation &amp; Overhead Allocations</b> | <b>(1,287,225)</b>    | <b>(1,285,826)</b>    | <b>(1,210,910)</b>    | <b>(898,289)</b>      | <b>508,743</b>    | <b>(704,906)</b>      | <b>(672,838)</b>      | <b>464,625</b>     | <b>(1,280,645)</b>    | -           | -           | -           | <b>(6,367,271)</b>     |
| Depreciation  | 13,167                | 10,357                | 26,292                | 19,329                | 19,356            | 19,355                | 19,259                | 19,268             | 19,109                | -           | -           | -           | 165,491                |
| <i>Overhead Allocations:</i>  |                       |                       |                       |                       |                   |                       |                       |                    |                       |             |             |             |                        |
| Risk Mgt  | 1,623                 | 2,089                 | 1,990                 | 1,944                 | 1,968             | 2,232                 | 1,937                 | 2,108              | 2,526                 | -           | -           | -           | 18,418                 |
| Rev Cycle   | 62,997                | 84,377                | 69,757                | 272,531               | (5,098)           | 191,748               | 158,636               | 201,835            | 126,169               | -           | -           | -           | 1,162,953              |
| Internal Audit  | 5,281                 | 6,983                 | 5,435                 | 5,263                 | 4,570             | 5,288                 | 5,186                 | 1,363              | 1,144                 | -           | -           | -           | 40,512                 |
| Home Office Facilities  | 18,086                | 19,184                | 20,918                | 17,204                | 18,345            | 18,562                | 18,588                | 18,504             | 20,731                | -           | -           | -           | 170,122                |
| Administration  | 28,448                | 37,990                | 37,093                | 34,890                | 38,177            | 33,799                | 31,099                | 30,151             | 37,362                | -           | -           | -           | 309,009                |
| Human Resources   | 35,210                | 38,104                | 66,995                | 39,343                | 22,674            | 43,414                | 39,978                | 38,269             | 36,991                | -           | -           | -           | 360,978                |
| Legal   | 11,308                | 15,984                | 19,536                | 13,924                | 21,646            | 16,997                | 12,561                | 17,534             | 14,207                | -           | -           | -           | 143,697                |
| Records   | 6,516                 | 6,638                 | 7,687                 | 5,290                 | 7,035             | 7,290                 | 7,681                 | 5,647              | 6,976                 | -           | -           | -           | 60,760                 |
| Compliance  | 3,902                 | 6,147                 | 11,403                | 15,681                | 12,839            | 7,333                 | 11,124                | 5,293              | 4,708                 | -           | -           | -           | 78,431                 |
| Finance   | 27,070                | 34,293                | 28,393                | 46,646                | 20,187            | 44,494                | 30,084                | 33,940             | 10,927                | -           | -           | -           | 276,035                |
| Public Relations  | 9,057                 | 15,976                | 11,021                | 11,326                | 7,463             | 6,968                 | 9,064                 | 9,596              | 5,757                 | -           | -           | -           | 86,229                 |
| Information Technology  | 80,822                | 61,834                | 94,710                | 97,188                | 90,619            | 92,458                | 100,648               | 121,853            | 94,306                | -           | -           | -           | 834,437                |
| Corporate Quality   | 1,964                 | 2,269                 | 2,876                 | 2,441                 | (2,313)           | 2,714                 | 2,175                 | 2,185              | 3,058                 | -           | -           | -           | 17,368                 |
| Project MGMT Office   | 4,280                 | 5,685                 | 6,754                 | 9,544                 | (1,268)           | 11,455                | 10,972                | 10,238             | 2,327                 | -           | -           | -           | 59,985                 |
| Managed Care Contract   | 3,150                 | 3,685                 | 2,822                 | 2,038                 | 2,312             | 2,379                 | 1,975                 | 3,526              | 1,520                 | -           | -           | -           | 23,407                 |
| Total Overhead Allocations  | 299,713               | 341,238               | 387,389               | 575,252               | 239,156           | 487,131               | 441,707               | 502,041            | 368,711               | -           | -           | -           | 3,642,339              |
| <b>Total Expenses</b>   | <b>2,623,781</b>      | <b>2,551,001</b>      | <b>2,606,333</b>      | <b>2,640,518</b>      | <b>2,194,083</b>  | <b>2,877,301</b>      | <b>2,806,792</b>      | <b>2,570,702</b>   | <b>2,904,842</b>      | -           | -           | -           | <b>23,775,351</b>      |
| <b>Net Margin</b>   | <b>\$ (1,600,105)</b> | <b>\$ (1,637,421)</b> | <b>\$ (1,624,591)</b> | <b>\$ (1,492,870)</b> | <b>\$ 250,231</b> | <b>\$ (1,211,391)</b> | <b>\$ (1,133,804)</b> | <b>\$ (56,684)</b> | <b>\$ (1,668,465)</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ (10,175,101)</b> |
| Capital   | -                     | 81,965                | (81,965)              | 21,988                | (12,580)          | -                     | (6,663)               | -                  | 10,532                | -           | -           | -           | 13,276                 |
| Capital Contributions   | -                     | -                     | -                     | -                     | -                 | -                     | -                     | -                  | -                     | -           | -           | -           | -                      |
| <b>General Fund Support/ Transfer In</b>                              | <b>1,726,629</b>      | <b>1,664,089</b>      | <b>1,421,583</b>      | <b>1,495,529</b>      | <b>-</b>          | <b>909,870</b>        | <b>1,107,882</b>      | <b>2,229,064</b>   | <b>33,221</b>         | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>\$ 10,587,867</b>   |

# District Clinics Holdings, Inc.- Medical Statement of Revenues and Expenses by Location

FOR THE NINTH MONTH ENDED JUNE 30, 2020

|   | Clinic Administration | West Palm Beach Clinic | Lantana Clinic      | Delray Clinic       | Belle Glade Clinic  | Lewis Center     | Lake Worth Clinic     | Jupiter Clinic      | West Boca Clinic    | Subxone Clinic      | Mobile Van          | Mobile Van 2       | Total                 |
|---|-----------------------|------------------------|---------------------|---------------------|---------------------|------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|--------------------|-----------------------|
| <b>Gross Patient Revenue</b>  | -                     | 2,018,438              | 2,586,876           | 1,306,205           | 969,691             | 436,702          | 1,680,302             | 575,414             | 911,126             | 545,954             | 132,160             | -                  | <b>11,162,867.92</b>  |
| Contractual Allowances  | -                     | 399,579                | 443,081             | 241,508             | 210,344             | 28,083           | 339,807               | 119,515             | 262,836             | 13,637              | (6,142)             | -                  | 2,052,303             |
| Charity Care  | -                     | 777,889                | 916,262             | 346,460             | 243,104             | 90,697           | 646,501               | 180,200             | 203,528             | 155,774             | 158,629             | -                  | 3,719,045             |
| Bad Debt  | -                     | 339,861                | 542,443             | 346,080             | 262,272             | 79,869           | 214,390               | 71,217              | 76,883              | 90,779              | 128,934             | -                  | 2,152,729             |
| <b>Total Contractual Allowances and Bad Debt</b>                      | -                     | <b>1,517,329</b>       | <b>1,901,786</b>    | <b>934,048</b>      | <b>715,719</b>      | <b>198,649</b>   | <b>1,200,698</b>      | <b>370,932</b>      | <b>543,247</b>      | <b>260,190</b>      | <b>281,422</b>      | -                  | <b>7,924,076</b>      |
| Other Patient Revenue   | -                     | 547,481                | 626,385             | 275,461             | 159,443             | 220,903          | 310,877               | 95,426              | 139,369             | 162,910             | 64,242              | -                  | 2,602,496             |
| <b>Net Patient Revenue</b>  | -                     | <b>1,048,590</b>       | <b>1,311,475</b>    | <b>647,617</b>      | <b>413,416</b>      | <b>458,956</b>   | <b>790,481</b>        | <b>299,907</b>      | <b>507,247</b>      | <b>448,675</b>      | <b>(85,020)</b>     | -                  | <b>5,841,287</b>      |
| Collection %  | 0.00%                 | 51.95%                 | 50.70%              | 49.58%              | 42.63%              | 105.10%          | 47.04%                | 52.12%              | 55.67%              | 82.18%              | -64.33%             | 0.00%              | 52.33%                |
| Grant Funds   | 386,819               | 622,670                | 675,780             | 409,012             | 412,024             | 133,788          | 524,951               | 193,696             | 215,647             | 329,514             | 117,785             | -                  | 4,021,686             |
| Other Financial Assistance  | 501,655               | 103,287                | 151,167             | 57,507              | 92,110              | 19,716           | 69,003                | 66,997              | 43,874              | 56,224              | 41,962              | -                  | 1,203,501             |
| Other Revenue   | 16,414                | 9,915                  | 15,978              | 5,439               | 5,038               | 839              | 6,815                 | 1,947               | 3,409               | 399                 | 349                 | -                  | 66,542                |
| <b>Total Other Revenues</b>   | <b>904,889</b>        | <b>735,872</b>         | <b>842,924</b>      | <b>471,957</b>      | <b>509,172</b>      | <b>154,342</b>   | <b>600,769</b>        | <b>262,640</b>      | <b>262,931</b>      | <b>386,137</b>      | <b>160,096</b>      | -                  | <b>5,291,729</b>      |
| <b>Total Revenues</b>   | <b>904,889</b>        | <b>1,784,462</b>       | <b>2,154,400</b>    | <b>1,119,574</b>    | <b>922,588</b>      | <b>613,298</b>   | <b>1,391,249</b>      | <b>562,548</b>      | <b>770,178</b>      | <b>834,812</b>      | <b>75,076</b>       | -                  | <b>11,133,016</b>     |
| <i>Direct Operational Expenses:</i>                                   |                       |                        |                     |                     |                     |                  |                       |                     |                     |                     |                     |                    |                       |
| Salaries and Wages  | 1,933,327             | 1,463,790              | 1,475,351           | 1,012,940           | 826,403             | 334,069          | 1,313,217             | 496,174             | 642,865             | 651,913             | 222,391             | -                  | 10,372,440            |
| Benefits  | 471,521               | 379,177                | 404,845             | 298,139             | 221,817             | 85,743           | 374,032               | 134,470             | 161,479             | 182,475             | 80,966              | -                  | 2,794,663             |
| Purchased Services  | 124,079               | 84,529                 | 61,432              | 48,624              | 56,911              | 5,130            | 88,904                | 52,403              | 48,913              | 34,928              | 7,188               | -                  | 613,040               |
| Medical Supplies  | (134)                 | 27,542                 | 45,266              | 12,038              | 18,553              | 4,272            | 16,523                | 4,801               | 5,642               | 34,370              | 2,261               | -                  | 171,135               |
| Other Supplies  | 26,463                | 11,542                 | 24,365              | 5,505               | 8,773               | 583              | 6,466                 | 5,502               | 3,534               | 10,571              | 3,967               | 2,322              | 109,592               |
| Medical Services  | -                     | 109,534                | 217,609             | 56,839              | 96,186              | 15,602           | 95,487                | 16,274              | 46,916              | 38,087              | -                   | -                  | 692,533               |
| Drugs   | -                     | 290,794                | 222,742             | 104,237             | 71,598              | 126              | 18,505                | 10,124              | 8,362               | 20,280              | 71                  | -                  | 746,840               |
| Repairs & Maintenance   | 45                    | 37,735                 | 34,887              | 32,953              | 35,279              | 6,967            | 36,442                | 11,567              | 20,620              | 9,112               | 12,380              | -                  | 237,986               |
| Lease & Rental  | -                     | 107,564                | 141,015             | 68,961              | 101,159             | 3,264            | 177,900               | 60,754              | 88,475              | 32,532              | -                   | 8,889              | 790,514               |
| Utilities   | -                     | 2,305                  | 3,505               | 760                 | 6,133               | 1,708            | 8,793                 | 5,583               | 4,311               | 2,035               | -                   | -                  | 35,133                |
| Other Expense   | 116,969               | 7,025                  | 9,323               | 8,865               | 10,812              | 2,692            | 12,258                | 2,596               | 8,532               | 19,667              | 3,872               | -                  | 202,610               |
| Insurance   | -                     | 4,328                  | 3,035               | 3,778               | 1,419               | -                | 2,101                 | 392                 | 426                 | 148                 | 3,952               | 1,649              | 21,228                |
| <b>Total Operational Expenses</b>                                     | <b>2,672,269</b>      | <b>2,525,866</b>       | <b>2,643,375</b>    | <b>1,653,637</b>    | <b>1,455,043</b>    | <b>460,156</b>   | <b>2,150,628</b>      | <b>800,639</b>      | <b>1,040,076</b>    | <b>1,036,118</b>    | <b>337,048</b>      | <b>12,860</b>      | <b>16,787,715</b>     |
| <b>Net Performance before Depreciation &amp; Overhead Allocations</b> | <b>(1,767,381)</b>    | <b>(741,404)</b>       | <b>(488,975)</b>    | <b>(534,063)</b>    | <b>(532,456)</b>    | <b>153,142</b>   | <b>(759,378)</b>      | <b>(238,092)</b>    | <b>(269,898)</b>    | <b>(201,307)</b>    | <b>(261,972)</b>    | <b>(12,860)</b>    | <b>(5,654,699)</b>    |
| Depreciation  | 6,072                 | 4,285                  | 4,077               | 1,348               | 38,204              | 922              | 4,253                 | 2,589               | 3,596               | 413                 | 56,250              | -                  | 122,011               |
| <i>Overhead Allocations:</i>  |                       |                        |                     |                     |                     |                  |                       |                     |                     |                     |                     |                    |                       |
| Risk Mgt  | 2,037                 | 2,171                  | 2,229               | 1,649               | 1,311               | 394              | 2,316                 | 790                 | 1,143               | 795                 | 311                 | -                  | 15,146                |
| Rev Cycle   | -                     | 156,424                | 160,655             | 118,838             | 94,470              | 28,372           | 166,901               | 56,953              | 82,345              | 57,280              | 22,435              | -                  | 944,673               |
| Internal Audit  | 4,481                 | 4,775                  | 4,904               | 3,628               | 2,884               | 866              | 5,095                 | 1,739               | 2,514               | 1,748               | 685                 | -                  | 33,317                |
| Home Office Facilities  | 152,042               | -                      | -                   | -                   | -                   | -                | -                     | -                   | -                   | -                   | -                   | -                  | 152,042               |
| Administration  | 34,176                | 36,420                 | 37,405              | 27,669              | 21,995              | 6,606            | 38,859                | 13,260              | 19,172              | 13,336              | 5,224               | -                  | 254,123               |
| Human Resources   | 33,180                | 47,400                 | 46,066              | 35,550              | 25,181              | 5,925            | 44,437                | 14,812              | 20,737              | 16,294              | 5,925               | -                  | 295,507               |
| Legal   | 15,893                | 16,936                 | 17,394              | 12,867              | 10,228              | 3,072            | 18,071                | 6,166               | 8,916               | 6,202               | 2,429               | -                  | 118,173               |
| Records   | 6,720                 | 7,161                  | 7,355               | 5,441               | 4,325               | 1,299            | 7,641                 | 2,607               | 3,770               | 2,622               | 1,027               | -                  | 49,968                |
| Compliance  | 8,674                 | 9,244                  | 9,494               | 7,023               | 5,583               | 1,677            | 9,863                 | 3,366               | 4,866               | 3,385               | 1,326               | -                  | 64,500                |
| Finance   | 30,529                | 32,534                 | 33,414              | 24,716              | 19,648              | 5,901            | 34,713                | 11,845              | 17,126              | 11,913              | 4,666               | -                  | 227,006               |
| Public Relations  | 9,537                 | 10,163                 | 10,438              | 7,721               | 6,138               | 1,843            | 10,844                | 3,700               | 5,350               | 3,722               | 1,458               | -                  | 70,913                |
| Information Technology  | 92,288                | 98,347                 | 101,007             | 74,716              | 59,396              | 17,838           | 104,935               | 35,808              | 51,772              | 36,013              | 14,106              | -                  | 686,225               |
| Budget & Decision Support   | -                     | -                      | -                   | -                   | -                   | -                | -                     | -                   | -                   | -                   | -                   | -                  | -                     |
| Corporate Quality   | 1,921                 | 2,047                  | 2,102               | 1,555               | 1,236               | 371              | 2,184                 | 745                 | 1,078               | 750                 | 294                 | -                  | 14,283                |
| Project MGMT Office   | 6,634                 | 7,070                  | 7,261               | 5,371               | 4,270               | 1,282            | 7,543                 | 2,574               | 3,722               | 2,589               | 1,014               | -                  | 49,331                |
| Managed Care Contract   | -                     | 3,148                  | 3,234               | 2,392               | 1,901               | 571              | 3,359                 | 1,146               | 1,657               | 1,153               | 452                 | -                  | 19,014                |
| <b>Total Overhead Allocations</b>                                     | <b>398,111</b>        | <b>433,839</b>         | <b>442,958</b>      | <b>329,136</b>      | <b>258,567</b>      | <b>76,017</b>    | <b>456,761</b>        | <b>155,513</b>      | <b>224,167</b>      | <b>157,801</b>      | <b>61,351</b>       | -                  | <b>2,994,221</b>      |
| <b>Total Expenses</b>   | <b>3,076,453</b>      | <b>2,963,990</b>       | <b>3,090,410</b>    | <b>1,984,121</b>    | <b>1,751,814</b>    | <b>537,095</b>   | <b>2,611,642</b>      | <b>958,741</b>      | <b>1,267,839</b>    | <b>1,194,332</b>    | <b>454,649</b>      | <b>12,860</b>      | <b>19,903,947</b>     |
| <b>Net Margin</b>   | <b>\$ (2,171,564)</b> | <b>\$ (1,179,528)</b>  | <b>\$ (936,010)</b> | <b>\$ (864,547)</b> | <b>\$ (829,227)</b> | <b>\$ 76,203</b> | <b>\$ (1,220,393)</b> | <b>\$ (396,194)</b> | <b>\$ (497,661)</b> | <b>\$ (359,520)</b> | <b>\$ (379,573)</b> | <b>\$ (12,860)</b> | <b>\$ (8,770,930)</b> |
| <b>Capital</b>  | -                     | -                      | -                   | -                   | 5,831               | -                | -                     | -                   | -                   | 7,444               | -                   | -                  | 5,831                 |
| <b>General Fund Support/ Transfer In</b>                              | <b>\$ 9,172,408</b>   | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>      | <b>\$ -</b>           | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>        | <b>\$ 9,172,408</b>   |



# District Clinic Holdings, Inc.- Medical Statement of Revenue and Expenses

FOR THE NINTH MONTH ENDED JUNE 30, 2020

| Current Month                |                     |                     |                |                     |                     |                | Fiscal Year To Date                      |                       |                       |                       |                |                       |                       |                 |
|------------------------------|---------------------|---------------------|----------------|---------------------|---------------------|----------------|--|-----------------------|-----------------------|-----------------------|----------------|-----------------------|-----------------------|-----------------|
| Actual                       | Budget              | Variance            | %              | Prior Year          | Variance            | %              | Actual                                   | Budget                | Variance              | %                     | Prior Year     | Variance              | %                     |                 |
| 13,924                       | 9,840               | (4,084)             | (41.5%)        | 9,863               | (4,062)             | (41.2%)        | Depreciation                             | 122,011               | 88,560                | (33,451)              | (37.8%)        | 88,043                | (33,968)              | (38.6%)         |
| <i>Overhead Allocations:</i> |                     |                     |                |                     |                     |                |  |                       |                       |                       |                |                       |                       |                 |
| 2,078                        | 1,854               | (223)               | (12.0%)        | 236                 | (1,842)             | (781.0%)       | Risk Mgt                                 | 15,146                | 16,689                | 1,543                 | 9.2%           | 20,242                | 5,096                 | 25.2%           |
| 102,488                      | 78,723              | (23,765)            | (30.2%)        | 72,195              | (30,293)            | (42.0%)        | Rev Cycle                                | 944,673               | 708,505               | (236,168)             | (33.3%)        | 649,755               | (294,918)             | (45.4%)         |
| 941                          | 4,528               | 3,588               | 79.2%          | 4,133               | 3,192               | 77.2%          | Internal Audit                           | 33,317                | 40,756                | 7,439                 | 18.3%          | 38,071                | 4,755                 | 12.5%           |
| 18,528                       | 19,144              | 616                 | 3.2%           | 17,765              | (763)               | (4.3%)         | Home Office Facilities                   | 152,042               | 172,293               | 20,251                | 11.8%          | 151,694               | (348)                 | (0.2%)          |
| 30,726                       | 30,056              | (670)               | (2.2%)         | 20,036              | (10,690)            | (53.4%)        | Administration                           | 254,123               | 270,505               | 16,381                | 6.1%           | 180,324               | (73,799)              | (40.9%)         |
| 30,282                       | 33,126              | 2,844               | 8.6%           | 26,029              | (4,253)             | (16.3%)        | Human Resources                          | 295,507               | 298,133               | 2,626                 | 0.9%           | 243,800               | (51,707)              | (21.2%)         |
| 11,683                       | 15,249              | 3,566               | 23.4%          | 10,236              | (1,447)             | (14.1%)        | Legal                                    | 118,173               | 137,244               | 19,070                | 13.9%          | 92,124                | (26,049)              | (28.3%)         |
| 5,737                        | 6,916               | 1,179               | 17.0%          | 5,021               | (717)               | (14.3%)        | Records                                  | 49,968                | 62,246                | 12,278                | 19.7%          | 45,277                | (4,691)               | (10.4%)         |
| 3,872                        | 9,485               | 5,613               | 59.2%          | 5,735               | 1,863               | 32.5%          | Compliance                               | 64,500                | 85,369                | 20,869                | 24.4%          | 47,161                | (17,339)              | (36.8%)         |
| -                            | -                   | -                   | 0.0%           | -                   | -                   | 0.0%           | Planning/Research                        | -                     | -                     | -                     | 0.0%           | 4,487                 | 4,487                 | 100.0%          |
| 8,986                        | 25,755              | 16,769              | 65.1%          | 21,236              | 12,249              | 57.7%          | Finance                                  | 227,006               | 231,797               | 4,791                 | 2.1%           | 212,237               | (14,769)              | (7.0%)          |
| 4,734                        | 9,339               | 4,605               | 49.3%          | 6,804               | 2,070               | 30.4%          | Public Relations                         | 70,913                | 84,053                | 13,140                | 15.6%          | 59,039                | (11,874)              | (20.1%)         |
| 77,556                       | 89,991              | 12,435              | 13.8%          | 73,354              | (4,201)             | (5.7%)         | Information Technology                   | 686,225               | 809,918               | 123,693               | 15.3%          | 651,600               | (34,626)              | (5.3%)          |
| 2,515                        | 1,190               | (1,325)             | (111.3%)       | 1,325               | (1,190)             | (89.8%)        | Corporate Quality                        | 14,283                | 10,712                | (3,571)               | (33.3%)        | 17,204                | 2,921                 | 17.0%           |
| 1,913                        | 4,111               | 2,198               | 53.5%          | -                   | (1,913)             | 0.0%           | Project MGMT Office                      | 49,331                | 36,998                | (12,333)              | (33.3%)        | -                     | (49,331)              | 0.0%            |
| 1,235                        | 3,051               | 1,815               | 59.5%          | 2,555               | 1,320               | 51.7%          | Managed Care Contract                    | 19,014                | 27,455                | 8,441                 | 30.7%          | 25,248                | 6,234                 | 24.7%           |
| 303,275                      | 332,519             | 29,245              | 8.8%           | 266,660             | (36,615)            | (13.7%)        | Total Overhead Allocations               | 2,994,221             | 2,992,672             | (1,549)               | (0.1%)         | 2,438,264             | (555,957)             | (22.8%)         |
| <b>2,449,568</b>             | <b>2,125,711</b>    | <b>(323,856)</b>    | <b>(15.2%)</b> | <b>2,009,206</b>    | <b>(440,361)</b>    | <b>(21.9%)</b> | <b>Total Expenses</b>                    | <b>19,903,947</b>     | <b>18,997,064</b>     | <b>(906,883)</b>      | <b>(4.8%)</b>  | <b>17,666,673</b>     | <b>(2,237,274)</b>    | <b>(12.7%)</b>  |
| <b>\$ (1,290,204)</b>        | <b>\$ (473,405)</b> | <b>\$ (816,799)</b> | <b>172.5%</b>  | <b>\$ (520,047)</b> | <b>\$ (770,156)</b> | <b>148.1%</b>  | <b>Net Margin</b>                        | <b>\$ (8,770,930)</b> | <b>\$ (7,125,811)</b> | <b>\$ (1,645,120)</b> | <b>23.1%</b>   | <b>\$ (2,371,243)</b> | <b>\$ (6,399,688)</b> | <b>269.9%</b>   |
| 10,532                       | -                   | (10,532)            | 0.0%           | (9,843)             | (20,374)            | 207.0%         | Capital                                  | 13,276                | -                     | (13,276)              | 0.0%           | -                     | (13,276)              | 0.0%            |
| -                            | -                   | -                   | 0.0%           | -                   | -                   | 0.0%           | Capital Contributions                    |                       |                       |                       |                |                       |                       |                 |
| <b>\$ -</b>                  | <b>\$ 463,735</b>   | <b>\$ 463,735</b>   | <b>100.0%</b>  | <b>\$ -</b>         | <b>\$ -</b>         | <b>0.0%</b>    | <b>General Fund Support/ Transfer In</b> | <b>\$ 9,172,408</b>   | <b>\$ 7,038,780</b>   | <b>\$ (2,133,628)</b> | <b>(30.3%)</b> | <b>\$ 2,627,860</b>   | <b>\$ (6,544,548)</b> | <b>(249.0%)</b> |

## District Clinics Holdings, Inc.- Dental Statement of Revenues and Expenses by Location

FOR THE NINTH MONTH ENDED JUNE 30, 2020

|   | Dental Clinic<br>Administration | West Palm Beach<br>Dental Clinic | Lantana<br>Dental Clinic | Delray<br>Dental Clinic | Belle Glade<br>Dental Clinic | Total                 |
|---|---------------------------------|----------------------------------|--------------------------|-------------------------|------------------------------|-----------------------|
| <b>Gross Patient Revenue</b>  | -                               | 940,467                          | 564,529                  | 571,032                 | 358,499                      | 2,434,527             |
| Contractual Allowances  | -                               | 183,060                          | 90,753                   | 61,602                  | 78,435                       | 413,851               |
| Charity Care  | -                               | 519,753                          | 321,432                  | 388,902                 | 172,935                      | 1,403,022             |
| Bad Debt  | -                               | 43,892                           | 57,671                   | 33,103                  | 36,688                       | 171,353               |
| <b>Total Contractual Allowances and Bad Debt</b>                      | -                               | 746,705                          | 469,856                  | 483,606                 | 288,059                      | 1,988,226             |
| Other Patient Revenue   | -                               | 374,850                          | 251,646                  | 167,657                 | 291,514                      | 1,085,666             |
| <b>Net Patient Revenue</b>  | -                               | 568,612                          | 346,319                  | 255,082                 | 361,954                      | 1,531,968             |
| Collection %  | -                               | 60.46%                           | 61.35%                   | 44.67%                  | 100.96%                      | 62.93%                |
| Grant Funds   | 62,417                          | 267,471                          | 177,542                  | 170,012                 | 97,505                       | 774,947               |
| Other Financial Assistance  | 9,546                           | 43,226                           | 36,722                   | 39,323                  | 31,502                       | 160,319               |
| Other Revenue   | -                               | -                                | -                        | -                       | -                            | -                     |
| <b>Total Other Revenues</b>   | 71,963                          | 310,697                          | 214,264                  | 209,335                 | 129,007                      | 935,266               |
| <b>Total Revenues</b>   | <b>71,963</b>                   | <b>879,309</b>                   | <b>560,584</b>           | <b>464,417</b>          | <b>490,961</b>               | <b>2,467,234</b>      |
| <i>Direct Operational Expenses:</i>                                   |                                 |                                  |                          |                         |                              |                       |
| Salaries and Wages  | 268,199                         | 682,477                          | 441,836                  | 444,464                 | 264,791                      | 2,101,767             |
| Benefits  | 67,079                          | 180,470                          | 125,599                  | 125,794                 | 76,921                       | 575,863               |
| Purchased Services  | -                               | 17,461                           | 19,303                   | 14,056                  | 30,212                       | 81,032                |
| Medical Supplies  | -                               | 57,437                           | 23,519                   | 25,208                  | 17,642                       | 123,806               |
| Other Supplies  | -                               | 2,522                            | 1,017                    | 634                     | 2,867                        | 7,040                 |
| Drugs   | -                               | 97                               | 47                       | 6                       | 0                            | 150                   |
| Repairs & Maintenance   | -                               | 9,137                            | 7,319                    | 8,264                   | 6,836                        | 31,557                |
| Lease & Rental  | -                               | 86,180                           | 49,430                   | 46,200                  | 44,528                       | 226,340               |
| Utilities   | -                               | 2,721                            | 3,121                    | 1,272                   | 2,030                        | 9,144                 |
| Other Expense   | 1,885                           | 4,300                            | 8,134                    | 4,883                   | 3,608                        | 22,810                |
| Insurance   | -                               | -                                | -                        | -                       | 298                          | 298                   |
| <b>Total Operational Expenses</b>                                     | <b>337,163</b>                  | <b>1,042,804</b>                 | <b>679,325</b>           | <b>670,781</b>          | <b>449,733</b>               | <b>3,179,806</b>      |
| <b>Net Performance before Depreciation &amp; Overhead Allocations</b> | <b>(265,200)</b>                | <b>(163,495)</b>                 | <b>(118,742)</b>         | <b>(206,364)</b>        | <b>41,228</b>                | <b>(712,572)</b>      |
| Depreciation  | -                               | 5,504                            | 5,932                    | 5,479                   | 26,565                       | 43,480                |
| <i>Overhead Allocations:</i>  |                                 |                                  |                          |                         |                              |                       |
| Risk Mgt  | 242                             | 1,123                            | 800                      | 702                     | 405                          | 3,271                 |
| Rev Cycle   | -                               | 80,929                           | 57,624                   | 50,577                  | 29,149                       | 218,279               |
| Internal Audit  | 533                             | 2,470                            | 1,759                    | 1,544                   | 890                          | 7,196                 |
| Home Office Facilities  | 18,080                          | -                                | -                        | -                       | -                            | 18,080                |
| Administration  | 4,064                           | 18,843                           | 13,416                   | 11,776                  | 6,787                        | 54,886                |
| Human Resources   | 2,962                           | 20,737                           | 18,071                   | 16,294                  | 7,406                        | 65,471                |
| Legal   | 1,890                           | 8,762                            | 6,239                    | 5,476                   | 3,156                        | 25,523                |
| Records   | 799                             | 3,705                            | 2,638                    | 2,315                   | 1,334                        | 10,792                |
| Compliance  | 1,032                           | 4,783                            | 3,405                    | 2,989                   | 1,723                        | 13,931                |
| Finance   | 3,630                           | 16,832                           | 11,985                   | 10,519                  | 6,063                        | 49,029                |
| Public Relations  | 1,134                           | 5,258                            | 3,744                    | 3,286                   | 1,894                        | 15,316                |
| Information Technology  | 10,975                          | 50,882                           | 36,229                   | 31,799                  | 18,327                       | 148,212               |
| Corporate Quality   | 228                             | 1,059                            | 754                      | 662                     | 381                          | 3,085                 |
| Project MGMT Office   | 789                             | 3,658                            | 2,604                    | 2,286                   | 1,317                        | 10,654                |
| Managed Care Contract   | -                               | 1,629                            | 1,160                    | 1,018                   | 587                          | 4,393                 |
| <b>Total Overhead Allocations</b>                                     | <b>46,359</b>                   | <b>220,669</b>                   | <b>160,428</b>           | <b>141,243</b>          | <b>79,419</b>                | <b>648,119</b>        |
| <b>Total Expenses</b>   | <b>383,522</b>                  | <b>1,268,977</b>                 | <b>845,685</b>           | <b>817,504</b>          | <b>555,717</b>               | <b>3,871,405</b>      |
| <b>Net Margin</b>   | <b>\$ (311,559)</b>             | <b>\$ (389,668)</b>              | <b>\$ (285,101)</b>      | <b>\$ (353,086)</b>     | <b>\$ (64,756)</b>           | <b>\$ (1,404,171)</b> |
| Capital   | -                               | -                                | -                        | -                       | -                            | -                     |
| Capital Contributions   | -                               | -                                | -                        | -                       | -                            | -                     |
| <b>General Fund Support/ Transfer In</b>                              | <b>\$ 1,415,459</b>             | <b>-</b>                         | <b>-</b>                 | <b>-</b>                | <b>-</b>                     | <b>1,415,459</b>      |

# District Clinics Holdings, Inc.- Dental Statement of Revenues and Expenses

FOR THE NINTH MONTH ENDED JUNE 30, 2020

| Current Month                       |                |                  |                 |                |                  |                 | Fiscal Year To Date |                  |                  |                 |                  |                    |                 |
|-------------------------------------|----------------|------------------|-----------------|----------------|------------------|-----------------|---------------------|------------------|------------------|-----------------|------------------|--------------------|-----------------|
| Actual                              | Budget         | Variance         | %               | Prior Year     | Variance         | %               | Actual              | Budget           | Variance         | %               | Prior Year       | Variance           | %               |
| <b>83,234</b>                       | <b>374,618</b> | <b>(291,384)</b> | <b>(77.8%)</b>  | <b>339,916</b> | <b>(256,681)</b> | <b>(75.5%)</b>  | <b>2,434,527</b>    | <b>3,230,854</b> | <b>(796,327)</b> | <b>(24.6%)</b>  | <b>2,951,384</b> | <b>(516,856)</b>   | <b>(17.5%)</b>  |
| 17,523                              | 45,892         | 28,369           | 61.8%           | 32,140         | 14,616           | 45.5%           | 413,851             | 394,955          | (18,896)         | (4.8%)          | 697,889          | 284,038            | 40.7%           |
| 48,957                              | 208,463        | 159,506          | 76.5%           | 183,393        | 134,436          | 73.3%           | 1,403,022           | 1,800,386        | 397,364          | 22.1%           | 1,352,508        | (50,514)           | (3.7%)          |
| 29,204                              | 21,252         | (7,952)          | (37.4%)         | 25,017         | (4,187)          | (16.7%)         | 171,353             | 181,991          | 10,638           | 5.8%            | 113,025          | (58,328)           | (51.6%)         |
| 95,684                              | 275,607        | 179,923          | 65.3%           | 240,549        | 144,865          | 60.2%           | 1,988,226           | 2,377,332        | 389,106          | 16.4%           | 2,163,421        | 175,195            | 8.1%            |
| 83,660                              | 135,679        | (52,019)         | (38.3%)         | 99,834         | (16,174)         | (16.2%)         | 1,085,666           | 1,221,111        | (135,445)        | (11.1%)         | 1,303,461        | (217,794)          | (16.7%)         |
| <b>71,210</b>                       | <b>234,690</b> | <b>(163,480)</b> | <b>(69.7%)</b>  | <b>199,200</b> | <b>(127,990)</b> | <b>(64.3%)</b>  | <b>1,531,968</b>    | <b>2,074,633</b> | <b>(542,665)</b> | <b>(26.2%)</b>  | <b>2,091,423</b> | <b>(559,455)</b>   | <b>(26.7%)</b>  |
| 85.55%                              | 62.65%         |                  |                 | 58.60%         |                  |                 | 62.93%              | 64.21%           |                  | 70.86%          |                  |                    |                 |
| (46,136)                            | 214,918        | (261,054)        | (121.5%)        | 316,481        | (362,617)        | (114.6%)        | 774,947             | 1,303,123        | (528,176)        | (40.5%)         | 1,866,456        | (1,091,509)        | (58.5%)         |
| 51,940                              | -              | 51,940           | 0.0%            | -              | 51,940           | 0.0%            | 160,319             | -                | 160,319          | 0.0%            | -                | 160,319            | 0.0%            |
| -                                   | -              | -                | 0.0%            | -              | -                | 0.0%            | -                   | -                | -                | 0.0%            | 233              | (233)              | (100.0%)        |
| 5,804                               | 214,918        | (209,114)        | (97.3%)         | 316,481        | (310,677)        | (98.2%)         | 935,266             | 1,303,123        | (367,857)        | (28.2%)         | 1,866,689        | (931,423)          | (49.9%)         |
| <b>77,013</b>                       | <b>449,608</b> | <b>(372,595)</b> | <b>(82.9%)</b>  | <b>515,681</b> | <b>(438,667)</b> | <b>(85.1%)</b>  | <b>2,467,234</b>    | <b>3,377,756</b> | <b>(910,522)</b> | <b>(27.0%)</b>  | <b>3,958,111</b> | <b>(1,490,878)</b> | <b>(37.7%)</b>  |
| <i>Direct Operational Expenses:</i> |                |                  |                 |                |                  |                 |                     |                  |                  |                 |                  |                    |                 |
| 261,248                             | 245,869        | (15,379)         | (6.3%)          | 205,623        | (55,625)         | (27.1%)         | 2,101,767           | 2,190,490        | 88,723           | 4.1%            | 2,093,674        | (8,093)            | (0.4%)          |
| 78,607                              | 70,646         | (7,961)          | (11.3%)         | 66,548         | (12,058)         | (18.1%)         | 575,863             | 633,220          | 57,357           | 9.1%            | 598,482          | 22,619             | 3.8%            |
| 7,096                               | 7,625          | 529              | 6.9%            | 9,060          | 1,964            | 21.7%           | 81,032              | 68,625           | (12,407)         | (18.1%)         | 74,705           | (6,328)            | (8.5%)          |
| 7,074                               | 22,084         | 15,010           | 68.0%           | 28,246         | 21,173           | 75.0%           | 123,806             | 198,756          | 74,950           | 37.7%           | 190,530          | 66,724             | 35.0%           |
| 166                                 | 1,527          | 1,361            | 89.1%           | (2,610)        | (2,776)          | 106.4%          | 7,040               | 13,743           | 6,703            | 48.8%           | 115,762          | 108,722            | 93.9%           |
| -                                   | -              | -                | 0.0%            | -              | -                | 0.0%            | -                   | -                | -                | 0.0%            | -                | -                  | 0.0%            |
| 0                                   | 225            | 225              | 100.0%          | 10             | 10               | 99.2%           | 150                 | 2,025            | 1,875            | 92.6%           | 1,302            | 1,152              | 88.5%           |
| 3,075                               | 5,652          | 2,577            | 45.6%           | (10,377)       | (13,452)         | 129.6%          | 31,557              | 50,868           | 19,311           | 38.0%           | 38,034           | 6,476              | 17.0%           |
| 24,868                              | 25,778         | 910              | 3.5%            | 26,124         | 1,256            | 4.8%            | 226,340             | 232,002          | 5,662            | 2.4%            | 236,674          | 10,334             | 4.4%            |
| 956                                 | 2,050          | 1,094            | 53.4%           | 959            | 3                | 0.3%            | 9,144               | 18,450           | 9,306            | 50.4%           | 7,929            | (1,215)            | (15.3%)         |
| 1,524                               | 3,699          | 2,175            | 58.8%           | 2,113          | 589              | 27.9%           | 22,810              | 33,291           | 10,481           | 31.5%           | 25,428           | 2,619              | 10.3%           |
| 41                                  | 31             | (10)             | (31.0%)         | 31             | (10)             | (31.2%)         | 298                 | 279              | (19)             | (6.8%)          | 400              | 102                | 25.5%           |
| 384,654                             | 385,186        | 532              | 0.1%            | 325,727        | (58,927)         | (18.1%)         | 3,179,806           | 3,441,749        | 261,943          | 7.6%            | 3,382,919        | 203,113            | 6.0%            |
| <b>Net Performance before</b>       |                |                  |                 |                |                  |                 |                     |                  |                  |                 |                  |                    |                 |
| <b>(307,640)</b>                    | <b>64,422</b>  | <b>(372,062)</b> | <b>(577.5%)</b> | <b>189,954</b> | <b>(497,595)</b> | <b>(262.0%)</b> | <b>(712,572)</b>    | <b>(63,993)</b>  | <b>(648,579)</b> | <b>1,013.5%</b> | <b>575,192</b>   | <b>(1,287,765)</b> | <b>(223.9%)</b> |

# District Clinics Holdings, Inc.- Dental Statement of Revenues and Expenses

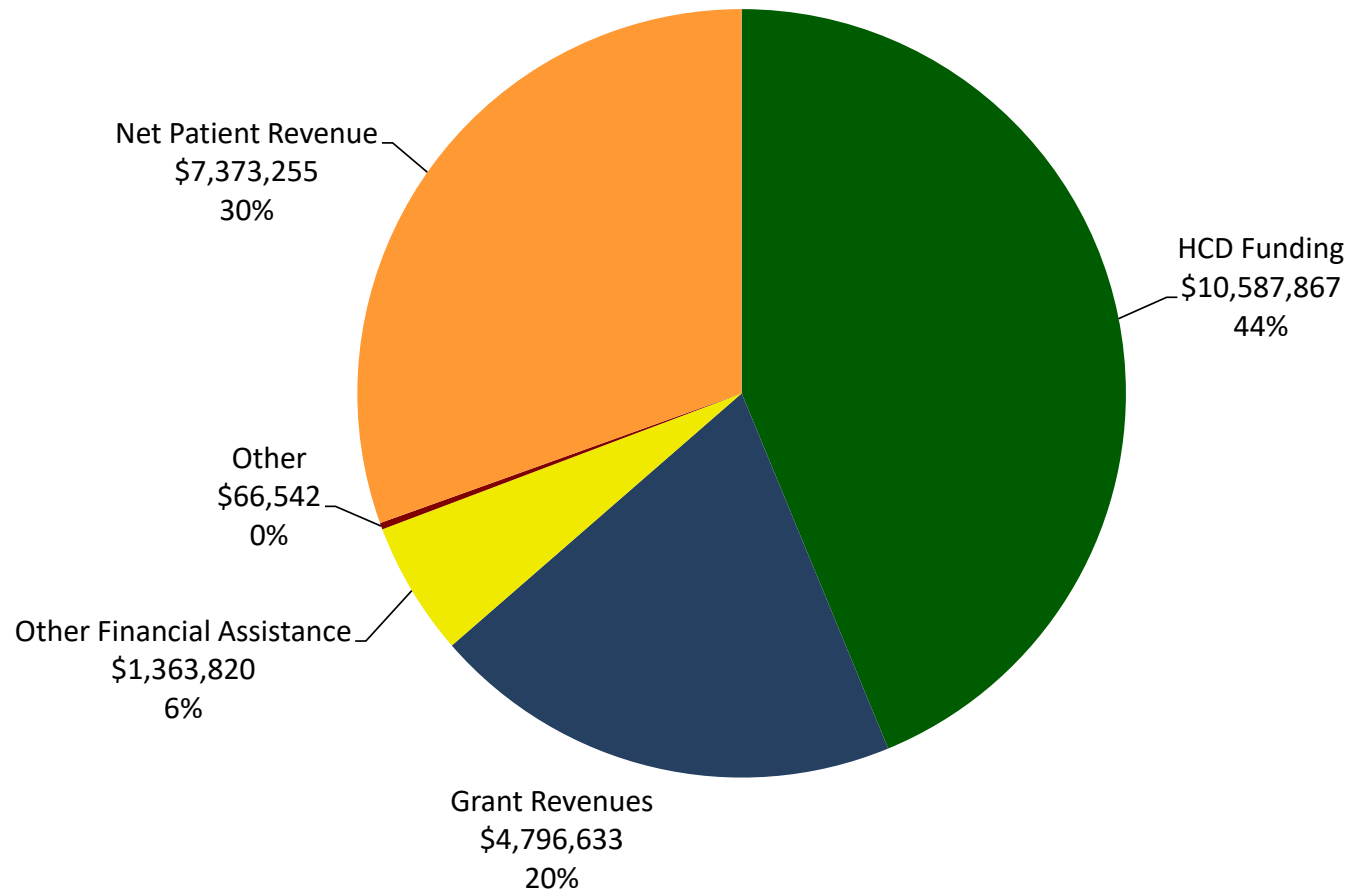
FOR THE NINTH MONTH ENDED JUNE 30, 2020

| Current Month                |             |              |          |            |              |          | Fiscal Year To Date               |                |              |              |            |             |                |          |
|------------------------------|-------------|--------------|----------|------------|--------------|----------|-----------------------------------|----------------|--------------|--------------|------------|-------------|----------------|----------|
| Actual                       | Budget      | Variance     | %        | Prior Year | Variance     | %        | Actual                            | Budget         | Variance     | %            | Prior Year | Variance    | %              |          |
| 5,185                        | 3,440       | (1,745)      | (50.7%)  | 3,369      | (1,815)      | (53.9%)  | Depreciation                      | 43,480         | 30,960       | (12,520)     | (40.4%)    | 30,709      | (12,770)       | (41.6%)  |
| <i>Overhead Allocations:</i> |             |              |          |            |              |          |                                   |                |              |              |            |             |                |          |
| 449                          | 401         | (48)         | (12.0%)  | 58         | (391)        | (680.3%) | Risk Mgt                          | 3,271          | 3,605        | 333          | 9.2%       | 4,937       | 1,665          | 33.7%    |
| 23,681                       | 18,190      | (5,491)      | (30.2%)  | 18,872     | (4,809)      | (25.5%)  | Rev Cycle                         | 218,279        | 163,709      | (54,570)     | (33.3%)    | 169,848     | (48,431)       | (28.5%)  |
| 203                          | 978         | 775          | 79.2%    | 1,008      | 805          | 79.8%    | Internal Audit                    | 7,196          | 8,802        | 1,607        | 18.3%      | 9,285       | 2,089          | 22.5%    |
| 2,203                        | 2,277       | 73           | 3.2%     | 2,204      | 1            | 0.0%     | Home Office Facilities            | 18,080         | 20,489       | 2,408        | 11.8%      | 18,818      | 738            | 3.9%     |
| 6,636                        | 6,492       | (145)        | (2.2%)   | 4,905      | (1,731)      | (35.3%)  | Administration                    | 54,886         | 58,424       | 3,538        | 6.1%       | 43,962      | (10,924)       | (24.8%)  |
| 6,709                        | 7,339       | 630          | 8.6%     | 6,450      | (259)        | (4.0%)   | Human Resources                   | 65,471         | 66,053       | 582          | 0.9%       | 60,416      | (5,054)        | (8.4%)   |
| 2,523                        | 3,294       | 770          | 23.4%    | 2,497      | (26)         | (1.1%)   | Legal                             | 25,523         | 29,642       | 4,119        | 13.9%      | 22,473      | (3,050)        | (13.6%)  |
| 1,239                        | 1,494       | 255          | 17.0%    | 1,224      | (15)         | (1.2%)   | Records                           | 10,792         | 13,444       | 2,652        | 19.7%      | 11,043      | 250            | 2.3%     |
| 836                          | 2,049       | 1,212        | 59.2%    | 1,399      | 562          | 40.2%    | Compliance                        | 13,931         | 18,438       | 4,507        | 24.4%      | 11,502      | (2,429)        | (21.1%)  |
| -                            | -           | -            | 0.0%     | -          | -            | 0.0%     | Planning/Research                 | -              | -            | -            | 0.0%       | 1,094       | 1,094          | 100.0%   |
| 1,941                        | 5,563       | 3,622        | 65.1%    | 5,179      | 3,238        | 62.5%    | Finance                           | 49,029         | 50,064       | 1,035        | 2.1%       | 51,762      | 2,733          | 5.3%     |
| 1,023                        | 2,017       | 995          | 49.3%    | 1,659      | 637          | 38.4%    | Public Relations                  | 15,316         | 18,154       | 2,838        | 15.6%      | 14,399      | (917)          | (6.4%)   |
| 16,751                       | 19,436      | 2,686        | 13.8%    | 17,890     | 1,140        | 6.4%     | Information Technology            | 148,212        | 174,927      | 26,715       | 15.3%      | 158,917     | 10,706         | 6.7%     |
| 543                          | 257         | (286)        | (111.3%) | 323        | (220)        | (68.1%)  | Corporate Quality                 | 3,085          | 2,314        | (771)        | (33.3%)    | 4,202       | 1,117          | 26.6%    |
| 413                          | 888         | 475          | 53.5%    | -          | (413)        | 0.0%     | Project MGMT Office               | 10,654         | 7,991        | (2,664)      | (33.3%)    | -           | (10,654)       | 0.0%     |
| 285                          | 705         | 419          | 59.5%    | 668        | 383          | 57.3%    | Managed Care Contract             | 4,393          | 6,344        | 1,950        | 30.7%      | 6,600       | 2,206          | 33.4%    |
| 65,436                       | 71,378      | 5,941        | 8.3%     | 64,336     | (1,100)      | (1.7%)   | Total Overhead Allocations        | 648,119        | 642,399      | (5,720)      | (0.9%)     | 589,259     | (58,860)       | (10.0%)  |
| 455,275                      | 460,004     | 4,729        | 1.0%     | 393,432    | (61,842)     | (15.7%)  | Total Expenses                    | 3,871,405      | 4,115,108    | 243,703      | 5.9%       | 4,002,887   | 131,483        | 3.3%     |
| \$ (378,261)                 | \$ (10,396) | \$ (367,866) | 3,538.6% | \$ 122,249 | \$ (500,510) | (409.4%) | Net Margin                        | \$ (1,404,171) | \$ (737,352) | \$ (666,819) | 90.4%      | \$ (44,776) | \$ (1,359,395) | 3,036.0% |
| -                            | 3,988       | 3,988        | 100.0%   | (210,384)  | (210,384)    | 100.0%   | Capital                           | -              | 35,892       | 35,892       | 100.0%     | (108,153)   | (108,153)      | 100.0%   |
| -                            | -           | -            | 0.0%     | -          | -            | 0.0%     | Capital Contributions             | -              | -            | -            | 0.0%       | -           | -              | 0.0%     |
| \$ 33,221                    | \$ 12,944   | \$ (20,277)  | (156.7%) | \$ -       | \$ (33,221)  | 0.0%     | General Fund Support/ Transfer In | \$ 1,415,459   | \$ 770,275   | \$ (645,184) | (83.8%)    | \$ -        | \$ (1,415,459) | 0.0%     |

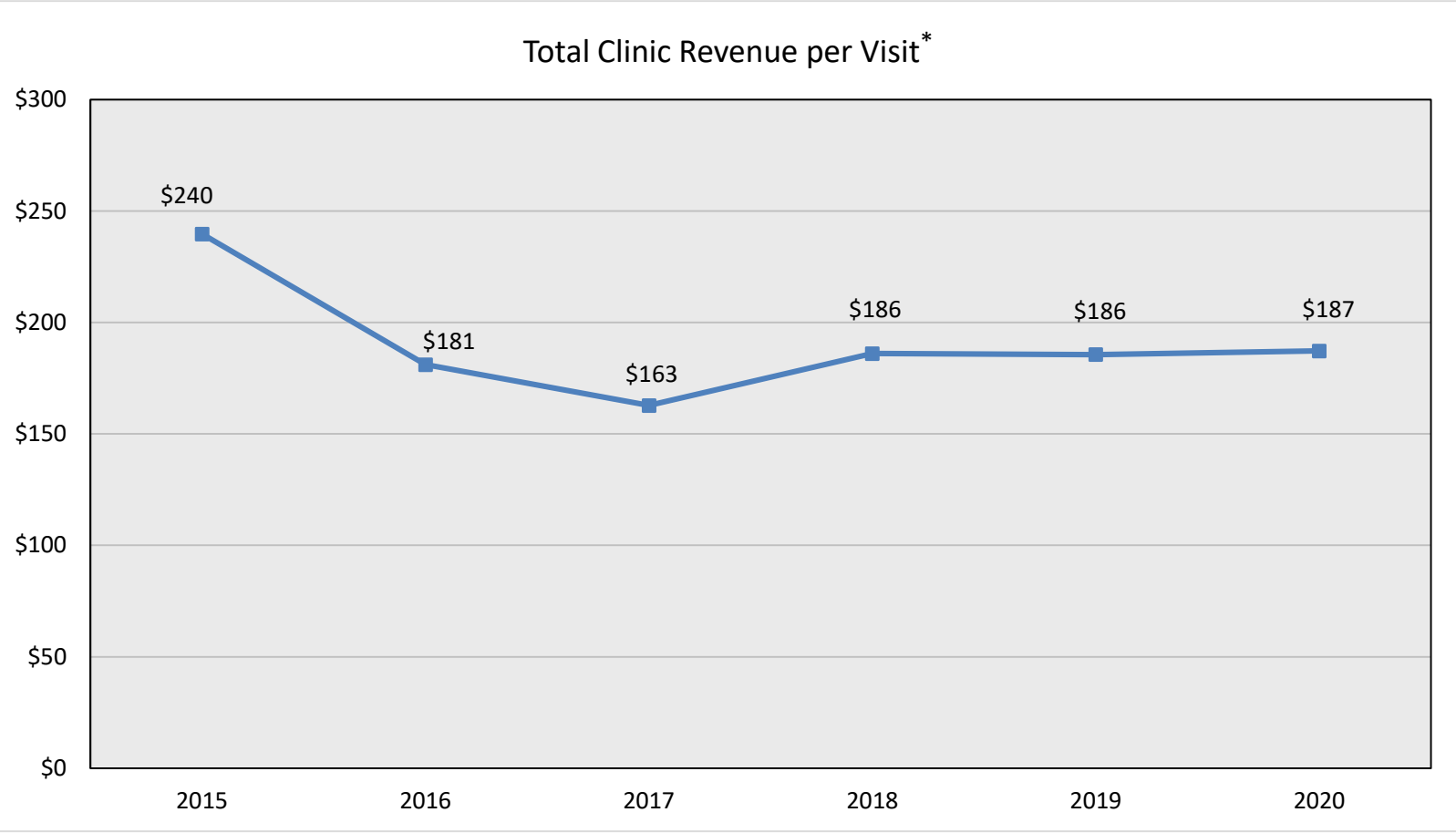
| Clinic Visits - Adults and Pediatrics               | Oct-19          | Nov-19        | Dec-19        | Jan-20        | Feb-20        | Mar-20       | Apr-20     | May-20       | Jun-20       | Jul-20   | Aug-20   | Sep-20   | Current Year Total | Current YTD Budget | %Var to Budget | Prior Year Total |
|---|-----------------|---------------|---------------|---------------|---------------|--------------|------------|--------------|--------------|----------|----------|----------|--------------------|--------------------|----------------|------------------|
|   | West Palm Beach | 1,929         | 1,472         | 1,653         | 1,797         | 1,532        | 1,095      | -            | 224          | 1,030    |          |          |                    | 10,732             | 14,263         | (24.8%)          |
| Delray  | 1,429           | 957           | 1,019         | 1,151         | 994           | 542          | -          | 99           | 895          |          |          |          | 7,086              | 7,822              | (9.4%)         | 11,305           |
| Lantana   | 1,752           | 1,489         | 1,664         | 2,034         | 1,809         | 1,415        | 563        | 464          | 1,215        |          |          |          | 12,405             | 12,458             | (0.4%)         | 12,591           |
| Belle Glade   | 950             | 746           | 912           | 847           | 762           | 484          | 10         | 71           | 462          |          |          |          | 5,244              | 7,908              | (33.7%)        | 7,685            |
| Lewis Center  | 296             | 213           | 241           | 246           | 246           | 198          | -          | -            | 236          |          |          |          | 1,676              | 2,142              | (21.8%)        | 2,228            |
| Lake Worth & Women's Health Care                    | 1,553           | 1,161         | 1,303         | 1,255         | 1,301         | 731          | 296        | 632          | 1,039        |          |          |          | 9,271              | 13,786             | (32.8%)        | 11,911           |
| Jupiter Clinic                                      | 609             | 471           | 417           | 520           | 412           | 233          | -          | 97           | 319          |          |          |          | 3,078              | 4,418              | (30.3%)        | 4,390            |
| West Boca & Women's Health Care                     | 997             | 680           | 745           | 782           | 817           | 395          | 20         | 110          | 678          |          |          |          | 5,224              | 6,651              | (21.5%)        | 8,000            |
| Mobile Van  | 156             | 136           | 132           | 108           | 107           | 442          | -          | -            | 6            |          |          |          | 1,087              | 1,722              | (36.9%)        | 1,581            |
| Mangonia Park                                       | -               | 67            | 58            | 80            | 168           | 166          | -          | 193          | 450          |          |          |          | 1,182              | -                  |                | -                |
| Mangonia Park-Substance                             | 499             | 497           | 455           | 423           | 464           | -            | -          | -            | -            |          |          |          | 2,338              | 5,001              | (53.2%)        | 3,832            |
| <b>Total Clinic Visits</b>                          | <b>10,170</b>   | <b>7,889</b>  | <b>8,599</b>  | <b>9,243</b>  | <b>8,612</b>  | <b>5,701</b> | <b>889</b> | <b>1,890</b> | <b>6,330</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>59,323</b>      | <b>76,171</b>      | <b>(22.1%)</b> | <b>77,698</b>    |
| <b>Dental Visits</b>                                |                 |               |               |               |               |              |            |              |              |          |          |          |                    |                    |                |                  |
| West Palm Beach                                     | 975             | 776           | 778           | 915           | 864           | 460          | -          | 56           | 218          |          |          |          | 5,042              | 7,254              | (30.5%)        | 7,263            |
| Lantana   | 733             | 570           | 541           | 470           | 470           | 225          | -          | -            | -            |          |          |          | 3,009              | 7,780              | (61.3%)        | 5,579            |
| Delray  | 628             | 547           | 596           | 598           | 557           | 245          | -          | -            | -            |          |          |          | 3,171              | 5,008              | (36.7%)        | 5,187            |
| Belle Glade   | 360             | 251           | 343           | 376           | 296           | 154          | 109        | 135          | 57           |          |          |          | 2,081              | 3,065              | (32.1%)        | 2,765            |
| <b>Total Dental Visits</b>                          | <b>2,696</b>    | <b>2,144</b>  | <b>2,258</b>  | <b>2,359</b>  | <b>2,187</b>  | <b>1,084</b> | <b>109</b> | <b>191</b>   | <b>275</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>13,303</b>      | <b>23,107</b>      | <b>(42.4%)</b> | <b>20,794</b>    |
| <b>Total Medical and Dental Visits</b>              | <b>12,866</b>   | <b>10,033</b> | <b>10,857</b> | <b>11,602</b> | <b>10,799</b> | <b>6,785</b> | <b>998</b> | <b>2,081</b> | <b>6,605</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>72,626</b>      | <b>99,278</b>      | <b>(26.8%)</b> | <b>98,492</b>    |
| <b>Key Ratios</b>                                   |                 |               |               |               |               |              |            |              |              |          |          |          |                    |                    |                |                  |
| Collection Ratio                                    |                 |               |               |               |               |              |            |              |              |          |          |          | 22%                |                    |                |                  |
| Bad debt write off as a percentage of total billing |                 |               |               |               |               |              |            |              |              |          |          |          | 27%                |                    |                |                  |
| Collections per visit                               |                 |               |               |               |               |              |            |              |              |          |          |          | 36                 |                    |                |                  |
| Charges Per Visit                                   |                 |               |               |               |               |              |            |              |              |          |          |          | 163                |                    |                |                  |
| Percentage of A/R less than 120 days                |                 |               |               |               |               |              |            |              |              |          |          |          | 56%                |                    |                |                  |
| Days in AR  |                 |               |               |               |               |              |            |              |              |          |          |          | 65                 |                    |                |                  |
| <b>Mental Health Counselors (non-billable)</b>      |                 |               |               |               |               |              |            |              |              |          |          |          |                    |                    |                |                  |
| West Palm Beach                                     | 178             | 101           | 164           | 171           | 153           | 192          | 10         | 70           | 183          |          |          |          | 1,222              | 1,016              | 20.3%          | 1,140            |
| Delray  | 139             | 119           | 41            | 35            | 111           | 95           | -          | 29           | 171          |          |          |          | 740                | 1,096              | (32.5%)        | 1,248            |
| Lantana   | 611             | 440           | 496           | 701           | 551           | 417          | 9          | 92           | 388          |          |          |          | 3,705              | 2,171              | 70.7%          | 4,105            |
| Belle Glade   | 53              | 95            | 149           | 137           | 103           | 38           | -          | 7            | 114          |          |          |          | 696                | 204                | 241.2%         | 182              |
| Mangonia Park                                       | 53              | 150           | 296           | 391           | 278           | 189          | 3          | 85           | 143          |          |          |          | 1,588              | 4,069              | (61.0%)        | -                |
| Lewis Center  | 240             | 173           | 215           | 178           | 177           | -            | -          | -            | 58           |          |          |          | 1,041              | 2,310              | (54.9%)        | 2,088            |
| Lake Worth  | 204             | 146           | 163           | 192           | 140           | 89           | 1          | 34           | 169          |          |          |          | 1,138              | 1,640              | (30.6%)        | 1,188            |
| Jupiter   | -               | -             | -             | -             | -             | 1            | -          | -            | -            |          |          |          | 1                  | -                  | 0.0%           | -                |
| West Boca   | 3               | 1             | -             | 1             | -             | 4            | 1          | -            | 1            |          |          |          | 11                 | -                  | 0.0%           | -                |
| Mobile Van  | 96              | 71            | 76            | 45            | 44            | 30           | -          | -            | -            |          |          |          | 362                | 950                | (61.9%)        | 378              |
| <b>Total Mental Health Screenings</b>               | <b>1,577</b>    | <b>1,296</b>  | <b>1,600</b>  | <b>1,851</b>  | <b>1,557</b>  | <b>1,055</b> | <b>24</b>  | <b>317</b>   | <b>1,227</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>10,504</b>      | <b>13,456</b>      | <b>-21.9%</b>  | <b>10,329</b>    |



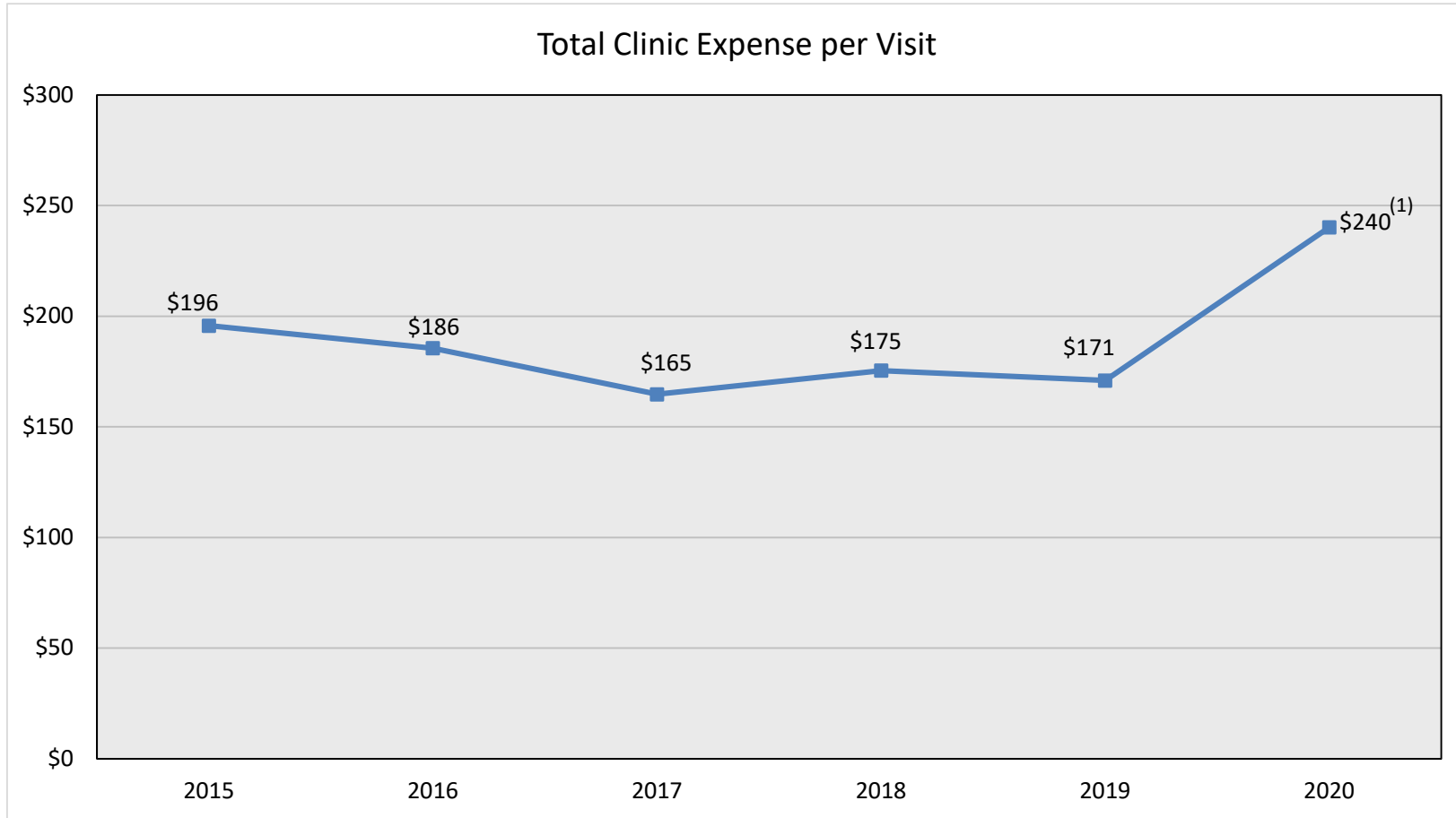
### Primary Care Clinics Funding Sources



Fiscal YTD June 2020 Total Revenues \$24,188,117



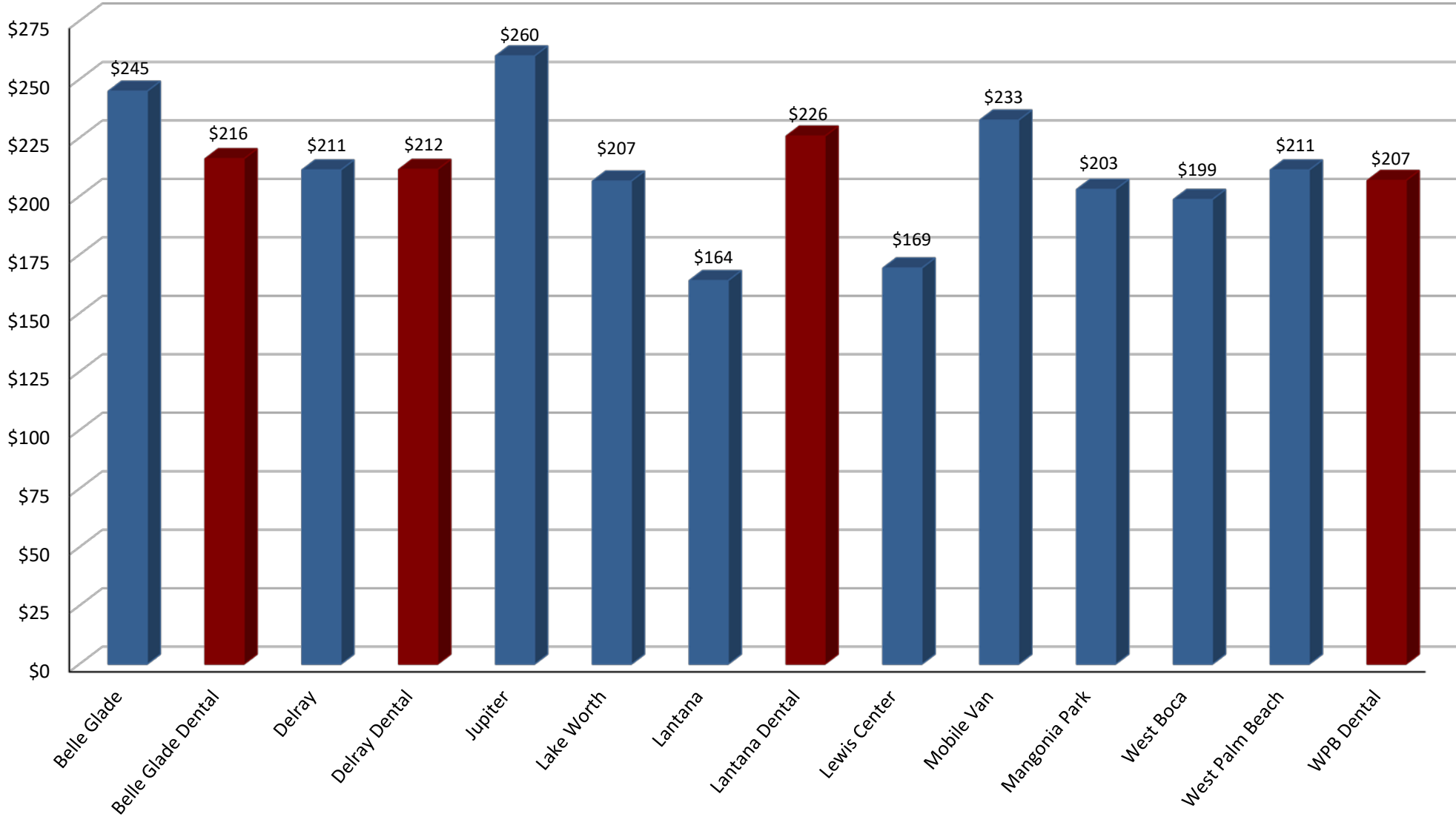
\* Based on total medical and dental visits



(1) Increase in expense per visit is due to lower visits in March through June related to operational changes for Covid-19

\* Based on total medical, dental, and mental health visits

Total Operating Expenses per Visit by Clinic



\*Based on Fiscal Year-to-Date June 2020 total operating expenses

\*\* Visits for the medical clinics include medical and mental health visits



C. L. Brumback

**Primary Care Clinics**

Health Care District Palm Beach County