



P. O. Box 95  
San Andreas, CA 95249  
(209) 754-4468 Phone  
(209) 754-2537 Fax

**Special Finance Committee Meeting**  
**Mark Twain Medical Center Classroom 5**  
**768 Mountain Ranch Road**  
**San Andreas, CA**

**Wednesday November 15, 2023**  
**7:30am**

**Participation: Zoom – Invite information is at the End of the Agenda**  
**Or Participate in Person**

## **Agenda**

### Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that Ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care.”

1. **Call to order with Flag Salute:**
2. **Roll Call:**
3. **Approval of Agenda:**
4. **Public Comment On Matters Not Listed On The Agenda:**

The purpose of this section of the agenda is to allow comments and input from the public on Matters within the jurisdiction of the Mark Twain Health Care District not listed on the Agenda. (The public may also comment on any item listed on the Agenda prior to Board action on such item.) **Limit 3 minutes per speaker.** The Board appreciates your comments; however, it will not discuss and cannot act on items not on the Agenda.

**5. Consent Agenda: Public Comment- **Action****

All Consent items are considered routine and may be approved by the District Board without any discussion by a single roll-call vote. Any Board Member or member of the public may remove any item from the Consent list. If an item is removed, it will be discussed separately following approval of the remainder of the Consent items.

**A. Un-Approved Minutes:**

- Finance Committee Meeting Minutes for October 18, 2023:

**6. Chief Executive Officer’s Report:.....Dr. Smart**

- MTMC Seismic Retrofit Update:
- BHCIP Application Update:
- MTMC – Building Assessment .....Mr. Archer / Mr. Arvin

**7. Real Estate Review:.....Mr. Randolph**

**8. Accountant’s Report:.....Mr. Wood**

- October 2023 Financials Will Be Presented: Public Comment- **Action**
- Annual Audit for 2022-2023: Public Comment- **Action**
  - Management Comments:.....Dr. Smart

**9. Treasurer’s Report:.....Ms. Hack**

**10. Comments and Future Agenda Items:**

**11. Next Meeting:**

Next Finance Committee Meeting will be January 17, 2024 at 9:00am

**12. Adjournment: Public Comment - **Action****

**Traci Whittington is inviting you to a scheduled Zoom meeting.**

**Topic: MTHCD Special Finance Committee Meeting**

**Time: Nov 15, 2023 07:00 AM Pacific Time (US and Canada)**

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/82721962481?pwd=UnRpTnNGeTVBU0MwaWFla3hwRU9jQT09>**

**Meeting ID: 827 2196 2481**

**Passcode: 196943**

**One tap mobile**

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**+16694449171,,82721962481#,,,,\*196943# US**

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- +1 346 248 7799 US (Houston)**
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- +1 646 931 3860 US**
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**Finance Committee Meeting**  
**Mark Twain Medical Center Classroom 5**  
**768 Mountain Ranch Road**  
**San Andreas, CA**

**Wednesday October 18, 2023**  
**9:00am**

**Participation: Zoom – Invite information is at the End of the Agenda**  
**Or Participate in Person**

**UN- Approved Minutes**

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that Ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care.”

**1. Call to order with Flag Salute:**

Meeting called to order by Ms. Hack at 9:03am

**2. Roll Call:**

<u>Member</u>	<u>In Person</u>	<u>Via Zoom/Phone</u>	<u>Absent</u>	<u>Time of Arrival</u>
<u>Lori Hack</u>	<u>X</u>			
<u>Richard Randolph</u>	<u>X</u>			
<u>Pat Bettinger</u>	<u>X</u>			

Quorum: YES

**3. Approval of Agenda:**

Motion to approve agenda by Mr. Randolph

Second: Ms. Bettinger

Ayes: 3

Nays: 0

**4. Public Comment On Matters Not Listed On The Agenda:**

Hearing none

**5. Consent Agenda: Public Comment- **Action****

**A. Un-Approved Minutes:**

- Finance Committee Meeting Minutes for September 20, 2023:

Motion to approve consent agenda and minutes by Ms. Bettinger

Second: Mr. Randolph

Ayes: 3

Nays: 0

**6. Chief Executive Officer's Report:**

- MTMC Seismic Retrofit Update:

The assessment team is onsite visually inspecting the property.

- BHCIP Application Update:

The Architectural Contract was finalized with Aspen Street Architects, Inc.  
The Program Funding Agreement should be received next week.

- MTMC – Building Assessment:

There was a meeting yesterday to discuss bids. Recommendation will be brought to Board of Directors meeting next week.

**7. Real Estate Review:**

Stockton Cardiology Lease Renewal has been signed. Working on Sub-Lease for Mental Health for 704 Mountain Ranch Rd.

**8. Accountant’s Report:**

- September 2023 Financials Will Be Presented: Public Comment- **Action**

Motion to approve September Financials with I&R report by Ms. Bettinger

Second: Mr. Randolph

Ayes: 3

Nays: 0

- Annual Audit for 2022-2023:

The auditor has almost all of the requested material.

- Management Comments:

The District staff have conducted an informal facility assessment of the Valley Springs Health & Wellness Center. A list of issues was developed and will be addressed by facility management. The cost this fiscal year will be immaterial.

**9. Treasurer’s Report:**

No Report.

**10. Comments and Future Agenda Items:**

**11. Next Meeting:**

Next Finance Committee Meeting will be November 15, 2023 at **7:30am**

**12. Adjournment: Public Comment – **Action****

Motion to adjourn by Mr. Randolph

Second: Ms. Bettinger

Ayes: 3

Nays: 0

Time: 9:49am

**Traci Whittington is inviting you to a scheduled Zoom meeting.**

**Topic: MTHCD Finance Committee Meeting**

This Institution is an Equal Opportunity Provider and Employer  
Minutes – Oct. 18, 2023 MTHCD Finance Committee Meeting

**Time: Oct 18, 2023 08:00 AM Pacific Time (US and Canada)**

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/87634606722?pwd=Mm1FUEJWS01xWjdJbUp3a0U2YU03dz09>**

**Meeting ID: 876 3460 6722**

**Passcode: 888954**

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**MARK TWAIN  
HEALTH CARE DISTRICT**

P. O. Box 95  
San Andreas, CA 95249  
(209) 754-4468 Phone  
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**Agenda Item:** Financial Reports for October 2023  
**Item Type:** Action  
**Submitted By:** Rick Wood, Accountant  
**Presented By:** Rick Wood, Accountant

**BACKGROUND:**

The October 2023 financial reports are attached for your review and approval.

Another solid month for the Clinic. Interest rates remain very high, helping add to the District's overall net income total 😊

Mark Twain Health Care District				
Direct Clinic Financial Projections				
		10/31/23		
		<b>Actual</b>	<b>Y-T-D</b>	<b>2023/2024</b>
		<b>Month</b>	<b>Actual</b>	<b>Budget</b>
	<b>Total Other Revenue</b>	454,342	1,996,312	5,882,085
	<b>Labor related costs</b>	(196,838)	(788,555)	(2,913,126)
	Non labor expenses	(258,655)	(1,118,516)	(3,742,372)
	Total Expenses	(455,493)	(1,907,070)	(6,655,498)
	<b>Net Expenses over Revenues</b>	<b>(1,151)</b>	<b>89,242</b>	<b>(773,413)</b>



Mark Twain Health Care District						
Annual Budget Recap						
	10/31/23	2022 - 2023 Annual Budget				
	Actual	Total				
	Y-T-D	District	Clinic	Rental	Projects	Admin
Revenues	3,468,017	10,538,718	7,455,963	1,332,755	0	1,750,000
Total Revenue	3,468,017	10,538,718	7,455,963	1,332,755	0	1,750,000
Expenses	(2,916,092)	(10,316,786)	(8,229,376)	(1,303,690)	(177,900)	(605,820)
Total Expenses	(2,916,092)	(10,316,786)	(8,229,376)	(1,303,690)	(177,900)	(605,820)
Surplus(Deficit)	551,925	221,933	(773,413)	29,065	(177,900)	1,144,180
<b>Historical Totals</b>	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
	(154,650)	(194,594)	(499,150)	(322,408)	(375,636)	(269,953)
						<b>DRAFT</b>
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
	(323,567)	(305,579)	(549,710)	(550,970)	(527,872)	(576,658)
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
	(487,374)	(507,779)	(430,419)	(540,634)	(547,627)	(691,685)
	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
	(636,595)	(667,632)	(1,258,828)	(1,236,253)	(1,068,554)	(1,298,656)
	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
	(115,159)	(212,780)	<b>84,671</b>	(22,389)	(95,377)	(293,261)
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
	(304,048)	(1,003,063)	(868,056)	(871,876)	(851,960)	(679,760)
	Jul-23	Aug-23	23-Sep	23-Oct		
	<b>197,850</b>	<b>392,710</b>	<b>412,064</b>	<b>551,925</b>		



Mark Twain Health Care District											
Rental Financial Projections		Rental									
		10/31/23									
		Monthly Budget	Actual Month	Variance \$\$\$	Variance %	Y-T-D Budget	Y-T-D Actual	Variance \$\$\$	Variance %	2023/2024 Budget	
9260.01	Rent Hospital Asset amortized	89,333	89,483	150	100.17%	357,333	358,182	848	100.24%	1072000	
<b>Rent Revenues</b>		89,333	89,483	150	100.17%	357,333	358,182	848	100.24%	1,072,000	
9520.62	Repairs and Maintenance Grounds		0			0	0				
9520.80	Utilities - Electrical, Gas, Water, other	(77,500)	(39,706)	37,794	51.23%	(310,000)	(261,883)	48,117	84.48%	(930,000)	
9520.85	Telephone & Communications	(572)	(471)	101	82.40%	(2,287)	(1,601)	685	70.03%	(6,860)	
9520.72	Depreciation	(8,285)	(8,390)	(105)	101.27%	(33,140)	(33,810)	(670)	102.02%	(99,420)	
9520.82	Insurance										
Total Costs		(86,357)	(48,568)	37,789	56.24%	(345,427)	(297,293)	48,133	86.07%	(1,036,280)	
<b>Net</b>		2,977	40,916	37,939	1374.55%	11,907	60,888	48,981	511.38%	35,720	
9260.02	MOB Rents Revenue	19,044	18,605	(439)	97.70%	76,176	74,043	(2,133)	97.20%	228,527	
9521.75	MOB rent expenses	(22,284)	(21,400)	884	96.03%	(89,137)	(63,889)	25,247	71.68%	(267,410)	
<b>Net</b>		(3,240)	(2,795)	445	86.26%	(12,961)	10,154	23,115	-78.34%	(38,883)	
9260.03	Child Advocacy Rent revenue	796	796	0	100.00%	3,183	3,183	0	100.00%	9,548	
9522.75	Child Advocacy Expenses	0	0	0	0.00%	0	(775)	(775)	0.00%		
<b>Net</b>		796	796	0	100.00%	3,183	2,408	(775)	75.65%	9,548	
9260.04	Sunrise Pharmacy Revenue	1,890	1,872	(18)	99.05%	7,560	7,488	7,488	0.00%	22,680	
7084.41	Sunrise Pharmacy Expenses	0	0	0		0	0	0			
Total Revenues		111,063	110,756	(307)	99.72%	444,252	442,895	(1,356)	99.69%	1,332,755	
Total Expenses		(108,641)	(69,968)	38,673	64.40%	(434,563)	(361,958)	72,605	83.29%	(1,303,690)	
<b>Summary Net</b>		2,422	40,788	38,366	1684.01%	9,688	80,937	71,249	835.41%	29,065	

Mark Twain Health Care District									
Projects, Grants and Support									
	10/31/2023								
		2020/2021	2021/2022	2022/2023	2023/2024	Month to-Date	Actual	Actual	Actual
		Actual	Budget	Budget	Budget	Budget	Month	Y-T-D	vs Budget
Project grants and support		(20,325)	(667,000)	(85,000)	(177,900)	(25,967)	(12,945)	(34,669)	40.79%
8890.00 Community Grants		(3,754)		(50,000)					
8890.00 Friends of the Calaveras County Fair									
8890.00 Foundation			(628,000)						
8890.00 Veterans Support		0	0			0		0	
8890.00 Mens Health		0	0			0		0	
8890.00 Miscellaneous (TBD)					(100,000)				
8890.00 Steps to Kick Cancer - October		0	0			0		0	
8890.00 Ken McInturf Laptops		(2,571)							
8890.00 Doris Barger Golf		0	0			0		(2,500)	
8890.00 Stay Vertical		(14,000)	(14,000)	(35,000)	(37,900)	(12,633)	(8,445)	(13,961)	36.84%
8890.00 AED for Life					(40,000)	(13,333)	500	(13,208)	33.02%
8890.00 Calaveras Mentoring Program							(2,500)	(2,500)	
8890.00 Calaveras Senior Center Meals							(2,500)	(2,500)	
8890.00 High school ROP (CTE) program			(25,000)						
<b>Project grants and support</b>		<b>(20,325)</b>	<b>(667,000)</b>	<b>(85,000)</b>	<b>(177,900)</b>	<b>(25,967)</b>	<b>(12,945)</b>	<b>(34,669)</b>	<b>40.79%</b>

Mark Twain Health Care District										
General Administration Financial Projections										
10/31/23										
ADMIN										
		Monthly Budget	Actual Month	Variance \$\$\$	Variance %	Y-T-D Budget	Y-T-D Actual	Variance \$\$\$	Variance %	2023/2024 Budget
9060.00	Income, Gains and losses from investments	29,167	42,014	12,847	144.05%	116,667	160,719	44,053	137.76%	350,000
9160.00	Property Tax Revenues	108,333	108,333	(0)	100.00%	433,333	433,333	(0)	100.00%	1,300,000
9010.00	Gain on Sale of Asset									
9400.00	Miscellaneous Income		0			0	0			100,000
5801.00	Rebates, Sponsorships, Refunds on Expenses		0			0	0			
5990.00	Other Miscellaneous Income		0			0	0			
9108.00	Other Non-Operating Revenue-GRANTS		509				68,116			
9205.03	Miscellaneous Income (1% Minority Interest)		0			0	(17,414)			
	<b>Summary Revenues</b>	137,500	150,856	13,356	109.71%	550,000	644,755	94,755	117.23%	1,750,000
8610.09	Other salaries and wages	(27,217)	(25,194)	2,023	92.57%	(108,869)	(108,651)	218	99.80%	(326,606)
8610.10	Payroll taxes	(2,082)	(1,381)	702	66.30%	(8,328)	(6,124)	2,204	73.54%	(24,985)
8610.12	Vacation, Holiday and Sick Leave	(1,415)	0	1,415	0.00%	(5,659)	0	5,659	0.00%	(16,976)
8610.13	Group Health & Welfare Insurance	(1,467)	0	1,467	0.00%	(5,869)	0	5,869	0.00%	(17,607)
8610.14	Group Life Insurance	-	0			0	0			
8610.15	Pension and Retirement	(943)	0	943	0.00%	(3,772)	(206)	3,566	5.46%	(11,317)
8610.16	Workers Compensation insurance	(236)	0	236	0.00%	(943)	0	943	0.00%	(2,829)
8610.18	Other payroll related benefits	-	0			0	0			
	Benefits and taxes	(6,143)	(1,381)	4,762	22.47%	(24,571)	(6,330)	18,241	25.76%	(73,714)
	<b>Labor Costs</b>	(33,360)	(26,575)	6,785	79.66%	(133,440)	(114,981)	18,459	86.17%	(400,320)
8610.22	Consulting and Management Fees	(4,167)	(294)	3,873	7.06%	(16,667)	(1,178)	15,489	7.07%	(50,000)
8610.23	Legal	(333)	0	333	0.00%	(1,333)	(10,276)	(8,943)	770.70%	(4,000)
8610.24	Accounting /Audit Fees	(3,000)	(6,986)	(3,986)	232.87%	(12,000)	(25,338)	(13,338)	211.15%	(36,000)
8610.05	Marketing	(1,000)	0	1,000	0.00%	(4,000)	0	4,000	0.00%	(12,000)
8610.43	Food	(167)	0	167	0.00%	(667)	0	667	0.00%	(2,000)
8610.46	Office and Administrative Supplies	(375)	(1,128)	(753)	300.68%	(1,500)	(4,060)	(2,560)	270.66%	(4,500)
8610.62	Repairs and Maintenance Grounds	(42)	0	42	0.00%	(167)	0	167	0.00%	(500)
8610.69	Other- IT Services	(583)	(671)	(87)	114.99%	(2,333)	(6,313)	(3,980)	270.58%	(7,000)
8610.74	Depreciation - Equipment	-	0	0	0.00%	0	0	0	0.00%	
8610.75	Rental/lease equipment					0	0			
8610.80	Utilities		0			0	0			
8610.82	Insurance	(3,667)	0	3,667	0.00%	(14,667)	(54,063)	(39,396)	368.61%	(44,000)
8610.83	Licenses and Taxes		0			0	0			
8610.85	Telephone and communications		0			0	0			
8610.86	Dues, Subscriptions & Fees	(1,667)	(600)	1,067	35.98%	(6,667)	(8,050)	(1,383)	120.74%	(20,000)
8610.87	Outside Trainings	(833)	(1,435)	(602)	172.23%	(3,333)	(2,580)	753	77.41%	(10,000)
8610.88	Travel	-	0			0	0			
8610.89	Recruiting	(42)	0	42		(167)	0	167		(500)
8610.90	Other Direct Expenses	(1,250)	0	1,250	0.00%	(5,000)	(1,500)	3,500	30.00%	(15,000)
8610.95	Other Misc. Expenses	-	0			0	0	0		
	Non-Labor costs	(17,125)	(11,113)	6,012	64.90%	(68,500)	(113,358)	(44,858)	165.49%	(205,500)
	Total Costs	(50,485)	(37,688)	12,797	74.65%	(201,940)	(228,339)	(26,399)	113.07%	(605,820)
	<b>Net</b>	87,015	113,168	26,153	130.06%	348,060	416,415	68,355	119.64%	1,144,180

**Mark Twain Health Care District**  
**Balance Sheet**  
As of October 31, 2023

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1001.10 Umpqua Bank - Checking	249,374
1001.20 Umpqua Bank - Money Market	6,446
1001.30 Bank of Stockton	6,996
1001.40 Five Star Bank - MTHCD Checking - Closed	0
1001.45 Five Star Bank - MTHCD Checking NEW	419,710
1001.50 Five Star Bank - Money Market	278,096
1001.60 Five Star Bank - VSHWC Checking	61,381
1001.65 Five Star Bank - VSHWC Payroll	184,059
1001.90 US Bank - VSHWC	80,250
1001.98 Calaveras Wellness Foundation	109,901
1820 VSHWC - Petty Cash	400
<b>Total Bank Accounts</b>	<b>1,396,613</b>
<b>Accounts Receivable</b>	
1201.00 Accounts Receivable	7,779
1210.00 Grants Receivable	23,714
1215.00 Settlements	488,746
<b>Total Accounts Receivable</b>	<b>520,239</b>
<b>Other Current Assets</b>	
1003.10 CalTRUST Operational Reserve Fund	31,158
1003.20 CLASS Operational Reserve Fund	1,009,205
1004.10 CLASS Lease & Contract Reserve Fund	1,738,726
1004.20 CLASS Loan Reserve Fund	2,122,944
1004.30 CLASS Capital Improvement Reserve Fund	2,568,707
1004.40 CLASS Technology Reserve Fund	261,892
1004.50 Community Programs Reserve Fund	100,921
1004.60 Lease Termination Reserve Fund	495,519
1150.05 Due from Calaveras County	1,300,000
1160.00 Lease Receivable	166,262
1202.00 Prior Year Grant Revenue	6,211
1205.50 Allowance for Uncollectable Clinic Receivables	228,964
1205.51 Cash To Be Reconciled	41,932
1300.00 Prepaid Expense (USDA)	43,416
<b>Total Other Current Assets</b>	<b>10,115,857</b>
<b>Total Current Assets</b>	<b>12,032,709</b>
<b>Fixed Assets</b>	
1200.00 District Owned Land	286,144
1200.10 District Land Improvements	150,308
1200.20 District - Building	2,123,678
1200.30 District - Building Improvements	2,276,956
1200.40 District - Equipment	715,764
1200.50 District - Building Service Equipment	168,095
1220.00 VSHWC - Land	903,112
1220.05 VSHWC - Land Improvements	1,691,262
1220.10 VSHWC - Buildngs	5,875,622
1220.20 VSHWC - Equipment	936,577
1221.00 Pharmacy Construction	48,536

1521.10 CIP Land	3,742
1521.20 CIP Buildings	40,688
1600.00 Accumulated Depreciation	-8,628,632
<b>Total Fixed Assets</b>	<b>6,591,852</b>
<b>Other Assets</b>	
1710.10 Minority Interest in MTMC - NEW	390,564
1810.60 Capitalized Lease Negotiations	304,926
1810.65 Capitalized Costs Amortization	15,892
<b>Total Intangible Assets</b>	<b>320,818</b>
2219.00 Capital Lease	5,804,557
2260.00 Lease Receivable - Long Term	841,774
<b>Total Other Assets</b>	<b>7,357,713</b>
<b>TOTAL ASSETS</b>	<b>25,982,274</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000.00 Accounts Payable (MISC)	45,711
<b>Total 200.00 Accts Payable &amp; Accrued Expenses</b>	<b>45,711</b>
2001.00 Other Accounts Payable (Credit Card)	22,944
<b>Total 200.00 Accts Payable &amp; Accrued Expenses</b>	<b>22,944</b>
2010.00 USDA Loan Accrued Interest Payable	84,955
2021.00 Accrued Payroll - Clinic	95,023
2022.00 Accrued Leave Liability	63,466
2100.00 Deide Security Deposit	2,275
2110.00 Payroll Liabilities - New Account for 2019	10,324
2110.10 Valley Springs Security Deposit	1,000
2140.00 Lease Payable - Current	142,286
2200.00 Due to Calaveras Wellness Foundation	109,901
2270.00 Deferred Revenue	84,580
<b>Total Other Current Liabilities</b>	<b>593,811</b>
<b>Total Current Liabilities</b>	<b>662,466</b>
<b>Long-Term Liabilities</b>	
2128.01 Deferred Capital Lease	246,312
2128.02 Deferred Utilities Reimbursement	451,468
2129.00 Other Third Party Reimbursement - Calaveras County	866,667
2130.00 Deferred Inflows of Resources	269,375
2210.00 USDA Loan - VS Clinic	6,562,277
2240.00 Lease Payable - Long Term	596,895
<b>Total Long-Term Liabilities</b>	<b>8,992,994</b>
<b>Total Liabilities</b>	<b>9,655,460</b>
<b>Equity</b>	
2900.00 Fund Balance	648,149
2910.00 PY - Historical Minority Interest MTMC	19,720,638
3900.00 Retained Earnings	-4,593,898
<b>Net Income</b>	<b>551,925</b>
<b>Total Equity</b>	<b>16,326,815</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>25,982,275</b>

**Investment & Reserves Report  
31-Oct-23**

<b>Reserve Funds</b>	<b>Minimum Target</b>	<b>6/30/2023 Balance</b>	<b>2023/2024 Allocated</b>	<b>2023/2024 Interest</b>	<b>10/31/2023 Balance</b>
Valley Springs HWC - Operational Reserve	2,200,000	30,658	1,000,000	9,705	1,040,363
Capital Improvement	3,000,000	2,522,220	0	46,487	2,568,707
Technology Reserve	250,000	1,039,589	-789,589	11,892	261,892
Lease, Contract, & Utilities Reserve	1,700,000	2,501,410	-801,410	38,726	1,738,726
Community Programs Reserve	250,000		100,000	921	100,921
Lease Termination Reserve	3,250,000		490,999	4,520	495,519
Loan Reserve	2,000,000	2,084,524	0	38,420	2,122,944
Reserves & Contingencies	12,650,000	8,178,401	0	150,670	8,329,071

<b>Reserves</b>	<b>2023-2024</b>	
	<b>10/31/2023</b>	<b>Interest Earned</b>
Valley Springs HWC - Operational Reserve	31,158	500
<b>Total Cal-Trust Reserve Funds</b>	<b>31,158</b>	<b>500</b>

Valley Springs HWC - Operational Reserve	1,009,205	9,205
Lease & Contract Reserve	1,738,726	38,726
Loan Reserve	2,122,944	38,420
Capital Improvement	2,568,707	46,487
Technology Reserve Fund	261,892	11,892
Community Programs Reserve	100,921	921
Lease Termination reserve	495,519	4,520
<b>Total CA-CLASS Reserve Funds</b>	<b>8,297,914</b>	<b>150,170</b>

<b>Five Star</b>		
General Operating - Closed	0	0
General Operating - NEW	472,213	89
Money Market Account	278,096	3,914
Valley Springs - Checking	61,381	23
Valley Springs - Payroll	184,959	25
<b>Total Five Star</b>	<b>996,649</b>	<b>4,052</b>

<b>Umpqua Bank</b>		
Checking	249,374	0
Money Market Account	6,446	0.22
Investments	0	0
<b>Total Savings &amp; CD's</b>	<b>255,819</b>	<b>0.22</b>

<b>Bank of Stockton</b>	<b>6,996</b>	<b>22</b>
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<b>Total in interest earning accounts</b>	<b>9,588,536</b>	<b>154,744</b>
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<b>Beta Dividends 1</b>	<b>2,333</b>
<b>CSDA Training Scholarship</b>	<b>0</b>
<b>Anthem Rebate</b>	<b>3,643</b>

<b>Total Without Unrealized Loss</b>	<b>160,719</b>
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Mark Twain Health Care District's (District) Investment Policy No. 22 describes the District's commitment to managing risk by selecting investment products based on safety, liquidity and yield. Per California Government Code Section 53600 et. seq., specifically section 53646 and section 53607, this investment report details all investment-related activity in the current period. District investable funds are currently invested in Umpqua Bank, Five Star Bank, and the CA CLASS investment pool, all of which meet those standards; the individual investment transactions of the CA CLASS Pool are not reportable under the government code. That being said, the District's Investment Policy remains a prudent investment course, and is in compliance with the "Prudent Investor's Policy" designed to protect public funds.



**Mark Twain Health Care District**  
**Bill Payment List**  
**October 2023**

	<b>Date</b>	<b>Num</b>	<b>Vendor</b>	<b>Amount</b>
<b>Checking-MTHCD-</b>				
	10/10/2023	5449	3-Day Crowns @ 38 Smiles Dental Laboratory	-327.74
	10/23/2023	5491	3-Day Crowns @ 38 Smiles Dental Laboratory	-1,197.92
	10/24/2023	5509	3-Day Crowns @ 38 Smiles Dental Laboratory	-245.79
	10/23/2023	5492	AMS.NET	-5,650.92
	10/23/2023	5493	Anthem Blue Cross	-19,615.29
	10/24/2023	5510	Arnaudo Bros., L.P. Sept	-23,156.12
	10/30/2023	5519	Arnaudo Bros., L.P. Oct	-23,156.12
	10/16/2023	5480	Aspen Street Architects	-1,240.00
	10/30/2023	5520	AT&T - 209-772-1005	-191.40
	10/23/2023	5494	AT&T - 831-000-9337 371	-1,166.69
	10/30/2023	5521	AT&T 209-772-2791 VSHWC	-239.67
	10/16/2023	5481	AT&T 248 134-3045	-4.28
	10/16/2023	5482	AT&T 248 134-7000(754)	-25.69
	10/16/2023	5483	AT&T 248-134-7000 952	-8.56
	10/23/2023	5495	AT&T 754-9362	-219.83
	10/23/2023	5496	AT&T 831-000-9975	-1,637.73
	10/10/2023	5450	AT&T OneNet	-212.71
	10/03/2023	5420	Benco Dental Supply Co.	-367.65
	10/10/2023	5451	Benco Dental Supply Co.	-117.30
	10/16/2023	5484	Benco Dental Supply Co.	-438.19
	10/23/2023	5497	Benco Dental Supply Co.	-511.23
	10/30/2023	5522	Benco Dental Supply Co.	-592.81
	10/03/2023	5421	BETA Healthcare Group	-4,012.65
	10/03/2023	5422	Blue Cross of California	-327.71
	10/03/2023	5444	Blue Cross of California	-99.50
	10/03/2023	5445	Blue Cross of California	-70.18
	10/03/2023	5446	Blue Cross of California	-99.50
	10/10/2023	5452	Calaveras County Water District	-5,714.88
	10/10/2023	5453	Calaveras Power Agency	-58,531.46
	10/03/2023	5423	Calaveras Public Utility District	-7,863.89
	10/03/2023	5424	California Special Districts Association - Financial	-1,663.16
	10/23/2023	5498	California Special Districts Association - Financial Dues	-6,550.00
	10/03/2023	5425	Capital Group - American Funds	-206.05
	10/04/2023	ACH 10/4/23	Christian Bader	-7,975.00
	10/03/2023	5426	CHW, LLP	-750.00
	10/10/2023	5454	City of Angels	-959.32
	10/03/2023	5427	Comfort Air Inc	-1,340.67
	10/23/2023	5499	Common Ground Senior Services	-2,500.00
	10/10/2023	5455	Day Denture Laboratory	-553.87
	10/24/2023	5511	Day Denture Laboratory	-2,024.47
	10/10/2023	5456	Debra Sellick	-100.00
	10/10/2023	5457	Diana Coleman	-524.00
	10/23/2023	5500	Donna Koplen	-330.76
	10/04/2023	ACH 10/4/23	Dr. Deborah Salom	-10,614.00
	10/16/2023	5488	Dr. Randall Smart	-723.92
	10/03/2023	5428	Garett's Cross-Connection Control	-175.00
	10/03/2023	5429	Gaspers Electric	-575.00
	10/24/2023	5512	Gaspers Electric	-825.00
	10/24/2023	5513	Glidewell Laboratories	-104.45
	10/03/2023	ACH 10/3/23	Harvard M. Robbins, M.D.	-11,666.67
	10/23/2023	5501	Industrial Electrical Company	-850.00
	10/16/2023	5486	Jacquelyne Youngquist	-4,230.00

10/03/2023	ACH 10/3/23	James Mosson	-11,490.00
10/10/2023	5458	Jennifer Scheidt	-480.00
10/10/2023	5459	Johanna Vermeltfoort	-100.00
10/03/2023	5430	JWT & Associates, LLP	-7,875.00
10/03/2023	5431	Kamps-High Country Propane	-2,535.70
10/23/2023	5502	Kelly Frederick	-425.00
10/24/2023	5514	Kirk Stout	-952.00
10/10/2023	5460	Laurel Stanek	-319.28
10/10/2023	5461	Linda Reed	-100.00
10/10/2023	5462	Lori Hack	-100.00
10/30/2023	5524	Lori Hack	-651.38
10/23/2023	5503	Maple Leaf Investments	-919.04
10/03/2023	5432	Mark Twain Medical Staff Fund	-1,300.00
10/04/2023	ACH 10/4/23	Martha Tapia, DO	-15,323.33
10/10/2023	5463	Medi-Tek Inc	-9,365.00
10/03/2023	5433	Modesto Welding Products	-81.97
10/23/2023	5504	Modesto Welding Products	-48.54
10/30/2023	5525	Modesto Welding Products	-48.54
10/24/2023	5515	MXR Imaging, INC.	-6,742.00
10/03/2023	5434	Novarad Corporation	-1,134.71
10/03/2023	5435	Nuance Communications, Inc.	-316.00
10/24/2023	5516	Nuance Communications, Inc.	-474.00
10/03/2023	5436	Olympic Cleaning Service Sept	-4,950.00
10/30/2023	5526	Olympic Cleaning Service Oct	-4,950.00
10/03/2023	5448	Overpayment Recovery	-98.78
10/10/2023	5464	Peggy Stout	-1,053.40
10/23/2023	5505	PG&E 0529233604-6 Copper Clinic	-3,262.84
10/10/2023	5465	PG&E 2070234150-2 Traffic Control	-84.50
10/30/2023	5527	PG&E 2070234150-2 Traffic Control	-77.25
10/10/2023	5466	PG&E 7845103478-5 - Centralized Scheduling	-779.44
10/30/2023	5528	PG&E 7845103478-5 - Centralized Scheduling	-552.16
10/10/2023	5467	PG&E 1022075267-8 - Traffic Control	-55.30
10/30/2023	5529	PG&E 1022075267-8 - Traffic Control	-56.82
10/10/2023	5468	PG&E 1115246270-8 SOMO	-4,441.48
10/10/2023	5469	PG&E 3991832007-6 Cancer	-322.97
10/10/2023	5470	PG&E 4263039970-9 Hospital	-9,479.40
10/10/2023	5471	PG&E 7402140630-6 SAFMC	-595.03
10/10/2023	5472	PG&E 8919598400-3 Cancer/Infusion	-978.63
10/03/2023	5437	PG&E 9610376900-4-James Dalton (Angels Camp)	-5,105.67
10/30/2023	5530	PG&E 9610376900-4-James Dalton (Angels Camp)	-4,347.09
10/23/2023	5506	Pickle Patch Deli & Garden	-2,644.00
10/03/2023	5438	Rachall Crowe	-1,398.82
10/03/2023	5439	Radiologica	-1,949.00
10/24/2023	5517	Ray Morgan Company	-4,288.21
10/10/2023	5473	Richard Randolph	-100.00
10/03/2023	5440	RJ Pro Innovative I.T. Services	-2,437.00
10/23/2023	5507	RJ Pro Innovative I.T. Services	-500.00
10/10/2023	5474	Robert G. Gish Consultants, LLC	-900.00
10/03/2023	5441	San Andreas Sanitary District	-8,018.43
10/10/2023	5475	San Andreas Sanitary District	-451.01
10/10/2023	5479	Seats & Stations	-68.36
10/10/2023	5476	Sierra Dickey	-609.15
10/24/2023	5518	Signal Service, Inc.	-1,492.77
10/10/2023	5477	Sparkles	-300.00
10/03/2023	5442	Suburban Propane-Ortho	-65.00
10/10/2023	5478	Suburban Propane-Ortho	-239.75
10/23/2023	5508	Suburban Propane-Ortho	-262.89
10/03/2023	5443	Sutter Health Medical Physics Center	-1,475.00
10/03/2023	ACH 10/3/23	Thomas Drakes	-11,440.00

**Total for 1001.45  
Five Star Checking-  
MTHCD-Operating**

**- \$ 352,896.39**

# Mark Twain Health Care District

## Journal

October 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
10/05/2023	Journal Entry	10/1/23 BETA Dividend	10/1/23 BETA Dividend Installment 1		1001.45	1001.45 Five Star Checking-MTHCD-Operating	\$2,332.50	
			10/1/23 BETA Dividend Installment 1		9060.00	9060.00 Income, Gains & losses from investments - District		\$2,332.50
							<b>\$2,332.50</b>	<b>\$2,332.50</b>
10/05/2023	Journal Entry	10/5/23 VSHWC Deposit	10/5/23 VSHWC Deposit		4083.49	4083.49 VSHWC Gross Revenues		\$978.98
			10/5/23 VSHWC Deposit		1001.10	1001.10 Umpqua Bank - Checking - NEW	\$978.98	
							<b>\$978.98</b>	<b>\$978.98</b>
10/05/2023	Journal Entry	9/23 CC Payment	9/23 CC Payment		2001.00	2001.00 Credit Card Payable	\$27,891.17	
			9/23 CC Payment		1001.45	1001.45 Five Star Checking-MTHCD-Operating		\$27,891.17
							<b>\$27,891.17</b>	<b>\$27,891.17</b>
10/06/2023	Journal Entry	10/6/23 Payrun# 145	Pay Period 9/17/23 - 9/30/23		8610.09	8610.09 Other salaries and wages - Admin.	\$12,773.13	
			Pay Period 9/17/23 - 9/30/23		7083.09.01	7083.09.01 Other salaries and wages - Clinic	\$57,705.67	
			Pay Period 9/17/23 - 9/30/23		7083.09.02	7083.09.02 Dental Salaries and Wages	\$17,628.23	
			Pay Period 9/17/23 - 9/30/23		7083.09.03	7083.09.03 Behavior Health Salaries and Wages	\$9,100.27	
			Pay Period 9/17/23 - 9/30/23		8610.10	8610.10 Payroll taxes - Admin.	\$185.21	
			Pay Period 9/17/23 - 9/30/23		7083.10	7083.10 Payroll taxes - Clinic	\$1,212.13	
			Pay Period 9/17/23 - 9/30/23		8610.10	8610.10 Payroll taxes - Admin.	\$518.51	
			Pay Period 9/17/23 - 9/30/23		7083.10	7083.10 Payroll taxes - Clinic	\$4,805.07	
			Pay Period 9/17/23 - 9/30/23		7083.10	7083.10 Payroll taxes - Clinic	\$115.84	
			Pay Period 9/17/23 - 9/30/23		2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$2,888.97
			Pay Period 9/17/23 - 9/30/23		2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$10,647.16
			Pay Period 9/17/23 - 9/30/23		2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$11,130.27
			Pay Period 9/17/23 - 9/30/23		2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$5,401.49
			Pay Period 9/17/23 - 9/30/23		2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$115.84
			Pay Period 9/17/23 - 9/30/23		2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$841.09
			Pay Period 9/17/23 - 9/30/23		1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$4,664.83
			Pay Period 9/17/23 - 9/30/23		1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$1,353.90
			Payroll Processing Fee -Pay Period 9/17/23 - 9/30/23		8610.22	8610.22 Consulting and Management Fees - District	\$270.78	
			Payroll Processing Fee -Pay Period 9/17/23 - 9/30/23		7083.22	7083.22 Consulting and Management fees - Clinic	\$1,083.12	
			Payroll Processing Fee -Pay Period 9/17/23 - 9/30/23		2110.00	2110.00 Payroll Liabilities - New Account for 2019	\$30,183.73	
Payroll Processing Fee -Pay Period 9/17/23 - 9/30/23		1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$30,183.73			
Payroll Processing Fee -Pay Period 9/17/23 - 9/30/23		2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$751.85			
Payroll Processing Fee -Pay Period 9/17/23 - 9/30/23		1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$67,602.56			
Payroll Processing Fee -Pay Period 9/17/23 - 9/30/23		2110.00	2110.00 Payroll Liabilities - New Account for 2019	\$751.85				
Payroll Processing Fee -Pay Period 9/17/23 - 9/30/23		1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$751.85			
							<b>\$136,333.54</b>	<b>\$136,333.54</b>
10/13/2023	Journal Entry	10/23 Athena Charges	Athena Health Charges for September 2023		1001.60	1001.60 Five Star Bank - VSHWC Checking - NEW-1		\$27,127.95
			Athena Health Charges for September 2023		7083.26	7083.26 Other contracted services - Clinic	\$27,127.95	
							<b>\$27,127.95</b>	<b>\$27,127.95</b>

# Mark Twain Health Care District

## Journal

October 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
10/17/2023	Journal Entry	10/17/23	CWF Donation	CWF Donation	1001.98	1001.98 Five Star Bank - Calaveras Wellness Foundation	\$9,000.00	
			CWF Donation		2200.00	2200.00 Due to Calaveras Wellness Foundation		\$9,000.00
							<b>\$9,000.00</b>	<b>\$9,000.00</b>
10/20/2023	Journal Entry	10/20/23	Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	8610.09	8610.09 Other salaries and wages - Admin.	\$12,421.09	
		Payrun# 146	Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	7083.09.01	7083.09.01 Other salaries and wages - Clinic	\$53,214.27	
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	7083.09.02	7083.09.02 Dental Salaries and Wages	\$16,980.03	
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	7083.09.03	7083.09.03 Behavior Health Salaries and Wages	\$9,495.59	
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	8610.10	8610.10 Payroll taxes - Admin.	\$180.11	
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	7083.10	7083.10 Payroll taxes - Clinic	\$1,139.61	
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	8610.10	8610.10 Payroll taxes - Admin.	\$496.69	
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	7083.10	7083.10 Payroll taxes - Clinic	\$4,495.17	
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	7083.10	7083.10 Payroll taxes - Clinic	\$143.44	
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$2,733.96
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$9,983.72
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$10,554.67
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$4,920.93
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$143.44
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$1,095.26
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$4,539.74
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$116.00
			Payroll Processing Fee -Pay Period 10/1/23 - 10/14/23	Payroll Processing Fee -Pay Period 10/1/23 - 10/14/23	8610.22	8610.22 Consulting and Management Fees - District	\$23.20	
			Payroll Processing Fee -Pay Period 10/1/23 - 10/14/23	Payroll Processing Fee -Pay Period 10/1/23 - 10/14/23	7083.22	7083.22 Consulting and Management fees - Clinic	\$92.80	
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	2110.00	2110.00 Payroll Liabilities - New Account for 2019	\$28,336.72	
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$28,336.72
			Pay Period 10/1/23 - 10/14/23	Pay Period 10/1/23 - 10/14/23	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$64,594.28
							<b>\$127,018.72</b>	<b>\$127,018.72</b>
10/27/2023	Journal Entry	10/23	AED Cost Share	10/23 AED Cost Share - Central Calaveras Fire	1001.45	1001.45 Five Star Checking-MTHCD-Operating	\$500.00	
			AED Cost Share	10/23 AED Cost Share - Central Calaveras Fire	8890.00	8890.00 Foundation - Stay Vertical, Golden Health Grant Awards - Dist.		\$500.00
							<b>\$500.00</b>	<b>\$500.00</b>
10/31/2023	Journal Entry	10/23	Prop Tax Rvenue	10/23 Prop Tax Revenue	2129.00	2129.00 Other Third Party Reimbursement - Calaveras County	\$108,333.33	
			Prop Tax Revenue	10/23 Prop Tax Revenue	9160.00	9160.00 Property Tax Revenues - District		\$108,333.33
							<b>\$108,333.33</b>	<b>\$108,333.33</b>
10/31/2023	Journal Entry	10/23	Cap. Costs	10/23 Cap. Costs	1810.65	1810.65 Intangible Assets:Capitalized Costs Amortization	\$993.24	
			Cap. Costs	10/23 Cap. Costs	1810.60	1810.60 Intangible Assets:Capitalized Lease Negotiations		\$993.24
							<b>\$993.24</b>	<b>\$993.24</b>
10/31/2023	Journal Entry	10/23	VSHW Depreciatn	10/23 VSHW Depreciatn	7083.72	7083.72 Depreciation - Bldgs & Improvements - Clinic	\$36,526.18	
			VSHW Depreciatn	10/23 VSHW Depreciatn	7083.74	7083.74 Depreciation - Equipment - Clinic	\$10,467.06	
			VSHW Depreciatn	10/23 VSHW Depreciatn	7083.72	7083.72 Depreciation - Bldgs & Improvements - Clinic	\$14,034.38	
			VSHW Depreciatn	10/23 VSHW Depreciatn	1600.00	1600.00 Accumulated Depreciation		\$61,027.62

# Mark Twain Health Care District

## Journal

October 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
							<b>\$61,027.62</b>	<b>\$61,027.62</b>
10/31/2023	Journal Entry	10/23 MOB Rent	10/23 MOB Rent	10/23 MOB Rent	9260.02	9260.02 MOB Rents Revenue		\$14,217.57
			10/23 MOB Rent	10/23 MOB Rent	1001.10	1001.10 Umpqua Bank - Checking - NEW	\$14,217.57	
			10/23 MOB Rent	10/23 MOB Rent	9260.03	9260.03 Child Advocacy Rent Revenue		\$795.68
			10/23 MOB Rent	10/23 MOB Rent	1001.10	1001.10 Umpqua Bank - Checking - NEW	\$795.68	
							<b>\$15,013.25</b>	<b>\$15,013.25</b>
10/31/2023	Journal Entry	10/23 Capital Lease	10/23 Capital Lease	10/23 Capital Lease	2128.01	2128.01 Deferred Capital Lease	\$35,506.59	
			10/23 Capital Lease	10/23 Capital Lease	9260.01	9260.01 Deferred Lease Income		\$24,989.96
			10/23 Capital Lease	10/23 Capital Lease	2219.00	2219.00 Capital Lease		\$10,516.63
			10/23 Capital Lease	10/23 Capital Lease	2128.02	2128.02 Deferred Utilities Reimbursement	\$64,493.41	
			10/23 Capital Lease	10/23 Capital Lease	9260.01	9260.01 Deferred Lease Income		\$64,493.41
							<b>\$100,000.00</b>	<b>\$100,000.00</b>
10/31/2023	Journal Entry	10/23 Cap Depreciatn	10/23 Cap Depreciation	10/23 Cap Depreciation	9520.72	9520.72 Depreciation	\$8,390.36	
			10/23 Cap Depreciation	10/23 Cap Depreciation	2219.00	2219.00 Capital Lease		\$8,390.36
							<b>\$8,390.36</b>	<b>\$8,390.36</b>
10/31/2023	Journal Entry	10/23 USDA Interest	10/23 USDA Interest	10/23 USDA Interest	8870.00	8870.00 Interest on Debt Service - Clinic	\$21,708.13	
			10/23 USDA Interest	10/23 USDA Interest	1300.00	1300.00 Prepaid Expenses		\$21,708.13
							<b>\$21,708.13</b>	<b>\$21,708.13</b>
10/31/2023	Journal Entry	10/23 Cal Trust Recon	10/23 Cal Trust Recon	10/23 Cal Trust Recon	1003.10	1003.10 Operational Reserve Fund - Cal Trust	\$132.02	
			10/23 Cal Trust Recon	10/23 Cal Trust Recon	9060.00	9060.00 Income, Gains & losses from investments - District		\$132.02
							<b>\$132.02</b>	<b>\$132.02</b>
10/31/2023	Journal Entry	10/23 CA CLASS Recon	10/23 CA CLASS Recon	10/23 CA CLASS Recon	1003.20	1003.20 Operational Reserve Fund - CA CLASS	\$4,703.87	
			10/23 CA CLASS Recon	10/23 CA CLASS Recon	1004.10	1004.10 Lease and Contract Reserve Fund	\$8,104.13	
			10/23 CA CLASS Recon	10/23 CA CLASS Recon	1004.20	1004.20 Loan Reserve Fund	\$9,894.96	
			10/23 CA CLASS Recon	10/23 CA CLASS Recon	1004.30	1004.30 Capital Improvement Reserve Fund	\$11,972.64	
			10/23 CA CLASS Recon	10/23 CA CLASS Recon	1004.40	1004.40 Technology Reserve Fund	\$1,220.67	
			10/23 CA CLASS Recon	10/23 CA CLASS Recon	1004.50	1004.50 Community Programs Reserve Fund	\$470.39	
			10/23 CA CLASS Recon	10/23 CA CLASS Recon	1004.60	1004.60 Lease Termination Reserve Fund	\$2,309.59	
			10/23 CA CLASS Recon	10/23 CA CLASS Recon	9060.00	9060.00 Income, Gains & losses from investments - District		\$38,676.25
							<b>\$38,676.25</b>	<b>\$38,676.25</b>
10/31/2023	Journal Entry	10/23 CC Recon	McKesson Medical	McKesson Medical	7083.41.01	7083.41.01 Other Medical Care Materials and Supplies - Clinic	\$11,000.95	
			Henry Schein- Dentrrix	Henry Schein- Dentrrix	7083.41.02	7083.41.02 Dental Care Materials and Supplies - Clinic	\$1,421.15	
			IntakeQ - BH forms	IntakeQ - BH forms	7083.41.03	7083.41.03 Behavior Health Care Materials & Supplies - Clinic	\$71.30	
			Round Table Pizza - Staff appreciation	Round Table Pizza - Staff appreciation	7083.43	7083.43 Food - Clinic	\$77.19	
			Dosimetry Badge	Dosimetry Badge	7083.46	7083.46 Office and Administrative supplies - Clinic	\$220.00	
			Dollar Tree - Anniversary Party Supplies	Dollar Tree - Anniversary Party Supplies	7083.46	7083.46 Office and Administrative supplies - Clinic	\$30.10	
			Walmart.com - Shelf unit for Janitor closet	Walmart.com - Shelf unit for Janitor closet	7083.46	7083.46 Office and Administrative supplies - Clinic	\$106.18	
			Staples - Office supplies	Staples - Office supplies	7083.46	7083.46 Office and Administrative supplies - Clinic	\$112.70	
			Amazon - Anniversary Party Supplies	Amazon - Anniversary Party Supplies	7083.46	7083.46 Office and Administrative supplies - Clinic	\$9.64	
			Save mart - Anniversary Party Supplies	Save mart - Anniversary Party Supplies	7083.46	7083.46 Office and Administrative supplies - Clinic	\$65.94	
			Walmart - Anniversary Party Supplies	Walmart - Anniversary Party Supplies	7083.46	7083.46 Office and Administrative supplies - Clinic	\$48.37	

# Mark Twain Health Care District

## Journal

October 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
				Costco - Anniversary Party Supplies	7083.46	7083.46 Office and Administrative supplies - Clinic	\$87.09	
				Grocery Outlet - Anniversary Party Supplies	7083.46	7083.46 Office and Administrative supplies - Clinic	\$5.13	
				Treat's - Anniversary Party Supplies	7083.46	7083.46 Office and Administrative supplies - Clinic	\$8.13	
				Instacard - Badges	7083.46	7083.46 Office and Administrative supplies - Clinic	\$100.00	
				Calaveras Mini Storage	7083.69	7083.69 Other purchased services - Clinic	\$155.00	
				MedStatix- Sept/Oct invoices	7083.69	7083.69 Other purchased services - Clinic	\$442.00	
				Clark Pest Control -	7083.69	7083.69 Other purchased services - Clinic	\$88.00	
				MedPro waste disposal	7083.80	7083.80 Utilities - Electrical, Gas, Water, other - Clinic	\$129.92	
				Cal-Waste	7083.80	7083.80 Utilities - Electrical, Gas, Water, other - Clinic	\$378.69	
				AT&T - Previous T2T phones	7083.85	7083.85 Telephone and Communications - Clinic	\$240.17	
				CallMyDoc	7083.85	7083.85 Telephone and Communications - Clinic	\$2,101.70	
				Staples - Office Supplies	8610.46	8610.46 Office and Administrative Supplies - District	\$113.01	
				Amazon - Gift Cards	8610.46	8610.46 Office and Administrative Supplies - District	\$150.00	
				AT&T - S. Dickey phone	8610.46	8610.46 Office and Administrative Supplies - District	\$110.96	
				Hobby Lobby - MACT Gift basket items	8610.46	8610.46 Office and Administrative Supplies - District	\$11.66	
				Big Lots - MACT Gift basket items	8610.46	8610.46 Office and Administrative Supplies - District	\$37.73	
				Treat's - Bottled water	8610.46	8610.46 Office and Administrative Supplies - District	\$4.19	
				Calaveras County Tax Collector - Annual Solid waste fees	9520.80	9520.80 Utilities - Electrical, Gas, Water, other	\$2,170.04	
				T-Mobile - Internet	8610.69	8610.69 Other - IT Services- District	\$87.80	
				QuickBooks	8610.69	8610.69 Other - IT Services- District	\$200.00	
				Zoom Subscription	8610.86	8610.86 Dues, Subscriptions & Fees - District	\$599.60	
				Study.com- Accounting classes	8610.87	8610.87 Outside Training's - Admin.	\$59.99	
				Calaveras Mentoring Program- Barn Dance	8890.00	8890.00 Foundation - Stay Vertical, Golden Health Grant Awards - Dist.	\$2,500.00	
				Umpqua Credit Card	2001.00	2001.00 Credit Card Payable		\$22,944.33
							<b>\$22,944.33</b>	<b>\$22,944.33</b>
10/31/2023	Journal Entry	10/23 Grant #15		Grant#15 Incentive Payment	1001.45	1001.45 Five Star Checking-MTHCD- Operating	\$509.41	
				Grant#15 Incentive Payment	9108.00	9108.00 Other Non-Operating Revenue - Grants		\$509.41
							<b>\$509.41</b>	<b>\$509.41</b>
10/31/2023	Journal Entry	10/23 US Bank Recon		10/23 US Bank Recon	1001.90	1001.90 U.S. Bank - VSHWC		\$457,216.24
				10/23 US Bank Recon	1001.45	1001.45 Five Star Checking-MTHCD- Operating	\$457,216.24	
							<b>\$457,216.24</b>	<b>\$457,216.24</b>
10/31/2023	Journal Entry	10/23 Bank Adj		10/23 Bank Adj - clear check number	1001.45	1001.45 Five Star Checking-MTHCD- Operating	\$1,092.78	
				10/23 Bank Adj - clear check number	8610.24	8610.24 Accounting / Audit Fees - District		\$1,092.78
							<b>\$1,092.78</b>	<b>\$1,092.78</b>
10/31/2023	Journal Entry	10/23 AR Revenue		10/23 AR Revenue	4083.49	4083.49 VSHWC Gross Revenues		\$497,837.17
				10/23 AR Revenue	4083.60	4083.60 Contractual Adjustments	\$43,862.95	
				10/23 AR Revenue	1205.50	1205.50 Allowance for Uncollectable Clinic Receivables		\$488,118.18
				10/23 AR Revenue	1001.90	1001.90 U.S. Bank - VSHWC	\$488,118.18	

# Mark Twain Health Care District

## Journal

October 2023

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
				10/23 AR Revenue	1205.50	1205.50 Allowance for Uncollectable Clinic Receivables	\$271,759.18	
				10/23 AR Revenue	1205.50	1205.50 Allowance for Uncollectable Clinic Receivables	\$228,964.00	
				10/23 AR Revenue	1205.51	1205.51 Cash to be Reconciled		\$228,964.00
				10/23 AR Revenue	1205.51	1205.51 Cash to be Reconciled	\$182,215.04	
							<b>\$1,214,919.35</b>	<b>\$1,214,919.35</b>
<b>TOTAL</b>							<b>\$2,382,139.17</b>	<b>\$2,382,139.17</b>

Oct-23

\$ 11,000.95	7083.41.01	Mckesson Medical	Medical Supplies	\$ 11,000.95	7083.41.01 - OTHER MEDICAL CARE MATERIALS & SUPPLIES
\$ 1,421.15	7083.41.01	Henry Schein	Dentrix Dental Systems	\$ 1,421.15	7083.41.02 - DENTAL CARE MATERIALS & SUPPLIES
\$ 71.30	7083.41.03	IntakeQ	Psychiatric BH Forms	\$ 71.30	7083.41.03 - BEHAVIOR HEALTH CARE MATERIALS & SUPPLIES
\$ 77.19	7083.43	Round Table Pizza	Staff Appreciation Lunch	\$ 77.19	7083.43 - FOOD - CLINIC
\$ 220.00	7083.46	Fusion Grill	Community Relations	\$ 220.00	
\$ 30.10	7083.46	Dosimetry Badge	Badges		
\$ 106.18	7083.46	Dollar Tree	Anniversary Party Supplies		
\$ 112.70	7083.46	Walmart.com	Shelf for Housekeeping Closet		
\$ 9.64	7083.46	Staples	Office Supplies		
\$ 65.94	7083.46	Amazon	Anniversary Party Supplies		
\$ 48.37	7083.46	Save Mart	Anniversary Party Supplies		
\$ 87.09	7083.46	Walmart	Anniversary Party Supplies		
\$ 5.13	7083.46	Costco	Flowers for Anniversary Party		
\$ 8.13	7084.46	Grocery Outlet	Anniversary Party Supplies		
\$ 100.00	7083.46	Treat's	Anniversary Party Supplies		
	7083.46	Instacard	Badges	\$ 793.28	7083.46 - OFFICE & ADMINISTRATIVE SUPPLIES - CLINIC
\$ 155.00	7083.69	CALAVERAS MINI STORAGE	NO RECEIPT		
\$ 442.00	7083.69	MEDSTATIX	Sept/Oct Invoices		
\$ 88.00	7083.69	Clark Pest Control	August services		
	7083.69	ProScreening	Background checks/Credentials	\$ 685.00	7083.69 - OTHER PURCHASED SERVICES - CLINIC
\$ 129.92	7083.80	MedPro Disposal	Waste Removal		
\$ 378.69	7083.80	Cal-Waste	Trash Removal	\$ 508.61	7083.80 - UTILITIES - CLINIC
\$ 240.17	7083.85	AT&T	Previous T2T Oncall Cell phones (2)		
\$ 2,101.70	7083.85	Sphinx Medical	CallMyDoc	\$ 2,341.87	7083.85 - TELEPHONE & COMMUNICATIONS - CLINIC
\$ 113.01	8610.46	Staples	Office Supplies		
\$ 150.00	8610.46	Amazon	Office Supplies (Gift Cards)		
\$ 110.96	8610.46	AT&T	Phone for S. Dickey		
\$ 11.66	8610.46	Hobby Lobby	MACT Gift basket items		
\$ 37.73	8610.46	Big Lots	MACT Gift basket items		
\$ 4.19	8610.46	Treat's	Bottled Water	\$ 427.55	8610.46 - OFFICE & ADMINISTRATIVE SUPPLIES - DISTRICT
\$ 2,170.04	9520.80	Calaveras County	Solid Waste Fees (2023-2024)	\$ 2,170.04	9520.80 - UTILITIES - DISTRICT
\$ 87.80	8610.69	T-Mobile	District internet		
\$ 200.00	8610.69	QUICKBOOKS	MONTHLY SUB/1099 filing	\$ 287.80	8610.69 - OTHER - IT SERVICES - DISTRICT
\$ 599.60	8610.86	Streamline	Annual Membership	\$ 599.60	8610.86 - DUES & SUBSCRIPTIONS - DISTRICT
\$ 59.99	8610.87	ZOOM	Accounting Classes	\$ 59.99	8610.87 - OUTSIDE TRAINING - DISTRICT
\$ 2,500.00	8890.00	Study.com	Barn Dance	\$ 2,500.00	8890.00 - FOUNDATION PROJECTS - DISTRICT
\$ 2,500.00	8890.00	Calaveras Mentoring Program		\$ 2,500.00	
\$ 22,944.33				\$ 22,944.33	



**Audited Financial Statements**  
**MARK TWAIN**  
**HEALTH CARE DISTRICT**  
**June 30, 2023 and 2022**

Audited Financial Statements

MARK TWAIN HEALTH CARE DISTRICT

June 30, 2023

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## Management's Discussion and Analysis

### MARK TWAIN HEALTH CARE DISTRICT

June 30, 2023

The management of the Mark Twain Health Care District (the District) has prepared this annual discussion and analysis in order to provide an overview of the District's performance for the fiscal year ended June 30, 2023 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the District's financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2023 and accompanying notes to the financial statements to enhance one's understanding of the District's financial performance.

#### ***Financial Highlights***

The District's financial statements consist of three statements: statement of net position; statement of revenues, expenses, and changes in net position; and statement of cash flows. These financial statements and related notes provide information about the activities of the District, including resources held by the District but restricted for specific purposes by contributors, grantors, or enabling legislation.

The statement of net position includes all of the District's assets and liabilities, using the accrual basis of accounting, as well as an indication about which assets can be used for general purposes and which are designated for a specific purpose. Highlights within the statement of net position and the statement of revenues, expenses and changes in net position for the year ended June 30, 2023 were:

- (1) Total assets decreased by \$2,795,811 due mainly to decrease of cash and cash equivalents by \$1,176,190 and depreciation of property and equipment of \$763,098.
- (2) Patient accounts receivable as of June 30, 2023 were \$362,424 net of estimated related allowances of \$136,920 to arrive at a net patient accounts receivable total of \$225,504. As of June 30, 2022, patient accounts receivable were \$360,479, net of estimated related allowances of \$154,616 to arrive at a net patient accounts receivable of \$205,863.
- (3) Property and equipment additions were \$26,917 while depreciation expense was \$763,921. With the combined additions and depreciation, property and equipment showed a net decrease of \$737,004.
- (4) Total debt borrowings were \$6,847,384. The District repaid \$146,000 on these debt borrowings during the year.
- (5) The District continued with updates of the Governmental Accounting Standards Board (GASB) 87 during the year which changed the way during the year ended June 30, 2022 in the way the District accounted for leases, both as a lessor and as a lessee. The main results were decreases to lease receivables (both current and long term) in the combined amount of \$185,651, and decreases to lease payables (both current and long term) in the combined amount of \$167,784.

Management's Discussion and Analysis (continued)

MARK TWAIN HEALTH CARE DISTRICT

(6) The decrease in net position for the year ended June 30, 2023 was \$(1,282,214) as compared to the prior year decrease in net position of \$(500,529). Estimated third party settlements were \$117,814 due to Medi-Cal. It is anticipated that in the year 2024 the PPS base year will be audited by the State from which the District is expecting very favorable results.

(7) The District recorded grant income for the year in the amount of \$374,906 as compared to the prior year grant income of \$662,341 of which \$347,687 came from the Department of Finance in the State of California for reimbursement of COVID related expenses.

The statement of cash flows reports the cash provided by and used by the District's operating activities, as well as other cash sources such as investment income and cash payments for capital additions and improvements. This statement provides meaningful information on how the District's cash was generated and how it was used during the fiscal year.

***Cash and Investments***

For the fiscal year ended June 30, 2023, the District's operating cash and investments totaled \$9,401,326 as compared to \$10,663,487 in fiscal year 2022. At June 30, 2023, days cash on hand were 751 as compared to June 30, 2022 when days cash on hand were 751. The District maintains sufficient cash and cash equivalent balances to pay all short-term liabilities, plus fund the forthcoming operations of the new rural health clinic.

***Current Assets and Liabilities***

Current assets decreased by \$1,614,044 due mainly to the previously mentioned decrease in cash and cash equivalents and a decrease in third party settlements. Current liabilities increased by \$25,619 due mainly to the increase in estimated third party payor settlements of \$117,814. These changes produced a current ratio of 12.64 for June 30, 2023 as compared to 15.16 for June 30, 2022.

***Capital and Other Assets***

Property and equipment decreased by \$737,004 as additions were \$26,917, less depreciation expense of \$763,921. Continued improvements are being made to the Clinic in Valley Springs.

The District has recorded approximately \$6.8 million in other assets, offset by approximately \$1.8 million in deferred revenues as of June 30, 2023, associated both with the 30 year leasing of the Hospital facilities by Dignity and the implementation of GASB 87. The Hospital facilities lease realized an approximate \$1.1 million in lease revenues from the lease of the Hospital facilities.

Management's Discussion and Analysis (continued)

MARK TWAIN HEALTH CARE DISTRICT

***District Revenues and Rental Income***

The District receives approximately 21% of its operating support from property taxes. These funds are used to support operations of the District. They are classified as operating revenue as the revenue is directly linked to the operations of the District. Property taxes are levied by the County on the District's behalf during the year, and are intended to help finance the District's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. Property taxes increased in 2023 by \$135,028 from 2022.

The District also rents and/or leases hospital facilities, private office for physicians and land to various entities and individuals for purposes of supplying healthcare to the residents in the surrounding area. Rental income for the year ended June 30, 2023 decreased slightly by \$15,472 over the previous year.

***Operating Expenses***

Total operating expenses were \$6,796,452 for fiscal year 2023 compared to \$6,067,630 for the prior fiscal year. The increase is mainly due primarily to:

- (1) A \$353,374 increase in salaries, wages and employee benefits due to the continued hiring of new staff for the operations of the new Clinic and rate increases.
- (2) A \$110,173 increase in professional fees due to volume changes in the Clinic.
- (3) A \$334,506 increase in utilities for the year ended June 30, 2023 as rates increased.
- (4) Other changes in expenses over the prior year were considered either consistent with the prior year or minor.

***Other Management Comments***

On June 23, 2023 the District received a letter of award for the California BHCIP (round 5). This is a California Behavioral Health grant for \$3,322,198. There is an owner match of \$283,056, of which \$100,000 has been received from a private donor through the Calaveras Wellness Foundation. California will secure a service lien on the property requiring 30 years of behavioral health in the new addition. The USDA has a lien on the property to secure the 30-year construction loan. The USDA, national, has opined that they will not have an interest in the California lien unless new debt is created. There is no new debt projected for this construction.

The District is obtaining quotes from various vendors to provide a full facility assessment of the Mark Twain Medical Center, which the District owns. It is anticipated that the District board of directors will approve funding for the assessment and then work with Dignity Health/Common Spirit to remedy facility deficiencies. The tenant, Dignity Health/Common Spirit is responsible for any and all upgrades and maintenance.

Management's Discussion and Analysis (continued)

MARK TWAIN HEALTH CARE DISTRICT

The District has been notified, informally, that Dignity Health/Common Spirit intend to fund permitting, engineering, testing, and implementation of construction designed to fulfill the requirements of the California seismic retrofit mandate. The District is cooperating and has asked for all related documents for approval purposes. The project is currently valued at about \$15 million.

The District was also notified, informally, that Dignity Health/Common Spirit intend to fund a new IT MDF room on the hospital campus. This project is valued at \$2.5 million.

The District staff have conducted an informal facility assessment of the Valley Springs Health & Wellness Center. A list of issues was developed and will be addressed by facility management. The cost this next fiscal year will be immaterial.

The District has received \$54,000 in new grant funding since July 1, 2023.

***Economic Factors and Next Fiscal Year's Budget***

The District's board approved the fiscal year ending June 30, 2024 budget at a recent Board meeting. For fiscal year 2024, the District is budget has the following assumptions:

Property taxes were budgeted at the approximately the same levels of 2023 while rents increase slightly.

Professional fees and other operating expenses are expected to remain fairly consistent for the year as compared to 2023

The District is continuing to improve and expand services at the rural health care clinic in Valley Springs which began operating in October, 2019. Continued planning is underway for expanded operations of the Clinic and the establishment of reasonable reimbursement rates from both Medicare and Medi-Cal for patient services rendered.

# JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 East Herndon Avenue, Suite 211, Fresno, California 93720  
Voice: (559) 431-7708 Fax: (559) 431-7685 Email: rjctcpa@aol.com

## *Report of Independent Auditors*

The Board of Directors  
Mark Twain Health Care District  
San Andreas, California

## *Opinion*

We have audited the accompanying financial statements of the Mark Twain Health Care District (the District) as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Emphasis of Matter*

As discussed in Note A, the District adopted GASB 87 for the year beginning July 1, 2021 and ending June 30, 2022. Our opinion is not modified with respect to this matter.



*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Reporting Required by Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*JW7 & Associates, LLP*

Fresno, California  
November 14, 2023

Statements of Net Position

MARK TWAIN HEALTH CARE DISTRICT

	June 30	
	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 9,401,326	\$ 10,663,487
Patient accounts receivable	225,504	205,863
Other receivables	295,411	274,754
Estimated third party payor settlements		488,746
Prepaid expenses, inventory and other current assets	<u>122,614</u>	<u>26,049</u>
Total current assets	10,044,855	11,658,899
Property and equipment	7,014,220	7,751,224
Interest in Mark Twain Medical Center	383,709	395,481
Other assets	<u>6,836,670</u>	<u>7,269,661</u>
Total assets	<u>\$ 24,279,454</u>	<u>\$ 27,075,265</u>
<b>Liabilities and Net Position</b>		
Current liabilities:		
Current maturities of debt borrowings	\$ 163,000	\$ 146,000
Accounts payable and accrued expenses	403,247	461,515
Accrued payroll and related liabilities	110,443	147,790
Estimated third party payor settlements	117,814	
Deferred grant revenues		<u>13,580</u>
Total current liabilities	794,504	768,885
Other liabilities	446,177	596,895
Debt borrowings	<u>6,684,384</u>	<u>6,847,384</u>
Total liabilities	7,925,065	8,213,164
<b>Deferred inflows of resources</b>	1,341,657	2,567,155
Net position		
Invested in capital assets	166,836	757,840
Unrestricted net position	<u>14,845,896</u>	<u>15,537,106</u>
Total net position	<u>15,012,732</u>	<u>16,294,946</u>
Total liabilities and net position	<u>\$ 24,279,454</u>	<u>\$ 27,075,265</u>

*See accompanying notes and auditor's report*

Statements of Revenues, Expenses and Changes in Net Position

MARK TWAIN HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2023</u>	<u>2022</u>
<b>Operating revenues:</b>		
Net patient service revenues	\$ 2,380,446	\$ 2,614,614
District taxes	1,388,660	1,253,632
Hospital lease income	1,078,438	1,084,806
Rental income from medical office buildings	230,454	245,926
Grant revenues	337,847	662,341
Interest and other investment income	374,907	21,936
Other operating income	<u>9,550</u>	<u>6,122</u>
Total revenues, gains and losses	5,800,302	5,889,377
<b>Operating expenses:</b>		
Salaries and wages	1,941,552	1,656,726
Employee benefits	366,653	298,105
Professional fees	1,248,183	1,138,010
Supplies	321,917	379,912
Purchased services and repairs	43,003	21,705
Donations, programs and events	372,785	367,181
Medical office building rent	254,567	227,956
Utilities and phone	1,156,083	821,577
Insurance	114,218	117,725
Depreciation and amortization	763,921	763,098
Other operating expenses	<u>213,570</u>	<u>275,635</u>
Total expenses	<u>6,796,452</u>	<u>6,067,630</u>
Excess of revenues over expenses (expenses over revenues)	(996,150)	(178,253)
<b>Nonoperating revenues (expenses):</b>		
Interest expense	(274,291)	(278,019)
Gain (loss) in interest in Mark Twain Medical Center	<u>(11,773)</u>	<u>(44,257)</u>
Total nonoperating revenues (expenses)	<u>(286,064)</u>	<u>(322,276)</u>
Increase (decrease) in net position	(1,282,214)	(500,529)
Net position at the beginning of the year	<u>16,294,946</u>	<u>16,795,475</u>
Net position at the end of the year	<u>\$ 15,012,732</u>	<u>\$ 16,294,946</u>

See accompanying notes and auditor's report

Statements of Cash Flows

MARK TWAIN HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Cash received from patients and third parties on behalf of patients	\$ 2,953,785	\$ 2,115,404
Cash received from taxes, rents & other activities	2,432,282	2,105,199
Cash paid for salaries, wages and administrative benefits	(2,345,552)	(1,912,631)
Cash paid for suppliers and outside vendors	<u>(4,153,450)</u>	<u>(3,391,972)</u>
Net cash (used in) operating activities	(1,112,935)	(1,084,000)
<b>Cash flows from financing and investing activities:</b>		
Purchases of property, equipment and other	(14,999)	(158,582)
Proceeds from debt borrowings		46,266
Repayments of debt borrowings	(146,000)	(147,000)
Change in Mark Twain Medical Center	<u>11,773</u>	<u>44,257</u>
Net cash (used in) financing and investing activities	<u>(149,226)</u>	<u>(215,059)</u>
Net increase (decrease) in cash and cash equivalents	(1,262,161)	(1,176,190)
Cash and cash equivalents at beginning of year	<u>10,663,487</u>	<u>11,839,677</u>
Cash and cash equivalents at end of year	<u>\$ 9,401,326</u>	<u>\$ 10,663,487</u>
<b>Reconciliation of changes in net position to net cash provided by operating activities</b>		
Increase (decrease) in net position	\$ (1,282,214)	\$ (500,529)
Adjustments to reconcile increase (decrease) in net position to net cash provided by operating activities:		
Depreciation and amortization	763,921	763,098
Changes in operating assets and liabilities:		
Patient accounts receivable	(19,641)	1,152
Other receivables	(20,657)	(175,947)
Estimated third party payor settlements	606,560	(488,746)
Prepaid expenses	(96,565)	(4,189)
Capital lease	421,072	(614,890)
Accounts payable and accrued expenses	(58,268)	239,937
Accrued payroll and related liabilities	(37,347)	42,200
Deferred grant revenues	(13,580)	(11,616)
Deferred lease revenue and other	<u>(1,376,216)</u>	<u>(334,470)</u>
Net cash (used in) operating activities	<u>\$ (1,112,935)</u>	<u>\$ (1,084,000)</u>

See accompanying notes and auditor's report

MARK TWAIN HEALTH CARE DISTRICT

June 30, 2023

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity:** Mark Twain Health Care District (the District) is a political subdivision of the State of California under the California Health and Safety Code and is governed by a five-member elected Board of Directors. The District was organized in 1946, and began operating a healthcare facility located in San Andreas, California, in 1951.

In 1989, the District arranged with St. Joseph’s Regional Health System (SJRHS), who later became Catholic Health Care West (CHW), who then renamed to Dignity Health (DH) (a California-based not-for-profit public benefit corporation) to manage the District-owned Mark Twain Hospital, which later became known as the Mark Twain Medical Center Corporation (the Corporation). DH entered into an agreement with the District at that time to lease the Corporation under the “1989 Lease”. During fiscal year 2019, a new lease was entered into with DH as more fully described in Footnote H. The Corporation’s Board of Trustees is appointed by the District and DH whereby DH appoints three members of the seven-member Corporation Board of Trustees and holds significant reserve powers. In the event of its dissolution, the Corporation’s bylaws require that its net position be divided equally between the District and DH.

Also during fiscal year 2020, the District opened a rural health care clinic in Valley Springs, California. The District operates the outpatient clinic in order to help provide health care services to residents who primarily reside in the local geographic area.

**Basis of Preparation:** The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For presentation purposes, transactions deemed to be ongoing and central to providing health care services are reported as operational revenues and expenses.

The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the District has elected to apply the provisions of all relevant pronouncements as the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

**Recently Adopted Accounting Pronouncement:** In June, 2017 the Governmental Accounting Standards Board released GASB 87 regarding changes in the way leases are accounted for. GASB 87 superceded GASB 13 and GASB 62 and more accurately portrays lease obligations by recognizing lease assets and lease liabilities on the statement of net position and disclosing key information about leasing arrangements. The District has adopted GASB 87 effective July 1, 2021 in accordance with the timetable established by GASB 87.

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported results of operations for the period. Actual results could differ from those estimates.

**Risk Management:** To cover the District against various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accidental benefits, commercial insurance coverage is purchased.

**Cash and Cash Equivalents and Investments:** The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in nonoperating revenues when earned.

**Investments:** Short-term investments are funds invested local banks. These investments are measured at fair value at June 30, 2023 and 2022. Investment income or losses (including realized and unrealized gains and losses on investments, interest and dividends) are included in operating revenues under interest and other investment income.

**Patient Accounts Receivable:** Patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies and private patients. The District manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectibility and providing for allowances on their accounting records for estimated contractual adjustments and uncollectible accounts. Significant concentrations of patient accounts receivable are discussed further in the footnotes

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Capital Assets:** Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 3 to 40 years, depending upon the capital asset classification.

MARK TWAIN HEALTH CARE DISTRICT

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Compensated Absences:** The District’s employees earn vacation benefits at varying rates depending on years of service. Employees also earn sick leave benefits. Both benefits can accumulate up to specified maximum levels. Employees are not paid for accumulated sick leave benefits if they leave either upon termination or before retirement. However, accumulated vacation benefits are paid to an employee upon either termination or retirement. Accrued vacation liabilities (PTO) as of June 30, 2023 and 2022 was \$66,740 and \$52,767, respectively.

**Net Position:** Net position can be presented in three categories. The first category is net position “invested in capital assets, net of related debt”. This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets. The second category is “restricted” net position. This category consists of externally designated constraints placed on those net position by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation. The third category is “unrestricted” net position. This category consists of net position that does not meet the definition or criteria of the previous two categories.

The District’s reserve policy provides for the designation of unrestricted net position to fund (1) replacement and major repairs for District physical assets; (2) replacement and upgrades of information technology (IT) performance systems; (3) hardware and software; (4) designated projects, programs or other special uses requiring additional monetary support; (5) capital improvements; and (6) maintain standard operational sustainability in periods of economic uncertainty.

**Operating Revenues and Expenses:** The District’s statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District’s principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Nonoperating revenues and expenses are those transactions not considered directly linked to providing health care services.

**Net Patient Service Revenues:** Net patient service revenues are reported in the period at the estimated net realized amounts from patients, third-party payors and others including estimated retroactive adjustments under reimbursement agreements with third-party programs. Normal estimation differences between final reimbursement and amounts accrued in previous years are reported as adjustments of current year's net patient service revenues.

**Charity Care:** The District accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the District. Essentially, these policies define charity services as those services for which no payment is anticipated. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenues. Services provided are recorded as gross patient service revenues and then written off as an adjustment to net patient service revenues

MARK TWAIN HEALTH CARE DISTRICT

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenue Recognition:** As previously stated, net patient service revenues are reported at amounts that reflect the consideration to which the District expects to be entitled in exchange for patient services. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of third-party payor audits, reviews, and investigations. Generally, the District bills the patients and third-party payors several days after the patient receives healthcare services at the District's rural health clinic. Revenue is recognized as services are rendered.

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. Payment arrangements include prospectively determined rates per day, discharge or visit, reimbursed costs, discounted charges and per diem payments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Gifts of long-lived assets such as land, buildings, or equipment are reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit donor restrictions that specify how the asset is to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived asset is placed in service. Cash received in excess of revenue recognized is deferred revenue.

Contributions are recognized as revenue when they are received or unconditionally pledged. Donor stipulations that limit the use of the donation are recognized as contributions with donor restrictions. When the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from donor restrictions. Donor restricted contributions whose restriction expire during the same fiscal year are recognized as net assets without donor restrictions. Absent donor imposed restrictions, the District records donated services, materials, and facilities as net assets without donor restrictions.

From time to time, the District receives grants from various governmental agencies and private organizations. Revenues from grants are recognized when all eligibility requirements, including time requirements are met. Grants may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net position.



MARK TWAIN HEALTH CARE DISTRICT

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (continued)**

***District Tax Revenues:*** The District receives approximately 35% of its operating support from property taxes. These funds are used to support operations of the District. They are classified as operating revenue as the revenue is directly linked to the operations of the District. Property taxes are levied by the County on the District's behalf during the year, and are intended to help finance the District's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date.

***Statements of Cash Flows and Reclassifications:*** For purposes of the statements of cash flows, all highly liquid investments with original maturities of three months or less are considered to be cash equivalents. Certain reclassifications in the grouping of accounts have been made to the June 30, 2022 presentation in order to conform to the June 30, 2023 presentation.

**NOTE B - BANK DEPOSITS**

***Collateral:*** As of June 30, 2023 and 2022, the District had deposits invested in a bank of \$9,400,926 and \$10,663,087, respectively. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), or federally insured.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

Investments, at times, may consist of state and local agency funds invested in various permissible securities and are stated at quoted market values. Changes in market value between years are reflected as a component of investment income in the accompanying statement of revenues, expenses and changes in net position.

MARK TWAIN HEALTH CARE DISTRICT

**NOTE C - NET PATIENT SERVICE REVENUES**

The District had agreements with third-party payors that provide for payments at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

**Medicare:** Payments for rural health care services rendered to Medicare beneficiaries are paid on an interim rate during the year with final settlement based on cost report submission.

**Medi-Cal:** For Medi-Cal, services are paid on a prospective payment system (PPS) rate for rural health care services rendered to Medi-Cal beneficiaries with final settlement based on the PPS reconciliation and audit process conducted by the State of California.

**Other:** Payments for services rendered to other than Medicare and Medi-Cal patients are based on established rates or on agreements with certain commercial insurance companies, health maintenance organizations and preferred provider organizations which provide for various discounts from established rates.

Net patient service revenues percentages for the years ended June 30, 2023 and 2022 are summarized below:

	<u>2023</u>	<u>2022</u>
Medicare	21%	22%
Medi-Cal (traditional and managed care)	61%	60%
Other third party payors	17%	17%
Self pay and other	<u>1%</u>	<u>1%</u>
Gross patient service revenues	100%	100%
Less deductions from revenue and related allowances	<u>(27%)</u>	<u>(27%)</u>
Net patient service revenues	<u>73%</u>	<u>73%</u>

Medicare and Medi-Cal revenue accounts for approximately 82% of the District’s net patient revenues for each year. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

MARK TWAIN HEALTH CARE DISTRICT

**NOTE D - CONCENTRATION OF CREDIT RISK**

*Patient Accounts Receivable* - The District grants credit without collateral to its patients and third-party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the District and management does not believe that there are any credit risks associated with these governmental agencies. Contracted and other patient accounts receivable consist of various payors including individuals involved in diverse activities, subject to differing economic conditions and do not represent any concentrated credit risks to the District. Concentration percentages of patient accounts receivable at June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Medicare	13%	18%
Medi-Cal (traditional and managed care)	67%	59%
Other third party payors	13%	18%
Self pay and other	<u>7%</u>	<u>5%</u>
Gross patient accounts receivable	<u>100%</u>	<u>100%</u>

*Financial Instruments:* Financial instruments, potentially subjecting the District to concentrations of credit risk, consist primarily of bank deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. Although deposits exceed the limit in certain bank accounts, management believes that the risk of loss is minimal due to the high financial quality of the bank with which the District does business. Management further believes that there is no risk of material loss due to concentration of credit risk with regards to investments as the District has no investments in equity funds, closed-end funds, exchange-traded products, or other perceived “at risk” alternatives as of June 30, 2023 and 2022.

**NOTE E - INTEREST IN MARK TWAIN MEDICAL CENTER**

In the former agreement between the Corporation and the District, in the event of a dissolution or a winding up of the Corporation, 50% of its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation, were to be distributed to Dignity Health, a California nonprofit public benefit corporation. The other 50% would be distributed to the District. As a result of this agreement, the District had recorded \$14,480,434 as of June 30, 2018, respectively, as its portion of its interest in the Corporation. This amount represented the 50% of the net difference between the assets and the liabilities of the Corporation as of its June 30, 2018 audited financial statements. As of result of the new lease agreement with Dignity Health, this agreement was amended to reduce the 50% interest to 1%. For the years ended June 30, 2023 and 2022, this arrangement resulted in an interest loss of \$(11,773) and an interest loss of \$(44,257), respectively.

MARK TWAIN HEALTH CARE DISTRICT

**NOTE F - TRANSACTIONS BETWEEN RELATED ORGANIZATIONS**

The Corporation leases the District's healthcare facilities in order to conduct patient care services in an acute-care hospital setting. Lease revenue from the Corporation for the year ended June 30, 2023 and 2022 was \$166,034 and \$161,179, respectively. During the year ended June 30, 2019, a new lease agreement was signed with other arrangements as disclosed in Footnote G.

The former hospital facility lease was renegotiated during the year ended June 30, 2018. The former lease payments were initially in amounts adequate to cover payment of utilities, debt service and insurance on the Series 1986A Bonds not covered by the tax and other revenues of the District, and to maintain ratios and fund accounts pursuant to the terms of a Joint Obligor Agreement between the District and the Corporation dated December 31, 1989, and the Bond Indenture dated August 1, 1986, between the District and Harris Trust Company of California, the bond trustee. As previously mentioned, Footnote G discloses the new lease arrangement.

The District has entered into a land and medical office building (MOB) lease agreement with the Arnaudo Brothers whereas they lease the land and the MOB from them. Lease expense for the years ended June 30, 2023 and 2022 under this agreement were \$254,567 and \$227,956, respectively. The District then subleases the land and the portions of the MOB to the San Andreas Medical and Professional Office (SAMPO) organization. The District also has subleased portions of the MOB to the Stockton Cardiology Medical Group and others, and to the Corporation. Lease revenues under these subleasing arrangements and other arrangements were \$64,420 and \$84,747 for the years ended June 30, 2023 and 2022, respectively.

**NOTE G - DIGNITY HEALTH LEASE**

On May 31, 2020, the District and Dignity Health (DH) consummated a 30-year lease of the Mark Twain Medical Center. The final closure entailed 10 different documents: (1) a Pre-lease Agreement; (2) a Lease Agreement; (3) a Supplemental Property Agreement; (4) an Equity Transfer Agreement; (5) a Lease Termination Agreement; (6) a Valley Springs Letter; (7) By-Laws of the MTMC Corporation; (8) By-Laws of the MTMC Community Board; (9) a Closing and Incumbency Certificate; and (10) a MTMC Third Amended & Restated Articles of Incorporation. Final accounting entries made for this May 31<sup>st</sup> transaction, as well as the true-up of asset depreciation, have been made to the records of the District for the year ended June 30, 2019.

As a result of this transaction, the District has recorded a capital lease asset valued at \$6,806,628 and has recorded deferred lease revenue of \$6,000,000. The capital lease asset is being amortized over the life of the new lease agreement of 30 years at \$226,884 each year. The deferred lease revenue is a combination of deferred capital lease income, deferred facility rent and deferred utility expense income and is being recognized as income each year at various amounts each year.

Notes to Financial Statements (continued)

MARK TWAIN HEALTH CARE DISTRICT

**NOTE H - PROPERTY AND EQUIPMENT**

Property and equipment as of June 30, 2023 and 2022 were comprised of the following:

	<u>Balance at June 30, 2022</u>	<u>Transfers &amp; Additions</u>	<u>Disposals &amp; Retirements</u>	<u>Balance at June 30, 2023</u>
Land and land improvements	\$ 3,030,826			\$ 3,030,826
Buildings and improvements	10,444,351			10,444,351
Equipment	1,658,991			1,658,991
Construction-in-progress	<u>48,537</u>	<u>\$ 26,917</u>	<u>                    </u>	<u>75,454</u>
Totals at historical cost	15,182,705	26,917		15,209,622
Less accumulated depreciation for:				
Land and land improvements	(633,876)	(170,799)		(804,675)
Buildings and improvements	(5,739,995)	(446,446)		(6,186,441)
Equipment	<u>(1,057,610)</u>	<u>(146,676)</u>	<u>                    </u>	<u>(1,204,286)</u>
Total accumulated depreciation	<u>(7,431,481)</u>	<u>(763,921)</u>	<u>                    </u>	<u>(8,195,402)</u>
Total property and equipment, net	<u>\$ 7,751,224</u>	<u>\$ (737,004)</u>	<u>\$                    </u>	<u>\$ 7,014,220</u>

	<u>Balance at June 30, 2021</u>	<u>Transfers &amp; Additions</u>	<u>Disposals &amp; Retirements</u>	<u>Balance at June 30, 2022</u>
Land and land improvements	\$ 3,030,826			\$ 3,030,826
Buildings and improvements	10,444,351			10,444,351
Equipment	1,611,360	\$ 47,631		1,658,991
Construction-in-progress	<u>48,537</u>	<u>                    </u>	<u>                    </u>	<u>48,537</u>
Totals at historical cost	15,135,074	47,631		15,182,705
Less accumulated depreciation for:				
Land and land improvements	(458,645)	(175,231)		(633,876)
Buildings and improvements	(5,293,067)	(446,928)		(5,739,995)
Equipment	<u>(916,671)</u>	<u>(140,939)</u>	<u>                    </u>	<u>(1,057,610)</u>
Total accumulated depreciation	<u>(6,668,383)</u>	<u>(763,098)</u>	<u>                    </u>	<u>(7,431,481)</u>
Total property and equipment, net	<u>\$ 8,466,691</u>	<u>\$ (715,467)</u>	<u>\$                    </u>	<u>\$ 7,751,224</u>

MARK TWAIN HEALTH CARE DISTRICT

**NOTE I - DEBT BORROWINGS**

On August 8, 2020, the District’s Board of Directors adopted Resolution 2020-11 entitling the authorizing and providing for the incurrence of indebtedness for the purpose of providing a portion of the cost of acquiring, constructing, enlarging, improving and/or extending its facilities to serve an area lawfully within its jurisdiction to serve. In a lease-leaseback transaction, two Certificates of Participation (COP) were signed. COP Series A allowed up to \$6,782,000 and COP Series B allowed up to \$678,000. Details of these borrowings as of June 30, 2023 and 2022, debt borrowings are as follows:

	<u>2023</u>	<u>2022</u>
Mark Twain Health Care District Certificates of Participation, Series A (2020 Capital Improvement Project), original amount up to \$6,782,000; principal payments due to be determined; interest charged at 3.625%; collateralized by District revenues and other property:	\$ 6,248,000	\$ 6,390,000
Mark Twain Health Care District Certificates of Participation, Series B (2020 Capital Improvement Project), original amount up to \$678,000; principal payments due to be determined; interest charged at 3.875%; collateralized by District revenues and other property:	<u>599,384</u>	<u>603,384</u>
	6,847,384	6,993,384
Less current maturities of debt borrowings	<u>(163,000)</u>	<u>(146,000)</u>
	<u>\$ 6,684,384</u>	<u>\$ 6,847,384</u>

Future principal maturities for debt borrowings for the next succeeding five years are \$163,000 in 2024; \$168,000 in 2025; \$175,000 in 2026; \$181,000 in 2027 and \$188,000 in 2028.

On May 1, 1996, the Corporation borrowed \$11,175,000 to finance a new health facility and to defease the Mark Twain Hospital District Insured Revenue Bonds Series 1986A (the Series 1986A Bonds) previously issued by the District. In exchange for assuming the District’s debt obligation, the Corporation has been granted a prepaid lease payment to the District that has been recorded as a long-term liability in the accompanying financial statements. The prepaid rent was being amortized over the life of the former lease agreement with the Corporation. As of result of the new lease agreement, the prepaid lease payment was terminated during the year ended June 30, 2019.

MARK TWAIN HEALTH CARE DISTRICT

**NOTE J - COMMITMENTS AND CONTINGENCIES**

**Construction-in-Progress:** As of June 30, 2023 the District has recorded \$75,454 as construction-in-progress representing cost capitalized towards the a pharmacy project. Future costs to complete this project as of June 30, 2023 are not considered material. During the years ended June 30, 2023 and 2022 there was no interest expense capitalized.

**Medical Office Building Rent:** The District leases various office space under operating leases expiring at various dates. Total building rent expense for the years ended June 30, 2023 and 2022, was \$254,567 and \$227,956, respectively. Future minimum lease payments for the succeeding years under these leases as of June 30, 2023, that have initial or remaining lease terms in excess of one year are not significant for disclosure.

**Litigation:** The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2023 will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

**Medical Malpractice Insurance:** The District maintains commercial malpractice liability insurance coverage under a claims made and reported policy covering losses up to \$1 million per claim and \$3 million in the annual aggregate, with a per claim deductible of \$5,000. The District plans to maintain the insurance coverage by renewing its current policy, or by replacing it with equivalent insurance.

**Workers Compensation Program:** The District is a participant in the Beta Risk Management Authority (the Fund) which administers a self-insured worker's compensation plan for participating entity employees of its member entities. The District pays premiums to the Fund which are adjusted annually. If participation in the Fund is terminated by the District, the District would be liable for its share of any additional premiums necessary for final disposition of all claims and losses covered by the Fund.

**Regulatory Environment:** The District is subject to several laws and regulations. These laws and regulations include matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Government activity has increased with respect to possible violations of statues and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with all applicable government laws and regulations and is not aware of any future actions or unasserted claims at this time.

MARK TWAIN HEALTH CARE DISTRICT

**NOTE K - LEASES**

As of July 1, 2021 the District adopted the Governmental Accounting Standards Board (GASB) 87 requiring certain changes in the way the District accounted for leases, both as a lessee and as a lessor.

*Lessee:* The District leases office space in order to provide various services under an operating lease. Lease commencement occurred on March 3, 2007, the date the District takes possession or control of the property. Original terms for the lease is 20 years. This lease contains an option to extend for an undetermined amount of time, as long as the District notifies the landlord at least six months prior to the end of the lease term. The annual increase to base rent is determined by the annual increase to the Consumer Price Index (CPI). For forecasting purposes for this lease, an annual CPI increase of 2.0% was assumed for each year.

The lease does not contain a readily determinable discount rate. The estimated borrowing rate of 3.5% was used to discount the remaining cash flows for this operating lease.

This lease requires payment of common area maintenance and real estate taxes which represent the majority of variable lease costs. Variable lease costs are excluded from the present value of lease obligations.

The District's lease agreement does not contain any material restrictions, covenants, or any material residual value guarantees.

Lessee -lease related assets and liabilities as of June 30, 2023 and 2022 consist of the following:

Assets:	<u>2023</u>	<u>2022</u>
Operating lease asset - current portion	\$ 154,127	\$ 146,846
Operating lease asset- noncurrent portion	<u>411,007</u>	<u>584,523</u>
Total lease assets	<u>\$ 565,134</u>	<u>\$ 731,369</u>
Liabilities:		
Operating lease payable- current portion	\$ 150,718	\$ 142,286
Operating lease payable- noncurrent portion	<u>446,178</u>	<u>596,895</u>
Total lease liabilities	<u>\$ 596,896</u>	<u>\$ 739,181</u>

Total operating expense under this lease arrangement for the year ended June 30, 2023, was \$154,127 lease expense and \$23,608 related interest expense. For the year ended June 30, 2022, with implementation of GASB 87 in that year, total operating expense under this lease agreement was \$142,020 lease expense and \$28,434 related interest expense. The future minimum rental payments required under operating lease obligations as of June 30, 2023, having initial or remaining non-cancelable lease terms in excess of one year are summarized as follows:



Notes to Financial Statements (continued)

MARK TWAIN HEALTH CARE DISTRICT

**NOTE K - LEASES (continued)**

Years ending June 30,

2024	\$	169,212
2025		172,596
2026		176,048
2027		119,513
Thereafter		<u>-0-</u>
Total		637,369
Less: interest		<u>(40,473)</u>
Present value of lease liabilities	\$	<u>596,896</u>

The weighted average for the remaining lease term of this operating lease is 3.66 and the weighted average discount rate for this operating leases is 3.5%

**Lessor:** The District leases land located in Calaveras County, California and an office building located in Valley Springs, California, to third parties under operating leases. Lease commencement occurs on the date the third parties take possession or control of the land and office building. Original terms for the lease is 50 years for the land lease and 10 years for the office building. Neither lease contains written options to extend the terms. The land lease contains an option for the lessor (the District) to terminate the lease after 35 years. District management believes that this option will not be exercised.

The lease does not contain a readily determinable discount rate. The estimated borrowing rate of 3.5% was used to discount the remaining cash flows for this operating lease.

The land lease requires payment of real estate taxes, and the office building lease requires payment of common area maintenance and real estate taxes, which represent the majority of variable lease costs. Variable lease costs are excluded from the present value of lease obligations.

The District's lease agreement does not contain any material restrictions, covenants, or any material residual value guarantees.

Notes to Financial Statements (continued)

MARK TWAIN HEALTH CARE DISTRICT

**NOTE K - LEASES (continued)**

Lessor -lease related assets and liabilities as of June 30, 2023 and 2022 consist of the following:

Assets:	<u>2023</u>	<u>2022</u>
Lease receivable - current portion	\$ 20,672	\$ 19,415
Lease receivable - noncurrent portion	<u>236,579</u>	<u>257,251</u>
Total lease assets	<u>\$ 257,251</u>	<u>\$ 276,666</u>
Deferred inflow of resources:		
Deferred inflows of resources	<u>\$ 243,877</u>	<u>\$ 269,375</u>
Total deferred inflows of resources	<u>\$ 243,877</u>	<u>\$ 269,375</u>

Total operating revenues under these lease arrangements for the year ended June 30, 2023 under GASB 87 were \$25,497 lease revenues and \$9,376 related interest income revenues. Total operating lease revenues for the year ended June 30, 2022 under GASB 87, was \$25,497 lease revenues and \$10,032 related interest income revenues. The future minimum rental payments required under operating lease obligations as of June 30, 2023, having initial or remaining non-cancelable lease terms in excess of one year are summarized as follows:

Years ending June 30,

2024	\$ 29,348
2025	29,907
2026	30,468
2027	31,032
Thereafter	<u>204,829</u>
Total	325,584
Less: interest	<u>(68,333)</u>
Present value of lease receivable	<u>\$ 257,251</u>

The weighted average for the remaining lease term of this operating lease is 13.8 and the weighted average discount rate for this operating leases is 3.5%

## MARK TWAIN HEALTH CARE DISTRICT

**NOTE L -INVESTMENTS**

The District's investment balances and average maturities were as follows at June 30, 2023 and 2022:

<i>As of June 30, 2023</i>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
Money market & ST investments	\$ 8,684,029	\$ 8,684,029		
Total investments	<u>\$ 8,684,029</u>	<u>\$ 8,684,029</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

  

<i>As of June 30, 2022</i>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
Money market & ST investments	\$ 9,621,846	\$ 9,621,846		
Total investments	<u>\$ 9,621,846</u>	<u>\$ 9,621,846</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The District's investments are reported at fair value as previously discussed. The District's investment policy allows for various forms of investments generally set to mature within a few months. Policies generally identify certain provisions which address interest rate risk, credit risk and concentration of credit risk.

**Interest Rate Risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways an entity manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a position of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for District operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the preceding schedules that shows the distribution of the District's investments by maturity.

**Credit Risk:** Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Moody's Investor Service, Inc. Generally an entity's investment policy for corporate bonds and notes would be to invest in companies with total assets in excess of \$500 million and having a "A" or higher rating by agencies such as Moody's or Standard and Poor's.

**Custodial Credit Risk:** Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer), an entity would not be able to recover the value of its investment or collateral securities that are in the possession of another party. An entity's investments are generally held by broker-dealers or in the case of many healthcare district's, in government-pooled short-term cash equivalents such as mutual funds.

Notes to Financial Statements (continued)

MARK TWAIN HEALTH CARE DISTRICT

**NOTE L -INVESTMENTS (continued)**

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. An entity's investment policy generally allows for different concentrations in selected investment portfolios such as government-backed securities, which are deemed to be lower risk.

**Investment Hierarchy** - The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant other unobservable inputs. The District investments are solely measured by Level 1 inputs and does not have any investments that are measured using Level 2 or 3 inputs.

**NOTE M - SUBSEQUENT EVENTS**

The District's management has evaluated the effect of significant subsequent events on the financial statements through November 14, 2023, the date the financial statements are issued, and determined that there are no other material subsequent events that have not been disclosed.

# JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 East Herndon Avenue, Suite 211, Fresno, California 93720

Voice: (559) 431-7708 Fax: (559) 431-7685

## *Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*

The Board of Directors  
Mark Twain Health Care District  
San Andreas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Mark Twain Health Care District (the District) as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 14, 2023.

### *Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

*Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*JW7 & Associates, LLP*

Fresno, California  
November 14, 2023