



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

Finance Committee Meeting
MTHCD Administration Office
Mark Twain Medical Center
768 Mountain Ranch Road
San Andreas, CA 95249

9:00 am
Tuesday May 18, 2021

Participation: Zoom - Invite information is at the End of the Agenda
Or 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:** Public Comment - **Action:**
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 Committee action on such item.) **Limit of 3 minutes per speaker.** The Committee appreciates your comments however it will not discuss and cannot act on items not on the agenda.

This Institution is an Equal Opportunity Provider and Employer

Agenda – May 18, 2021 MTHCD Finance Committee Meeting

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

All Consent items are considered routine and may be approved by the Committee 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 April 20, 2021

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

- 2021 - 2022 Budget:
- Parking Canopy / Permitting:
- MediCare Cost Report – June 2020:

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

8. **Accountant's Report:** Public Comment - **Action:**.....Mr. Wood

- April 2021 Financials Will Be Presented to The Committee: Public Comment - **Action**
- Closing 2019-2020 Update: Public Comment - **Action**
- Audit: - Public Comment - **Action**

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

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

11. **Next Meeting:**

- The June 15th Meeting has been changed to Tues. June 8th at 8am.

12. **Adjournment:** - **Action**

Peggy Stout is inviting you to a scheduled Zoom meeting.

Topic: May 18, 2021 MTHCD Finance Committee Meeting
Time: May 18, 2021 09:00 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/86919301263?pwd=ZkZ0eHppK3hNWERKc0lZM1RzaVRsZz09>

Meeting ID: 869 1930 1263

Passcode: 675753

One tap mobile

+16699006833,,86919301263#,,,,*675753# US (San Jose)

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Dial by your location

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+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

Meeting ID: 869 1930 1263

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Find your local number: <https://us02web.zoom.us/j/86919301263?pwd=ZkZ0eHppK3hNWERKc0lZM1RzaVRsZz09>

Effective - Mar 17, 2020.

California Gov. Gavin Newsom issued [Executive Order \(N-29-20\)](#), which, in part, supersedes Paragraph 11 of Executive Order (N-25-20) issued on Thursday. The new Executive Order excuses a legislative body, under the Ralph M. Brown Act, from providing a physical location for the public to observe and comment if certain conditions are met. A physical location does not need to be provided if the legislative body:

1. Holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically;”
2. Implements a procedure for receiving and “swiftly resolving” requests for reasonable modification or accommodations from individuals with disabilities, consistent with the Americans with Disabilities Act, and resolving any doubt in favor of accessibility.
3. Gives advance notice of the public meeting and posts agendas according to the timeframes and procedures already prescribed by the Brown Act (i.e. 72 hours for regular meetings and 24 hours for special meetings) and
4. Gives notice of the means by which members of the public may observe the meeting and offer public comment, in each instance where notice or agendas are posted.

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Agenda – May 18, 2021 MTHCD Finance Committee Meeting



P. O. Box 95
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Finance Committee Meeting
Mark Twain Medical Center Education Center – Classroom 5
768 Mountain Ranch Road
San Andreas, CA 95249
9:00 am
Tuesday April 20, 2021

**Participation: Zoom - Invite information is at the End of the Agenda
 Or 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 9:02am.

2. Roll Call:

	In Person	Via Phone/Zoom	Absent	Time Arrived
Lori Hack	X			
Kathy Toepel	X			
Richard Randolph	X			

3. Approval of Agenda: Public Comment - **Action:**

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Minutes – April 20, 2021 MTHCD Finance Committee Meeting

Public Comment: Hearing None

Motion: Ms. Toepel

Second: Mr. Randolph

Vote: 3-0

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

CJ Singh: lives near Valley Springs Health & Wellness Clinic. The clinic architecture and cleanliness look nice.

5. Consent Agenda: Public Comment - Action

A. Un-Approved Minutes:

- Finance Committee Meeting Minutes for Mar. 16, 2021

Public Comment: Hearing None

Motion: Mr. Randolph

Second: Ms. Toepel

Vote: 3-0

6. Chief Executive Officer's Report:

- Budget Preparation:

Dr. Smart: Final input from Admin will be put in tomorrow (4/21/21). It will then go to Mr. Wood to check depreciation. Mr. Hohenbrink will receive it next for review. A draft of the budget will be presented to the committee for discussion and information. Committee to take action at June meeting.

- FEMA Applications:

Dr. Smart: We currently have 3 applications with FEMA. 1) Vaccination Distribution approx. \$37,000. 2) COVID Impact for 2020 for approx. \$ 65,000. 3) COVID expenses for 2021 with ongoing costs being entered. No estimated cost at this time.

- Spending Authorization:

See attached pg 14

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Minutes – April 20, 2021 MTHCD Finance Committee Meeting

7. MTMC Foundation Gift:

See attached "State of the Art Endoscopy" handout.

Discussion on how much of the Community Funds we have left to allocate before the term of the lease. MTMC is asking for \$328,000.00 for Endoscopy equipment. With the match from Dignity Health (out of county) the total for equipment will be met. Mr. Singh will present to the Board on 4/28/21. Committee asked for MTMC Capital Outlay Schedule, Construction Budget and Timeline.

8. Real Estate Review:

Mr. Randolph: Stockton Cardiology Lease Renewal has been sent for signature. Conducting a title search on Parcel 1 to see about restrictions on use/possible easements on the property.

9. Accountant's Report: Public Comment – Action:

- Mar. 2021 Financials Will Be Presented to The Committee: Public Comment – Action:

Mr. Wood: Working on Depreciation Schedule. Mr. Jackson has been providing Audit Adjustments. The end of the year Balance Sheet is getting in order.

- Closing 2019-2020 Update:

Mr. Wood: The closing is getting closer. In formation is being sent to Mr. Hohenbrink daily.

- Audit:

Mr. Wood: Information is being sent continuously. Hoping to have a Trial Balance by 4/28/21 Board Meeting.

Public Comment: Hearing None

Motion: To approved March Financials & Interest & Investment Report by Mr. Randolph

Second: Ms. Toepel

Vote: 3-0

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Minutes – April 20, 2021 MTHCD Finance Committee Meeting

9. Treasurer's Report:

- Uncashed Checks:

Dr. Smart: In the past, uncashed checks have to be cashed within 90 days. Voided after 90 days. Recommends to reconcile uncashed checks account on a yearly basis.

10. Comments and Future Agenda Items:

Hearing None

12. Next Meeting:

- Tuesday May 18, 2021 at 9 am.
- Note: The June 15th Meeting has been changed to Tues. June 8th at 8am.

13. Adjournment: - Action

Motion: Mr. Randolph
Second: Ms. Toepel
Vote: 3-0
Time: 10:37am.

Peggy Stout is inviting you to a scheduled Zoom meeting.

Topic: MTHCD April 20, 2021 Finance Committee Meeting

Time: Apr 20, 2021 09:00 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/83202296753?pwd=RHI2aTNmYzVISnJNRjFrWE15TIVTd09>

Meeting ID: 832 0229 6753

Passcode: 934900

One tap mobile

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Minutes – April 20, 2021 MTHCD Finance Committee Meeting

Mark Twain Health Care District							
Annual Budget Recap							
	02/28/21	2021 - 2022 Annual Budget					
	Actual	Total					
	Y-T-D	District	Clinic	Rental	Projects	Admin	
Revenues	2,612,477	5,622,126	3,047,838	1,374,288	0	1,200,000	
Total Revenue	2,612,477	5,622,126	3,047,838	1,374,288	0	1,200,000	
Expenses	(3,042,589)	(4,940,190)	(3,257,671)	(1,179,178)	0	(503,341)	
Total Expenses	(3,042,589)	(4,940,190)	(3,257,671)	(1,179,178)	0	(503,341)	
Surplus(Deficit)	(430,112)	681,936	(209,833)	195,110	0	696,659	

Mark Twain Health Care District								
Rental Financial Projections				Rental				
								2/28/2021
		DRAFT	2020/2021	2021/2022	Month	Actual	Actual	Actual
		2019/2020	Budget	Budget	to-Date	Month	Y-T-D	vs Budget
9260.01	Rent Hospital Asset amortized	1,095,293	1,092,672	1,092,672	728,448	90,732	726,873	66.52%
			0	0				
	Rent Revenues	1,095,293	1,092,672	1,092,672	728,448	90,732	726,873	66.52%
9520.62	Repairs and Maintenance Grounds	(6,079)	0	0				
9520.80	Utilities - Electrical, Gas, Water, other, Phone	(651,164)	(758,483)	(758,483)	(505,655)	(42,345)	(457,096)	60.26%
9520.72	Depreciation	(673,891)	(148,679)	(148,679)	(99,119)	(9,639)	(78,219)	52.61%
9520.82	Insurance							
	Total Costs	(1,331,134)	(907,162)	(907,162)	(604,775)	(51,984)	(535,315)	59.01%
	Net	(235,841)	185,510	185,510	123,673	38,748	191,558	125.53%
9260.02	MOB Rents Revenue	220,296	251,016	251,016	167,344	18,239	126,638	50.45%
9521.75	MOB rent expenses	(240,514)	(261,016)	(261,016)	(174,011)	927	(158,882)	60.87%
	Net	(20,218)	(10,000)	(10,000)	(6,667)	19,166	(32,244)	322.44%
9260.03	Child Advocacy Rent revenue	9,000	9,000	9,000	6,000	750	5,250	58.33%
9522.75	Child Advocacy Expenses	(297)	(11,000)	(11,000)	(7,333)		(949)	8.63%
	Net	8,703	(2,000)	(2,000)	(1,333)	750	4,301	-215.04%
9260.04	Sunrise Pharmacy Revenue			21,600		1800	7200	
7084.41	Sunrise Pharmacy Expenses	(2,174)	(2,250)		(1,500)		(3,785)	
		1,324,589	1,352,688	1,374,288	901,792	111,521	865,961	64.02%
		(1,574,119)	(1,181,428)	(1,179,178)	(787,619)	(51,056)	(698,932)	59.16%
	Summary Net	(249,530)	171,260	195,110	114,173	60,465	167,029	97.53%

Mark Twain Health Care District									
Projects, Grants and Support									
2/28/2021									
DRAFT									
2019/2020									
2020/2021									
2021/2022									
Month									
Actual									
Actual									
Actual									
vs Budget									
	Project grants and support			(31,000)	0	(20,667)		(7,000)	22.58%
8890.00	Foundation		(465,163)						
8890.00	Veterans Support			(5,000)	0	(3,333)		0	
8890.00	Mens Health			(5,000)	0	(3,333)		0	
8890.00	Steps to Kick Cancer - October			(5,000)	0	(3,333)		0	
8890.00	Doris Barger Golf			(2,000)	0	(1,333)		0	
8890.00	Stay Vertical			(14,000)	0	(9,333)		(7,000)	50.00%
8890.00	Golden Health Grant Awards								
	Project grants and support		(465,163)	(31,000)	0	(20,667)	0	(7,000)	22.58%



**MARK TWAIN
HEALTH CARE DISTRICT**

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

Agenda Item: Financial Reports (as of April, 2021)
Item Type: Action
Submitted By: Rick Wood, Accountant
Presented By: Rick Wood, Accountant

BACKGROUND:

The April, 2021 financial statements are attached for your review and approval.

- The 2019 – 2020 Audit is done 😊 The Auditor and Mr. Hohenbrink have provided the District with the report and all the backup. Traci has since added the majority of this information into QuickBooks and we are working to true-up our financial reports for the same time period.
- Once the Finance Committee has had an opportunity to review the Audit Report, we will be submitting the Financial Transactions Report to the State Controller's Office.
- Mr. Hohenbrink continues to provide monthly clinic revenue numbers, and we are booking these as they are provided.
- The Balance Sheet shows a strong cash position.
- The Investment & Reserves Report shows the reserve allocations, along with the interest income allocations.

Mark Twain Health Care District						
Annual Budget Recap						
	04/30/21	2020 - 2021 Annual Budget				
	Actual	Total				
	Y-T-D	District	Clinic	Rental	Projects	Admin
Revenues	4,150,934	6,171,389	3,618,701	1,352,688	0	1,200,000
Total Revenue	4,150,934	6,171,389	3,618,701	1,352,688	0	1,200,000
Expenses	(4,701,904)	(5,860,663)	(3,880,119)	(1,181,428)	(31,000)	(768,116)
Total Expenses	(4,701,904)	(5,860,663)	(3,880,119)	(1,181,428)	(31,000)	(768,116)
Surplus(Deficit)	(550,970)	310,726	(261,418)	171,260	31,000	431,884

Mark Twain Health Care District							
Direct Clinic Financial Projections							
							4/30/2021
							VSHWC
		DRAFT	2020/2021	Month	Actual	Actual	Actual
		2019/2020	Budget	to-Date	Month	Y-T-D	vs Budget
4083.49	Urgent care Gross Revenues	1,170,321	4,674,075	3,895,063	381,600	2,129,395	45.56%
4083.60	Contractual Adjustments	(953,773)	(1,087,124)	(905,937)	(230,157)	(615,982)	
	Net Patient revenue	216,548	3,586,951	2,989,126	151,443	1,513,413	42.19%
4083.90	Flu shot, Lab income, physicals		1,000	833			0.00%
4083.91	Medical Records copy fees		750	625			0.00%
4083.92	Other - Plan Incentives		30,000	25,000			0.00%
			31,750	26,458	0	0	0.00%
	Total Other Revenue	216,548	3,618,701	3,015,584	151,443	1,513,413	41.82%
7083.09	Other salaries and wages	(648,607)	(1,008,540)	(840,450)	(83,531)	(857,055)	84.98%
7083.10	Payroll taxes	(53,339)	(78,666)	(65,555)	(7,064)	(66,123)	84.06%
7083.12	Vacation, Holiday and Sick Leave		(9,077)	(7,564)			0.00%
7083.13	Group Health & Welfare Insurance	(31,164)	(49,982)	(41,652)	(14,575)	(111,128)	222.34%
7083.14	Group Life Insurance		(1,614)	(1,345)			0.00%
7083.15	Pension and Retirement		(25,214)	(21,012)		(632)	2.51%
7083.16	Workers Compensation insurance	(13,597)	(10,085)	(8,404)		(16,697)	165.56%
7083.18	Other payroll related benefits		(1,513)	(1,261)			0.00%
	Total taxes and benefits	(98,100)	(176,151)	(146,793)	(21,639)	(194,580)	110.46%
	Labor related costs	(746,706)	(1,184,691)	(987,243)	(105,170)	(1,051,635)	88.77%
7083.05	Marketing	(7,096)				(1,524)	
7083.20	Medical - Physicians	(607,191)	(905,244)	(754,370)	(76,098)	(586,106)	64.75%
7083.22	Consulting and Management fees	(261,571)	(75,000)	(62,500)	(1,531)	(69,882)	93.18%
7083.23	Legal - Clinic	(27,900)	0			1,258	0.00%
7083.25	Registry Nursing personnel		(3,000)	(2,500)			0.00%
7083.26	Other contracted services	(65,565)	(126,907)	(105,756)	(21,286)	(143,495)	113.07%
7083.29	Other Professional fees	(11,199)	(80,932)	(67,443)	(7,134)	(15,271)	18.87%
7083.36	Oxygen and Other Medical Gases	(533)	(3,703)	(3,086)	(35)	(916)	24.72%
7083.38	Pharmaceuticals		(139,504)	(116,253)			0.00%
7083.41.01	Other Medical Care Materials and Supplies	(141,544)	(25,714)	(21,428)	(17,045)	(186,822)	726.54%
7083.41.02	Dental Care Materials and Supplies -Clinic				(367)	(367)	
7083.44	Linens		(1,200)	(1,000)			0.00%
7083.48	Instruments and Minor Medical Equipment		(24,248)	(20,207)			0.00%
7083.74	Depreciation - Equipment		(150,476)	(125,397)			0.00%
7083.45	Cleaning supplies		(47,578)	(39,648)			0.00%
7083.62	Repairs and Maintenance Grounds	(1,122)	(8,104)	(6,753)			0.00%
7083.72	Depreciation - Bldgs & Improvements		(311,017)	(259,181)			0.00%
7083.80	Utilities - Electrical, Gas, Water, other	(53,232)	(95,083)	(79,236)	(6,939)	(74,665)	78.53%
8870.00	Interest on Debt Service	(158,161)	(257,355)	(214,463)		(435,495)	169.22%
7083.43	Food	(935)	(2,000)	(1,667)		(893)	44.64%
7083.46	Office and Administrative supplies	(30,108)	(15,428)	(12,857)	(3,673)	(53,377)	345.97%
7083.69	Other purchased services	(50,362)	(232,076)	(193,397)	(1,372)	(68,593)	29.56%
7083.81	Insurance - Malpractice	(8,814)	(16,854)	(14,045)			0.00%
7083.82	Other Insurance - Clinic	(23,332)	(31,102)	(25,918)	(2,089)	(41,651)	0.00%
7083.83	Licenses & Taxes		(1,500)	(1,250)			
7083.85	Telephone and Communications	(5,253)	(20,903)	(17,419)	(483)	(11,958)	57.21%
7083.86	Dues, Subscriptions & Fees	(19,274)	(1,500)	(1,250)	(293)	(4,766)	317.77%
7083.87	Outside Training	(199)	(15,000)	(12,500)			0.00%
7083.88	Travel costs	(3,704)	(4,000)	(3,333)		(616)	15.40%
7083.89	Recruiting	(25,209)	(40,000)	(33,333)	(559)	(39,500)	98.75%
8895.00	RoboDoc		(60,000)	(50,000)		(21,594)	
	Non labor expenses	(1,502,306)	(2,695,428)	(2,246,190)	(138,905)	(1,756,233)	65.16%
	Total Expenses	(2,249,012)	(3,880,119)	(3,233,433)	(244,075)	(2,807,868)	72.37%
	Net Expenses over Revenues	(2,032,464)	(261,418)	(217,848)	(92,632)	(1,294,455)	495.17%

Mark Twain Health Care District							
Rental Financial Projections			Rental				
							4/30/2021
			Budget				
		DRAFT	2020/2021	Month	Actual	Actual	Actual
		2019/2020	Budget	to-Date	Month	Y-T-D	vs Budget
9260.01	Rent Hospital Asset amortized	1,095,293	1,092,672	910,560	90,659	908,227	83.12%
			0				
	Rent Revenues	1,095,293	1,092,672	910,560	90,659	908,227	83.12%
9520.62	Repairs and Maintenance Grounds	(6,079)	0				
9520.80	Utilities - Electrical, Gas, Water, other, Phone	(651,164)	(758,483)	(632,069)	(53,135)	(576,447)	76.00%
9520.72	Depreciation	(673,891)	(148,679)	(123,899)	(9,566)	(97,387)	65.50%
9520.82	Insurance						
	Total Costs	(1,331,134)	(907,162)	(755,968)	(62,700)	(673,835)	74.28%
	Net	(235,841)	185,510	154,592	27,958	234,393	157.40%
9260.02	MOB Rents Revenue	220,296	251,016	209,180	17,053	160,262	63.85%
9521.75	MOB rent expenses	(240,514)	(261,016)	(217,513)	(19,229)	(217,524)	83.34%
	Net	(20,218)	(10,000)	(8,333)	(2,177)	(57,262)	572.62%
9260.03	Child Advocacy Rent revenue	9,000	9,000	7,500	750	7,500	83.33%
9522.75	Child Advocacy Expenses	(297)	(11,000)	(9,167)		(949)	8.63%
	Net	8,703	(2,000)	(1,667)	750	6,551	-327.54%
9260.04	Sunrise Pharmacy Revenue				1,800	10,800	
7084.41	Sunrise Pharmacy Expenses	(2,174)	(2,250)	(1,875)		(3,785)	
		1,324,589	1,352,688	1,127,240	110,261	1,086,789	80.34%
		(1,574,119)	(1,181,428)	(984,523)	(81,930)	(896,093)	75.85%
	Summary Net	(249,530)	171,260	142,717	28,332	190,697	111.35%

Mark Twain Health Care District								
Projects, Grants and Support								
		4/30/2021						
			Budget					
		DRAFT	2020/2021	Month	Actual	Actual	Actual	
		2019/2020	Budget	to-Date	Month	Y-T-D	vs Budget	
	Project grants and support		(31,000)	(25,833)		(14,000)	45.16%	
8890.00	Foundation	(465,163)						
8890.00	Veterans Support		(5,000)	(4,167)		0		
8890.00	Mens Health		(5,000)	(4,167)		0		
8890.00	Steps to Kick Cancer - October		(5,000)	(4,167)		0		
8890.00	Doris Barger Golf		(2,000)	(1,667)		0		
8890.00	Stay Vertical		(14,000)	(11,667)		(14,000)	100.00%	
8890.00	Golden Health Grant Awards							
	Project grants and support	(465,163)	(31,000)	(25,833)	0	(14,000)	45.16%	

Mark Twain Health Care District									
General Administration Financial Projections					Admin			4/30/2021	
					Budget				
				DRAFT	2020/2021	Month	Actual	Actual	Actual
		2016/2017	2017/2018	2019/2020	Budget	to-Date	Month	Y-T-D	vs Budget
9060.00	Income, Gains and losses from investments	4,423	5,045	390,802	100,000	83,333	143	36,615	36.62%
9160.00	Property Tax Revenues	935,421	999,443	1,126,504	1,100,000	916,667	91,667	916,667	83.33%
9010.00	Gain on Sale of Asset								
9205.03	Miscellaneous Income (1% Minority Interest)	0	0	(43,680)		0	(3,018)	(18,532)	
Summary Revenues		939,844	1,004,488	1,473,626	1,200,000	1,000,000	88,791	934,750	77.90%
8610.09	Other salaries and wages	(33,587)	(235,531)	(133,415)	(352,591)	(293,826)	(18,447)	(179,311)	50.86%
8610.10	Payroll taxes			(14,875)	(23,244)	(19,370)	(864)	(8,310)	35.75%
8610.12	Vacation, Holiday and Sick Leave				(3,173)	(2,644)			0.00%
8610.13	Group Health & Welfare Insurance		(663)	(12,383)	(17,474)	(14,562)			0.00%
8610.14	Group Life Insurance				(564)	(470)			0.00%
8610.15	Pension and Retirement			(1,905)	(8,815)	(7,346)		(2,397)	27.20%
8610.16	Workers Compensation insurance			(1,226)	(3,526)	(2,938)			0.00%
8610.18	Other payroll related benefits				(529)	(441)		(300)	56.71%
	Benefits and taxes	0	(663)	(30,390)	(57,325)	(47,771)	(864)	(11,008)	19.20%
Labor Costs		(33,587)	(236,194)	(163,804)	(409,916)	(341,597)	(19,311)	(190,319)	46.43%
8610.22	Consulting and Management Fees	(392,908)	(332,287)	(14,109)	(61,500)	(51,250)	(199)	(4,120)	6.70%
8610.23	Legal	(15,195)	(20,179)	(15,069)	(30,000)	(25,000)		(928)	3.09%
8610.24	Accounting /Audit Fees	(13,945)	(18,090)	(59,232)	(125,000)	(104,167)	(13,558)	(55,514)	44.41%
8610.43	Food			(868)	(2,000)	(1,667)			0.00%
8610.46	Office and Administrative Supplies	(4,310)	(19,685)	(19,595)	(18,000)	(15,000)	(592)	(13,333)	74.07%
8610.62	Repairs and Maintenance Grounds				0	0		(4,296)	
8610.69	Other- IT Services - District			(12,877)		0	(646)	(9,288)	
8610.74	Depreciation - Equipment	(35,556)	(26,582)		(2,500)	(2,083)			0.00%
8610.75	Rental/lease equipment	(11,198)	(57,593)		(9,200)	(7,667)			0.00%
8610.80	Utilities			(420)	(1,000)	(833)		(146)	
8610.82	Insurance	(16,578)	(17,043)	(17,747)	(25,000)	(20,833)		(16,653)	66.61%
8610.83	Licenses and Taxes				0				
8610.85	Telephone and communications				0				
8610.86	Dues, Subscriptions & Fees	(12,554)	(14,731)	(12,529)	(20,000)	(16,667)	(824)	(9,601)	48.00%
8610.87	Outside Trainings	(1,920)	(3,030)	380	(15,000)	(12,500)		(660)	4.40%
8610.88	Travel	(6,758)	(17,363)	(4,447)	(15,000)	(12,500)		(222)	1.48%
8610.89	Recruiting			(2,368)	(2,000)	(1,667)	(571)	(2,285)	114.24%
8610.90	Other Direct Expenses	(10,895)	(5,488)	(62,405)	(32,000)	(26,667)	(15,653)	(60,965)	190.51%
8610.95	Other Misc. Expenses			(4,844)					
Non-Labor costs		(521,817)	(532,071)	(226,130)	(358,200)	(298,500)	(32,043)	(178,010)	49.70%
Total Costs		(555,404)	(768,265)	(389,934)	(768,116)	(640,097)	(51,355)	(368,329)	47.95%
Net		384,440	236,223	1,083,692	431,884	359,903	37,437	566,421	131.15%

Mark Twain Health Care District
Balance Sheet
As of April 30, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1001.10 Umpqua Bank - Checking	42,918
1001.20 Umpqua Bank - Money Market	6,444
1001.30 Bank of Stockton	159,194
1001.40 Five Star Bank - MTHCD Checking	326,241
1001.50 Five Star Bank - Money Market	199,294
1001.60 Five Star Bank - VSHWC Checking	39,652
1001.65 Five Star Bank - VSHWC Payroll	108,478
1001.90 US Bank - VSHWC	4,610
1820 VSHWC - Petty Cash	400
Total Bank Accounts	887,231
Accounts Receivable	
1200 Accounts Receivable	-730
Total Accounts Receivable	-730
Other Current Assets	
1001.70 Umpqua Investments	1,514
1003.30 CalTRUST	10,552,731
1069 Due from Calaveras County	434,586
115.20 Accrued Lease Revenue	-15,232
1205.00 Due from insurance proceeds	1,148,115
1205.50 Allowance for Uncollectable Clinic Receivables	-365,339
130.30 Prepaid VSHWC	1,270
Total Other Current Assets	11,757,645
Total Current Assets	12,644,145
Fixed Assets	
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	698,156
1200.50 District - Building Service Equipment	168,095
1220.00 VSHWC - Land	903,112
1220.05 VSHWC - Land Improvements	1,624,427
1220.10 VSHWC - Buildngs	5,942,457
1220.20 VSHWC - Equipment	873,530
1221.00 Pharmacy Construction	48,536
160.00 Accumulated Depreciation	-5,894,544
Total Fixed Assets	9,200,855
Other Assets	

1710.10 Minority Interest in MTMC - NEW	444,995
180.60 Capitalized Lease Negotiations	356,574
Total Intangible Assets	356,574
2219 Capital Lease	6,371,677
Total Other Assets	7,173,246
TOTAL ASSETS	29,018,246
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	40,473
Total 200.00 Accts Payable & Accrued Expenes	40,473
200.10 Other Accounts Payable	
Total 200.00 Accts Payable & Accrued Expenes	0
2010.00 USDA Loan Accrued Interest Payable	76,640
2021 Accrued Payroll - Clinic	
2022.00 Accrued Leave Liability	18,202
210.00 Deide Security Deposit	2,275
211.00 Valley Springs Security Deposit	1,000
2110.00 Payroll Liabilities - New Account for 2019	19,850
226 Deferred Revenue	152,715
Total Other Current Liabilities	270,683
Total Current Liabilities	311,156
Long-Term Liabilities	
2128.01 Deferred Capital Lease	1,312,999
2128.02 Deferred Utilities Reimbursement	2,386,261
2129 Other Third Party Reimbursement - Calaveras County	183,333
2210 USDA Loan - VS Clinic	7,296,052
Total Long-Term Liabilities	11,178,645
Total Liabilities	11,489,801
Equity	
290.00 Fund Balance	648,149
291.00 PY - Historical Minority Interest MTMC	19,720,638
3000 Opening Bal Equity	-2,289,373
Net Income	-550,970
Total Equity	17,528,445
TOTAL LIABILITIES AND EQUITY	29,018,246

Investment & Reserves Report						
30-Apr-21						
						Annual
	Minimum	6/30/2020	2020	2020	4/30/2021	Funding
Reserve Funds	Target	Balance	Allocated	Interest	Balance	Goal
Valley Springs HWC - Operational Reserve Fund	2,200,000	2,200,000	0	5,389	2,205,389	
Capital Improvement Fund	12,000,000	2,926,923	0	7,190	2,934,113	
Technology Reserve Fund	1,000,000	1,000,000	0	2,450	1,002,450	
Lease & Contract Reserve Fund	2,400,000	2,400,000	0	5,879	2,405,879	
Loan Reserve Fund	2,000,000	2,000,000	0	4,899	2,004,899	
Reserves & Contingencies	19,600,000	10,526,923	0	25,808	10,552,731	0
		2020 - 2021		Annualized		
CalTRUST	4/30/2021	Interest Earned		Rates	Duration	
Valley Springs HWC - Operational Reserve Fund	2,205,389	5,389				
Capital Improvement Fund	2,934,113	7,190				
Technology Reserve Fund	1,002,450	2,450				
Lease & Contract Reserve Fund	2,405,879	5,879				
Loan Reserve Fund	2,004,899	4,899				
Total CalTRUST	10,552,731	25,808			1 Year or Less	
Five Star						
General Operating Fund	176,912	346.49				
Money Market Account	199,294	7,758.38				
Valley Springs - Checking	19,652	84.79				
Valley Springs - Payroll	108,478	98.52				
Total Five Star	504,336	8,288.18			1 Year or Less	
Umpqua Bank						
Checking	42,918	0.00				
Money Market Account	6,443	2.68				
Investments	1,514					
Total Savings & CD's	50,874	2.68				
Bank of Stockton	159,194	58.08			1 Year or Less	
Total in interest earning accounts	11,267,135	34,157				
Umpqua Rebate		2,458				
Total Without Unrealized Loss		36,615				
<p>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 CalTRUST investment pool, all of which meet those standards; the individual investment transactions of the CalTRUST 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.</p>						

Mark Twain Health Care District

Bill Payment List

April 2021

DATE	NUM	VENDOR	AMOUNT
1001.10 Umpqua Bank - Checking - NEW			
04/20/2021		Umpqua Bank- ACH	-56.43
Total for 1001.10 Umpqua Bank - Checking - NEW			\$ -56.43
1001.40 Five Star Bank - MTHCD Checking - NEW			
04/02/2021	2161	Best Best & Krieger, LLP	-6,499.50
04/02/2021	2162	Cheryl Duncan Consulting	-1,960.00
04/02/2021	2163	TINA TERRADISTA	-7.65
04/02/2021	2164	California Special Districts Association - Financial	-3,583.48
04/02/2021	2165	MedPro Billing, LLC	-931.50
04/02/2021	2166	Quest Diagnostics	-47.00
04/02/2021	2167	PG&E 9610376900-4-James Dalton (Angels Camp) NEW	-2,406.19
04/02/2021	2168	Suzanne Dietrich	-4,696.25
04/09/2021	2169	Suburban Propane-Ortho	-466.58
04/09/2021	2170	San Andreas Sanitary District	-415.03
04/09/2021	2171	PG&E 2070234150-2 Traffic Control	-60.11
04/09/2021	2172	PG&E 1022075267-8	-44.42
04/09/2021	2173	Signal Service, Inc.	-150.00
04/09/2021	2174	Calaveras Power Agency	-20,203.47
04/09/2021	2175	Calaveras Telephone	-501.85
04/09/2021	2176	Ebbetts Pass Gas Services	-1,142.76
04/09/2021	2177	Mary Carley	-14.95
04/09/2021	2178	PG&E 3991832007-6 Cancer	-216.19
04/09/2021	2179	PG&E 7402140630-6 SAFMC	-406.64
04/09/2021	2180	PG&E 8919598400-3 Cancer/Infusion	-563.25
04/09/2021	2181	Radiologica	-2,183.00
04/09/2021	2182	Suzanne Dietrich	-1,423.75
04/09/2021	2183	AT&T OneNet	0.00
04/09/2021	2184	Nuance Communications, Inc.	-79.00
04/09/2021	2185	First American Title Company	-500.00
04/09/2021	2186	CARHC	-300.00
04/09/2021	2187	RJ Pro Innovative I.T. Services	-1,661.00
04/09/2021	2188	Novarad Corporation	-1,091.27
04/13/2021	2189	AT&T OneNet	-1,642.43
04/20/2021	2190	Medicare Part A	-9,232.83
04/21/2021	2191	Calaveras Public Utility District	-1,825.82
04/21/2021	2192	Peggy Stout	-226.80
04/21/2021	2193	PG&E 1115246270-8 SOMO	-1,245.28
04/21/2021	2194	PG&E 4263039970-9 Hospital	-13,453.24
04/21/2021	2195	RJ Pro Innovative I.T. Services	-331.00
04/21/2021	2196	AT&T 248 134-3045	-4.67
04/21/2021	2197	AT&T 248 134-7000(754)	-28.09
04/21/2021	2198	AT&T 284-134-7000 952	-9.36
04/21/2021	2199	Your Type Graphic Design	-1,201.17
04/21/2021	2200	Campora Propane	0.00

Mark Twain Health Care District

Bill Payment List

April 2021

DATE	NUM	VENDOR	AMOUNT
04/21/2021	2201	AT&T 754-9362	-1,982.73
04/21/2021	2202	Expedito Systems	-2,400.00
04/21/2021	2203	Suburban Propane-Ortho	-296.46
04/21/2021	2204	AT&T - 831-000-9337 371	-1,302.40
04/21/2021	2205	AT&T 831-000-9975	-1,610.10
04/21/2021	2206	Nuance Communications, Inc.	-237.00
04/21/2021	2207	A & L Products, Inc.	-3,520.00
04/21/2021	2208	Anthem Blue Cross	-9,710.93
04/21/2021	2209	Signal Service, Inc.	-1,390.77
04/21/2021	2210	Campora Propane	-176.60
04/23/2021	2211	Thomas Drakes	0.00
04/23/2021	2212	Ray Morgan Company	0.00
04/23/2021	2213	Thomas Drakes	-1,683.00
04/23/2021	2214	Ray Morgan Company	-1,817.32
04/30/2021	ACH 04/30/21	Joel Eidelson, MD	-22,500.33
04/30/2021	ACH 04/30/21	Harvard M. Robbins, M.D.	-20,833.33
04/30/2021	ACH 04/30/21	Christian Bader	-2,000.00
04/30/2021	ACH 04/30/21	James Mosson	-12,930.00
04/30/2021	ACH 04/30/21	Dr. Deborah Salom	-6,734.00
04/30/2021	ACH 05/03/21	Thomas Drakes	-9,600.00
04/30/2021	2216	Medicare Part A	-399.24
04/30/2021	2217	Best Best & Krieger, LLP	-733.50
04/30/2021	2218	Suburban Propane-Ortho	-423.82
04/30/2021	2219	AT&T - 209-772-1005	-1,173.89
04/30/2021	2220	AT&T 209-772-2791 VSHWC	-740.09
04/30/2021	2221	AT&T 171 795-2997	-75.60
04/30/2021	2222	Nuance Communications, Inc.	-79.00
04/30/2021	2223	Alpine Natural Gas	-767.67
04/30/2021	2224	RJ Pro Innovative I.T. Services	-190.11
04/30/2021	2225	Calaveras Public Utility District	-1,980.17
04/30/2021	2226	San Andreas Sanitary District	-6,888.62
04/30/2021	2227	Universal DataTech	-157.45
04/30/2021	2228	Arnaudo Bros., L.P.	-20,079.19
04/30/2021	2229	BETA Healthcare Group	-2,089.09
04/30/2021	2230	Calaveras County Environmental Health	-175.00
04/30/2021	2231	Olympic Cleaning Service	-4,950.00
04/30/2021	2215	Calaveras Enterprise & Sierra Lodestar	-267.04
04/30/2021	2232	MedPro Billing, LLC	-1,951.50
04/30/2021	2233	California Special Districts Association - Financial	-2,297.32
Total for 1001.40 Five Star Bank - MTHCD Checking - NEW			\$ -226,898.80

Mark Twain Health Care District

Journal
April 2021

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
04/09/2021	Journal Entry	19259		Pay Period 3/21/21 - 4/3/21	8610.09	8610.09 Other salaries and wages - Admin.	\$9,164.62	
				Pay Period 3/21/21 - 4/3/21	7083.09.01	7083.09.01 Other salaries and wages - Clinic	\$41,131.90	
				Pay Period 3/21/21 - 4/3/21	8610.10	8610.10 Payroll taxes - Admin.	\$132.89	
				Pay Period 3/21/21 - 4/3/21	7083.10	7083.10 Payroll taxes - Clinic	\$583.89	
				Pay Period 3/21/21 - 4/3/21	8610.10	8610.10 Payroll taxes - Admin.	\$294.79	
				Pay Period 3/21/21 - 4/3/21	7083.10	7083.10 Payroll taxes - Clinic	\$2,770.04	
				Pay Period 3/21/21 - 4/3/21	7083.10	7083.10 Payroll taxes - Clinic	\$114.56	
				Pay Period 3/21/21 - 4/3/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$1,433.53
				Pay Period 3/21/21 - 4/3/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$6,129.67
				Pay Period 3/21/21 - 4/3/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$6,283.33
				Pay Period 3/21/21 - 4/3/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$3,114.30
				Pay Period 3/21/21 - 4/3/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$114.56
				Pay Period 3/21/21 - 4/3/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$863.44
				Pay Period 3/21/21 - 4/3/21	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$2,115.07
				Pay Period 3/21/21 - 4/3/21	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$913.40
				Pay Period 3/21/21 - 4/3/21	8610.22	8610.22 Consulting and Management Fees - District	\$182.68	
				Pay Period 3/21/21 - 4/3/21	7083.22	7083.22 Consulting and Management fees - Clinic	\$730.72	
				Pay Period 3/21/21 - 4/3/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019	\$17,075.36	
				Pay Period 3/21/21 - 4/3/21	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$17,075.36
				Pay Period 3/21/21 - 4/3/21	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$34,138.79
							\$72,181.45	\$72,181.45
04/20/2021	Journal Entry	19308		April Sweep	1205.00	1205.00 Due from insurance providers		\$100,000.00
				April Sweep	1001.40	1001.40 Five Star Bank - MTHCD Checking - NEW	\$100,000.00	
							\$100,000.00	\$100,000.00
04/23/2021	Journal Entry	19281		Pay Period 4/4/21 - 4/17/21	8610.09	8610.09 Other salaries and wages - Admin.	\$9,282.29	
				Pay Period 4/4/21 - 4/17/21	7083.09.01	7083.09.01 Other salaries and wages - Clinic	\$42,398.81	
				Pay Period 4/4/21 - 4/17/21	8610.10	8610.10 Payroll taxes - Admin.	\$134.59	
				Pay Period 4/4/21 - 4/17/21	7083.10	7083.10 Payroll taxes - Clinic	\$602.80	
				Pay Period 4/4/21 - 4/17/21	8610.10	8610.10 Payroll taxes - Admin.	\$302.08	
				Pay Period 4/4/21 - 4/17/21	7083.10	7083.10 Payroll taxes - Clinic	\$2,851.08	
				Pay Period 4/4/21 - 4/17/21	7083.10	7083.10 Payroll taxes - Clinic	\$141.52	
				Pay Period 4/4/21 - 4/17/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$1,474.86
				Pay Period 4/4/21 - 4/17/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$6,306.32
				Pay Period 4/4/21 - 4/17/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$6,376.50
				Pay Period 4/4/21 - 4/17/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$3,173.01

Mark Twain Health Care District

Journal
April 2021

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
				Pay Period 4/4/21 - 4/17/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$141.52
				Pay Period 4/4/21 - 4/17/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$823.81
				Pay Period 4/4/21 - 4/17/21	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$2,135.67
				Pay Period 4/4/21 - 4/17/21	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$84.00
				Pay Period 4/4/21 - 4/17/21	8610.22	8610.22 Consulting and Management Fees - District	\$16.80	
				Pay Period 4/4/21 - 4/17/21	7083.22	7083.22 Consulting and Management fees - Clinic	\$67.20	
				Pay Period 4/4/21 - 4/17/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019	\$17,472.29	
				Pay Period 4/4/21 - 4/17/21	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$17,472.29
				Pay Period 4/4/21 - 4/17/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019		\$650.59
				Pay Period 4/4/21 - 4/17/21	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$34,630.89
				Pay Period 4/4/21 - 4/17/21	2110.00	2110.00 Payroll Liabilities - New Account for 2019	\$650.59	
				Pay Period 4/4/21 - 4/17/21	1001.65	1001.65 Five Star Bank - VSHWC Payroll		\$650.59
							\$73,920.05	\$73,920.05
04/23/2021	Journal Entry	19309	Athena Health Charges		1001.60	1001.60 Five Star Bank - VSHWC Checking - NEW-1		\$10,015.76
			Athena Health Charges		7083.26	7083.26 Other contracted services - Clinic	\$10,015.76	
							\$10,015.76	\$10,015.76
04/27/2021	Journal Entry	19282	Transfer		1001.50	1001.50 Five Star Bank - Money Market - NEW		\$200,000.00
			Transfer		1001.40	1001.40 Five Star Bank - MTHCD Checking - NEW	\$100,000.00	
			Transfer		1001.65	1001.65 Five Star Bank - VSHWC Payroll	\$100,000.00	
							\$200,000.00	\$200,000.00
04/30/2021	Journal Entry	19300	Deferred Third Party Reimbursement		2129	2129 Other Third Party Reimbursement - Calaveras County	\$91,666.67	
			Property Tax Revenues		9160.00	9160.00 Property Tax Revenues - District		\$91,666.67
							\$91,666.67	\$91,666.67
04/30/2021	Journal Entry	19301	Capitalized Costs Amortization		180.65	180.65 Intangible Assets:Capitalized Costs Amortization	\$993.24	
			Capitalized Costs		180.60	180.60 Intangible Assets:Capitalized Lease Negotiations		\$993.24
							\$993.24	\$993.24
04/30/2021	Journal Entry	19302	MOB Rental Revenue		9260.02	9260.02 MOB Rents Revenue		\$13,006.77
			Umpqua Bank Checking		1001.10	1001.10 Umpqua Bank - Checking - NEW	\$13,006.77	
			Child Advocacy Rental		9260.03	9260.03 Child Advocacy Rent Revenue		\$750.00
			Umpqua Bank Checking		1001.10	1001.10 Umpqua Bank - Checking - NEW	\$750.00	
							\$13,756.77	\$13,756.77
04/30/2021	Journal Entry	19303	Defer Capital Lease		2128.01	2128.01 Deferred Capital Lease	\$35,506.59	
			Interest Income		9260.01	9260.01 Deferred Lease Income		\$26,165.32
			Capital Lease		2219	2219 Capital Lease		\$9,341.27
			Deferred Utility Reimbursement		2128.02	2128.02 Deferred Utilities Reimbursement	\$64,493.41	

Mark Twain Health Care District

Journal
April 2021

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
				Other Income	9260.01	9260.01 Deferred Lease Income		\$64,493.41
							\$100,000.00	\$100,000.00
04/30/2021	Journal Entry	19304		Depreciation Expense	9520.72	9520.72 Depreciation	\$9,565.73	
				Capital Lease	2219	2219 Capital Lease		\$9,565.73
							\$9,565.73	\$9,565.73
04/30/2021	Journal Entry	19307		April Sweep	1001.10	1001.10 Umpqua Bank - Checking - NEW		\$100,000.00
				April Sweep	1205.00	1205.00 Due from insurance providers	\$100,000.00	
							\$100,000.00	\$100,000.00
04/30/2021	Journal Entry	19310		Clinic Revenue	1001.90	1001.90 U.S. Bank - VSHWC	\$227,697.94	
				Clinic Revenue	1205.00	1205.00 Due from insurance providers		\$227,697.94
				April Sweep	1001.90	1001.90 U.S. Bank - VSHWC		\$243,032.22
				April Sweep	1001.40	1001.40 Five Star Bank - MTHCD Checking - NEW	\$243,032.22	
							\$470,730.16	\$470,730.16
04/30/2021	Journal Entry	19312		Minority Interest MTSJ Ops	9205.03	9205.03 Minority Interest MTSJ Ops - NEW	\$3,504.59	
				Minority Interest MTSJ Invest	9205.04	9205.04 Minority Interest MTSJ Invest - NEW		\$486.23
				Minority Interest in MTMC	1710.10	1710.10 Minority Interest in MTMC - NEW		\$3,018.36
							\$3,504.59	\$3,504.59
04/30/2021	Journal Entry	19313		McKesson- Medical Supplies- Non COVID	7083.41.01	7083.41.01 Other Medical Care Materials and Supplies - Clinic	\$13,466.41	
				Shred-It- Shredding	7083.46	7083.46 Office and Administrative supplies - Clinic	\$71.91	
				Diosemtry Badge- Badges	7083.46	7083.46 Office and Administrative supplies - Clinic	\$150.00	
				Amazon - Computer screen cover/sound machine	7083.46	7083.46 Office and Administrative supplies - Clinic	\$197.10	
				Staples - Office Supplies	7083.46	7083.46 Office and Administrative supplies - Clinic	\$1,725.14	
				USPS - Denti-Cal Application mailing	7083.46	7083.46 Office and Administrative supplies - Clinic	\$241.45	
				Henry Schein - Dentrax Dental Systems	7083.46	7083.46 Office and Administrative supplies - Clinic	\$1,048.00	
				Calaveras Mini Storage	7083.69	7083.69 Other purchased services - Clinic	\$150.00	
				Medstatix	7083.69	7083.69 Other purchased services - Clinic	\$150.00	
				Clark Pest Control - 4/17/21 service	7083.69	7083.69 Other purchased services - Clinic	\$75.00	
				Proscreening- Background checks	7083.69	7083.69 Other purchased services - Clinic	\$602.00	
				MedPro Disposal - Waste removal	7083.80	7083.80 Utilities - Electrical, Gas, Water, other - Clinic	\$173.00	
				Cal-Waste- trash removal	7083.80	7083.80 Utilities - Electrical, Gas, Water, other - Clinic	\$626.98	
				Sphinx Medical- call my doc	7083.85	7083.85 Telephone and Communications - Clinic	\$483.30	
				Cal. Dept. Public Health - Renewal	7083.86	7083.86 Dues and Subscriptions - Clinic	\$113.00	
				Pav.gov - CLIA Lab Cert.	7083.86	7083.86 Dues and Subscriptions - Clinic	\$180.00	
				UpToDate - Employment	7083.89	7083.89 Recruiting - Clinic	\$559.00	

Mark Twain Health Care District

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DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
				ad- Dentist				
				Mckesson- medical supplies- COVID	8610.90	8610.90 Other Direct Expenses - Stipends, Community Ed & Marketing, Misc. -District	\$10,787.51	
				Foothill Portable Toilets - Toilets for Vaccine clinic	8610.90	8610.90 Other Direct Expenses - Stipends, Community Ed & Marketing, Misc. -District	\$175.00	
				Staples - Office Supplies	8610.46	8610.46 Office and Administrative Supplies - District	\$469.24	
				W2 Efiling - 1099 Filing Fee	8610.46	8610.46 Office and Administrative Supplies - District	\$5.05	
				FormSwift - 1099 Template	8610.46	8610.46 Office and Administrative Supplies - District	\$59.00	
				Amazon - Office Supplies	8610.46	8610.46 Office and Administrative Supplies - District	\$28.93	
				Uline - Key tags	8610.46	8610.46 Office and Administrative Supplies - District	\$24.61	
				USPS - postage	8610.46	8610.46 Office and Administrative Supplies - District	\$5.00	
				Quickbooks Monthly Fee	8610.69	8610.69 Other - IT Services- District	\$150.00	
				Streamline monthly fee	8610.69	8610.69 Other - IT Services- District	\$200.00	
				Cal.Net monthly fee	8610.86	8610.86 Dues, Subscriptions & Fees - District	\$9.95	
				Amazon Prime monthly fee	8610.86	8610.86 Dues, Subscriptions & Fees - District	\$13.93	
				Umpqua Credit Card Payment	1001.40	1001.40 Five Star Bank - MTHCD Checking - NEW		\$31,940.51
							\$31,940.51	\$31,940.51
04/30/2021	Journal Entry	19314		Gross Revenue	4083.49	4083.49 VSHWC Gross Revenues		\$381,600.00
				Collected Revenue	1205.50	1205.50 Allowance for Uncollectable Clinic Receivables	\$151,443.00	
				Contractual Allowance	4083.60	4083.60 Contractual Adjustments	\$230,157.00	
							\$381,600.00	\$381,600.00
TOTAL							\$1,659,874.93	\$1,659,874.93

Apr-21

	7083.13	Anthem Blue Cross	Health Benefits			
	7083.13			\$	-	7083.13 Group Health benefits
\$ 13,466.41	7083.41	McKesson Medical	Medical Supplies- Non COVID			
\$	7083.41	Amazon				
\$	7083.41	MesaLabs		\$	13,466.41	7083.41 - OTHER MEDICAL CARE MATERIALS & SUPPLIES
\$	7083.43			\$	-	7083.43 - FOOD - CLINIC
\$ 71.91	7083.46	Shred-It	Shredding			
\$ 150.00	7083.46	Diosemetry Badge	Badges			
\$ 197.10	7083.46	Amazon	Computer Screen cover/sound machine			
\$ 1,725.14	7084.46	Staples	Office Supplies			
	7083.46					
\$ 241.45	7083.46	USPS	Medi-Cal Application mailing			
\$ 1,048.00	7083.46	Henry Schein	Dentrix Dental Systems	\$	3,433.60	7083.46 - OFFICE & ADMINISTRATIVE SUPPLIES - CLINIC
\$ 150.00	7083.69	CALAVERAS MINI STORAGE	NO RECEIPT			
	7083.69	Language Line	Translation Services			
\$ 150.00	7083.69	MEDSTATIX	INV#33514			
\$ 75.00	7083.69	Clark Pest Control	4/17/21 service			
\$ 602.00	7083.69	ProScreening	Background checks/Credentials	\$	977.00	7083.69 - OTHER PURCHASED SERVICES - CLINIC
\$ 173.00	7083.80	MedPro Disposal	Waste Removal			
\$ 626.98	7083.80	Cal-Waste	Trash Removal	\$	799.98	7083.80 - UTILITIES - CLINIC
\$	7083.85	MOTHERLODE ANSWERING SERVICE				
\$ 483.30	7083.85	Sphinx Medical	CallMyDoc	\$	483.30	7083.85 - TELEPHONE & COMMUNICATIONS - CLINIC
\$ 113.00	7083.86	Calif. Dept. Public Health	Renewal			
\$ 180.00	7083.86	Pay.gov	CLIA Lab Certificate	\$	293.00	7083.86 - DUES & SUBSCRIPTIONS - CLINIC
\$ 559.00	7083.89	UpToDate	Employment Ad			
	7083.89	YourMembership	Employment Ad	\$	559.00	7083.89 - RECRUITING - CLINIC
\$	8610.62	Lowe's		\$	-	8610.62- REPAIRS - MAINTENANCE & GROUNDS - CLINIC
	8610.62					
\$ 10,787.51	8610.90	Home Depot	Medical Supplies - COVID			
	8610.90	McKesson Medical	Backgrounds/ volunteers - COVID VACCINE			
\$ 175.00	8610.90	Proscreening	Toilets for COVID VACCINE	\$	10,962.51	8610.90- COVID RELATED ITEMS-CLINC
	8610.90	Foothill Portable Toilets				
\$ 469.24	8610.46	Amazon	Office Supplies			
\$ 5.05	8610.46	Staples	1099 filing fee			
\$ 59.00	8610.46	W2 E-filing	Create 1099			
\$ 28.93	8610.46	FormSwift	Office Supplies			
	8610.46	Amazon				
\$ 24.61	8610.46	Amazon	Key Tags			
\$ 5.00	8610.46	Uline	postage	\$	591.83	8610.46 - OFFICE & ADMINISTRATIVE SUPPLIES - DISTRICT
	8610.46	USPS				

\$	150.00	8610.69	Adobe	Acrobat			
\$	200.00	8610.69	QUICKBOOKS	MONTHLY SUB			
		8610.69	Streamline	Monthly	\$	350.00	8610.69 - OTHER - IT SERVICES - DISTRICT
\$		8610.80					
\$		8610.80			\$	-	8610.80 - UTILITIES - DISTRICT
\$		8610.85					
\$		8610.85			\$	-	8610.85 - TELEPHONE & COMMUNICATIONS - DISTRICT
\$	9.95	8610.86	CAL.NET	YEARLY/MONTHLY SUB			
\$	13.93	8610.86	Amazon Prime	Monthly Subscription	\$	23.88	8610.86 - DUES & SUBSCRIPTIONS - DISTRICT
		8610.87	CSDA	Admin. Training			
		8610.87			\$	-	8610.87 - OUTSIDE TRAINING - DISTRICT
\$		8610.88					
\$		8610.88			\$	-	8610.88 - TRAVEL - DISTRICT
		8895.00	Amazon	Scale for School			
		8895.00	CVS	Medical Cart Supplies	\$	-	8895.00 - ROBODOC
\$	31,940.51				\$	31,940.51	

Audited Financial Statements

**MARK TWAIN
HEALTH CARE DISTRICT**

June 30, 2020

**JWT & Associates, LLP
Certified Public Accountants**

Audited Financial Statements

MARK TWAIN HEALTH CARE DISTRICT

June 30, 2020

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Management's Discussion and Analysis

MARK TWAIN HEALTH CARE DISTRICT

June 30, 2020

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, 2020 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, 2020 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, 2020 were:

- (1) Total assets increased by \$679,286 due mainly to the minority interest arrangement with Dignity and increases in property and equipment with the new rural health care clinic (Clinic) located in Valley Springs;
- (2) Cash and cash equivalents decreased by \$2,514,073 due mainly to the finishing of the construction of the new Clinic in Valley Springs and the related start-up costs as the Clinic opened for patients in October, 2019;
- (3) Patient accounts receivable as of June 30, 2020 were \$867,360, net of estimated related allowances of \$731,236 to arrive at a net patient accounts receivable of \$136,124;
- (4) Property and equipment increased by \$3,733,967 due to the construction of the Clinic and depreciation expense was \$555,468 as compared to the prior year of expense of \$23,191. This was due to the fact that the Clinic came on-line in October, 2019 resulting in 9 months of new depreciation.
- (5) Total debt borrowings were \$6,377,305 as the District drew down on their USDA loan in the amount of \$2,663,521 in order to continue to fund the construction of the new Clinic in Valley Springs.
- (6) Due to the new 30-year lease agreement, for the year ended June 30, 2020, the District recorded approximately \$1.1 million in lease income, offset by approximately \$700,000 in utilities expense, all according to the terms of the new lease which began in fiscal year 2019.

Management's Discussion and Analysis (continued)

MARK TWAIN HEALTH CARE DISTRICT

(7) The decrease in net position for the year ended June 30, 2020 was a loss of (1,415,963) as compared to the prior year increase in net position of \$643,896. This was due mainly to depreciation expense of \$688,825 for the year and the added expenditures of the start-up Clinic in Valley Springs.

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, 2020, the District's operating cash and investments totaled \$13,609,819 as compared to \$16,123,892 in fiscal year 2019. At June 30, 2020, days cash on hand were 1,295 as compared to June 30, 2019 when days cash on hand were 5,794. 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 \$2,436,244 due mainly to the previously mentioned decrease in cash and cash equivalents. Current liabilities increased by \$778,468 due mainly to construction payables. These changes produced a current ratio of 12.66 for June 30, 2020 as compared to 50.72 for June 30, 2019.

Capital and Other Assets

Property and equipment increased by \$3,178,499 as additions were \$3,733,967, less depreciation expense of \$555,468. The increase was for the finalization of capitalized costs of preparing the Clinic in Valley Springs.

The District had recorded approximately \$6.8 million in other assets, offset by approximately \$6 million in deferred revenues, all associated with the 30 year leasing of the Hospital facilities by Dignity. As a result, these costs were amortized which realized an approximate \$1.1 million in lease income for the lease of the Hospital facilities.

MARK TWAIN HEALTH CARE DISTRICT

District Revenues and Rental Income

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. Property taxes increased in 2020 by \$41,405 from 2019.

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, 2020 decreased slightly by \$44,340 over the previous year.

Operating Expenses

Total operating expenses were \$4,493,073 for fiscal year 2020 compared to \$1,052,416 for the prior fiscal year. The increase is mainly due primarily to:

- (1) A \$650,841 increase in salaries, wages and employee benefits due to the hiring of new staff for the operations of the new Clinic.
- (2) A \$837,410 increase in professional fees due to the hiring of new physicians to service patients as the new Clinic opened in October, 2019.
- (3) A \$225,675 increase in supplies and purchased services, again due to the new Clinic opening.
- (4) A \$681,221 increase in utilities expense due to the fact that the District is now responsible for the payment of Hospital utilities per the new lease arrangement.
- (5) A \$652,247 increase in depreciation due to the new Clinic coming on-line and added amortization expense as a result of the new lease agreement.
- (6) A \$30,736 increase in insurance due to added coverage for the Clinic as it is now open to serve patients.
- (7) A \$306,362 increase in donations and program expenses for added community healthcare support for the year.

Other changes in expenses over the prior year were considered minor.

Management's Discussion and Analysis (continued)

MARK TWAIN HEALTH CARE DISTRICT

Economic Factors and Next Fiscal Year's Budget

The District's board approved the fiscal year ending June 30, 2021 budget at a recent Board meeting. For fiscal year 2021, the District is budget has the following assumptions:

Property taxes were budgeted at the approximately the same levels of 2020 while rents increase.

Professional fees and other operating expenses are expected to remain fairly consistent for the year as compared to 2020

As noted already, the District opened the new rural health care clinic in Valley Springs which it began operating in October, 2019. 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.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact revenues. Other financial impacts could occur, though such potential impact is unknown at this time.

This is a challenging time not only for our country but also for our community. The District takes the safety and health of our community and staff very seriously. The District has chosen to take actions to limit the spread of this virus. Therefore, the District has made the tough decision to cancel or postpone programs in several areas.

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

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Report of Independent Auditors

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

We have audited the accompanying financial statements of the Mark Twain Health Care District, (the District) which comprise the statements of net position as of June 30, 2020 and 2019, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 the California Code of Regulations, Title 2, Section 1131.2 State Controller's *Minimum Audit Requirements* for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

JW7 & Associates, LLP

Fresno, California
May 11, 2021

Statements of Net Position

MARK TWAIN HEALTH CARE DISTRICT

	June 30	
	<u>2020</u>	<u>2019</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,609,819	\$ 16,123,892
Patient accounts receivable	136,124	
Other receivables	<u>191,462</u>	<u>249,757</u>
Total current assets	13,937,405	16,373,649
Property and equipment	8,834,643	5,656,144
Interest in Mark Twain Medical Center	463,527	287,693
Other assets	<u>6,905,492</u>	<u>7,144,295</u>
Total assets	<u>\$ 30,141,067</u>	<u>\$ 29,461,781</u>
Liabilities and Net Position		
Current liabilities:		
Current maturities of debt borrowings	\$ 146,000	\$ 133,000
Accounts payable and accrued expenses	880,838	175,862
Accrued payroll and related liabilities	<u>74,511</u>	<u>14,019</u>
Total current liabilities	1,101,349	322,881
Deferred lease revenue	4,699,260	5,900,000
Debt borrowings	<u>6,231,305</u>	<u>3,713,784</u>
Total liabilities	12,031,914	9,936,665
Net position		
Invested in capital assets	2,457,338	1,809,360
Unrestricted net position	<u>15,651,815</u>	<u>17,715,756</u>
	<u>18,109,153</u>	<u>19,525,116</u>
Total liabilities and net position	<u>\$ 30,141,067</u>	<u>\$ 29,461,781</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>2020</u>	<u>2019</u>
Operating revenues:		
Net patient service revenues	\$ 217,061	
District taxes	1,126,504	\$ 1,085,099
Hospital lease income	1,095,293	232,000
Rental income from medical office buildings	229,778	274,118
Interest and other investment income	<u>390,802</u>	<u>142,053</u>
Total revenues, gains and losses	3,059,438	1,733,270
Operating expenses:		
Salaries, wages and employee benefits	910,511	259,670
Professional fees	1,050,433	213,023
Supplies and purchased services	229,183	3,508
Donations, programs and events	465,163	158,801
Medical office building rent	240,514	231,983
Utilities and phone	710,354	29,133
Insurance	49,893	19,157
Repairs and maintenance	7,201	2,444
Depreciation and amortization	688,825	36,578
Other operating expenses	<u>140,996</u>	<u>98,119</u>
Total expenses	<u>4,493,073</u>	<u>1,052,416</u>
Excess of revenues over expenses (expenses over revenues)	(1,433,635)	680,854
Nonoperating revenues (expenses):		
Interest expense	(158,161)	
Gain in interest in Mark Twain Medical Center	<u>175,833</u>	<u>(36,958)</u>
Increase (decrease) in net position	(1,415,963)	643,896
Net position at the beginning of the year	<u>19,525,116</u>	<u>18,881,220</u>
Net position at the end of the year	<u>\$ 18,109,153</u>	<u>\$ 19,525,116</u>

See accompanying notes and auditor's report

Statements of Cash Flows

MARK TWAIN HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash received from patients and third parties on behalf of patients	\$ 80,937	
Cash received from taxes, rents & other activities	1,981,211	\$ 1,072,450
Cash paid for salaries, wages and administrative benefits	(850,019)	(262,635)
Cash paid for suppliers and outside vendors	<u>(2,346,922)</u>	<u>(801,030)</u>
Net cash provided by (used in) operating activities	(1,134,793)	8,785
Cash flows from financing and investing activities:		
Purchases of property, equipment and other	(3,733,968)	10,372,060
Proceeds from debt borrowings	2,663,521	3,846,784
Repayments of debt borrowings	(133,000)	
Change in Mark Twain Medical Center	<u>(175,833)</u>	<u>36,958</u>
Net cash provided by (used in) financing and investing activities	<u>(1,379,280)</u>	<u>14,255,802</u>
Net increase (decrease) in cash and cash equivalents	(2,514,073)	14,264,587
Cash and cash equivalents at beginning of year	<u>16,123,892</u>	<u>1,859,305</u>
Cash and cash equivalents at end of year	<u>\$ 13,609,819</u>	<u>\$ 16,123,892</u>
 Reconciliation of changes in net position to net cash provided by operating activities		
Increase (decrease) in net position	\$ (1,415,963)	\$ 643,896
Adjustments to reconcile increase (decrease) in net position to net cash provided by operating activities:		
Depreciation and amortization	688,825	36,578
Changes in operating assets and liabilities:		
Patient accounts receivable	(136,124)	
Other receivables	58,295	(79,335)
Prepaid expenses		16,601
Accounts payable and accrued expenses	704,976	2,596
Accrued payroll and related liabilities	60,492	(2,965)
Due to Mark Twain Medical Center		(47,458)
Deferred lease revenue and other asset	<u>(1,095,294)</u>	<u>(561,128)</u>
Net cash provided by (used in) operating activities	<u>\$ (1,134,793)</u>	<u>\$ 8,785</u>

MARK TWAIN HEALTH CARE DISTRICT

June 30, 2020

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 2020, 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.

Changes in Financial Statement Presentation: The District adopted provisions of GASB 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (Statement 34), as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement 38, *Certain Financial Statement Note Disclosures*. These statements establish financial reporting standards for government entities, and relates to presentation and disclosure requirements.

MARK TWAIN HEALTH CARE DISTRICT

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, 2020 and 2019. 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, 2020 and 2019 was \$18,202 and \$1,724, 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)

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.

Grants and Contributions: From time to time, the District may receive grants from various governmental agencies and private organizations. The District may also receive contributions from related foundation and auxiliary organizations, as well as from individuals and other private organizations. Revenues from grants and contributions are recognized when all eligibility requirements, including time requirements are met. Grants and contributions 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.

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, 2019 presentation in order to conform to the June 30, 2020 presentation.

NOTE B - BANK DEPOSITS

Collateral: As of June 30, 2020 and 2019, the District had deposits invested in a bank of \$13,609,418 and \$16,123,892, 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, 2020 are summarized below:

Medicare	31%
Medi-Cal (traditional and managed care)	43%
Other third party payors	25%
Self pay and other	<u>1%</u>
Gross patient service revenues	100%
Less deductions from revenue and related allowances	<u>(81%)</u>
Net patient service revenues	<u>19%</u>

Medicare and Medi-Cal revenue accounts for approximately 74% 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, 2020 were as follows:

Medicare	39%
Medi-Cal (traditional and managed care)	41%
Other third party payors	17%
Self pay and other	<u>3%</u>
Gross patient accounts receivable	<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, 2020 and 2019.

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, 2020 and 2019, this arrangement resulted in an interest gain of \$178,833 and an interest loss of \$36,958 (net of an interest gain), 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, 2019 was \$232,000. 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.

During the year ended June 30, 2008, the District entered into a land and medical office building lease agreement with San Andreas Medical and Professional Office Building (SAMPO). The District leases land located at 704 Mountain Ranch Road in San Andreas to SAMPO at no cost due to the fact that the development of the property by SAMPO was deemed sufficient to offset any future lease payments. SAMPO built and owns the medical office building (MOB) located on the aforementioned land and then leases the MOB to the District. Lease expense for the years ended June 30, 2020 and 2019 regarding this agreement were \$240,514 and \$231,983, respectively. The District has subleased portions of the MOB to the Stockton Cardiology Medical Group and others, and to the Corporation. Lease revenues under the subleasing arrangements and other arrangements were \$220,778 and \$211,883 for the years ended June 30, 2020 and 2019, respectively.

NOTE G - DIGNITY HEALTH LEASE

On May 31, 2019, 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 31st 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, 2020 and 2019 were comprised of the following:

	<u>Balance at June 30, 2019</u>	<u>Transfers & Additions</u>	<u>Disposals & Retirements</u>	<u>Balance at June 30, 2020</u>
Land and land improvements	\$ 1,339,564	\$ 1,624,427		\$ 2,963,991
Buildings and improvements	4,568,729	5,639,039		10,207,768
Equipment	698,156	858,949		1,557,105
Construction-in-progress	<u>4,391,785</u>	<u>(4,388,448)</u>		<u>3,337</u>
Totals at historical cost	10,998,234	3,733,967		14,732,201
Less accumulated depreciation for:				
Land and land improvements	(136,783)	(135,220)		(272,003)
Buildings and improvements	(4,510,688)	(330,251)		(4,840,939)
Equipment	<u>(694,619)</u>	<u>(89,997)</u>		<u>(784,616)</u>
Total accumulated depreciation	<u>(5,342,090)</u>	<u>(555,468)</u>		<u>(5,897,558)</u>
Total property and equipment, net	<u>\$ 5,656,144</u>	<u>\$ 3,140,298</u>	<u>\$</u>	<u>\$ 8,834,643</u>

	<u>Balance at June 30, 2018</u>	<u>Transfers & Additions</u>	<u>Disposals & Retirements</u>	<u>Balance at June 30, 2019</u>
Land and land improvements	\$ 1,339,564			\$ 1,339,564
Buildings and improvements	4,568,729			4,568,729
Equipment	698,156			698,156
Construction-in-progress	<u>601,422</u>	<u>\$ 3,790,363</u>		<u>4,391,785</u>
Totals at historical cost	7,207,871	3,790,363		10,998,234
Less accumulated depreciation for:				
Land and land improvements	(134,397)	(2,386)		(136,783)
Buildings and improvements	(4,491,517)	(19,171)		(4,510,688)
Equipment	<u>(692,985)</u>	<u>(1,634)</u>		<u>(694,619)</u>
Total accumulated depreciation	<u>(5,318,899)</u>	<u>(23,191)</u>		<u>(5,342,090)</u>
Total property and equipment, net	<u>\$ 1,669,268</u>	<u>\$ 219,704</u>	<u>\$</u>	<u>\$ 5,656,144</u>

MARK TWAIN HEALTH CARE DISTRICT

NOTE I - DEBT BORROWINGS

On August 8, 2019, the District’s Board of Directors adopted Resolution 2019-11 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, 2020 and 2019, debt borrowings are as follows:

	<u>2020</u>	<u>2019</u>
Mark Twain Health Care District Certificates of Participation, Series A (2019 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:	\$ 6,355,305	\$ 3,812,784
Mark Twain Health Care District Certificates of Participation, Series B (2019 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>22,000</u>	<u>34,000</u>
	6,377,305	3,846,784
Less current maturities of debt borrowings	<u>(146,000)</u>	<u>(133,000)</u>
	<u>\$ 6,231,305</u>	<u>\$ 3,713,784</u>

Future principal maturities for debt borrowings for the next succeeding five years are \$146,000 in 2021; \$147,000 in 2022; \$142,000 in 2023; \$149,000 in 2024; and \$154,000 in 2025.

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, 2020 the District has recorded \$3,337 as construction-in-progress representing cost capitalized towards the a pharmacy project. Future costs to complete this project as of June 30, 2020 are not considered material. During the years ended June 30, 2020 and 2019, interest expense of \$52,720 and \$51,907, respectively, were capitalized into the building of the new rural health clinic which came on line in October, 2019 at a total cost of land, building and equipment of approximately \$9 million.

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, 2020 and 2019, was \$240,514 and \$231,983, respectively. Future minimum lease payments for the succeeding years under these leases as of June 30, 2020, 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, 2020 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 -INVESTMENTS

The District's investment balances and average maturities were as follows at June 30, 2020 and 2019:

<i>As of June 30, 2020</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	\$ 12,726,413	\$ 12,726,413		
Total investments	<u>\$ 12,726,413</u>	<u>\$ 12,726,413</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

<i>As of June 30, 2019</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	\$ 15,487,308	\$ 15,487,308		
Total investments	<u>\$ 15,487,308</u>	<u>\$ 15,487,308</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 K - 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.

NOTE L - SUBSEQUENT EVENTS

The District's management has evaluated the effect of significant subsequent events on the financial statements through May 11, 2021, the date the financial statements are issued, and determined that there are no other material subsequent events that have not been disclosed.