

Mendocino Coast Health Care District Treasurer's Report

General Notes:

1. With some exceptions, the transfer of banking authority is progressing. Hopefully, we will have access to the accounts and funds in Bank of America and Tri-Counties Bank sometime next week.
2. Lee Finney and I met with Kristine McKee on Tuesday. Christine provided us with a whirlwind tour of Quickbooks and a number of tasks, including a recommendation that the District open a Post Office Box to avoid confusions as happened with the County tax remittances recently.
3. I discovered that the District had been paying \$914 per quarter for "search engine optimization" on the non-existent Mendocino Coast Hospital website. We are no longer doing that.
4. I received a notice from the IRS assessing the District for \$286,000 for failing to provide health insurance to 286 non-existent employees for the months July through December 2020, post affiliation. I am confident this is due to an error in reporting post-affiliation, but I want legal help on this one.
5. Both budgets presented in this report were prepared by the prior Treasurer, John Redding, and were approved by the prior Board at their June 30, 2022 Board meeting. By next month, I hope to have revised budgets that include some charges not contained in the budgets attached

Board Tasks

1. I request that the Board approve by motion the payment of the outstanding bills on the Warrant List
2. I request that the Board authorize by motion the assistance of attorney Alexander Zan Henson on the IRS matter referenced above.
3. I request that the Board by motion direct K. McKee & Co. to add the HELP II Loan payment to the automatically authorized monthly payment list to prevent further late charges.

Mendocino Coast Health Care District
Statement of Financial Position
As of January 24, 2023

		Total
ASSETS		
Current Assets		
Bank Accounts		
CASH AND CASH EQUIVALENTS		
BofA xx155 ¹	Unverified	7,500,000.00
BofA AP xx268		174,273.90
BofA HH AP xx743		1,101,689.92
BofA HH PR xx680		21,663.14
BofA Master xx263		3,872,466.67
BofA Payroll xx282		6,238.47
SBMC Core xxxxx660		13,947.48
SBMC Gift Mem xxx686		0.00
SBMC HH xxx678		73,913.84
TRIC Deposit Account - Shared with AH 7219 ²		1,261,360.77
TRIC District AP -Checking (7244)		287,868.20
Verified CASH AND CASH EQUIVALENTS	\$	5,552,061.62
TRIC CIF - Restricted Account 7207		0.00
TRIC Measure C Restricted Fund - 5258		1,464,512.84
TRIC Property Tax Revenue Account 5861		1,025,513.87
TRIC Restricted Measure C (7888) -- Parcel Tax		0.00
Total Verified Bank Accounts	\$	8,042,088.33
Total Current Assets	\$	8,042,088.33
Other Assets		
Local Agency Investment Fund (LAIF)		3,476,401.33
Storage Deposit		1,606.00
Sun Life of Canada 962 shares	\$49.05 USD/share	47,186.10
Sun Life of Canada Dividend (undeposited)		386.14
Undeposited AB-8 and Measure C Funds ³		1,539,893.90
Total Other Assets	\$	5,065,473.47
Accounts Receivable		
Adventist Health Lease Payment	\$	875,000.00
Total Accounts Receivable	\$	875,000.00
TOTAL ASSETS	\$	13,982,561.80

LIABILITIES**Liabilities****Current Liabilities****Accounts Payable**

AHMC Maintenance and Improvement (Redding)	1,091,800.00
HELP II Loan	27,604.04
HELP II Loan Late Payment Penalty	690.00
Operations Accounts Payable (A/P)	6,477.18

Total Accounts Payable	\$ 1,126,571.22
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Other Current Liabilities

CARES Act Refund	\$ 1,300,000.00
United Health Care Loan	420,000.00

Total Other Current Liabilities	\$ 1,720,000.00
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Total Current Liabilities	\$ 2,846,571.22
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Long-Term Liabilities

2016 Refunding Bonds	3,251,216.69
CAL Mortgage Loan	0.00
HELP II Loan 21192275	858,405.30

Total Long-Term Liabilities	\$ 4,109,621.99
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Total Liabilities	\$ 6,956,193.21
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NET ASSETS MINUS LIABILITIES	\$ 7,026,368.59
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EQUITY

Opening Balance Equity ⁴	20,007,286.18
Retained Earnings	-459,306.42
Net Revenue	-196,271.26

TOTAL EQUITY	\$ 19,351,708.50
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NET WORTH	\$ 26,378,077.09
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NOTES:

¹ This amount has not been verified. Access to this account has not been established at this time. Amount is shown, but not calculated in the Financial Position

² This account is primarily if not totally composed of payments to AHMC for services by insurance companies, etc. which will be passed through to AH and therefore are not calculated into the District's Financial Position.

³ This represents the sum total of the August "true-up" of the AB-8 and Measure C tax payments and the December first payment of these revenues. These checks were mis-sorted by Adventist Health and sent to the AH "lock box" in Los Angeles and returned to the District on January 20.

	AB-8 and Misc	Measure C
August 19 FY 2022 True-Up	74,052.55	110,232.34
December FY 2023 First Payment	490,656.31	864,952.70
Totals	564,708.86	975,185.04

⁴ This represents the value of land and improvements owned by the District. This figure allegedly came from a prior Audit, but I have not been able to confirm that.

Based on K. McKee & Co. QuickBooks Statement of Financial Position Report January 24, 2023

Disclaimer: This statement is a "first look" at the MCHCD financial position, was not subjected to an audit, review, or compilation and may contain errors and omissions. The sole purpose of this document is to acquaint the Governing Board of the general status of the District's finances.

Prepared by J. Tippett, Treasurer

District Budget for Fiscal Year 2023

Adopted June 30, 2022

Cash Flow by Month

	CY 2022							CY 2023
	FY2023							
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	
Receipts								
AH Lease Payment	\$ 875,000	<i>already received</i>						\$ 875,000
Measure C Parcel Tax		\$ 135,250						\$ 866,250
District Tax Receipts		\$ 64,058						\$ 503,309
TOTAL PER MONTH	\$ 875,000	\$ 199,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,244,559
Outlays								
Special Parcel Tax Fee, 2% Mendo Co.		\$ 2,705						\$ 17,325
Improvements Fund (maintenance)	\$ 1,091,800							\$ 1,091,800
Revenue Bonds- Refinanced 2016	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933
HELP II Loan	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802
United Health Group								
Feasibility Study for Healthcare Facility	\$ 50,000							\$ 100,000
Board Budget Allocation	\$ 250,000							
TOTAL PER MONTH	\$ 1,452,535	\$ 63,440	\$ 60,735	\$ 60,735	\$ 60,735	\$ 60,735	\$ 60,735	\$ 1,269,860
NET CASH FLOW	\$ (577,535)	\$ 135,867	\$ (60,735)	\$ (60,735)	\$ (60,735)	\$ (60,735)	\$ (60,735)	\$ 974,699
Cumulative Restricted Capital Fund (est.)	\$ 422,465	\$ 558,332	\$ 497,597	\$ 436,861	\$ 376,126	\$ 315,391	\$ 1,290,090	

District Budget for Fiscal Year 2023
Adopted June 30, 2022

Cash Flow by Month						Annual
	Feb.	Mar.	Apr.	May	June	
Receipts						
AH Lease Payment						\$ 1,750,000
Measure C Parcel Tax			\$ 598,500			\$ 1,575,000
District Tax Receipts			\$ 347,741			\$ 915,108
TOTAL PER MONTH	\$ -	\$ -	\$ 946,241	\$ -	\$ -	\$ 4,265,108
Outlays						
Special Parcel Tax Fee, 2% Mendo Co.			\$ 11,970			\$ 32,000
Improvements Fund (maintenance)						\$ 2,183,600
Revenue Bonds- Refinanced 2016	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 46,933	\$ 563,200
HELP II Loan	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 13,802	\$ 165,624
United Health Group			\$ 223,650			\$ 223,650
Feasibility Study for Healthcare Facility					\$ 50,000	\$ 200,000
Board Budget Allocation						\$ 250,000
TOTAL PER MONTH	\$ 60,735	\$ 60,735	\$ 296,355	\$ 60,735	\$ 110,735	\$ 3,618,074
NET CASH FLOW	\$ (60,735)	\$ (60,735)	\$ 649,886	\$ (60,735)	\$ (110,735)	\$ 647,034
Cumulative Restricted Capital Fund (est.)	\$ 1,229,354	\$ 1,168,619	\$ 1,818,505	\$ 1,757,769	\$ 1,647,034	\$ 1,647,034

Board Budget for Fiscal Year 2023

Adopted June 30, 2022

Cash Flow by Month

Expenses

	CY 2022			
	FY2023			
	July	Aug.	Sept.	Oct.
Employee costs			\$ 1,313	
Payroll Expenses	\$ -	\$ -	\$ 158	\$ -
Legal Services	\$ 675	\$ 1,395	\$ -	\$ 18,599
Contributions to HRA accounts (max)	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
Annual Fee to P&A		\$ 1,000		\$ 3,204
Financial Services K. McKee & Co.	\$ 400	\$ 505	\$ 2,642	\$ 645
Beta Insurance -- D&O				
Beta Insurance -- Tail Health Care Liability	\$ 866	\$ 866	\$ 866	\$ 866
DZA Audit			\$ 19,500	
County Property Tax Administrative Services				
BNY Mellon				
Willdan Financial Services	1600			
Office Expenses	\$ 467	\$ 217	\$ 132	\$ 300
Utilities				
Storage per month	\$ 720	\$ 720	\$ 720	\$ 720
Board training				
Rackspace server	\$ 105	\$ 105	\$ 105	\$ 105
Streamline (website management)	\$ 200	\$ 200	\$ 200	\$ 200
Hubs & Routes	\$ 737			
CA Special Districts Association	\$ 3,154			
Sum of Expenses	\$ 11,324	\$ 7,408	\$ 28,036	\$ 27,039
Contingency	\$ 1,132	\$ 741	\$ 2,804	\$ 2,704
Net Operating Balance	\$ 237,544	\$ (8,148)	\$ (30,840)	\$ (29,743)
Cumulative Cash Flow	\$ 237,544	\$ 229,395	\$ 198,555	\$ 168,813
Withdrawal from LAIF to balance the budget				

Board Budget for Fiscal Year 2023

Adopted June 30, 2022

Cash Flow by Month

	CY 2023			
	Nov.	Dec.	Jan.	Feb.
Expenses				
Employee costs	\$ 3,713			\$ 5,220
Payroll Expenses	\$ -	\$ -	\$ -	\$ 626
Legal Services	\$ 19,457	\$ 3,477	\$ 5,110	\$ 4,167
Contributions to HRA accounts (max)	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
Annual Fee to P&A	\$ 350		\$ 1,250	
Financial Services K. McKee & Co.	\$ 645	\$ 645	\$ 645	\$ 300
Beta Insurance -- D&O				
Beta Insurance -- Tail Health Care Liability	\$ 866	\$ 866	\$ 866	\$ 866
DZA Audit				
County Property Tax Administrative Services				
BNY Mellon			\$ 3,075	
Willdan Financial Services			\$ 250	
Office Expenses	\$ 132	\$ 132	\$ 152	\$ 50
Utilities				\$ 83
Storage per month	\$ 720	\$ 720	\$ 720	\$ 720
Board training			\$ 1,000	
Rackspace server	\$ 105	\$ 105	\$ 105	\$ 105
Streamline (website management)	\$ 200	\$ 200	\$ 200	\$ 100
Hubs & Routes				
CA Special Districts Association				
Sum of Expenses	\$ 28,588	\$ 8,544	\$ 15,773	\$ 14,637
Contingency	\$ 2,859	\$ 854	\$ 1,577	\$ 1,464
Net Operating Balance	\$ (31,446)	\$ (9,399)	\$ (17,350)	\$ (16,101)
Cumulative Cash Flow	\$ 137,366	\$ 127,968	\$ 110,617	\$ 94,516
Withdrawal from LAIF to balance the budget				

Board Budget for Fiscal Year 2023

Adopted June 30, 2022

Cash Flow by Month

	Mar.	Apr.	May	June
Expenses				
Employee costs	\$ 5,220	\$ 5,220	\$ 5,220	\$ 5,220
Payroll Expenses	\$ 626	\$ 626	\$ 626	\$ 626
Legal Services	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167
Contributions to HRA accounts (max)	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
Annual Fee to P&A				
Financial Services K. McKee & Co.	\$ 300	\$ 300	\$ 300	\$ 300
Beta Insurance -- D&O			\$ 23,123	
Beta Insurance -- Tail Health Care Liability	\$ 866	\$ 866	\$ 866	\$ 866
DZA Audit				
County Property Tax Administrative Services				\$ 16,680
BNY Mellon				
Willdan Financial Services				
Office Expenses	\$ 50	\$ 50	\$ 50	\$ 50
Utilities	\$ 83	\$ 83	\$ 83	\$ 83
Storage per month	\$ 720	\$ 720	\$ 720	\$ 720
Board training				
Rackspace server	\$ 105	\$ 105	\$ 105	\$ 105
Streamline (website management)	\$ 100	\$ 100	\$ 100	\$ 100
Hubs & Routes				
CA Special Districts Association				
Sum of Expenses	\$ 14,637	\$ 14,637	\$ 37,760	\$ 31,317
Contingency	\$ 1,464	\$ 1,464	\$ 3,776	\$ 3,132
Net Operating Balance	\$ (16,101)	\$ (16,101)	\$ (41,537)	\$ (34,449)
Cumulative Cash Flow	\$ 78,415	\$ 62,314	\$ 20,777	\$ (13,672)
Withdrawal from LAIF to balance the budget				

Board Budget for Fiscal Year 2023

Adopted June 30, 2022

Cash Flow by Month	July - Jan Actual + Budgeted	Remaining Budget	Original Budget By Line Item
Expenses			
Employee costs	\$ 31,126	\$ 31,514	\$ 62,640.00
Payroll Expenses	\$ 3,290	\$ 4,227	\$ 7,516.80
Legal Services	\$ 69,545	\$ (19,545)	\$ 50,000.00
Contributions to HRA accounts (max)	\$ 28,800	\$ -	\$ 28,800.00
Annual Fee to P&A	\$ 5,804	\$ (4,554)	\$ 1,250.00
Financial Services K. McKee & Co.	\$ 7,627	\$ (4,027)	\$ 3,600.00
Beta Insurance -- D&O	\$ 23,123	\$ -	\$ 23,123.00
Beta Insurance -- Tail Health Care Liability	\$ 10,393	\$ -	\$ 10,393.08
DZA Audit	\$ 19,500	\$ -	\$ 19,500.00
County Property Tax Administrative Services	\$ 16,680	\$ -	\$ 16,679.91
BNY Mellon	\$ 3,075	\$ -	\$ 3,075.00
Willdan Financial Services	\$ 1,850	\$ 735	\$ 2,585.00
Office Expenses	\$ 1,781	\$ (1,181)	\$ 600.00
Utilities	\$ 417	\$ 583	\$ 1,000.00
Storage per month	\$ 8,640	\$ -	\$ 8,640.00
Board training	\$ 1,000	\$ -	\$ 1,000.00
Rackspace server	\$ 1,260	\$ -	\$ 1,260.00
Streamline (website management)	\$ 1,900	\$ (700)	\$ 1,200.00
Hubs & Routes	\$ 737	\$ 4,263	\$ 5,000.00
CA Special Districts Association	\$ 3,154	\$ -	\$ 3,154.00
Sum of Expenses	\$ 239,702	\$ 11,315	\$ 251,016.79
Contingency	\$ 23,970		\$ 25,101.68
Net Operating Balance	\$ (13,672)		\$ (26,118.47)
Cumulative Cash Flow			
Withdrawal from LAIF to balance the budget	\$ 13,672		\$ 26,118.47

District Operating Budget

Updated to

1/26/2023

Mendocino Coast Health Care District Warrant List

November 30, 2022 - January 26, 2023

Payee	For	Date Last Paid	Amount
Automated Payments			
BNY Mellon -	Revenue Bond	1/1/2023	46,933.33
Bank of America	Analysis Charge	12/15/2022	1,105.87
Mendocino Community Network	Fusion Service 775	1/1/2022	131.77
Pelican Storage	Surplus Storage	1/25/2023	720.00
Past Payments			
		Date Paid	Amount
Bank of America Analysis Charge	Bank Charge	12/15/2022	712.47
Eastshore Consulting	Measure C	12/19/2022	10,000.00
K. Mckee & Co.	Accounting	12/2/2022	245.00
K. Mckee & Co.	Accounting	12/13/2022	400.00
K. Mckee & Co.	Accounting	1/3/2023	245.00
K. Mckee & Co.	Accounting	1/13/2023	400.00
Melio	Accounting	11/30-12/19/2022	45.00
* Streamline	Web Hosting	1/22/2023	200.00
Payments Due			
		Due Date	Amount
AHMC Maintenance and Improvement		1/30/2023	1,091,800.00
Best , Best and Krieger	Legal Services	1/18/2023	5,110.00
* HELP II Loan	Loan Payment	12/30/2022	13,802.02
Late Payment Penalty	Bank Penalty	12/30/2022	690.00
* HELP II Loan	Loan Payment	1/30/2023	13,802.02
K. McKee & Co.	Additional work	1/30/2023	831.25
Mendocino Community Network	Fusion 775	1/5/2023	251.93
Wildan Financial Services	Bond Compliance	1/30/2023	250.00
WordPress (mchcdorg.org) Sara	Web Hosting (Closed)	1/30/2023	9.00