

Chief Executive Officer  
Ryan Harris



Board of Directors  
Jeanne Utterback, President  
Abe Hathaway, Vice President  
Tami Humphry, Treasurer  
Lester Cufaude, Secretary  
James Ferguson, Director

Finance Committee  
**Meeting Agenda**  
February 25, 2026 @ 11am  
Mayers Memorial Healthcare District  
Burney Annex Boardroom  
20647 Commerce Way  
Burney, CA 96013

In observance of the Americans with Disabilities Act, please notify us at 530-336-5511, Ext 1130 at least 48 hours in advance of the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations. The District will make every attempt to accommodate your request.

**Attendees**

Tami Vestal-Humphry, Committee Chair, Board Member  
Abe Hathaway, Board Member  
Ryan Harris, CEO  
Travis Lakey, CFO  
Lisa Neal, Board Clerk

				<b>Approx. Time Allotted</b>
<b>1</b>	<b>CALL MEETING TO ORDER</b>			
<b>2</b>	<b>CALL FOR REQUEST FROM THE AUDIENCE - PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS</b>			
	Persons wishing to address the Board are requested to fill out a "Request Form" prior to the beginning of the meeting (forms are available from the Clerk of the Board (M-W), 43563 Highway 299 East, Fall River Mills, or in the Board Room). If you have documents to present for the members of the Board of Directors to review, please provide a minimum of nine copies. When the President announces the public comment period, requestors will be called upon one-at-a time, please stand and give your name and comments. Each speaker is allocated five minutes to speak. Comments should be limited to matters within the jurisdiction of the Board. Pursuant to the Brown Act (Govt. Code section 54950 et seq.) action or Board discussion cannot be taken on open time matters other than to receive the comments and, if deemed necessary, to refer the subject matter to the appropriate department for follow-up and/or to schedule the matter on a subsequent Board Agenda.			
<b>3</b>	<b>APPROVAL OF MINUTES</b>			
	3.1 Finance Board Committee Meeting – January 28, 2026	<b>Attachment A</b>	<b>Action Item</b>	2 min.
<b>4</b>	<b>FINANCIAL REVIEWS/BUSINESS</b>			
	4.1 January 2026 Financials & Accounts Payable (AP)/Accounts Receivable (AR)	<b>Attachment B</b>	<b>Action Item</b>	5 min.
	4.2 Board Quarterly Finance Review		<b>Action Item</b>	5 min.
	4.3 Microsoft Office 365 License Renewal	Jeff Miles	Discussion/ <b>Action Item</b>	5 min.
	4.4 Wipfli Annual Audit Summary	<b>Attachment C</b>	Discussion/ <b>Action Item</b>	10 min.
<b>5</b>	<b>ADMINISTRATIVE REPORT</b>	<b>Attachment D</b>	Report	5 min.
<b>6</b>	<b>OTHER INFORMATION/ANNOUNCEMENTS</b>		Information	5 min.
<b>7</b>	<b>ADJOURNMENT: Next Finance Board Committee Meeting – March 25, 2026</b>			

Posted: 02.19.26

Public records which relate to any of the matters on this agenda (except Closed Session items), and which have been distributed to the members of the Board, are available for public inspection at the office of the Clerk to the Board of Directors, 43563 Highway 299 East, Fall River Mills, CA 96028. This document and other Board of Directors documents are available online at [www.mayersmemorial.com](http://www.mayersmemorial.com).



Board of Directors  
**Finance Committee Minutes**  
January 28, 2026 @ 11:00 am  
Mayers Memorial Healthcare District  
Fall River Boardroom  
43563 Highway 299 East  
Fall River Mills, CA 96028

*These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.*

1	<b>CALL MEETING TO ORDER:</b> Tami Humphry called the meeting to order at 11:00 am on the above date.		
	<b>BOARD MEMBERS PRESENT:</b>  Tami Vestal-Humphry, Committee Chair Abe Hathaway, Vice President  <b>ABSENT:</b> Lisa Neal, Board Clerk	<b>STAFF PRESENT:</b>  Ryan Harris, CEO Travis Lakey, CFO Libby Mee, CHRO Jessica DeCoito, COO & acting Board Clerk	
2	<b>CALL FOR REQUEST FROM THE AUDIENCE – PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS – None.</b>		
3	<b>APPROVAL OF MINUTES:</b>		
	3.1 Regular Finance Committee Meeting December 10, 2025. Minutes attached. Motion moved, seconded, and carried to accept the meeting minutes of December 10, 2025.	<i>Hathaway/Harris</i>	<i>Approved by All</i>
4	<b>FINANCIAL REVIEWS</b>		
	4.1 November 2025 Financials & Accounts Payable (AP)/Accounts Receivable (AR) Motion moved, seconded, and carried to approve the financials. Days cash on hand are 154, and AR days are at 83.	<i>Humphry/Hathaway</i>	<i>Approved by All</i>
	4.2 December 2025 Financials & Accounts Payable (AP)/Accounts Receivable (AR) Motion moved, seconded, and carried to approve the financials. Days cash on hand are 170, and AR days are at 77. Rate range payment is expected on Tuesday, February 3 <sup>rd</sup> . Finance board members confirmed that the CEO and CFO can reinvest funds into Ginnie Mae.	<i>Humphry/Hathaway</i>	<i>Approved by All</i>
5	<b>ADMINISTRATIVE REPORT:</b> We researched an opportunity with an organization that would look at a full audit of our structure, staffing, services, etc., at no cost to us. The National Rural Health Resource Center has opportunities available that we will continue to apply for. Currently, our financial situation is healthy, and we don't meet their qualifications. A requisition form is being developed for new job positions within the district. Retail Pharmacy looks great with a permanent Retail Pharmacist starting this week.		
6	<b>OTHER INFORMATION/ANNOUNCEMENTS:</b> RHTP will return the budget to the federal department for approval. They have 45 days to return the approval to the states. There are many details still to be worked out for the hub-and-spoke model, especially for Northern California hospitals that transfer to out-of-state facilities. Of the \$40 million planned for California, 16 hospitals considered distressed are more likely to receive the funds than us, and we are financially healthy at this time. MRI has been successful, and we are trying to secure a permanent second day from the group. We have February full of appointments and a backlog of referrals being worked through, which will likely book up March quickly.		
7	<b>ADJOURNMENT:</b> 11:47 am Next Finance Committee Meeting: February 25, 2026		

<b>MAYERS MEMORIAL HOSPITAL</b>							
Statistical Data							
Fiscal Year Ending JUNE 30, 2026							
COMPARISON TO ACTUAL							
2026	2025			<b>FY 2026</b>	<b>FYE 2025</b>		
<b>January</b>	<b>December</b>			<b>YTD</b>	<b>YTD</b>		
<b>Actual</b>	<b>Actual</b>	Variance	<b>VOLUME:</b>	<b>Actual</b>	<b>Actual</b>	Variance	<b>% Increase or Decrease</b>
<b>DISCHARGES</b>							
23	11	12	Acute	108	98	10	10.22%
10	9	1	Swing Bed	75	53	22	41.52%
3	1	2	Skilled Nursing Care (DISCHG)	37	25	12	48.02%
3	3	0	Observations	38	44	(6)	-13.61%
<b>PATIENT DAYS</b>							
73	34	39	Acute	350	374	(24)	-6.41%
116	90	26	Swing Bed	773	468	305	65.22%
2,200	2,144	56	Skilled Nursing Care	14,781	16,605	(1824)	-11.01%
<b>LENGTH OF STAY</b>							
3.17	3.09	0	Acute	3.24	3.82	(1)	-15.11%
11.60	10.00	2	Swing Bed	10.31	8.83	1	16.72%
			Skilled Nursing Care				
<b>AVERAGE DAILY CENSUS</b>							
2.35	1.10	1	Acute	1.63	1.74	(0)	-6.41%
3.74	2.90	1	Swing Bed	3.60	2.18	1	65.22%
70.97	69.16	2	Skilled Nursing Care	68.75	77.23	(8)	-11.01%
<b>ANCILLARY SERVICES</b>							
		0	Surgery Inpatient Visits			0	
15	18	(3)	Surgery OP/ procedure visits	111	90	21	23.32%
482	440	42	Emergency Room Visits	3,071	2,635	436	16.52%
129	194	(65)	Outpatient Services Procedures	1,109	922	187	20.32%
750	726	24	Laboratory Visits	4,603	4,430	173	3.92%
594	573	21	Radiology Procedures	3,861	3,588	273	7.62%
646	691	(45)	Physical Therapy Procedures	4,776	4,198	578	13.82%
206	190	16	Cardiac Rehab	1,362	1,286	76	5.92%
79	76	3	Telemedicine visits	561	465	96	20.62%
18	13	5	Admissions from ER	98	106	(8)	-7.51%
26	21	5	Transfers from ER	158	148	10	6.82%
941	852	89	Clinic Visits	5,382	4,064	1318	32.42%
67	44	23	Ambulance	393	411	(18)	-4.41%
<b>PRODUCTIVITY:</b>							
Productive FTE's							
6.29	5.78		Nursing - Acute	5.39	6.82		
33.56	34.28		Long Term Care	34.06	38.61		
58.68	52.29		Ancillary	55.13	56.46		
64.04	63.03		Service	64.91	69.75		
162.57	155.38		Total Productive	159.50	171.64		
115.64	113.43		Non-Productive FTE's	107.10	94.59		
278.21	268.81		Paid FTE's	266.60	266.23		
<b>PRODUCTIVE FTE PER ADJUSTED OCCUPIED BED</b>							
2.09	2.13			2.24	2.51		

# MAYERS MEMORIAL HOSPITAL

## Balance Sheet

	JAN 2026	JAN 2025
Cash - General, Payroll, & Petty Cash	12,159,585	35,886,220
Reserve Cash (Unrestricted)	1,961,269	1,899,687
Restricted Cash	1,848,169	2,475,368
<b>Cash</b>	<u>15,969,023</u>	<u>40,261,275</u>
Mortgage-Based Securities-Available for Sale	7,992,176	0
Patient Accounts Receivable	14,778,491	14,862,057
Patient Allowances	(7,168,250)	(4,280,181)
Net Patient Accounts Receivable	7,610,241	10,581,876
Shasta County Tax Receivables	(82,703)	(482,518)
Inventories	1,262,452	722,357
Other Accounts Receivable	198,251	3,595
Prepaid Expenses	914,629	1,397,170
Medicare/Medi-Cal Settlements	20,949,877	3,759,906
<b>Total Current Assets</b>	<u>54,813,947</u>	<u>56,243,660</u>
<b>Property, Plant, &amp; Equipment</b>		
Land and Building Improvements	3,969,852	3,969,852
Building and Fixed Equipment	40,243,314	39,949,782
Equipment	16,581,410	16,106,638
SBITA Asset	4,823,113	4,053,816
Construction in Progress	4,429,133	2,266,727
Accumulated Depreciation	(31,833,313)	(29,867,382)
Accumulated Amortization-Leases CBS	(131,176)	(121,663)
Accumulated Amortization-SBITA's	(568,024)	(261,777)
<b>Total Property, Plant &amp; Equipment</b>	<u>37,514,309</u>	<u>36,095,994</u>
<b>Total Assets</b>	92,328,256	92,339,654
Accounts Payable	1,199,435	2,260,344
Payroll and Related Liabilities	1,450,576	1,108,791
Current Subscription Liability	468,455	56,818
Accrued Interest	323,940	196,965
HQAF Payable	0	1,802,375
Notes & Loans Payable	139,682	618,350
IGT Payable	1,257,406	(18,315)
<b>Total Current Liabilities</b>	<u>4,840,036</u>	<u>6,025,329</u>
<b>Long Term Debt</b>		
2011 CABs	1,265,803	1,386,054
GO Bond/CABS	1,265,803	1,386,054
Leases	275,425	(17,310)
Due To/From CHFFA - Long Term	1,055,563	1,196,702
Notes & Loans Payable/CHFFA	1,055,563	1,196,702
GO Bond Series B & Refunding USDA	19,215,000	19,241,000
Capital Leases & Settlement Payments	20,545,989	20,420,392
Long Term Subscription Liability	3,072,501	3,562,997
<b>Total Long-Term Debt</b>	<u>24,884,292</u>	<u>25,369,443</u>
<b>Fund Balance</b>		
Restricted Fund Balance	29,664	29,061
Restricted Fund Balance-Hospital	4,508,543	2,877,710
Fund Balance - Hospital	58,533,065	58,038,111
<b>Total Fund Balance</b>	<u>62,603,927</u>	<u>60,944,882</u>
<b>Liabilities and Fund Balance</b>	92,328,256	92,339,654
<b>Current Ratio</b>	11.33	9.33

**MAYERS MEMORIAL HOSPITAL**

Statement of Revenue and Expenses  
Fiscal Year Ending JUNE 30, 2026  
COMPARISON TO ACTUAL

2026 JANUARY Month Actual	2025 JANUARY Month Actual		2026 JANUARY YTD Actual	2025 JANUARY YTD Actual		
		<b>Patient Revenue</b>				
1,388,454	932,051	456,404	7,896,654	6,209,131	1,687,523	27.18%
1,177,942	1,363,396	(185,454)	8,501,849	9,448,929	(947,080)	-10.02%
464	0	464	464	815	(351)	-43.05%
3,822,505	3,297,001	525,505	25,644,129	22,284,489	3,359,640	15.08%
(165,441)	(81,240)	(84,201)	(873,405)	(293,206)	(580,200)	197.88%
<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0	0.00%
6,223,925	5,511,207	712,718	41,169,692	37,650,159	3,519,533	9.35%
		<b>Patient Revenue</b>				
1,176,308	2,262,242	(1,085,934)	(4,576,170)	3,374,566	(7,950,736)	-346.67%
(253,943)	(144,501)	(109,442)	(2,313,874)	(2,481,613)	167,738	-6.76%
(26,087)	(338,169)	312,082	(144,886)	(510,053)	365,168	-71.59%
(22,873)	(4,472)	(18,401)	(156,476)	(104,562)	(51,914)	49.65%
(28,892)	(23,257)	(5,635)	(384,445)	(421,082)	36,636	-8.70%
<u>1,035,427</u>	<u>1,751,842</u>	(907,329)	<u>(7,575,851)</u>	<u>(142,744)</u>	<u>(7,433,107)</u>	-384.07%
		14,455	1,041,081	691,851	349,230	50.48%
152,351	137,896	14,455	<u>1,041,081</u>	<u>691,851</u>	349,230	50.48%
7,220,789	7,400,946	(180,157)	34,634,922	38,199,266	(3,564,345)	-324.25%
		<b>Net Revenue</b>				
1,825,149	1,766,023	59,126	14,242,373	13,910,264	332,108	2.39%
573,014	1,741,852	(1,168,837)	4,076,793	4,579,304	(502,511)	-10.97%
370,494	399,829	(29,335)	2,724,408	2,608,125	116,283	4.46%
160,192	91,077	69,116	954,776	782,559	172,218	22.01%
2,816	2,642	174	42,747	46,393	(3,647)	-7.86%
16,107	3,521	12,586	56,642	10,454	46,188	441.81%
8,798	14,126	(5,328)	54,741	81,056	(26,315)	-32.47%
6,708	2,309	4,400	66,422	36,735	29,686	80.81%
194,621	113,674	80,947	1,175,328	957,198	218,130	22.79%
67,038	30,446	36,592	460,350	139,156	321,194	230.82%
271,737	303,781	(32,044)	1,963,965	2,077,278	(113,314)	-5.45%
105,164	105,758	(593)	633,553	770,244	(136,691)	-17.75%
443,940	439,984	3,955	3,057,867	2,986,677	71,189	2.38%
231,179	237,730	(6,550)	1,975,438	1,430,497	544,466	38.09%
15,444	30,331	(14,888)	180,542	249,316	(68,773)	-27.58%
121,021	131,762	(10,741)	787,217	823,696	(36,479)	-4.43%
49,241	37,521	11,720	416,244	290,116	126,128	43.48%
107,498	130,451	(22,953)	1,082,189	946,197	136,059	14.38%
39,542	36,680	2,862	535,970	587,827	(51,857)	-8.82%
154,804	168,965	(14,161)	1,401,039	1,230,979	170,060	13.81%
10,144	57,585	(47,442)	77,980	126,083	(48,102)	-38.15%
<u>4,136,089</u>	<u>5,292,387</u>	(1,156,297)	<u>31,733,454</u>	<u>30,726,279</u>	<u>1,007,176</u>	3.28%
		<b>Income From Operations</b>				
3,084,700	2,108,559	976,141	2,901,467	7,472,988	(4,571,520)	-327.53%
		35,177	194,656	0	194,656	0.00%
35,177	0	35,177	4,726,352	3,153,144	1,573,207	49.89%
686,966	386,414	300,552	559,920	711,119	(151,199)	-21.26%
53,404	87,927	(34,523)	2,905,235	2,267,202	638,033	28.14%
425,967	371,108	54,859	<u>2,905,235</u>	<u>2,267,202</u>	638,033	28.14%
349,580	103,234	246,347	2,575,693	1,597,061	978,632	61.28%
		<b>Total Non-Operating</b>				
3,434,280	2,211,793	1,222,487	5,477,160	9,070,049	(3,592,888)	-266.25%
		<b>Net Income</b>				

**MAYERS MEMORIAL HOSPITAL  
NON-OPERATING REVENUE AND EXPENSE  
RETAIL PHARMACY**

2026 JANUARY Month Actual	2025 JANUARY Month Actual	Variance		2026 JANUARY YTD Actual	2025 JANUARY YTD Actual	Variance	Increase Decrease %
<b>Retail Pharmacy Revenue</b>							
151,689	79,479	72,210	Retail Pharmacy Revenue	982,413	587,788	394,626	67.14%
(38)	58,415	(58,453)	Retail Pharmacy Revenue	3,479	151,685	(148,206)	-97.71%
1,021	807	214	Retail Pharmacy Revenue	11,580	110,922	(99,341)	-89.56%
63,231	53,305	9,927	Private	377,956	447,116	(69,161)	-15.47%
276,906	194,409	82,497	Third Party	2,159,517	1,259,987	899,530	71.39%
492,809	386,414	106,395	<b>Non-Operating Revenue</b>	3,534,946	2,557,498	977,448	38.22%
<b>Non-Operating Expenses</b>							
17,795	14,406	3,389	Salaries & Wages	128,656	119,106	9,550	8.02%
1,646	618	1,028	Employee Benefits	9,572	7,403	2,169	29.30%
15	369	(354)	Other Purchased Services	952	4,854	(3,902)	-80.40%
1,623	1,160	464	Utilities	12,583	7,859	4,724	60.11%
0	850	(850)	Repairs	0	850	(850)	-100.00%
0	0	0	2011 G.O. Bond	0	0	0	0.00%
217	2,114	(1,896)	Other	5,443	31,000	(25,557)	-82.44%
2,858	2,858	0	Depreciation	19,823	19,823	0	0.00%
11	8	3	Rent - Lease	76	46	30	66.00%
389,716	360,534	29,182	<b>Total Non-Operating Expense</b>	2,813,701	2,228,659	585,042	26.25%
103,093	25,880	77,213	<b>Net Income (Loss)</b>	721,245	328,838	392,406	11.97%

### RHC INCOME STATEMENT

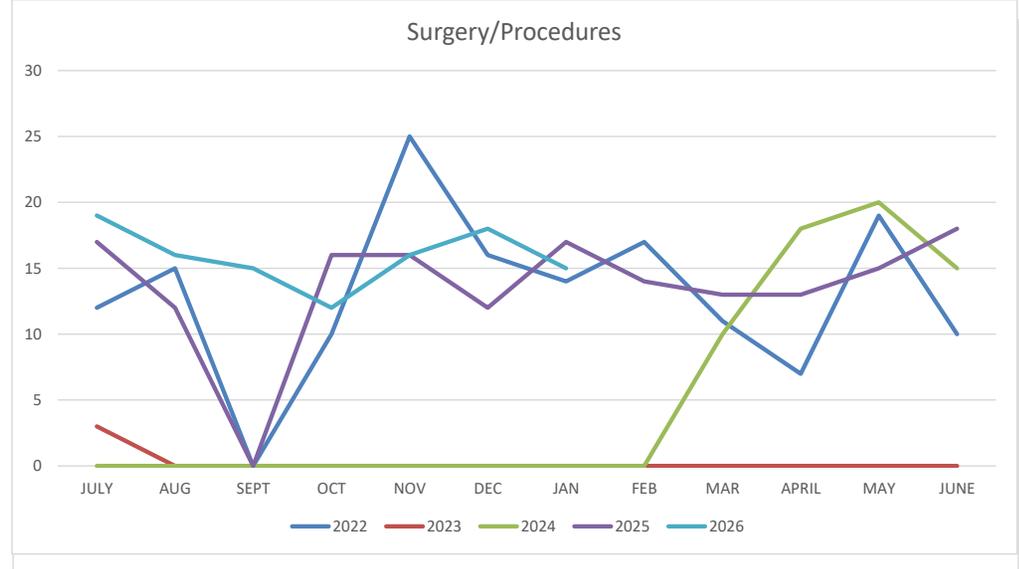
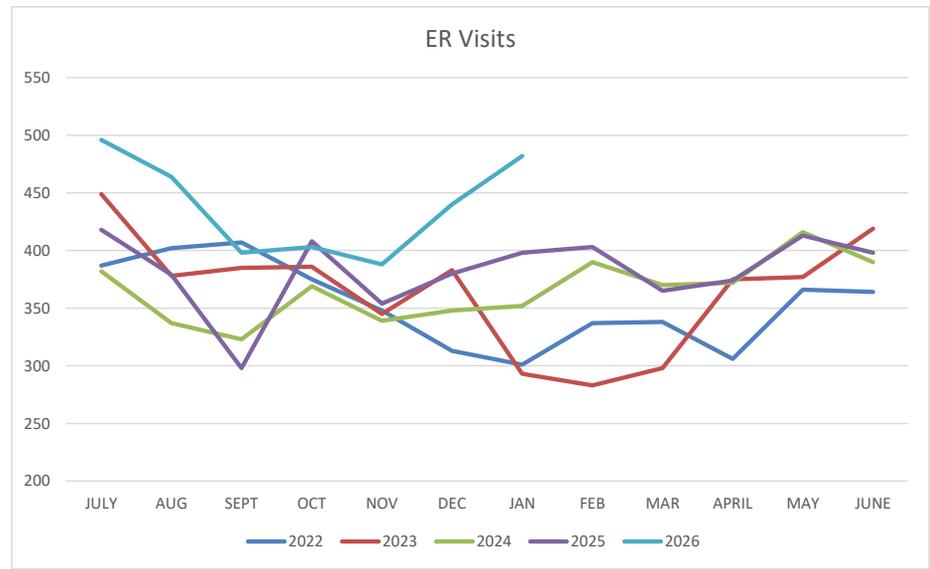
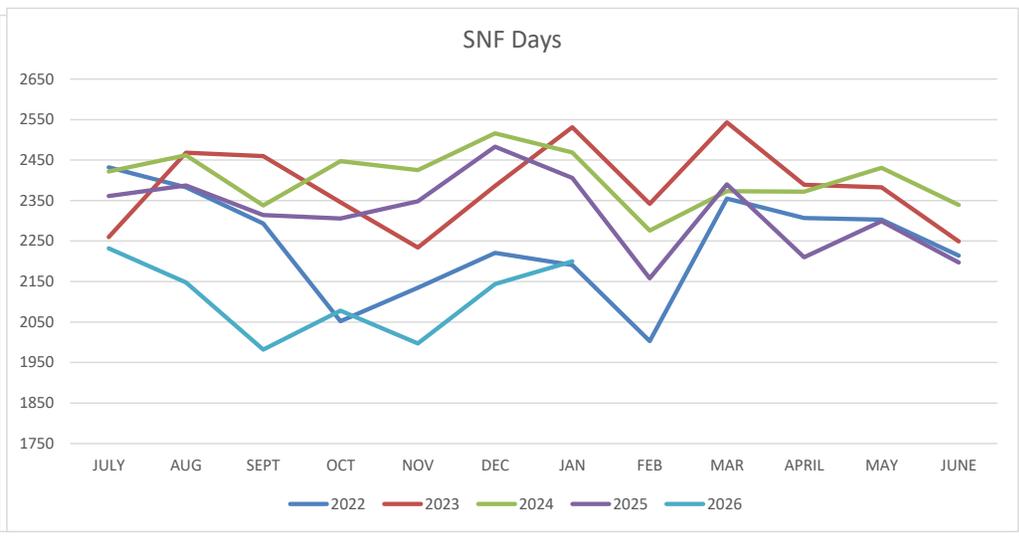
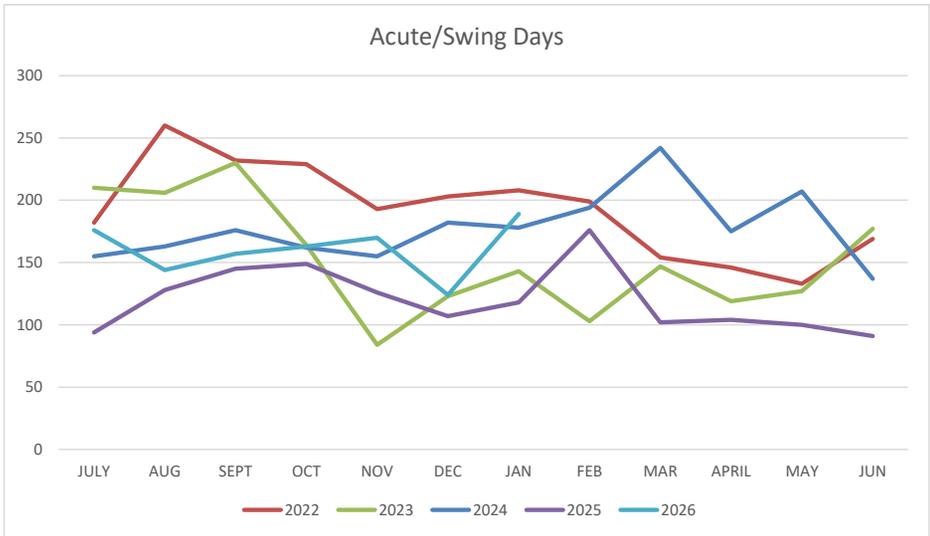
	2025 JUL	2025 AUG	2025 SEP	2025 OCT	2025 NOV	2025 DEC	2026 JAN						YTD JAN
<b>Patient Revenue</b>	153,027	127,661	177,226	154,214	167,775	204,543	228,268	0	0	0	0	0	1,212,714
Net Revenue	153,027	127,661	177,226	154,214	167,775	204,543	228,268	0	0	0	0	0	1,212,714
Other Operating Revenues	10,165	18,670	11,833	6,100	6,295	6,254	6,386	0	0	0	0	0	65,702
Salaries and Wages	125,891	167,809	101,721	102,273	186,638	118,947	111,912	0	0	0	0	0	915,191
Employee Benefits	9,296	11,357	7,458	8,327	11,944	7,828	7,817	0	0	0	0	0	64,026
Supplies	4,468	2,045	13,878	17,518	5,053	8,876	14,447	0	0	0	0	0	66,285
Professional Fees	6,720	12,253	12,300	21,608	788	1,610	1,505	0	0	0	0	0	56,783
Travelers	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Purchased Services	11,188	3,647	15,134	2,434	27,328	52,202	27,880	0	0	0	0	0	139,812
Repairs & Maintenance	0	0	0	93	0	3,308	1,623	0	0	0	0	0	5,025
Utilities	0	0	0	0	0	71	0	0	0	0	0	0	71
Insurance Other	2,082	2,082	2,082	2,082	0	1,963	1,963	0	0	0	0	0	12,254
Other Expenses	1,132	1,366	1,395	1,772	1,636	1,847	3,574	0	0	0	0	0	12,721
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation Expense	4,480	4,480	4,336	4,480	4,336	4,480	4,480	0	0	0	0	0	31,072
Rental/Lease	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Expenses	165,256	205,038	158,304	160,586	237,723	201,132	175,202	0	0	0	0	0	1,303,240
<b>Total Expenses</b>	165,256	205,038	158,304	160,586	237,723	201,132	175,202	0	0	0	0	0	1,303,240
Income from Operations	(2,064)	(58,707)	30,756	(272)	(63,653)	9,665	59,452	0	0	0	0	0	(24,824)

**MAYERS MEMORIAL HOSPITAL**  
**SUMMARY OF SERVICES - DEPOSITS - REFUNDS**  
- Fiscal Year 2026

DATE:	REVENUE / SERVICES	AVERAGE DAILY REVENUE	TOTAL DEPOSITS	MISC. PAYMENTS	MISC. PMTS PT RELATED	PATIENT PAYMENTS	ADJUSTMENT S & WRITE-OFFS	REFUNDS
July 31, 2025	5,888,168.35	189,940.91	3,548,999.06	195,050.52		3,353,948.54	1,815,223.55	1,209.32
August 31, 2025	5,772,268.03	186,202.19	3,785,601.54	239,402.04		3,546,199.50	2,107,867.47	-
September 30, 2025	5,713,769.17	184,315.13	3,452,345.55	171,886.38		3,280,459.17	2,370,480.32	945.01
October 30, 2025	5,725,435.37	184,691.46	3,362,479.66	155,703.80		3,206,775.86	2,214,462.65	5,068.30
November 29, 2025	5,768,172.21	192,272.41	5,802,699.86	445,393.40	243,132.19	5,114,174.27	2,965,164.53	-
December 30, 2025	6,129,705.44	197,732.43	3,953,170.63	174,584.53		3,778,586.10	2,687,061.37	8,889.55
January 29, 2026	6,648,552.72	214,469.44	4,428,128.30	650,604.27		3,777,524.03	2,692,828.07	664.64
February 27, 2026		-						
March 30, 2026		-						
April 29, 2026		-						
May 30, 2026		-						
June 29, 2026		-						
<b>YTD TOTAL</b>	<b>41,646,071.29</b>	<b>192,803.43</b>	<b>28,333,424.60</b>	<b>2,032,624.94</b>	<b>243,132.19</b>	<b>26,057,667.47</b>	<b>16,853,087.96</b>	<b>16,776.82</b>

0.00  
0.00

<b>ACCOUNTS RECEIVABLE AGING</b>				<b>PAYOR MIX - YTD % OF REVENUE</b>				
	December \$ OUTSTANDING	January DAYS OUT	December DAYS OUT		January	December	November	3 MONTH AVERAGE
MEDICARE	6,625,780.44	37.58	38.14	MEDICARE	42.67%	46.11%	44.45%	44.41%
MEDI - CAL	4,685,740.07	26.58	23.53	MEDI - CAL	43.04%	37.97%	37.45%	39.49%
THIRD PARTY	3,039,467.46	17.24	16.23	THIRD PARTY	13.25%	14.29%	16.81%	14.78%
PRIVATE	847,822.67	4.81	4.61	PRIVATE	1.03%	1.63%	1.30%	1.32%
<b>OVERALL</b>	<b>15,198,810.64</b>	<b>78.83</b>	<b>75.45</b>					



**MAYERS MEMORIAL HOSPITAL  
2025-2026 OPERATING ACTUAL**

	2025 JUL	2025 AUG	2025 SEP	2025 OCT	2025 NOV	2025 DEC	2026 JAN							2026 YTD
<b><u>Operating Revenue</u></b>														
Acute Revenue	1,170,920	1,022,453	1,139,258	1,037,729	1,209,392	928,449	1,388,454	0	0	0	0	0	0	7,896,654
Revenue - SNF Inpatient	1,275,568	1,250,728	1,151,163	1,179,290	1,113,183	1,353,976	1,177,942	0	0	0	0	0	0	8,501,849
Patient Revenue	5,783,541	5,862,201	5,785,873	6,006,695	5,527,291	5,980,165	6,223,925	0	0	0	0	0	0	41,169,692
<b><u>Less Deductions</u></b>														
MCMC Contractuals	(1,164,235)	(1,337,958)	(1,325,046)	(1,607,591)	(55,390)	(81,021)	1,393,278	0	0	0	0	0	0	(4,177,963)
Medicare/Medi-Cal Contractuals	(1,138,114)	(1,320,958)	(1,335,327)	(1,640,421)	25,798	(101,341)	1,367,222	0	0	0	0	0	0	(4,143,142)
PPO Contractuals	(477,779)	(397,637)	(511,239)	(245,696)	(255,777)	(171,803)	(253,943)	0	0	0	0	0	0	(2,313,874)
Provision for Bad Debt	7,726	(25,019)	5,693	4,902	12,669	(361,523)	(28,892)	0	0	0	0	0	0	(384,445)
Total Deductions	(1,620,237)	(1,758,547)	(1,896,238)	(1,894,990)	(264,810)	(743,428)	1,035,427	0	0	0	0	0	0	(7,142,823)
Other Operating Revenues	91,446	85,377	94,407	118,188	380,048	119,263	152,351	0	0	0	0	0	0	1,041,081
Net Revenue	4,254,750	4,189,031	3,984,042	4,229,894	5,642,529	5,356,001	7,411,703	0	0	0	0	0	0	35,067,949
Salaries and Wages	1,868,814	2,196,380	1,738,587	1,752,310	3,053,159	1,807,975	1,825,149	0	0	0	0	0	0	14,242,373
Employee Benefits	690,612	465,045	522,311	779,229	530,724	515,858	573,014	0	0	0	0	0	0	4,076,793
Supplies	218,422	425,952	396,270	384,310	421,880	507,079	370,494	0	0	0	0	0	0	2,724,408
Professional Fees	172,673	148,400	197,283	180,759	116,848	164,744	194,621	0	0	0	0	0	0	1,175,328
Travelers	486,338	491,929	426,994	382,646	409,232	416,789	443,940	0	0	0	0	0	0	3,057,867
Other Purchased Services	260,079	314,153	287,239	314,167	298,143	270,477	230,704	0	0	0	0	0	0	1,974,963
Repairs & Maintenance	33,452	28,755	22,037	22,408	20,464	37,983	15,444	0	0	0	0	0	0	180,542
Utilities	136,026	119,768	132,787	89,435	78,854	109,326	121,021	0	0	0	0	0	0	787,217
Insurance Other	129,294	54,417	57,441	50,880	25,730	49,241	49,241	0	0	0	0	0	0	416,244
Other Expenses	163,073	136,150	155,532	158,841	117,080	244,082	107,431	0	0	0	0	0	0	1,082,189
Interest Expense	36,426	36,402	359,606	37,922	36,316	(10,244)	39,542	0	0	0	0	0	0	535,970
Depreciation Expense	180,025	181,124	165,544	134,230	162,863	422,450	154,804	0	0	0	0	0	0	1,401,039
Rental/Lease	10,041	8,460	10,016	10,272	13,965	15,083	10,144	0	0	0	0	0	0	77,980
Operating Expenses	4,385,275	4,606,934	4,471,647	4,297,410	5,285,258	4,550,843	4,135,547	0	0	0	0	0	0	31,732,912
Total Operating Expenses	4,385,275	4,606,934	4,471,647	4,297,410	5,285,258	4,550,843	4,135,547	0	0	0	0	0	0	31,732,912
Net Operating Revenue over Expense	(130,525)	(417,903)	(487,605)	(67,516)	357,271	805,158	3,276,156	0	0	0	0	0	0	3,335,037
Interest Income-MBS	0	0	42,863	44,140	36,529	35,948	35,177	0	0	0	0	0	0	194,656
<b><u>Non-Operating Revenue</u></b>														
Non-Operating Revenue	558,826	544,286	858,111	673,304	612,850	1,168,803	1,063,762	0	0	0	0	0	0	5,479,943
Interest Income	128,804	107,740	86,772	85,895	55,707	41,599	53,404	0	0	0	0	0	0	559,920
Non-Operating Expenses	136,713	394,260	509,652	544,260	428,240	466,144	425,967	0	0	0	0	0	0	2,905,235
Total Non-Operating	550,917	257,766	478,094	259,079	276,846	780,206	726,376	0	0	0	0	0	0	3,329,284
Net Revenue over Expense	420,392	(160,137)	(9,511)	191,563	634,117	1,585,364	4,002,531	0	0	0	0	0	0	6,664,321
Days in Month	31	31	30	31	30	31	31							215
Expenses per Day	135,653	142,768	143,537	134,296	170,746	133,174	128,411	0	0	0	0	0	0	141,078
Days Cash on Hand	279	258	242	251	153	181	187	0	0	0	0	0	0	170
Cash in Bank @ Month End	37,799,303	36,846,067	34,777,954	33,768,026	26,113,729	24,082,447	23,961,199	0	0	0	0	0	0	23,961,199

### ACCOUNTS RECEIVABLE

<u>MONTH</u>	<u>YEAR</u>	<u>CURRENT</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>121-150</u>	<u>151-180</u>	<u>180-365+</u>	<u>TOTAL</u>
JULY	2025	\$5,346,153.31	\$1,625,265.51	\$1,087,089.43	\$718,496.58	\$1,006,777.83	\$559,555.26	\$2,555,422.00	\$12,898,759.92
AUGUST	2025	\$5,719,984.05	\$1,711,329.95	\$1,014,586.94	\$907,466.95	\$670,032.30	\$690,870.70	\$2,416,620.79	\$13,130,891.68
SEPTEMBER	2025	\$5,789,768.61	\$1,809,936.10	\$1,004,234.19	\$865,916.44	\$845,371.73	\$538,780.51	\$2,701,414.71	\$13,555,422.29
OCTOBER	2025	\$6,486,933.77	\$1,953,502.34	\$1,359,903.21	\$792,481.48	\$678,217.88	\$651,312.82	\$3,407,599.15	\$15,329,950.65
NOVEMBER	2025	\$6,370,717.42	\$1,962,778.01	\$1,112,159.22	\$470,227.44	\$240,736.11	\$235,976.65	\$1,337,460.75	\$11,730,055.60
DECEMBER	2025	\$5,697,018.20	\$2,262,743.21	\$1,498,597.66	\$915,828.13	\$747,832.81	\$544,570.17	\$2,880,732.98	14,547,324.16
JANUARY	2026	\$6,297,348.99	\$2,264,088.83	\$1,124,253.25	\$1,010,017.25	\$778,451.19	\$647,368.84	\$3,081,384.29	\$15,198,810.64
FEBRUARY	2026	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARCH	2026	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
APRIL	2026	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MAY	2026	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUNE	2026	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### ACCOUNTS PAYABLE (includes accrued payables)

<u>MONTH</u>	<u>YEAR</u>	<u>CURRENT</u>	<u>30 DAYS</u>	<u>60 DAYS</u>	<u>90 DAYS</u>	<u>120 DAYS+</u>	<u>TOTAL</u>
JULY	2025	1,386,054.00	0.00	0.00	0.00	0.00	1,386,054.00
AUGUST	2025	1,460,690.00	0.00	0.00	0.00	0.00	1,460,690.00
SEPTEMBER	2025	1,177,332.00	0.00	0.00	0.00	0.00	1,177,332.00
OCTOBER	2025	1,367,852.00	0.00	0.00	0.00	0.00	1,367,852.00
NOVEMBER	2025	1,444,741.00	0.00	0.00	0.00	0.00	1,444,741.00
DECEMBER	2025	1,013,609.00	0.00	0.00	0.00	0.00	1,013,609.00
JANUARY	2026	1,199,435.00	0.00	0.00	0.00	0.00	1,199,435.00
FEBRUARY	2026	0.00	0.00	0.00	0.00	0.00	0.00
MARCH	2026	0.00	0.00	0.00	0.00	0.00	0.00
APRIL	2026	0.00	0.00	0.00	0.00	0.00	0.00
MAY	2026	0.00	0.00	0.00	0.00	0.00	0.00
JUNE	2026	0.00	0.00	0.00	0.00	0.00	0.00

## ACCOUNTS RECEIVABLE BY SYSTEM

<u>SYSTEM</u>	<u>CURRENT</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>121-150</u>	<u>151-180</u>	<u>180-365+</u>	<u>TOTAL</u>
PARAGON	(35.00)	-	-	-	-	-	(8,908.04)	(8,943.04)
CERNER	5,233,676.51	2,057,581.36	990,477.47	794,260.72	628,254.16	573,755.86	2,581,954.83	12,859,960.91
PCC	1,059,605.48	177,903.00	126,280.98	106,557.50	86,762.48	73,612.98	508,337.50	2,139,059.92
MATRIXCARE	-	28,604.47	7,494.80	109,199.03	63,434.55	-	-	208,732.85
<b>Total</b>	6,293,246.99	2,264,088.83	1,124,253.25	1,010,017.25	778,451.19	647,368.84	3,081,384.29	15,198,810.64
<b>%</b>	<b>41%</b>	<b>15%</b>	<b>7%</b>	<b>7%</b>	<b>5%</b>	<b>4%</b>	<b>20%</b>	
<b>% Prior to Cerner</b>	<b>65%</b>	<b>11%</b>	<b>6%</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>	<b>11%</b>	

# Mayers Memorial Hospital District

Financial Statements and  
Supplementary Information

Years Ended June 30, 2025 and 2024



## Independent Auditor's Report

Board of Directors  
Mayers Memorial Hospital District  
Fall River Mills, California

### *Report on the Audit of the Financial Statements*

#### *Opinion*

We have audited the accompanying financial statements of Mayers Memorial Hospital District (the "District"), which comprise the statements of net position as of June 30, 2025 and 2024, and the 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, during the year ended June 30, 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101 - Compensated Absences. Our opinion is not modified with respect to this matter.

### ***Required Supplementary Information***

GAAP requires that a management's discussion and analysis on pages 4 through 8, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and notes to the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards and the notes to the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP  
Milwaukee, Wisconsin  
February 13, 2026

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# Mayers Memorial Hospital District

## Management's Discussion and Analysis

*Years Ended June 30, 2025 and 2024*

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### Introduction

Mayers Memorial Hospital District (the "District"), offers readers of our financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the District's financial statements, including the notes thereto.

The District is a nonprofit, municipal corporation that operates an acute-care hospital, a long-term care unit, hospice, rural health clinic, retail pharmacy, and an ambulance company. The District is licensed for 16 hospital beds, 99 long-term care beds including 21 beds in the Alzheimer's Dementia Care Unit (ADCU). The hospital services include 24-hour emergency care, radiology, lab, outpatient services, cardiac rehabilitation, surgery, physical therapy and a rural health clinic. The District serves a large geographic region that is roughly 35 miles in all directions; encompasses portions of Lassen, Shasta, and Modoc Counties; and has a population of approximately 10,000.

The District was established in November 1969 with a 10-bed facility in Fall River Mills, California. Additions to the facility were built in 1973, 1984, and 2020. The long-term care facility was expanded in 1994 with the addition of a site in Burney, California, which includes the ADCU. In August 2020, the District opened a Rural Health Clinic on the Burney site.

The District is designated as a critical access hospital (CAH). CAH status has had and continues to have a favorable impact on the District's finances in as much as CAH Medicare reimbursement is cost-based and therefore typically higher than what the District would otherwise receive under prospective payment system (PPS) reimbursement methodology. The District receives property tax revenue on assessed property within the District's boundaries to support operations. During the years ended June 30, 2025 and 2024, the District received property tax revenue of \$1,628,333 and \$1,782,537, respectively.

The District is governed by a five-member elected Board of Directors. Day-to-day operations are managed by the Chief Executive Officer. The District employed 272 employees on June 30, 2025, and had an annual payroll of \$23.7 million, not including benefits.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's audited financial statements. The financial statements comprise the statements of net position; revenues, expenses, and changes in net position; and cash flows. The financial statements also include notes to the financial statements, which explain in more detail some of the information in the financial statements. The financial statements are designed to provide readers with a broad overview of the District's finances.

# Mayers Memorial Hospital District

## Management's Discussion and Analysis (Continued)

*Years Ended June 30, 2025 and 2024*

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### **Required Financial Statements**

The District's financial statements report information of the District using accounting methods similar to those used by private-sector healthcare organizations. These statements offer short-term and long-term information about its activities. The statements of net position include all of the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the District's creditors (liabilities). The statements of net position also provide the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the revenue and expenses for the years ended June 30, 2025 and 2024, are accounted for in the statements of revenues, expenses, and changes in net position. These statements can be used to determine whether the District has successfully recovered all of its costs through its patient and resident service revenue and other revenue sources. Revenues and expenses are reported on an accrual basis, which means the related cash could be received or paid in a subsequent period.

The final required statements are the statements of cash flows, which report cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. They also provide answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

### **Financial Highlights Executive Overview**

The District's financial performance exceeded administration's expectations as fiscal 2025 ended, with an excess of revenue over expenses of \$5,653,000.

- The District's total revenue from operations was \$58,085,000 in 2025 and \$57,311,000 in 2024.
- The District's gain from operations was \$3,994,000 in 2025 and \$7,108,000 in 2024.
- During 2025 and 2024, excess of revenue over expenses totaled \$5,653,000 and \$9,243,000 respectively.
- During 2025 and 2024, nonoperating revenue net of expenses totaled \$1,659,000 and \$2,136,000, respectively.

# Mayers Memorial Hospital District

## Management's Discussion and Analysis (Continued)

*Years Ended June 30, 2025 and 2024*

### Financial Analysis of the District

The statements of net position and the statements of revenues, expenses, and changes in net position report the net position of the District and the changes in net position. The District's net position, the difference between assets and liabilities, is a way to measure the financial health or financial position of an organization. Over time, sustained increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as changes in economic condition, population growth, and new or changed governmental legislation should also be considered.

#### Condensed Statements of Net Position (In Thousands)

<i>June 30,</i>	2025	2024	<u>Change</u> 2025-2024
Other assets	\$ 50,032	\$ 45,997	\$ 4,035
Capital assets	37,404	32,982	4,422
<b>Total assets</b>	<b>\$ 87,436</b>	<b>\$ 78,979</b>	<b>\$ 8,457</b>
Other liabilities	\$ 5,111	\$ 4,986	\$ 125
Long-term liabilities	25,108	22,431	2,677
<b>Total liabilities</b>	<b>30,219</b>	<b>27,417</b>	<b>2,802</b>
Net position:			
Net investment in capital assets	11,280	9,224	2,056
Restricted	2,239	2,854	(615)
Unrestricted	43,698	39,484	4,214
<b>Total net position</b>	<b>57,217</b>	<b>51,562</b>	<b>5,655</b>
<b>Total liabilities and net position</b>	<b>\$ 87,436</b>	<b>\$ 78,979</b>	<b>\$ 8,457</b>

The District's net position increased due to the gain from operations in 2025.

- Other assets increased by approximately \$4,035,000 in 2025 and \$9,706,000 in 2024.
- Noncurrent assets consist mostly of capital assets, debt service reserve, and cash set aside to meet borrowing agreements. Noncurrent assets increased by \$3,806,000 in 2025 due to building improvement projects.

# Mayers Memorial Hospital District

## Management's Discussion and Analysis (Continued)

*Years Ended June 30, 2025 and 2024*

### Financial Analysis of the District (Continued)

The following table presents a summary of the statements of revenues, expenses, and changes in net position:

#### Condensed Statements of Revenues, Expenses, and Changes in Net Position (In Thousands)

<i>Years Ended June 30,</i>	2025	2024	<u>Change</u> 2025-2024
Operating revenue:			
Net patient and resident service revenue	\$ 52,619	\$ 52,869	\$ (250)
Other operating revenue	5,466	4,442	1,024
<b>Total operating revenue</b>	<b>58,085</b>	<b>57,311</b>	<b>774</b>
Operating expenses:			
Salaries and wages	23,723	21,952	1,771
Employee benefits	6,063	4,636	1,427
Professional fees and purchased services	9,550	9,895	(345)
Supplies	7,982	7,227	755
Insurance	580	681	(101)
Other operating expenses	4,037	3,929	108
Depreciation	2,154	1,884	270
<b>Total operating expenses</b>	<b>54,089</b>	<b>50,204</b>	<b>3,885</b>
Gain from operations	3,996	7,107	(3,111)
Nonoperating revenue - Net	1,659	2,135	(476)
Increase in net position	5,655	9,242	(3,587)
Net position at beginning of year - Before restatement	51,562	42,835	8,727
Restatement - Change in accounting principle	-	(515)	515
Net position at beginning of year	51,562	42,320	9,242
Net position at end of year	\$ 57,217	\$ 51,562	\$ 5,655

Salaries, wages, and benefits increased in 2025 by 12.0% due to across-the-board wage increases. In the prior year, salaries and benefits increased by 21.1%. The total number of full-time equivalent employees was approximately 296 in 2025 and 231 in 2024.

Total operating expenses increased by 7.7% compared with the previous year's increase of 14.0%. This was due primarily to an increase in salaries and benefits by roughly \$3,198,000 as a result of competitive wage scale adjustments. In addition, supplies expense increased by roughly \$755,000 due to the increased cost of supplies and higher volumes causing a higher supply usage.

# Mayers Memorial Hospital District

## Management's Discussion and Analysis (Continued)

*Years Ended June 30, 2025 and 2024*

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### Financial Analysis of the District (Continued)

Capital asset activity included purchases related to the building improvement projects related to the District's solar field and master planning for 2030 seismic requirement in the amount of \$3,116,000 and \$1,678,000, for each of the years ended June 30, 2025 and 2024, respectively.

Long-term debt activity included the USDA loan that refunded existing debt and financed capital construction and equipment purchases.

### Items Affecting Operations

The challenges facing the District this fiscal period are largely similar to those issues facing the healthcare industry in general and small rural hospitals in particular. Immediate environmental circumstances uniquely influencing the District are highlighted below:

- Reimbursement: Medicare and Medi-Cal programs continue to look for ways to reduce reimbursement.
- Possible state legislation to cap charge increases on an annual basis, a bill to introduce a single-payor system in California, as well as a bill to make healthcare minimum wage 25 dollars an hour.
- Indigent and uncompensated care: High uncompensated care continues to grow as eligibility requirements are raised for government-funded programs.
- Labor: Nursing and some technician positions continue to be difficult to recruit and retain.

In summary, the external environment continues to challenge small rural hospitals amidst continued declines in reimbursement, increases in uncompensated care, and ongoing labor and health insurance issues. Furthermore, the District and its employees are working together to improve the clinical care and service provided to its patients and community, while striving to improve its financial position and overall fiscal performance.

### Contacting the District's Finance Management

This financial report provides the District's patients, citizens, taxpayers, investors, and creditors with a general overview of the District's finances and shows the District's accountability for the money it receives. For questions regarding this report or for additional financial information, please contact:

Mayers Memorial Hospital District  
PO Box 459  
Fall River Mills, CA 96028

# Mayers Memorial Hospital District

## Statements of Net Position

<i>June 30,</i>	2025	2024
Current assets:		
Cash and cash equivalents:		
Unrestricted	\$ 38,146,201	\$ 32,822,699
Cash held in trust for others	31,452	23,086
Receivables:		
Patient and resident accounts, net of contractual allowances and discounts	5,736,833	8,580,479
Other	3,595	3,595
Estimated third-party payor settlements	2,137,688	155,421
Inventories	687,809	614,766
Prepaid expenses	1,049,033	942,057
Total current assets	47,792,611	43,142,103
Noncurrent assets:		
Restricted cash, net of amount available for current debt reserve	2,238,552	2,854,495
Capital assets - Nondepreciable	3,787,359	2,732,294
Capital assets - Net of accumulated depreciation	33,616,977	30,250,574
Total noncurrent assets	39,642,888	35,837,363
TOTAL ASSETS	\$ 87,435,499	\$ 78,979,466

## Mayers Memorial Hospital District

### Statements of Net Position (Continued)

<i>June 30,</i>	2025	2024
Current liabilities:		
Accounts payable	\$ 1,388,231	\$ 1,674,812
Accrued expenses	2,677,175	2,573,218
Current portion of bonds payable	696,228	656,878
Current portion of subscription-based liability	303,749	38,460
Current portion of lease obligation	15,866	18,358
Balances held in trust for others	29,482	23,085
Total current liabilities	5,110,731	4,984,811
Noncurrent liabilities:		
Bonds and accreted interest, less current portion	21,822,604	22,413,756
Subscription-based liability, less current portion	3,285,429	17,094
Total noncurrent liabilities	25,108,033	22,430,850
Total liabilities	30,218,764	27,415,661
Net position:		
Net investment in capital assets	11,280,460	9,225,017
Restricted	2,238,552	2,854,495
Unrestricted	43,697,723	39,484,293
Total net position	57,216,735	51,563,805
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 87,435,499</b>	<b>\$ 78,979,466</b>

# Mayers Memorial Hospital District

## Statements of Revenues, Expenses, and Changes in Net Position

<i>Years Ended June 30,</i>	2025	2024
Operating revenue:		
Net patient and resident service revenue	\$ 52,619,225	\$ 52,869,079
Other operating income	5,465,585	4,441,994
<b>Total operating revenue</b>	<b>58,084,810</b>	<b>57,311,073</b>
Operating expenses:		
Salaries and wages	23,722,621	21,952,176
Employee benefits	6,063,190	4,635,842
Professional fees	1,794,094	1,484,227
Supplies	7,981,563	7,227,387
Purchased services	7,755,943	8,410,891
Repairs and maintenance	432,393	479,868
Rents and leases	169,068	115,611
Utilities	1,339,256	1,185,307
Insurance	580,317	681,183
Other	2,098,660	2,146,573
Depreciation	2,154,038	1,884,459
<b>Total operating expenses</b>	<b>54,091,143</b>	<b>50,203,524</b>
<b>Gain from operations</b>	<b>3,993,667</b>	<b>7,107,549</b>
Nonoperating revenue (expenses):		
Property taxes	1,628,333	1,782,537
Grants and contributions	10,000	126,634
Interest income	1,275,814	949,451
Interest expense	(1,254,884)	(723,007)
<b>Net nonoperating revenue</b>	<b>1,659,263</b>	<b>2,135,615</b>
<b>Increase in net position</b>	<b>5,652,930</b>	<b>9,243,164</b>
<b>Net position at beginning - Before restatement</b>	<b>51,563,805</b>	<b>42,835,176</b>
Restatement - Change in accounting principle	-	(514,535)
<b>Net position at beginning of year - After restatement</b>	<b>51,563,805</b>	<b>42,320,641</b>
<b>Net position - End of year</b>	<b>\$ 57,216,735</b>	<b>\$ 51,563,805</b>

See accompanying notes to financial statements.

# Mayers Memorial Hospital District

## Statements of Cash Flows

<i>Years Ended June 30,</i>	2025	2024
Cash flows from operating activities:		
Receipts from and on behalf of patients and residents	\$ 53,480,604	\$ 49,864,979
Receipts from other operating revenue	5,465,585	4,471,639
Payments to employees	(29,681,854)	(26,091,471)
Payments to suppliers, contractors, and others	(21,998,192)	(21,543,012)
<b>Net cash provided by operating activities</b>	<b>7,266,143</b>	<b>6,702,135</b>
Cash flows from noncapital financing activities:		
Property taxes	1,628,333	1,782,537
Cash received from grants and contributions	10,000	126,634
<b>Net cash provided by noncapital financing activities</b>	<b>1,638,333</b>	<b>1,909,171</b>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(3,373,352)	(1,064,261)
Principal payments on debt, leases, and subscription obligations	(945,878)	(673,775)
Interest paid on debt	(1,145,135)	(723,007)
<b>Net cash used in capital and related financing activities</b>	<b>(5,464,365)</b>	<b>(2,461,043)</b>
Cash flows from investing activities - Interest received	1,275,814	949,451
Net increase in cash and cash equivalents	4,715,925	7,099,714
Cash and cash equivalents - Beginning of year	35,700,280	28,600,566
<b>Cash and cash equivalents - End of year</b>	<b>\$ 40,416,205</b>	<b>\$ 35,700,280</b>

# Mayers Memorial Hospital District

## Statements of Cash Flows (Continued)

Years Ended June 30,	2025	2024
Reconciliation of gain from operations to net cash provided by operating activities:		
Gain from operations	\$ 3,993,667	\$ 7,107,549
Adjustments to reconcile gain from operations to net cash provided by operating activities:		
Depreciation and amortization	2,154,038	1,884,459
Provision for bad debts	579,986	1,746,982
Changes in assets and liabilities:		
Patient and resident accounts receivable	2,263,660	(5,226,256)
Other accounts receivable	-	29,644
Estimated third-party payor settlements	(1,982,267)	475,174
Inventories	(73,043)	57,023
Prepaid expenses	(106,976)	311,775
Accounts payable	(326,724)	(173,054)
Accrued expenses	103,957	496,547
Balances held in trust for others	6,397	(7,708)
Total adjustments	3,272,476	(405,414)
Net cash provided by operating activities	\$ 7,266,143	\$ 6,702,135
Supplemental disclosure of noncash noncapital financing activities:		
Capital purchases in account payable	\$ -	\$ 613,305
Capital assets acquired under subscription-based arrangement obligations	3,815,459	-
Amounts prepaid for subscription-based arrangement implementation cost	-	361,251
Accreted interest for CAP bonds	109,749	-

See accompanying notes to financial statements.

# Mayers Memorial Hospital District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### The Entity

Mayers Memorial Hospital District (the "District") is a political subdivision of the State of California, organized under Local Healthcare District Law, as set forth in the Health and Safety Code of the state of California. The District operates a community hospital, long-term care unit, hospice, and ambulance service located in Fall River Mills, California, that provide healthcare services to residents of the surrounding communities and visitors to the area. The District derives a significant portion of revenue from third-party payors, including Medicare, Medi-Cal, and commercial insurance organizations.

The District maintains its financial records in conformity with guidelines set forth by Local Healthcare District Law and the Office of Statewide Health Planning and Development of the State of California.

#### Method of Accounting

The District's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

#### Basis of Accounting

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

#### Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in conformity with GAAP requires management to make estimates and assumptions that directly 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 amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

The District considers significant accounting estimates to be those which require significant judgments and include the valuation of accounts receivable, including contractual allowances, allowance for doubtful accounts, the estimated third-party payor settlements, and the valuation of lost revenues calculated to recognize revenue from grant programs.

#### Cash and Cash Equivalents

The District considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

# Mayers Memorial Hospital District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Cash and Cash Equivalents (Continued)

The District is authorized under California Government Code (CGC) to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. government or its agencies; bankers' acceptances; commercial paper; certificates of deposit (CD) placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium-term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, or obligations with first-priority security; and collateralized mortgage obligations.

The District maintains a portion of its cash in the Shasta County Treasury as part of the common investment pool. The County is restricted by CGC, Section 53635, pursuant to Section 53601, to invest in time deposits, U.S. government securities, state-registered warrants, notes, bonds, state treasurer's investment pool, bankers' acceptances, commercial paper, negotiable CDs, and repurchase or reverse repurchase agreements. Investments in the county pool are valued using the amortized cost method (which approximates fair value) and include accrued interest. The pool has deposits and investments with a weighted-average maturity of more than one year. As of June 30, 2025, the fair value of the county pool is approximately 99% of the carrying value and is deemed not to represent a material difference. Information regarding the amount of dollars invested in derivatives with the county was not available. The county investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by CGC, Section 27130, and is not a registered investment company with the U.S. Securities and Exchange Commission. The District is considered to be an involuntary participant in the external investment pool.

#### Patient and Resident Receivables and Credit Policy

Patient and resident receivables are uncollateralized patient and resident obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from local residents, most of whom are insured under third-party payor agreements. The District bills third-party payors on the patients' or residents' behalf, or if a patient or resident is uninsured, the patient or resident is billed directly. Once claims are settled with the primary payor, any secondary payor is billed, and patients and residents are billed for copay and deductible amounts that are the patients' or residents' responsibility. Payments on patient and resident accounts receivable are applied to the specific claim identified on the remittance advice or statement. The District does not have a policy to charge interest on past due accounts.

Patient and resident receivables are recorded in the accompanying statements of net position, net of contractual adjustments and an allowance for doubtful accounts, which reflects management's estimate of the amounts that will not be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to patient and resident receivables. In addition, management provides for probable uncollectible amounts, primarily for uninsured patients or residents and amounts patients or residents are personally responsible for, through a reduction of gross revenue and a credit to a valuation allowance.

# Mayers Memorial Hospital District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Patient and Resident Receivables and Credit Policy** (Continued)

In evaluating the collectibility of patient and resident receivables, the District analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Specifically, for receivables associated with services provided to patients or residents who have third-party coverage, the District analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts for expected uncollectible deductibles and copayments on accounts that the third-party payor has not yet paid or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely.

For receivables associated with self-pay patients or residents (which includes both patients or residents without insurance and patients or residents with deductible and copayment balances due for which third-party coverage exists for part of the bill), the District records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients or residents are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged to allowance for doubtful accounts.

#### **Inventories**

Inventories are valued at the lower of cost, determined on the first-in, first-out (FIFO) method, or net realizable value.

#### **Capital Assets and Depreciation**

Capital assets are recorded at cost if purchased or estimated acquisition value at the date received if contributed. The District maintains a threshold level of a unit or group cost of \$5,000 or more for capitalizing capital assets. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Estimated useful lives range from 5 to 25 years for land improvements and buildings and fixed equipment, 2 to 20 years for major moveable equipment, and 3 to 5 years for computer software.

#### **Accrued Compensated Absences**

District employees earn vacation, sick, and holiday leave (PTO) in varying amounts based on length of service. Accumulated PTO benefits are paid to an employee, if the employee leaves, either upon termination or retirement. Liabilities for PTO and salary-related payments, including Social Security taxes, are recorded when incurred. Accrued PTO benefits, which are recorded in accrued expenses on the statements of net position, totaled \$1,485,956 and \$1,459,122 as of June 30, 2025 and 2024, respectively.

# Mayers Memorial Hospital District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Net Position

Net position is reported in three categories:

*Net investment in capital assets:* This category consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build, acquire, or improve those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the construction, acquisition, or improvement of those assets or the related debt are also included in this category.

*Restricted:* This category consists of noncapital assets whose use is restricted, reduced by liabilities, and deferred inflows of resources related to those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted:* This category consists of the remaining net position that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first.

#### Net Patient and Resident Service Revenue

The District recognizes patient and resident service revenue associated with services provided to patients and residents who have third-party payor coverage on the basis of contractual rates for the services rendered. Certain third-party payor reimbursement agreements are subject to audit and retrospective adjustments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

#### Tax Revenue

The District has the authority to impose taxes on property within the boundaries of the healthcare district. Taxes are received from the county, which bills and collects the taxes for the District. Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments, due on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31.

Shasta County is responsible for assessing, collecting, and apportioning property taxes on behalf of the District. Taxes are levied for each fiscal year on taxable real and personal property in the county. Secured property taxes attach as an enforceable lien on property as of January 1. Property taxes on the secured roll are due on November 1 and February 1 and become delinquent after December 10 and April 10.

# Mayers Memorial Hospital District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Tax Revenue (Continued)

Secured property taxes are recorded as revenue, when apportioned, in the fiscal year of the levy. The County apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1 of each year.

The amount of property tax received is dependent on the assessed real property valuations as determined by the Shasta County assessor. The District received approximately 2.3% and 2.6% of its financial support in 2025 and 2024, respectively, from property taxes.

#### Operating Revenue and Expenses

The District's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenue and expenses. Operating revenue results from exchange transactions associated with providing healthcare services, the District's principal activity. Nonexchange revenue, including taxes and donations received for purposes other than capital asset acquisition, is reported as nonoperating revenue. Operating expenses are all expenses incurred to provide healthcare services, other than financing costs.

#### Charity Care

The District provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. The District maintains records to identify the amount of charges forgone for services and supplies furnished under the charity care policy. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient and resident service revenue.

#### Grants and Contributions

The District receives grants and contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or capital purposes. Amounts that are unrestricted or are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue (expenses).

#### Unemployment Compensation

The 1971 session of California's legislature extended unemployment insurance protection to public employers. Each entity has the right to elect to pay the regular quarterly employer tax on covered wages or to reimburse the Unemployment Compensation Fund for actual claims paid to its former employees for unemployment.

The District has elected to pay quarterly employer tax on covered wages for the years ended June 30, 2025 and 2024.

# Mayers Memorial Hospital District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### New Accounting Pronouncement

GASB Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The adoption of this statement was retroactively applied, resulting in a decrease in 2023 beginning net position of \$514,535 and an increase in 2023 operating expenses of \$234,525.

### Note 2: Reimbursement Arrangements With Third-Party Payors

The District has agreements with third-party payors that provide for reimbursement to the District at amounts that vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

#### Hospital

*Medicare* - The District is designated as a CAH. Under this designation, inpatient, outpatient, and swing bed services rendered to Medicare program beneficiaries are paid based on a cost-reimbursement methodology, with the exception of certain lab and mammography services, which are reimbursed based on fee schedules.

*Medi-Cal* - Under CAH designation, inpatient and swing bed services rendered to Medi-Cal program beneficiaries are paid based on a predetermined rate per day. The reimbursement for outpatient services is based on a fee schedule. The District also applies for and receives supplemental reimbursement for its inpatient and outpatient services. The supplemental reimbursement is based on a cost-reimbursement methodology.

#### Nursing Facility

*Medicare* - Medicare pays the skilled nursing facility for Part A services based on a predetermined rate per resident day, which varies depending on a resident's level of care and the types of services provided.

*Medi-Cal* - Long-term care services are reimbursed at a daily rate, which is adjusted annually. The District also applies for and receives supplemental reimbursement for its Distinct Part Nursing Facility (DPNF). The supplemental reimbursement is based on a cost-reimbursement methodology.

# Mayers Memorial Hospital District

## Notes to Financial Statements

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### Note 2: Reimbursement Arrangements With Third-Party Payors (Continued)

#### Others

The District has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the District under these agreements includes discounts from established charges and prospectively determined daily rates.

#### Accounting for Contractual Arrangements

The District is reimbursed for certain cost-reimbursable items at an interim rate, and final settlements are determined after an audit or desk review of the District's related annual cost reports by the Medicare Administrative Contractor (MAC) and Medi-Cal. Estimated provisions to approximate the final expected settlements are included in the accompanying financial statements. The District's cost reports have been final settled by the MAC through June 30, 2021, and Medi-Cal through June 30, 2022.

#### Compliance

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include but are not necessarily limited to matters, such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and billing regulations. Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. While no significant regulatory inquiries have been made of the District, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

The Centers for Medicare & Medi-Cal Services (CMS) uses recovery audit contractors (RAC) as part of CMS's efforts to ensure accurate payments. RACs search for potentially inaccurate Medicare payments that might have been made to healthcare providers and not detected through existing CMS program integrity efforts. Once a RAC identifies a claim it believes is inaccurate, it makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. As of June 30, 2025, the District had not been notified by the RAC of any potential significant reimbursement adjustments.

### Note 3: Cash and Cash Equivalents

*Custodial Credit Risk* - The risk that, in the event of a bank failure, the District's deposits might not be recovered. The District has a collateralization agreement with the bank that mitigates custodial credit risk. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2025, the District had a bank balance of \$37,995,971. Of this balance, \$500,000 is insured by the FDIC and \$1,409,028 is held in the investment portfolio of the Local Agency Investment Fund (LAIF) and is fully collateralized by the California Government Code (CGC). Any tax identification number with a total balance in excess of the FDIC insured limit must be collateralized at 110%.

# Mayers Memorial Hospital District

## Notes to Financial Statements

### Note 3: Cash and Cash Equivalents (Continued)

The CGC requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits.

*Interest Rate Risk* - As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits its investment portfolio to the LAIF guidelines promulgated by the California Debt and Investment Advisory Commission, with the following exceptions:

- Equity mutual fund investments may not exceed 20% of the total portfolio.
- At least 75% of equity investments must be U.S. equities; the remaining 25% may be international.
- At least 75% of equity investments must be large cap growth or value; the remaining 25% may be invested in small cap or mid cap.
- All equity investments are not to exceed 25% in any one mutual fund.

*Credit Risk* - The risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized statistical rating organization. The District has an investment policy that limits its investment choices by credit rating. LAIF is not rated.

*Concentration of Credit Risk* - CGC limits the purchase of certain investments to defined percentages of the investment portfolio.

The District adopted and uses California Health and Safety Code, Section 32127 (the "Code") as its policy for limitation on instruments of investment. The Code authorizes investments in obligations of the U.S. Treasury, commercial paper, bankers' acceptances, repurchase agreements, and LAIF, which is a pooled investment fund held at the California treasurer's office, among other investments.

Cash and cash equivalents consisted of the following:

<i>June 30,</i>	2025	2024
Demand deposits	\$ 39,005,097	\$ 34,351,880
Cash on hand	2,080	2,080
LAIF	1,409,028	1,346,320
<b>Totals</b>	<b>\$ 40,416,205</b>	<b>\$ 35,700,280</b>

# Mayers Memorial Hospital District

## Notes to Financial Statements

### Note 3: Cash and Cash Equivalents (Continued)

The composition of cash and cash equivalents consisted of the following:

<i>June 30,</i>	2025	2024
Current:		
Unrestricted cash and cash equivalents	\$ 38,146,201	\$ 32,822,699
Cash held in trust for others	31,452	23,086
Noncurrent:		
Restricted for debt service	2,238,552	2,854,495
<b>Totals</b>	<b>\$ 40,416,205</b>	<b>\$ 35,700,280</b>

#### Restricted for Debt Service

The restricted debt service reserve fund is required by the United States Department of Agriculture (USDA) debt agreements, as discussed at Note 8.

#### Cash Held in Trust for Others

Current cash and cash equivalents include assets held in trust for others, which consisted of cash held for patients and the employee relief fund.

### Note 4: Patient and Resident Accounts Receivable

Patient and resident accounts receivable, net of contractual allowances and discounts consisted of the following:

<i>June 30,</i>	2025	2024
Patient and resident accounts receivable:		
Medicare	\$ 5,098,715	\$ 6,347,680
Medi-Cal	3,155,461	5,741,749
Commercial and other	3,214,672	2,978,946
Self-pay	653,860	795,430
<b>Total patient and resident accounts receivable</b>	<b>12,122,708</b>	<b>15,863,805</b>
Less:		
Contractual adjustments	5,440,889	6,710,856
Allowance for doubtful accounts	944,986	572,470
<b>Patient and resident accounts receivable - Net</b>	<b>\$ 5,736,833</b>	<b>\$ 8,580,479</b>

# Mayers Memorial Hospital District

## Notes to Financial Statements

### Note 5: Charity Care

The District provides healthcare services and other financial support through various programs that are designed to, among other matters, enhance the health of the community, including the health of low-income patients. Consistent with the mission of the District, care is provided to patients regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources.

Patients who meet certain criteria for charity care, generally based on federal poverty guidelines, are provided care based on criteria defined in the District's charity care policy and from applications completed by patients and their families.

The District maintains records to identify and monitor the level of charity care it provides. The amount of charges forgone for services and supplies furnished under the District's charity care policy was \$781,655 and \$211,024 for the years ended June 30, 2025 and 2024, respectively.

### Note 6: Net Patient and Resident Service Revenue

Net patient and resident service revenue consisted of the following:

<i>Years Ended June 30,</i>	2025	2024
Gross patient and resident service revenue:		
Inpatient services	\$ 26,090,830	\$ 30,576,212
Outpatient services	38,415,864	32,468,762
<b>Total gross patient and resident service revenue</b>	<b>64,506,694</b>	<b>63,044,974</b>
Revenue deductions:		
Contractual allowances	11,307,483	8,428,913
Provision for bad debt	579,986	1,746,982
<b>Total deductions</b>	<b>11,887,469</b>	<b>10,175,895</b>
<b>Net patient and resident service revenue</b>	<b>\$ 52,619,225</b>	<b>\$ 52,869,079</b>

The following table reflects the percentage of gross patient and resident service revenue by payor source:

<i>Years Ended June 30,</i>	2025	2024
Medicare	42 %	41 %
Medi-Cal	40 %	43 %
Other third-party payors	17 %	14 %
Patients	1 %	2 %
<b>Totals</b>	<b>100 %</b>	<b>100 %</b>

# Mayers Memorial Hospital District

## Notes to Financial Statements

### Note 7: Capital Assets

Capital assets consisted of the following:

	Balance July 1, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
<b>Nondepreciable capital assets:</b>					
Land	\$ 461,135	\$ -	\$ -	\$ -	\$ 461,135
Construction in progress	2,271,159	2,337,869	-	(1,282,804)	3,326,224
<b>Total nondepreciable capital assets</b>	<b>2,732,294</b>	<b>2,337,869</b>	<b>-</b>	<b>(1,282,804)</b>	<b>3,787,359</b>
<b>Depreciable capital assets:</b>					
Land improvements	3,508,717	-	-	-	3,508,717
Buildings and fixed equipment	39,457,488	307,200	-	459,964	40,224,651
Major moveable equipment	14,961,611	470,615	(42,406)	105,952	15,495,772
Computer software	1,246,750	-	-	-	1,246,750
<b>Total depreciable capital assets</b>	<b>59,174,566</b>	<b>777,815</b>	<b>(42,406)</b>	<b>565,916</b>	<b>60,475,890</b>
<b>Total capital assets before depreciation</b>	<b>61,906,860</b>	<b>3,115,684</b>	<b>(42,406)</b>	<b>(716,888)</b>	<b>64,263,249</b>
<b>Total accumulated depreciation</b>	<b>(28,979,087)</b>	<b>(1,747,688)</b>	<b>42,406</b>	<b>-</b>	<b>(30,684,369)</b>
<b>Subscription-based assets</b>	<b>110,188</b>	<b>3,459,822</b>	<b>-</b>	<b>716,888</b>	<b>4,286,898</b>
Accumulated amortization: SBA	(55,093)	(406,350)	-	-	(461,443)
<b>Total subscription-based assets</b>	<b>55,095</b>	<b>3,053,472</b>	<b>-</b>	<b>716,888</b>	<b>3,825,455</b>
<b>Capital assets - Net</b>	<b>\$ 32,982,868</b>	<b>\$ 4,421,468</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,404,336</b>

At June 30, 2025, construction in progress consisted primarily of building and building improvement projects, such as facility master planning, Clearwater Lodge improvements, and a seismic wall project. Estimated costs of completion are approximately \$1.35 million for the outstanding projects. The estimated completion date for all projects is unknown at this time and the District intends to fund the projects with USDA loan proceeds.

# Mayers Memorial Hospital District

## Notes to Financial Statements

### Note 7: Capital Assets (Continued)

Capital assets consisted of the following:

	Balance July 1, 2023	Additions	Retirements	Transfers	Balance June 30, 2024
<b>Nondepreciable capital assets:</b>					
Land	\$ 461,135	\$ -	\$ -	\$ -	461,135
Construction in progress	705,282	1,565,877	-	-	2,271,159
<b>Total nondepreciable capital assets</b>	<b>1,166,417</b>	<b>1,565,877</b>	<b>-</b>	<b>-</b>	<b>2,732,294</b>
<b>Depreciable capital assets:</b>					
Land improvements	3,508,717	-	-	-	3,508,717
Buildings and fixed equipment	39,457,489	-	-	-	39,457,488
Major moveable equipment	14,849,922	111,689	-	-	14,961,611
Computer software	1,246,750	-	-	-	1,246,750
<b>Total depreciable capital assets</b>	<b>59,062,878</b>	<b>111,689</b>	<b>-</b>	<b>-</b>	<b>59,174,566</b>
<b>Total capital assets before depreciation</b>	<b>60,229,295</b>	<b>1,677,566</b>	<b>-</b>	<b>-</b>	<b>61,906,860</b>
<b>Total accumulated depreciation</b>	<b>(27,131,357)</b>	<b>(1,847,730)</b>	<b>-</b>	<b>-</b>	<b>(28,979,087)</b>
<b>Subscription-based assets</b>	<b>110,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,188</b>
Accumulated amortization: SBA	(18,365)	(36,728)	-	-	(55,093)
<b>Total subscription-based assets</b>	<b>91,823</b>	<b>(36,728)</b>	<b>-</b>	<b>-</b>	<b>55,095</b>
<b>Capital assets - Net</b>	<b>\$ 33,189,761</b>	<b>\$ (206,892)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,982,868</b>

# Mayers Memorial Hospital District

## Notes to Financial Statements

### Note 8: Long-Term Debt Obligations

Long-term debt obligations consisted of the following:

	July 1, 2024	Additions	Reductions	June 30, 2025	Amounts Due Within One Year
Long-term debt:					
Direct placements:					
General Obligation Bonds, 2011 Series A - Capital appreciation	\$ 429,376	\$ -	\$ (38,993)	\$ 390,383	\$ 39,524
General Obligation Bonds, 2011 Series A - Accreted interest of CAP bonds	1,316,678	109,749	(141,007)	1,285,420	165,476
<b>Total direct placements</b>	<b>1,746,054</b>	<b>109,749</b>	<b>(180,000)</b>	<b>1,675,803</b>	<b>205,000</b>
Direct borrowings:					
USDA bonds	20,061,000	-	(410,000)	19,651,000	423,000
Notes payable	1,263,580	-	(71,551)	1,192,029	68,228
<b>Total direct borrowings</b>	<b>21,324,580</b>	<b>-</b>	<b>(481,551)</b>	<b>20,843,029</b>	<b>491,228</b>
<b>Total long-term debt obligations</b>	<b>\$ 23,070,634</b>	<b>\$ 109,749</b>	<b>\$ (661,551)</b>	<b>\$ 22,518,832</b>	<b>\$ 696,228</b>

# Mayers Memorial Hospital District

## Notes to Financial Statements

### Note 8: Long-Term Debt Obligations (Continued)

Long-term debt obligations consisted of the following:

	July 1, 2023	Additions	Reductions	June 30, 2024	Amounts Due Within One Year
Long-term debt:					
Direct placements:					
General Obligation Bonds, 2011 Series A - Capital appreciation	\$ 465,886	\$ -	\$ (36,510)	\$ 429,376	\$ 38,993
General Obligation Bonds, 2011 Series A - Accreted interest of CAP bonds	1,430,168	-	(113,490)	1,316,678	141,007
Total direct placements	1,896,054	-	(150,000)	1,746,054	180,000
Direct borrowings:					
USDA bonds	20,457,000	-	(396,000)	20,061,000	410,000
Notes payable	1,329,126	-	(65,546)	1,263,580	66,878
Total direct borrowings	21,786,126	-	(461,546)	21,324,580	476,878
Total long-term debt obligations	\$ 23,682,180	\$ -	\$ (611,546)	\$ 23,070,634	\$ 656,878

# Mayers Memorial Hospital District

## Notes to Financial Statements

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### Note 8: Long-Term Debt Obligations (Continued)

Scheduled principal and interest payments on bonds and notes payable are as follows:

<i>Years Ending June 30,</i>	Direct Placements		Direct Borrowings	
	Principal	Interest	Principal	Interest
2026	\$ 205,000	\$ -	\$ 491,228	\$ 655,095
2027	230,000	-	505,605	639,759
2028	260,000	-	522,010	623,940
2029	290,000	-	537,444	544,530
2030	325,000	-	617,997	912,033
2031-2035	304,872	1,180,128	2,865,687	2,797,068
2036-2040	60,931	1,144,069	3,540,762	1,911,500
2041-2045	-	-	3,661,220	1,603,133
2046-2050	-	-	3,446,327	987,236
2051-2055	-	-	2,702,000	524,680
<b>Totals</b>	<b>\$ 1,675,803</b>	<b>\$ 2,324,197</b>	<b>\$ 20,843,029</b>	<b>\$ 11,290,153</b>

Direct placements:

#### General Obligation Bonds, 2011 Series A Bonds

On June 16, 2011, the District issued \$5,000,886 in General Obligation Bonds, 2010 Election, 2011 Series A (the "2011 Series A bonds") to finance the acquisition, improvement, construction, or alteration of real property of the District; seismic upgrades of the acute care and emergency facilities; certain other capital projects; and the costs of issuance of the bonds. The 2011 Series A bonds consisted of two types of bonds: Current Interest Bonds and Capital Appreciation Bonds, issued in the amounts of \$4,530,000 and \$547,991, respectively.

Interest on the Current Interest Bonds was payable semiannually on February 1 and August 1 at a rate of 5%. The Current Interest Bonds were eligible for redemption on or after August 1, 2017. The District refinanced these bonds on September 28, 2017, using USDA financing.

The Capital Appreciation Bonds mature annually commencing on August 1, 2023, through August 1, 2038, in amounts ranging from \$150,000 to \$320,000, inclusive of interest accreted through such maturity dates. Interest on the Capital Appreciation Bonds is accreted every year beginning at a 7.75% rate commencing in 2023 and increased annually to a max rate of 8.14%. Interest is paid at maturity. The Capital Appreciation Bonds are not subject to optional redemption prior to their scheduled maturities.

# Mayers Memorial Hospital District

## Notes to Financial Statements

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### Note 8: Long-Term Debt Obligations (Continued)

#### Direct borrowings:

##### **USDA Bonds Payable**

On September 28, 2017, the USDA Rural Development program issued a series of four secured bonds to the District, amounting to a total of \$21,805,000 at a rate of 3.25% and were collateralized with the District's tax revenue.

The first bond was issued for \$9,900,000 to fund building improvement projects. Interest on the bond is payable semiannually on September 1 and March 1 and is based on amounts drawn until the full amount has been drawn. Principal payments on the bond are due annually commencing September 2020 through 2057 in amounts ranging from \$125,000 to \$462,000.

The second bond was issued for \$4,300,000 to fund building improvement projects and to refinance the 2011 Certificate of Participation Bonds. Interest on the bond is payable semiannually on September 1 and March 1. Interest is based on amounts drawn until the full amount has been drawn and the amount of the debt refinanced. Principal payments on the bond are due annually commencing September 2018 through 2057 in amounts ranging from \$21,000 to \$193,000.

The first and second USDA-issued bonds require the District to set aside one-tenth of the average annual installments in a reserve account. The debt service reserve is represented as restricted cash and cash equivalents on the statements of net position and contains a balance of \$2,238,552 as of June 30, 2025.

The third bond was issued for \$4,574,000 to refinance and pay off the General Obligation Bonds, 2011 Series A. Interest on the bond is payable semiannually on September 1 and March 1. Principal payments on the bond are due annually commencing September 2018 through 2057 in amounts ranging from \$92,000 to \$236,000.

The fourth bond was issued for \$3,031,000 to finance the acquisition, improvement, construction, or alteration of real property of the District; seismic upgrade of the acute care and emergency facilities; and certain other capital projects. Interest on the bond is payable semiannually on September 1 and March 1 and is based on amounts drawn until the full amount has been drawn. Principal payments on the bond are due annually commencing September 2020 through 2057 in amounts ranging from \$68,000 to \$161,000.

##### **Notes Payable**

The District entered into a debt agreement with the California Health Facilities Financing Authority (CHFFA) dated June 1, 2020, and financed on July 30, 2020, in the amount of \$1,500,000, with an interest rate of 2.0% and due in monthly installments of \$7,628 until maturity on August 1, 2040, and is secured by property tax revenue. The District used the funds to finance renovations of the new clinic.

# Mayers Memorial Hospital District

## Notes to Financial Statements

### Note 9: Lease Obligations

#### Lease Agreements

As of June 30, 2025, the District had one lease agreement in place. The lease agreement is with Xerox Financial Services LLC beginning January 1, 2021, is payable in monthly installments of \$2,716, including interest at 9.2% through December 2025, and is collateralized by equipment.

### Note 10: Subscription-Based Information Technology Arrangements

Changes in subscription-based technology arrangements consisted of the following:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts due Within One Year
Kaseya	\$ 55,554	\$ -	\$ (38,459)	\$ 17,095	\$ 17,095
Cerner	-	3,815,459	(243,376)	3,572,083	286,654
<b>Total</b>	<b>\$ 55,554</b>	<b>\$ 3,815,459</b>	<b>\$ (281,835)</b>	<b>\$ 3,589,178</b>	<b>\$ 303,749</b>

Changes in subscription-based technology arrangements consisted of the following:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts due Within One Year
Kaseya	\$ 90,646	\$ -	\$ (35,092)	\$ 55,554	\$ 38,460

The terms of the District's subscription-based technology arrangements are as follows:

- Kaseya - Subscription-based technology arrangement in the original principal amount of \$110,187 (from implementation date), due in monthly installments of \$3,498, including interest imputed at 9.2%, through November 2025, collateralized by the subscription-based technology
- Cerner - Subscription-based technology arrangement in the original principal amount of \$3,815,459, due in monthly installments of \$50,283, including interest imputed at 9.2%, through January, 2034, collateralized by the subscription-based technology.

# Mayers Memorial Hospital District

## Notes to Financial Statements

### Note 10: Subscription-Based Information Technology Arrangements (Continued)

Future minimum subscription-based technology arrangement payments consist of the following:

<i>Years Ending June 30,</i>	2025	2024
2026	\$ 303,749	\$ 254,490
2027	314,167	316,744
2028	344,321	289,231
2029	377,369	259,077
2030	413,589	226,029
2031-2035	1,835,983	516,004
Total	\$ 3,589,178	\$ 1,861,575

### Note 11: Retirement Plan

The District sponsors and administers the Mayers Memorial Hospital District Governmental 401(k) plan. The defined contribution plan covers substantially all of its employees who are age 21 or older and have completed one year of service. Employees enter the plan on the first day of the quarter following the date the eligibility requirements are met.

The 401(k) plan is funded entirely by employee elective deferrals, which are immediately 100% vested. The plan provides for employer discretionary contributions that are allocated pro rata on the basis of eligible compensation. Benefit terms, including discretionary employer contributions, are established by management and the Board of Directors. No employer contributions are required. The District contributed 3% of eligible compensation annually to participants' accounts during each fiscal year ended June 30, 2025, and 2024. Participants employed on or before December 31, 2010, are 100% vested in their employer discretionary contributions. Participants employed after December 31, 2010, are subject to a five-year graded vesting schedule at the rate of 25% starting the second year and 25% each year thereafter annually until the fifth year, for a total of 100%. Forfeitures are used to reduce future employer contributions. For the plan years ended December 31, 2025 and 2024, forfeitures reduced the District's employee contributions by less than \$1,000 each year. Employee contributions for the years ended June 30, 2025 and 2024, were approximately \$254,000 and \$314,000, respectively.

# Mayers Memorial Hospital District

## Notes to Financial Statements

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### Note 12: Risk Management

The District is exposed to various risks of loss related to medical malpractice; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries of employees; and natural disasters.

The District's comprehensive general liability insurance covers losses of up to \$5 million per claim with \$5 million annual aggregate for claims incurred during a policy year regardless of when the claim was filed ("occurrence based coverage"). The District's professional liability insurance covers losses up to \$5 million per claim with \$15 million annual aggregate for claims reported during a policy year ("claims made coverage"). The deductible per claim is \$10,000. Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with the District. Although the possibility exists of claims arising from services provided to patients through June 30, 2025, that have not yet been asserted, the District is unable to determine the ultimate cost, if any, of such possible claims, and accordingly no provision has been made for them. Settled claims have not exceeded commercial coverage in any of the three preceding years.

### Workers' Compensation

The District is exposed to the risk of loss resulting from workers' compensation claims. To address this risk, the District participates in a joint venture under a joint powers agreement with the Association of California Healthcare Districts, Inc. BETA FUND (the "Fund"). The Fund arranges for and provides member entities with pooled workers' compensation self-insurance. Member entities include governmental entities, nonprofit hospital corporations, and nonprofit corporations that provide healthcare services similar to services provided by a healthcare district. The District pays an annual premium to the Fund for its workers' compensation insurance coverage, which covers losses of up to \$2,000,000 per incident with no deductible. If participation in the Fund were 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.

### Note 13: Concentration of Credit Risk

Financial instruments that potentially subject the District to credit risk consist principally of patient accounts receivable. Patient and resident accounts receivable consist of amounts due from patients and residents, their insurers, or governmental agencies (primarily Medicare and Medi-Cal) for healthcare provided to the patients and residents. The majority of the District's patients are from Shasta County, California, and the surrounding area.

The mix of receivables from patients and third-party payors consisted of the following:

<i>June 30,</i>	2025	2024
Medicare	37 %	40 %
Medi-Cal	16 %	36 %
Other third-party payors	34 %	19 %
Patients	13 %	5 %
Totals	100 %	100 %

## **Supplementary Information**

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# Mayers Memorial Hospital District

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Listing Number	Contract or Award Number	Period of Award	Total Federal Expenditures
U.S. Department of Agriculture:				
Direct Program:				
Community Facilities Loans and Grants Cluster			09/28/2017 to	
Community Facilities Loans and Grants	10.766	04-045-4940	09/01/2057	\$ 20,061,000
<b>Total expenditures of federal awards</b>				<b>\$ 20,061,000</b>

See Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.

See accompanying notes to schedule of expenditures of federal awards.

# Mayers Memorial Hospital District

## Notes to Schedule of Expenditures of Federal Awards

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### **Note 1: General**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District. The information in the Schedule is presented in accordance with requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

### **Note 2: Basis of Accounting**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

### **Note 3: Loan Balance**

The District had outstanding loans with USDA as of June 30, 2025, with a balance of \$19,651,000. The loan balance at the beginning of the year was included in the federal expenditures presented on the Schedule. There were no new loans received during the year ended June 30, 2025.

### **Note 4: Indirect Cost Rate**

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

### **Note 5: Subrecipients**

The District does not have any subrecipients of federal awards.

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Board of Directors  
Mayers Memorial Hospital District  
Fall River Mills, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mayers Memorial Hospital District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 13, 2026.

### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

## Report on Compliance and Other Matters

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

## The District's Response to Findings

*Government Auditing Standards* require the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## Purpose of This Report

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

*Wipfli LLP*

Wipfli LLP

Milwaukee, Wisconsin

February 13, 2026

## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors  
Mayers Memorial Hospital District  
Fall River Mills, California

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Mayers Memorial Hospital District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Mayers Memorial Hospital District's major federal program for the year ended June 30, 2025. Mayers Memorial Hospital District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mayers Memorial Hospital District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Mayers Memorial Hospital District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Mayers Memorial Hospital District's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Mayers Memorial Hospital District's federal program.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

### ***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Mayers Memorial Hospital District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Mayers Memorial Hospital District's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mayers Memorial Hospital District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Mayers Memorial Hospital District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Mayers Memorial Hospital District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## ***Report on Internal Control Over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over-compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP

Milwaukee, Wisconsin  
February 13, 2026

# Mayers Memorial Hospital District

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

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### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  no

Noncompliance material to financial statements noted?  yes  no

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  no

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?  yes  no

Identification of major federal programs:

CFDA Number

Name of Federal Program or Cluster

10.766

Community Facilities Loans and Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

# Mayers Memorial Hospital District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

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### SECTION II - Findings Related to Financial Statements Reported in Accordance With Government Auditing Standards

**Finding Number:** 2025-001

**Repeat Finding:** Yes

**Type of Finding:** Significant deficiency

**Description:** Financial statement preparation and accompanying note disclosures

**Criteria:** Government Auditing Standards considers the inability to report the financial data reliably in accordance with GAAP to be an internal control deficiency.

**Condition:** The District relies on the auditor to compile the financial statements and notes. As part of our professional services for the year ended June 30, 2025, Wipfli LLP assisted in drafting the basic financial statements and related notes. This condition is not unusual in an organization of its size.

**Cause:** The District prepares a set of full disclosure financial statements only on an annual basis and does not maintain the expertise to prepare full disclosure financial statements due to cost and other considerations.

**Effect:** The completeness of the financial statement disclosures and the accuracy of the overall financial presentation may be negatively impacted, since outside auditors do not have the same comprehensive understanding as its internal finance staff.

**Recommendation:** We recommend management and those charged with governance continue to evaluate the degree of risk associated with this condition because of cost or other considerations. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

**View of responsible officials:** The CEO and CFO will continue to evaluate the cost versus benefits of having financial reporting personnel obtain expertise on financial statement preparation and disclosure requirements. Like many small organizations, the District may continue to rely on its external auditors to draft the financial statements, footnotes, and schedule of expenditures of federal awards. The CFO and controller review interim financials on a monthly basis and present results to the Finance Committee and Board of Directors.

### SECTION III - Findings and Questioned Costs Related to Federal Awards

None reported.

# Mayers Memorial Hospital District

## Schedule of Prior-Year Findings and Questioned Costs

Year Ended June 30, 2025

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**Finding Number:** 2024-001

**Type of Finding:** Significant deficiency

**Description:** Financial statement preparation and accompanying note disclosures

**Condition:** The District relies on the auditor to compile the financial statements and notes. As part of our professional services for the year ended June 30, 2024, Wipfli LLP assisted in drafting the basic financial statements and related notes. This condition is not unusual in an organization of its size.

**Current Status:** Not corrected; see current-year finding 2025-001.

### **SECTION III - Findings and Questioned Costs Related to Federal Awards**

None reported.

## Finance Notes January FY 26

Ratios	FY 26	FY 25 Average	
Cash on Hand	170	268	Avg PY
Net Income	3,434,280	366,667	Avg PY
Current Ratio	11.33		
AR Days	78.8	86	Avg PY
Accounts Payable	1,199,435	830,660	Avg PY
Daily Gross Revenue	192,803	173,009	Avg PY
YE % of Gross Revenue Collected	63%	61%	Avg PY

1. Rate Range was received and we were up to 339 days cash on hand in early February.
2. We are sending 1.4 million in IGTs this week for the DHDP (District Hospital Directed Payments) and QIP (Quality Improvement Program) and should be getting the receivables by the end of May.
3. Getting close to wrapping up the FY24 Audit with Medi-Cal. These typically take a while as DHCS doesn't have a lot of staff to manage all the audits they are required to do.
4. Assisting Kristi with the 340B audit this week.
5. I worked with Wipfli and Pit River to turn in our updated HPSA spreadsheet. It may take a few months for HCAI to review and score our submission.
6. The RHC is running at a 24K loss but that's much better than I expected with the use of locum providers.
7. Retail Pharmacy continues to have a banner year with its 38% increase in revenue.
8. HCAI's California Rural Health Transformation (CalRHT) program presented at our quarterly District Hospital Leadership Forum (DHLF). I am encouraged that CalRHT has hired Peggy Wheeler, who served as a rural policy advocate with the California Hospital Association for approximately 15 years.

One area of concern is the approval process. Proposals are submitted to CalRHT for review and approval, after which all approved applications must be forwarded to Centers for Medicare & Medicaid Services (CMS) for final authorization before any awards can be distributed. In a typical state-administered program, this additional federal approval layer would not be required, and it has the potential to delay implementation. As reflected below, the overall timeline remains uncertain based on current guidance from CalRHT.

We are actively monitoring all updates released by HCAI and will use this information to develop a strong application aligned with the three identified categories, ensuring we maximize the opportunity to enhance care delivery for our district with the available funding.

## What's next for CaIRHT?

- Complete discussions with CMS to gain approval on the use of funds
- Program design and standing up grants administration
- Convene the Rural Health Policy Council



### CaIRHT Program Key Dates

- FAQs published online- February 2026
- Spring webinar – TBD
- Request for Application release date- TBD
- First grantee announcements – TBD
- Summer webinar – TBD
- Fall webinar – TBD

## CaIRHT Proposal

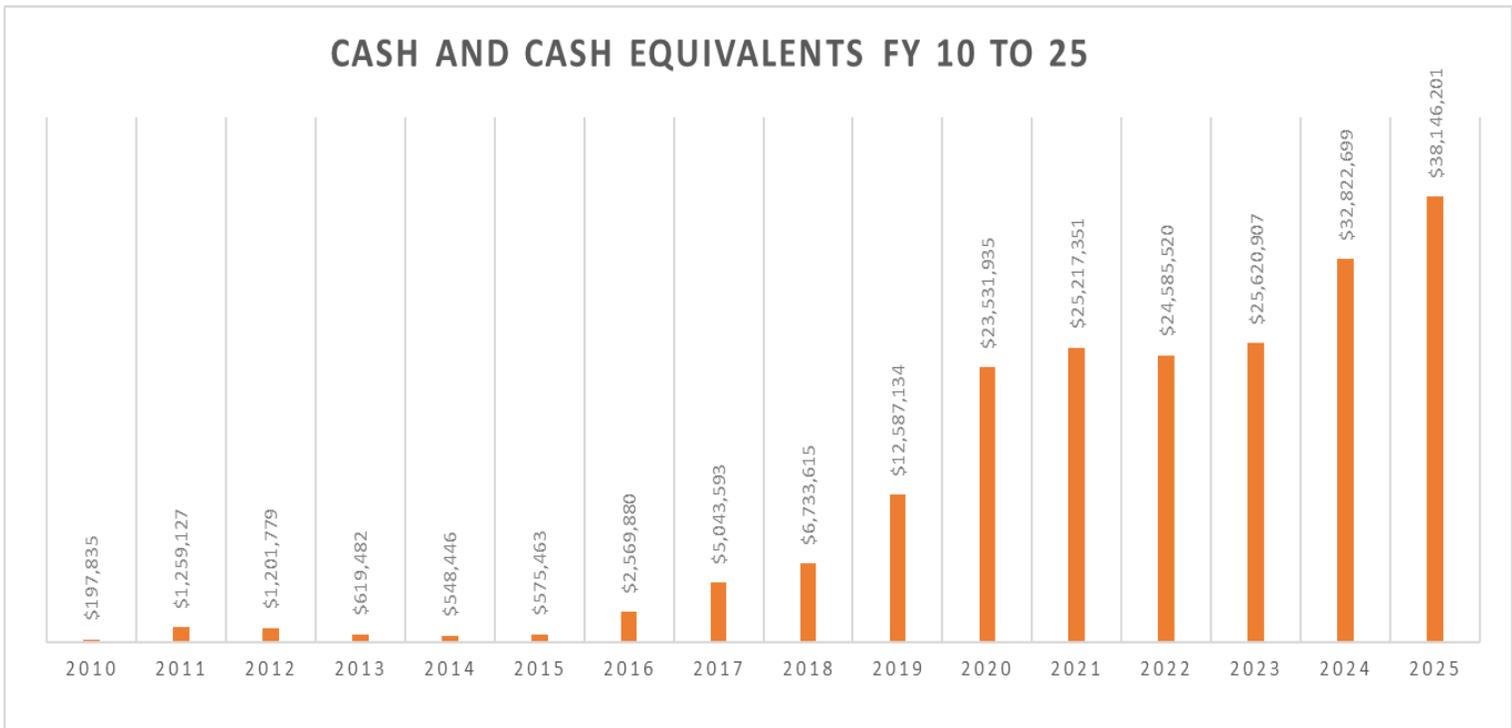
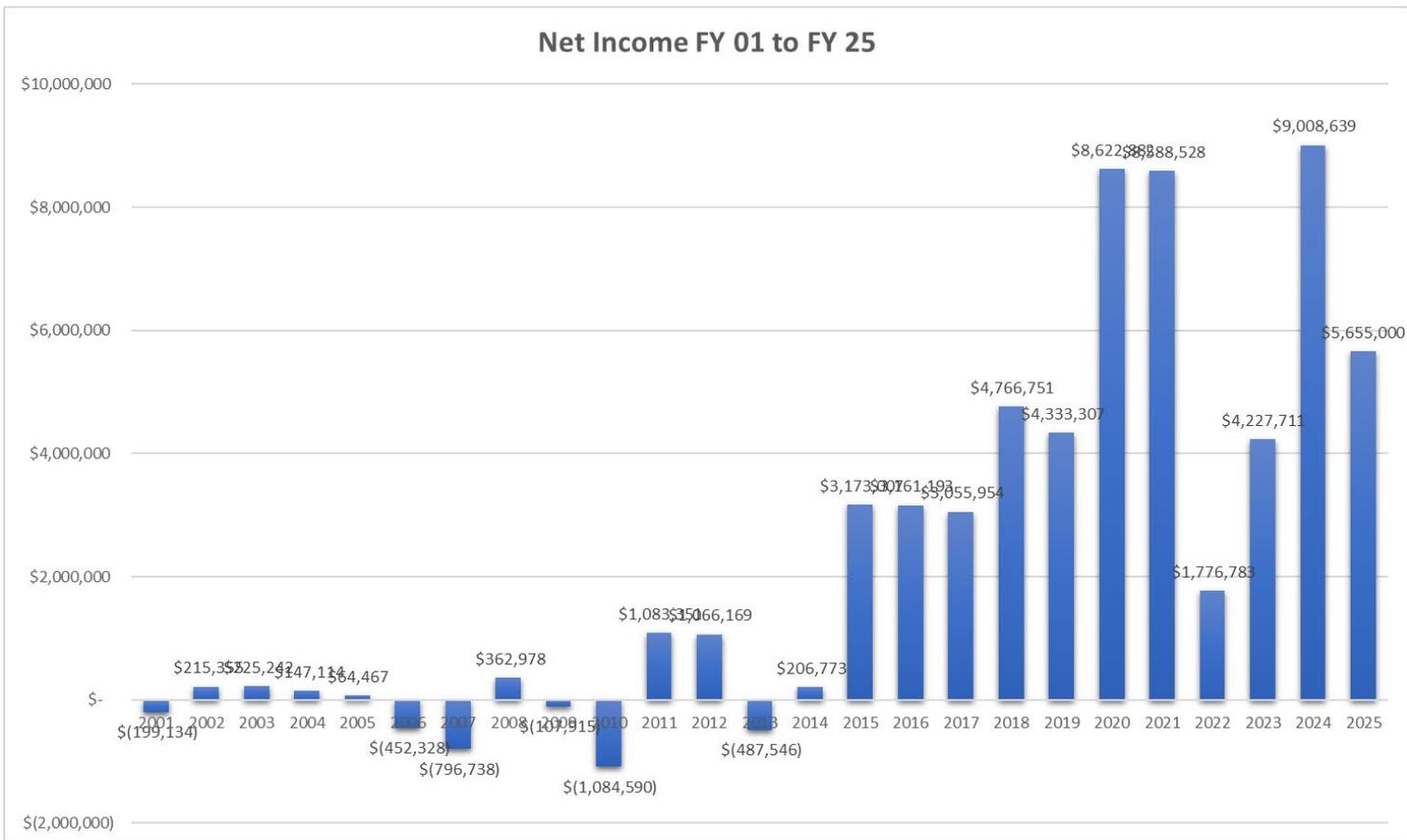


The California Rural Health Transformation (CaIRHT) program vision is a **connected, resilient rural health system** in which every rural and frontier Californian can access timely, person-centered primary, maternity, specialty, chronic disease management, and behavioral health care close to home, **supported by a sustainable workforce, modern technology and data infrastructure.**

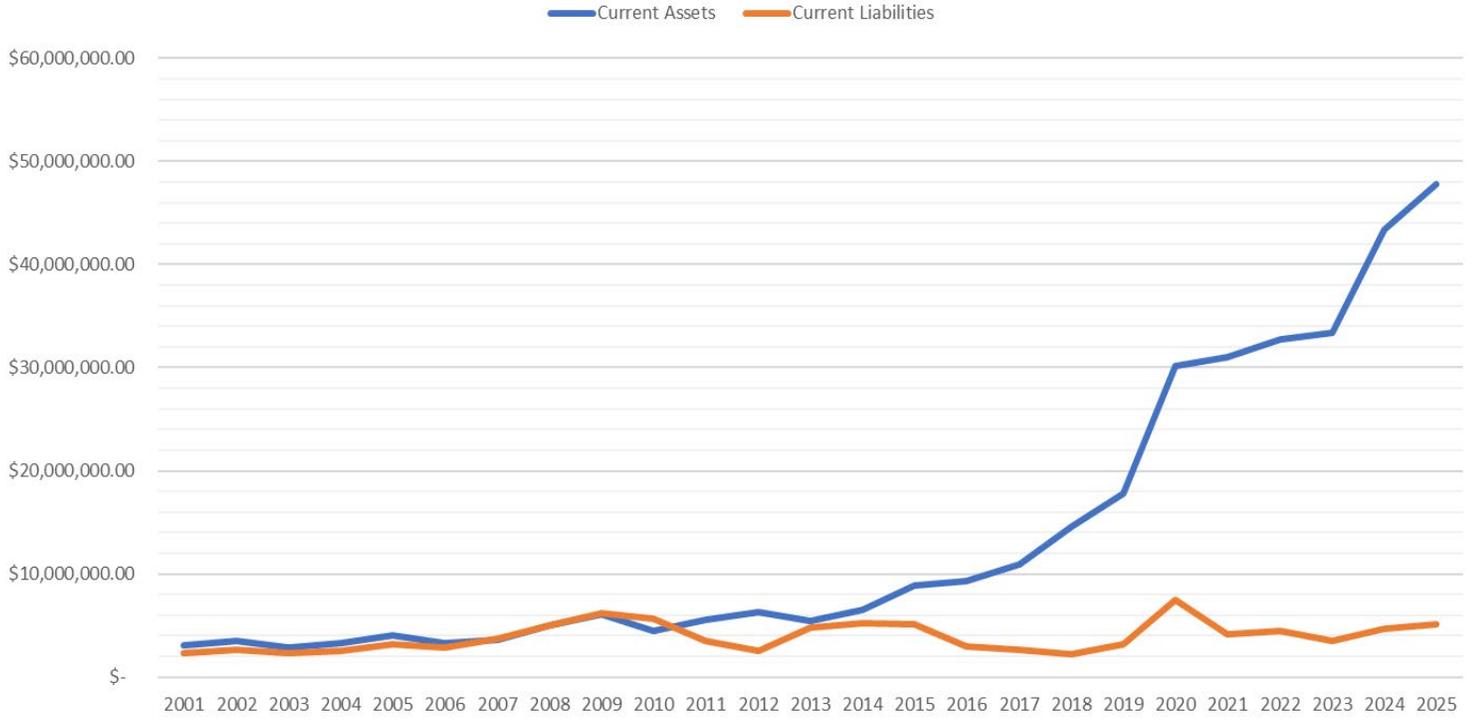
CaIRHT will develop rural regional care coordination collaboratives, networks, and partnerships; apply evidence-based care; deploy tools that work in low resource settings; and align sustainable payment to fund local readiness and health care services.

9. Attached to your finance packet is the FY 25 Audit which ended with 5.65-million-dollar net income and highest cash position at the end of a fiscal year of 38.1 million. A few years ago, I went

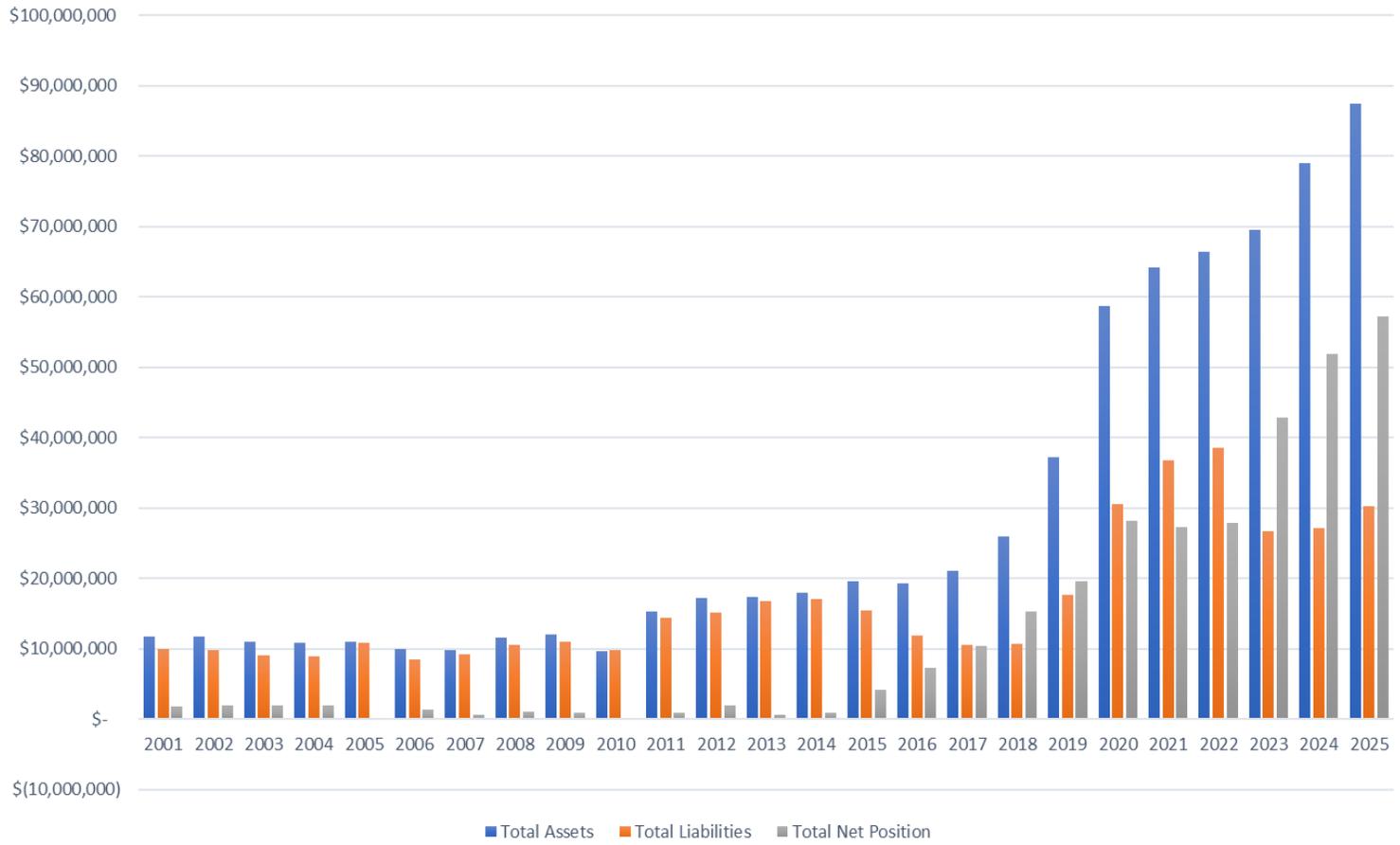
back into the audit files to the year 2001 so I could chart and show our audited financial performance historically. Below are some charts on some of our more important financial metrics.



## FY 01 to FY 25 Current Assets and Current Liabilities

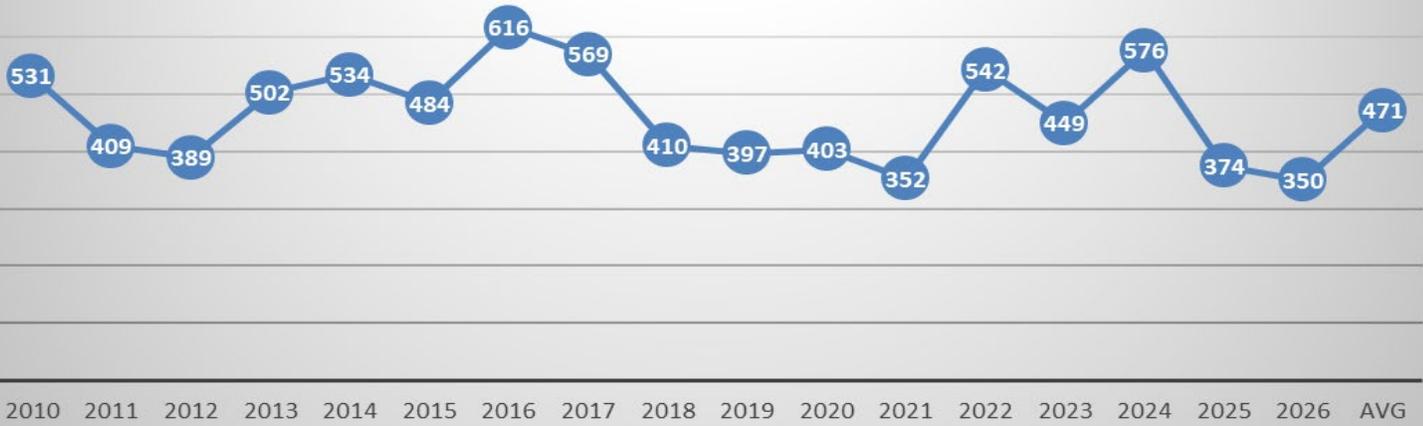


## FY 01 to FY 25 Total Assets, Total Liabilities and Total Net Position



Stats

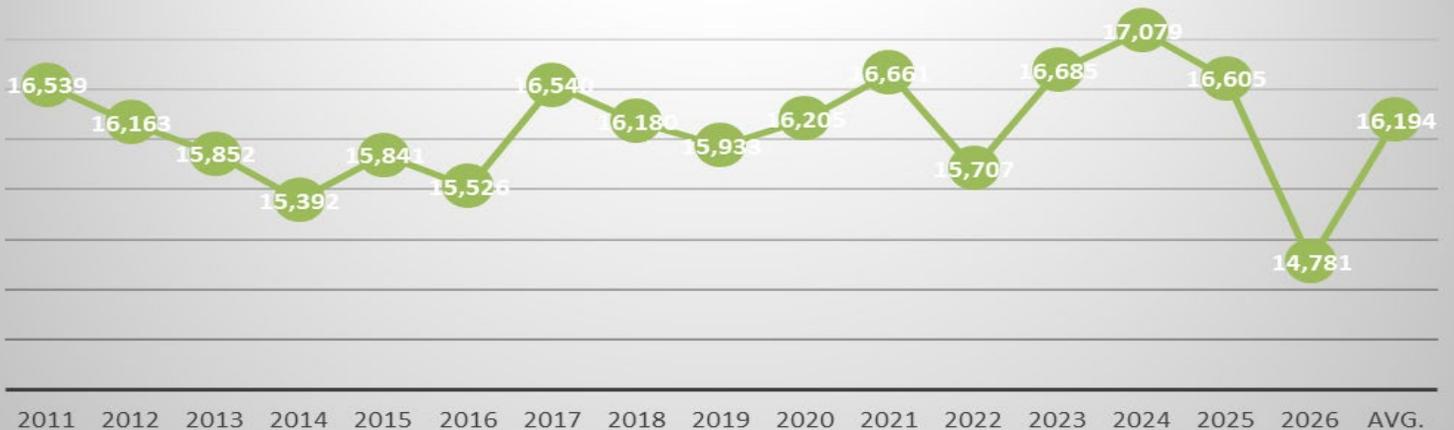
### Acute Days YTD FY 10 to 26



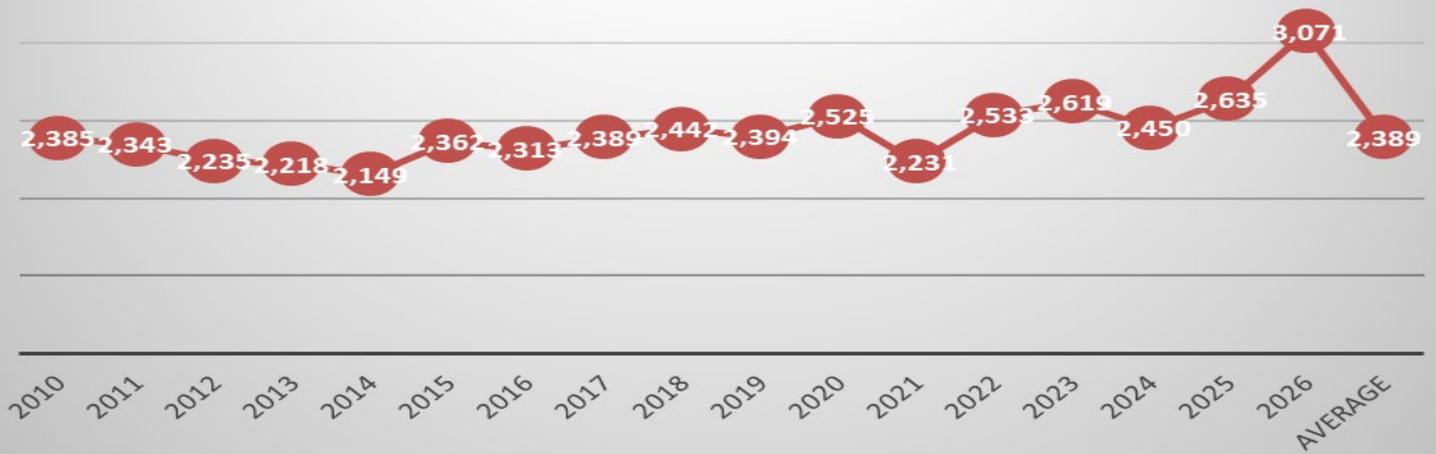
### Swing Days YTD FY 10 to 26



### DPNF Days YTD FY 10 to 26



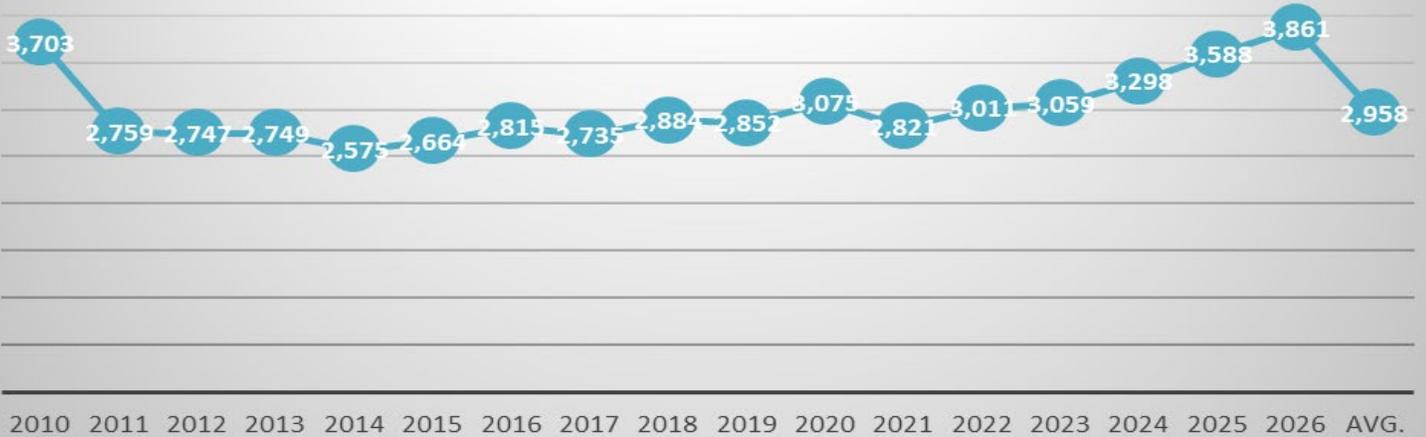
## ER Visits YTD FY 10 to 26



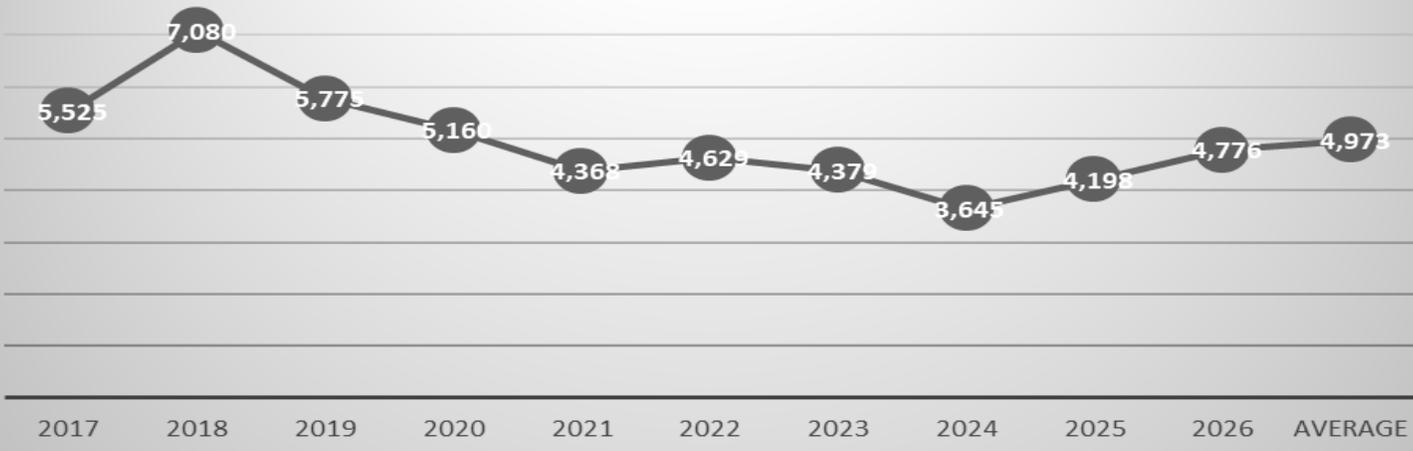
## Labs YTD FY10 to 26



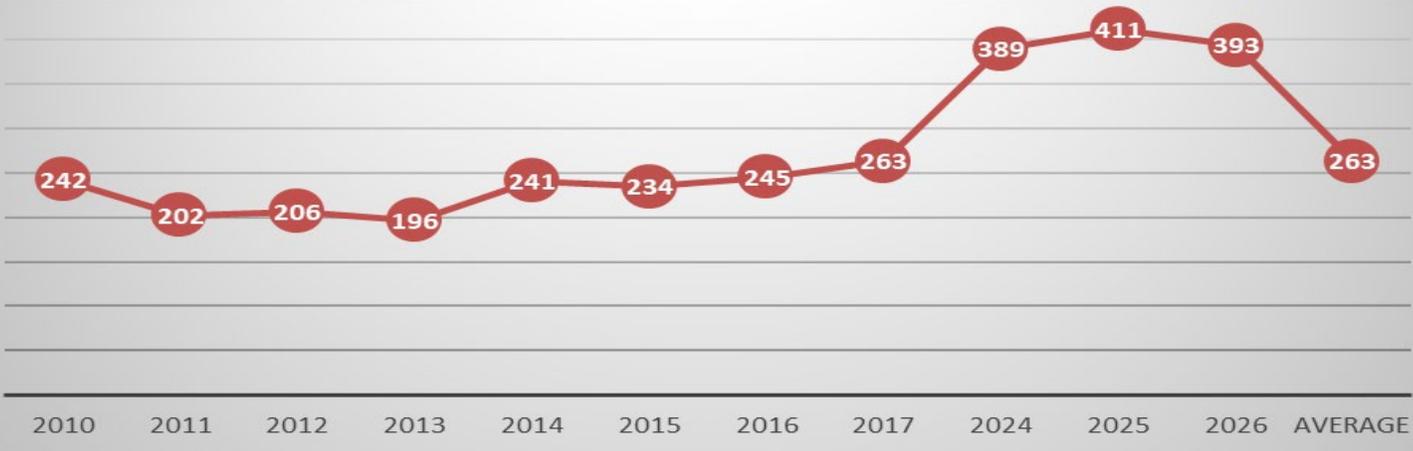
## Rad Procedures YTD FY 10 to 26



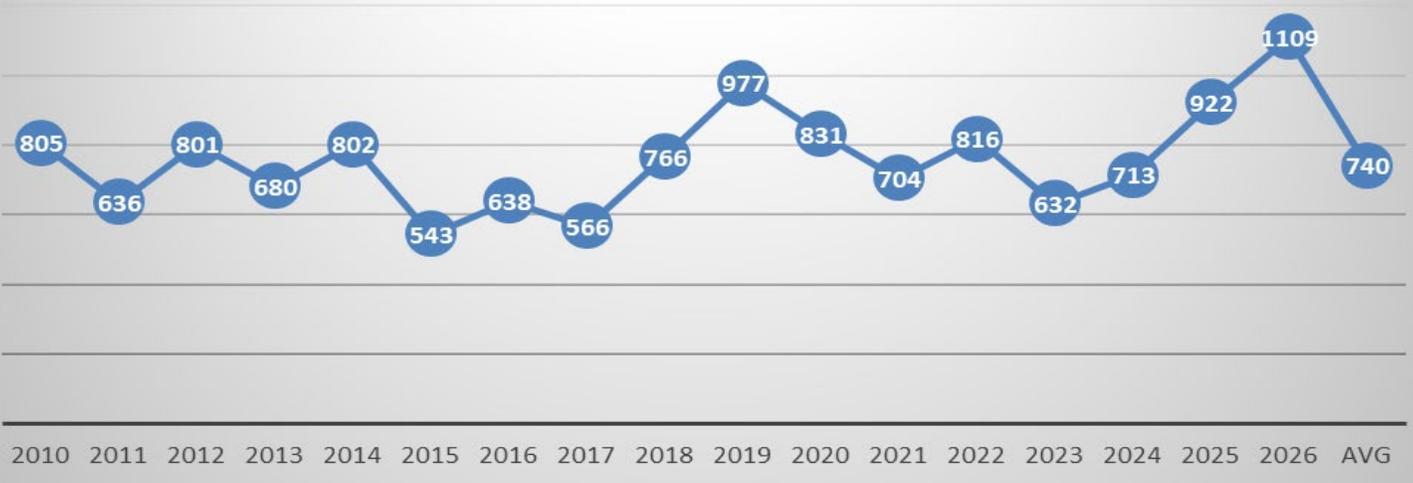
### PT Procedures YTD FY 17 to 26



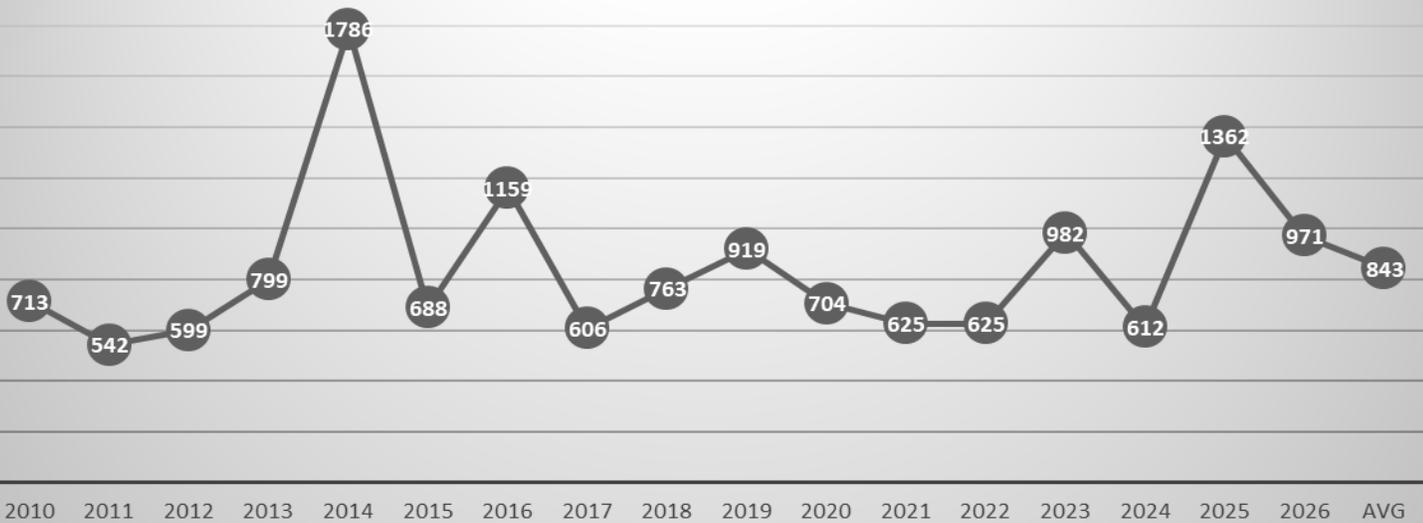
### Ambulance Runs YTD FY 10-17, 24-26



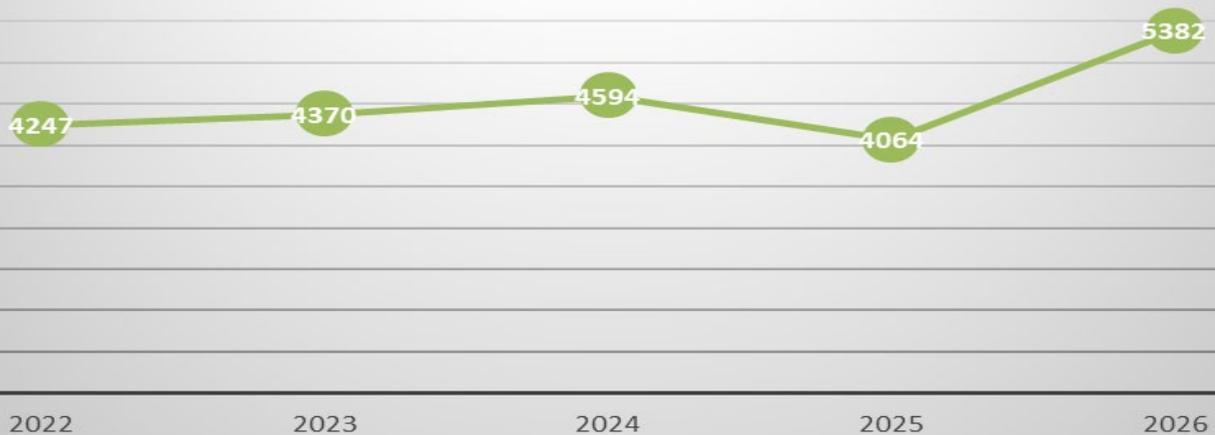
### OPM Visits YTD FY 10 to 26



## Hospice Days YTD FY 10 to 26



## RHC Visits YTD FY 22 to 26



### Income Statement

- 1) Acute Revenue is up due to the large increase in Swing days.
- 2) SNF Revenue is down due to the low census this year.
- 3) Outpatient Revenue is up as almost every department has increased utilization.
- 4) Contractuals are positive as the Rate Range Payment was much higher than forecasted so January and February must be adjusted to account for the increase.
- 5) Salaries and Wages are up only 2.39% but part of that is due to increased traveler usage on the Acute floor so we see the increases
- 6) Employee Benefits are down as we are self-funded and had some really large claims last year.
- 7) Supplies are up, which is in line with the increase in outpatient visits/procedures.
- 8) Pro Fees are up with increases to ER Wages.

- 9) Acute Travelers are up 321K but on a positive note overall traveler costs are only up 71K with decreases in SNF (lower census) and Ancillary with fewer open positions.
- 10) Other Purchased Services are up due to locum docs in the clinic and the radiology group that charges us to read studies.
- 11) Expecting some larger decreases going forward with the solar field being online.
- 12) Insurance is up with increases in liability and property insurance. Property is projected to decrease next year as we have that laundry fire claim rolling off.
- 13) Other Expenses are mostly up due to software subscriptions and some minor increases in outside training and advertising.
- 14) Interest Income is up 43K with our investments in the mortgage-backed securities.
- 15) Non-Operating Revenue is up due to increased revenue from Retail Pharmacy and a receivable for QIP.
- 16) Non-Operating Expenses are mostly up from increased drug spend corresponding to more fills in the Retail pharmacy.
- 17) Net Income is 5.47million YTD and will peak next month and slowly decrease over the last four months as we have received our largest supplemental payment for the year.

#### Balance Sheet

- 1) Cash was down at the end of January but we received 21.2 million this month and are waiting on around 2 million for our Medicare Cost Report settlement.
- 2) AR is up as we had to have all our providers fill out a form with CMS. The notice months earlier indicated that only new providers or changes required the new form, which wasn't the case. We have had most providers fill out the form and submitted them to CMS for approval. This has caused a backlog in AR that we are rebilling.
- 3) Inventories are up due to the increased prescriptions in the retail pharmacy.
- 4) The Medicare/Medi-Cal settlement will decrease in February as we received our Rate Range funds.
- 5) Payroll and related liabilities will fluctuate depending on where the month ended in relation to our payday.
- 6) The current ratio is a strong 11.33. As reflected in a chart above, there was a period in our history when current liabilities exceeded current assets, resulting in a ratio below 1.0 and indicating that we did not have sufficient current assets to cover our short-term obligations.