

CORNING HEALTHCARE DISTRICT
BOARD MEETING
Tuesday January 16, 2024
District conference room
275 Solano Street
Corning Healthcare District Campus
Meeting Inquiries (530) 824-5451

REGULAR AGENDA

-AUDIT REPORT

Recommendation:

Discussion and approval of the 2023 Audit Report

-POLICY MANUAL REVIEW, SECTION 1000

Recommendation:

Review, discussion and approval of POLICY MANUAL, SECTION 1000

-EMS STATION ON CAMPUS

Recommendation:

Discussion and approval of the addition of the EMS station on campus

CORNING HEALTHCARE DISTRICT

Larry Bain, CPA,
An Accounting Corporation
2148 Frascati Drive
El Dorado Hills, CA 95762

This representation letter is provided in connection with your audit(s) of the financial statements of Corning Healthcare District, which comprise the respective financial position of the business-type activities as of June 30, 2023, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the last date this letter is signed, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 1, 2023, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements [or in the schedule of findings and questioned costs].
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter (if any).
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 1) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 1) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 1) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 1) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 1) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 1) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 1) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 2) We have made available to you all financial records and related data [and all audit or relevant monitoring reports, if any, received from funding sources].
- 1) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 1) We have taken timely and appropriate steps to remedy violations of regulations, contracts, or grant agreements that you have reported to us.
- 1) We have a process to track the status of audit findings and recommendations.
- 1) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 1) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 1) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 1) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

- 1) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 1) As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 1) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 1) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 1) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 1) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 1) The financial statements properly classify all funds and activities.
- 1) All funds that meet the quantitative criteria in and for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 1) Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- 1) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 1) Provisions for uncollectible receivables have been properly identified and recorded.
- 1) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 2) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 1) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 1) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Management Signature: _____ Governance Signature: _____

Title: _____ Title: _____

Date: _____ Date: _____

Corning Healthcare District
Audit entries
6/30/2023

Post 6/30/2023-No Reversal

1

CD Interest income		34.00
Net assets	34.00	
Agree equity to prior audit.		

Post 6/30/2023-No Reversal

2

Short term capital lease	11,525.57	
Long term capital lease		186,318.48
Deferred inflows of resources-leases	197,011.92	
Interest revenue		31,121.57
Lease revenue	8,902.56	
Record GASB 87 true up entry for 2022/23		

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Meeting Inquiries (530) 824-5451**

POLICY MANUAL REVIEW

SECTION 1000

Conflict of Interest Code

**CONFLICT OF INTEREST CODE FOR THE
CORNING HEALTHCARE DISTRICT**

ATTACHMENT A

The Political Reform Act of 1974 (Gov. Code, 81000 et sq.) requires state and local government agencies to adopt and promulgate Conflict of interest Codes. The Fair political practices Commission has adopted a regulation (Cal. Code Regs., 2, 18730) which contains the terms of a standard Conflict of Interest Code. This regulation, including any future amendments made by the Fair political practices Commission, may be incorporated by reference into a local agency's Conflict of interest Code. Therefore, the terms of California Code of Regulations, title 2, section 18730 and any future amendments to it duly adopted by the Fair Political practices Commission are hereby incorporated by reference into this Code and along with the attachments hereto constitutes the Conflict-of-interest Code for the Corning Healthcare District.

ATTACHMENT B

CORNING HEALTHCARE DISTRICT CONFLICT OF INTEREST CODE
DESIGNATE EMPLOYEES

Under provisions of the Code, Designated Employees shall file statements of economic interests. Listed below are the designated positions for the Corning Healthcare District and the appropriate disclosure category for filing the statement of economic interest.

POSITION	DISCLOSURE CATEGORY
1. Members of the Board	I, II
2. District Manager	I, II
3. Consultants	I
4. Attorney	I

Reviewed & Revised: March 07, 2011

Reviewed June 19, 2012

Reviewed July 7, 2014

Reviewed Oct 4, 2016

Reviewed Sept 18, 2018

ATTACHMENT C

CORNING HEALTHCARE DISTRICT CONFLICT OF INTEREST CODE
DISCLOSURE CATEGORIES FOR DESIGNATED POSITIONS

CATEGORY I

Designated employees in this category shall disclose: All sources of income (including gifts, loans and travel payments), interests in real property within the District and investments and business positions in business entities located in, doing business in, planning to do business in, or which have done business during the previous two years in, or which have an interest in real property in the District, including gifts, loans, and travel payments. A person in a Disclosure Category I designated position shall complete all schedules of the FPC form 700 if applicable. Disclosure Category I is intended to require the broadest possible disclosure, consistent with the provisions of the Political Reform Act of 1974 and its' implementing regulations

Consultants, as defined in California Code of Regulations, title 2 section 18701 subdivision (a) (2)¹, shall disclose pursuant to this disclosure category subject to the following limitations.

The District Manager may determine in writing that a particular consultant, although a "designated position", is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements of this Disclosure Category I. Such written determination shall include a description of the consultant's duties and based upon that description, a statement of the extent of disclosure requirements. The District Manager's determination is a public record and shall be retained for public inspection in the same manner and location as the Conflict of Interest Code.

1. California Code of Regulations, title 2, section 18701, subdivision (a) (2) defines "Consultant" as follows:

"Consultant" means an individual who, pursuant to a contract with a state or local government agency;

- (A) Makes a governmental decision whether to:
 - (i) Approve a rate, rule, or regulation;
 - (ii) Adopt or enforce a law;
 - (iii) Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement;
 - (iv) Authorize the agency to enter into, modify, or renew a contract provided it is the type of contract that requires agency approval;
 - (v) Grant agency approval to a contract that requires agency approval and to which the agency is a party, or to the specifications for such a contract;
 - (vi) Grant agency approval to a plan, design, report, study, or similar item;
 - (vii) Adopt, or grant agency approval of, policies, standards, or guidelines for the agency, or for any subdivision thereof; or
- (B) Serves in a staff capacity with the agency and in that capacity participates in making a governmental decision as defined in regulation 18702.2 or performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency's Conflict of Interest Code under Government Code section 87302.

CATEGORY II

Designated employees in this category shall disclose: All **interest in real property** within the District, and all **sources of income** (including **gifts, loans and travel payments**), and **investments and business positions** in business entities, that provide services, goods, property, supplies, materials, machinery or equipment of any type utilized by he District, or otherwise transact business with or have any contractual relationship with the District during the disclosure period.

CATEGORY III

Designated employees in this category shall disclose: All **interest in real property** within the District, and all **sources of income** (including **gifts, loans and travel payments**), located in, doing business in, planning to do business in, or which have an interest in real property in the District, all **investments** in business entities located in, doing business in, or planning to do business in, or which have an interest in real property in the District, and all **business positions** in business entities located in, doing business in, planning to do business in, or which have an interest in real property in the District.

ATTACHMENT D

CORNING HEALTHCARE DISTRICT CONFLICT OF INTERST CODE PLACE OF FILING

Where: County Clerk & Recorder
Po Box 250
444 Oak St., Rm. C
Red Bluff CA 96021

Pursuant to Government Code section 87500, subdivisions (k) and (o), the Tehama County Board of Supervisors, as the code reviewing body for the Corning Healthcare District, has determined that the original Form 700 - Statement of Economic Interest for each Designated Employee shall be filed with the Tehama County Clerk-Recorder as the filing officer for the code reviewing body. The District Manager shall provide Form 700 - Statement of Economic Interest to each Designated Employee annually and when that employee assumes or leaves any designated position. The employee shall complete and file the form with the District Manager who will make and retain a copy and forward the original to the Clerk-Recorder at the above address within the time at the above address within the time required by law.

POLICY TITLE: Adoption/Amendment of Policies
POLICY NUMBER: 1000

1000.1 Consideration by the Board of Directors to adopt a new policy or to amend an existing policy may be initiated by any Director or the General Manager. The proposed adoption or amendment shall be initiated by a Director or the General Manager by submitting a written draft of the proposed new or amended policy to the Board Chairperson and the General Manager, which may be submitted in person or by any communication method approved by the District, and requesting that the item be included for consideration on the agenda of the next appropriate regular meeting of the Board of Directors. Any member of the Board may place an item on a future agenda by making a formal request to the General Manager at a meeting of the Board. The General Manager will place Board items on a future Board agenda when reasonable, based on the staff time and research necessary to prepare the item for Board consideration.

1000.2 Adoption of a new policy or amendment of an existing policy shall be accomplished at a regular meeting of the Board of Directors in accordance with the District's state statutes regarding the constitution of a majority vote.

1000.3 Copies of the proposed new or amended policy shall be included in the agenda-information packet for any meeting in which they are scheduled for consideration (listed on the agenda). A copy of the proposed new or amended policy(ies) shall be made available to each Director for review at least 72 hours, per the Brown Act, prior to any meeting at which the policy(ies) are to be considered.

POLICY TITLE: Board Secretary
POLICY NUMBER: 1015

1015.1 The position of Secretary of the Board of Directors is required by state law. The Secretary performs duties including recording of minutes and actions of the Board of Directors and certifying all actions and resolutions of the Board.

1015.2 If for any reason the President and Vice-President resign or are absent or disabled, the Secretary shall perform the President's duties until the position of President is filled.

1015.3 If for any reason the President and Vice-President disqualify themselves from participating in an agenda item or become partisan in the debate on any such item, the Secretary shall perform the duties of the presiding officer.

1015.4 Duties of the Secretary

The Secretary of the Governing Board shall have the following duties:

- a) Certify or attest to actions taken by the Board when required;
- b) Sign the minutes of the Board meeting following their approval;
- c) Sign the documents as directed by the Board on behalf of the Authority, and sign all other items which require the signature of the Secretary;
- d) Perform any other duties assigned by the Board and the General Manager; and
- e) Perform any other duties required under law.

1015.5 Responsibilities of the Secretary

The duties of the Secretary, with assistance of the General Manager, are:

- a) Respond to routine correspondence;
- b) Prepare for Board meetings, including preparing the agenda with the advice of the General Manager and providing public notice of Board meetings in accordance with state law;
- c) Attend all Board meetings and ensure minutes of the Board of Directors meetings are recorded. These recordings are for use by the Secretary only for the purpose of preparing minutes for adoption at the next regularly scheduled meeting of the Board. Upon adoption of these minutes the recording media will be reused;
- d) Ensure accurate Minutes of each Board meeting are prepared and maintained;
- e) Maintain Board records and other documents and reports as required by law; and
- f) Disseminate correspondence to Board officers addressed to them.