

MARIN HEALTHCARE DISTRICT

100-B Drake's Landing Road, Suite 250, Greenbrae, CA 94904

Telephone: 415-464-2090

Fax: 415-464-2094

Website: www.marinhealthcare.org

Email: info@marinhealthcare.org

BOARD OF DIRECTORS

FINANCE & AUDIT COMMITTEE

TUESDAY, OCTOBER 24, 2023 @ 4:00 P.M.

Committee:

Chair: Edward Alfrey, MD

Member: Ann Sparkman, RN/BSN, JD

Staff: David Klein, MD, CEO
Eric Brettner, CFO
Colin Leary, General Counsel
Liz Lasnier, Controller

Support: Louis Weiner, EA

Guests: Debashis Chowdhury, Jason Levey
(Canterbury Consulting)

Location:

Via Zoom only:

<https://mymarinhealth.zoom.us/join>

Meeting ID: 961 5154 8614

Passcode: 339464

Or via Zoom telephone: 1-669-900-9128

AGENDA

- | | | <u>TAB</u> |
|----|--|----------------------------|
| 1. | Call to Order / Approval of the Agenda (action) | Alfrey |
| 2. | Approval of the Minutes of the MHD Finance & Audit Committee Meeting of July 25, 2023 (action) | Alfrey #1 |
| 3. | Public Comment
<i>Any member of the audience may make statements regarding any item NOT on the agenda. Statements are limited to a maximum of three (3) minutes. Please state and spell your name if you wish it to be recorded in the minutes.</i> | Alfrey |
| 4. | Review: MHD Corporate Investment Portfolio | Brettner/
Canterbury #2 |
| 5. | District Financial Reports | Brettner |
| | A. July 2023 | #3 |
| | B. August 2023 | #4 |
| | C. September 2023 | #5 |
| 6. | Adjournment | Alfrey |

Next meeting: TBA

A copy of the agenda for the Meeting will be posted and distributed
at least seventy-two (72) hours prior to the meeting.

In compliance with the Americans with Disabilities Act, if you require accommodations to participate in a District meeting please contact the District office at 415-464-2090 at least 48 hours prior to the meeting.

Tab 1

MARIN HEALTHCARE DISTRICT

100-B Drakes Landing Road, Suite 250, Greenbrae, CA 94904

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Board of Directors Finance and Audit Committee Tuesday, July 25, 2023 @ 4:00 pm Via Zoom

MINUTES

1. Call to Order

Chair Alfrey called the meeting to order at 4:00 pm.

2. Roll Call / Approval of Agenda / Approval of Minutes

Committee members present: Edward Alfrey, MD (Chair); Ann Sparkman (Board Member);
Leslie Lava (Community Member)

Staff members present: David Klein, MD (CEO); Eric Brettner (CFO); Liz Lasnier (Controller);
Colin Leary (General Counsel); Brad Malsed (Ex Dir Fin Pln); Mary Hard (Dir Budgeting);
Louis Weiner (EA)

Guests present: Jason Levey (Canterbury Consultants)

Approval of the Agenda: It was moved, seconded and carried to approve the agenda as presented.

Approval of the Minutes: It was moved, seconded and carried to approve the minutes of the meeting of the committee on June 27, 2023.

3. Public Comment

There was no public comment.

4. Marin Healthcare District FY 2024 Operating Budget

Mr. Brettner presented the 2024 budget (Tab #2) for review and approval, and offered comments.

Receipts include a hospital rental income increase of 4.2%. The lease interest revenue is now subject to a new GASB 87 accounting rule change which has a very minimal impact on the bottom line. Investment earnings are conservatively based on March 2023 yield. Bond funds County tax revenue is at \$15.1M.

Expenses include audit fee increase of 5%. Charitable contributions and advertising each added \$10K for the Board's discretion. Communications and education increased from \$70K to \$145K for more events, reports and website upgrade. Support for the outpatient mental health clinic is \$100K for the third year of the three-year commitment. Continuing support for the hospital mental health program is \$200K, pending Board approval for continuation.

On the budget spreadsheet, the far right column "GASB 87 Accounting Change" is the final budget to be approved, showing a positive Net Operating Margin of \$36,005.

Ms. Lava inquired about election expenses of \$200K and Mr. Brettner explained the estimated figure that is reliant upon the population of the MHD Divisions up for election and of the number of elective offices and issues on the 2024 ballot. The previous election expense of the 2022 election was about \$150K.

Dr. Alfrey asked for a motion to recommend to the full Board the approval of the budget at the next regular meeting. Ms. Sparkman moved to approve. Ms. Lava seconded. **Motion approved.**

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Board of Directors Finance and Audit Committee Tuesday, July 25, 2023 @ 4:00 pm Via Zoom

MINUTES

5. District Corporate Investment Portfolio Policy

Mr. Levey of Canterbury Consultants presented the recommended revised Statement of Investment Policy, noting the two major changes. Delegation of oversight of the District's portfolio will shift from the MGH (MarinHealth) Board, through its Investment Committee, to the MHD Board, through this MHD Finance and Audit Committee. Roles and responsibilities in managing the portfolio and communicating with the investment advisor (Canterbury) will likewise shift from MGH to MHD.

Appendix B in the Policy indicates the portfolio's maximum percentages of allocation in asset classes: Equity (30% maximum), Fixed Income (100% maximum), Cash (25%).

Ms. Lava asked if the contract with Canterbury is with the District or the Hospital. Mr. Brettner explained that the Hospital is covering the advisor's cost as obligated by the MHD-MGH lease agreement as a support service. Mr. Levey added that the investment advisor assists in the process of recommending a custodian. In Appendix A, the "total fund: District Corporate" box remains while the "Manager" lower box is deleted. Investment advisor will interact regularly with this Committee by reviewing the portfolio quarterly and this policy annually.

Dr. Alfrey asked for a motion to approve the revised District Corporate Investment Portfolio Policy. Ms. Sparkman so moved. Ms. Lava seconded. **Motion approved.**

6. District Financial Report

Mr. Brettner presented the June financials. Revenue was \$4,093 unfavorable to budget due mostly to lower investment earnings, while YTD revenue was \$51,162 favorable to budget due to higher investment earnings. Expenses for June were \$9,801 favorable to budget, while YTD expenses were \$81,196 favorable to budget. Budgeted expenses for charitable contributions and community education will be incurred later in the year.

Net operating income for June is positive \$5,708, and YTD is positive \$132,358.

7. Adjournment

Chair Alfrey adjourned the meeting at 4:20 pm.

Tab 2



CanterburyConsulting

Investment Performance Review

Presentation To:

Marin Healthcare District

Presented By:

Canterbury Consulting
610 Newport Center Drive, Suite 500
Newport Beach, California 92660

Quarter Ending September 30, 2023

SAVE THE DATE



20 ANNUAL 24 FORUM

MARCH 19, 2024 | NEWPORT BEACH, CA

To register, please
use the link or
QR code below.

[Registration Link](#)



CONFIRMED SPEAKERS



Abigail Glerum

Managing Director

GoldenTree Asset Management



Ron Temple

Chief Market Strategist

Lazard Asset Management



Daniel Weiss

Co-Founder and Managing Partner

Angeleno Group

Drivers of the Market

Markets Improve Amidst Cooling Inflation

- In the third quarter, U.S. equities saw first quarterly decline since the Q3 of 2022. The energy sector propped up market-wide performance, in large part due to elevated oil prices created by supply-constricting efforts from Saudi Arabia and Russia. However, widespread poor performance in most other sectors offset these gains, and can be attributed to persistently strong economic data suggesting rate cuts are unlikely in the near term. Utilities, real estate, and consumer staples all posted material negative returns for the quarter.
- International developed equities and emerging markets (EM) equities posted mixed returns. Continuing concerns over China's economy, as well as idiosyncratic catalysts in Poland and Chile, negatively impacted major EM indices. Asia ex. Japan and the Eurozone also were negatively affected by concerns regarding Chinese recovery and higher rates affecting European consumers' budgets. UK equities and Japan both posted positive returns, with major UK sectors that were hit earlier in the year recovering and Japanese small cap and value stocks being favored in the face of heightened rates.
- Amid elevated inflation, the Federal Reserve raised the key interest rate by 25 basis points in May to a range between 5.00% - 5.25%. In June, the FOMC agreed to keep rates unchanged but projected that they would need to raise rates two more times this year by 25 bps each. They have signaled uncertainty whether the three bank failures of this year would cause tighter lending standards, which would benefit the Fed's goal of slowing economic activity to tame inflation.
- The treasury yield curve increased across the curve as a result of positive economic and labor market data. Inflation/rate expectations were revised by the market, causing yields to rise. Investment grade (IG) spreads narrowed from 145 basis points (bps) to 130 bps over the quarter while high yield (HY) spreads narrowed from 458 bps to 405 bps.
- Inflation, measured by CPI, significantly decreased but remained elevated over the quarter to a year-over-year rate of 3% in June. CPI excluding food and energy, generally viewed as sticky inflation or Core CPI, fell but also remained elevated at a year-over-year rate of 4.8%. Indicators used to measure U.S. economic activity such as the ISM Manufacturing and Non-Manufacturing indexes, continued to decline over the quarter, albeit at a slower pace.

Third Quarter 2023

Returns through September 30, 2023

Index	QTD	YTD
Growth MSCI ACWI	-3.4%	10.1%
Capital Preservation Bloomberg Global Aggregate	-3.6%	-2.2%
Inflation Protection Morningstar U.S. Real Asset*	-3.8%	-1.7%

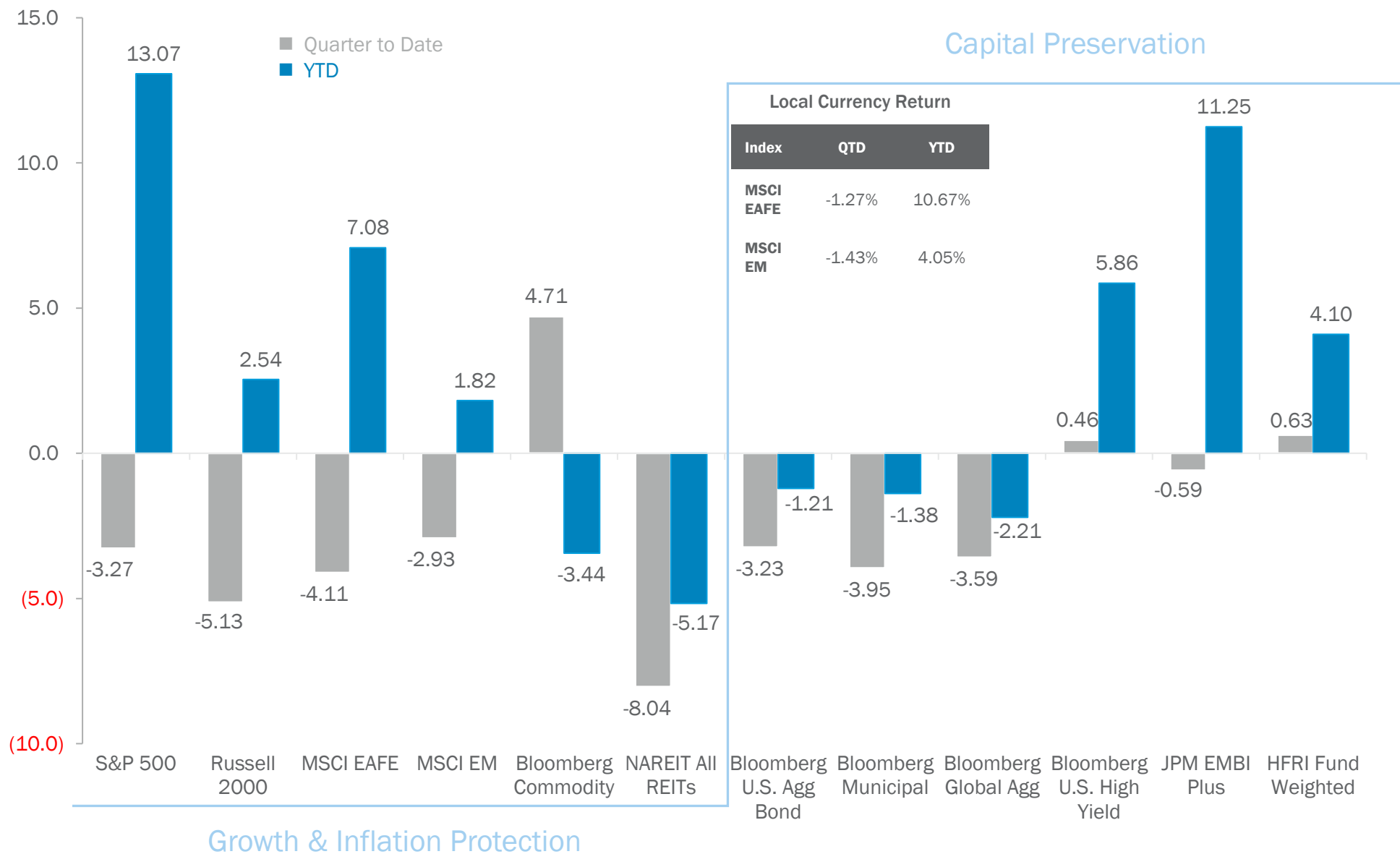
Sources: MSCI ACWI Index, MSCI ACWI ex-US Index, MSCI EAFE Index, MSCI EM Index, Federal Reserve Board of Governors, U.S. Bureau of Labor Statistics, Morningstar

*40% TIPS, 30% L/S Commodity, 15% REITs, 10% Global Nat. Resources, 5% MLPs

** As represented by the ICE BofA Master Option Adjusted Spread data

Index Returns (%)

Through September 30, 2023



Source: Morningstar

Year over Year Statistics¹

	September 28, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022	September 29, 2023
S&P 500	2,913.98	2,976.74	3,363.00	4,307.54	3,585.62	4,288.05
S&P 500 EPS	150.67	164.01	145.23	183.28	221.34	219.83
P/E of S&P 500	20.74	19.24	25.20	25.33	17.15	19.51
P/E of MSCI EAFE	15.26	15.37	21.47	17.24	11.75	14.43
P/E of MSCI EM	12.19	13.07	18.80	15.20	10.69	14.12
S&P 500 Earnings Yield	4.82	5.20	3.97	3.95	5.83	4.76
Fed Funds Effective Rate	1.95	2.04	0.09	0.08	2.56	5.33
3 Month LIBOR	2.40	2.09	0.23	0.13	3.75	5.66
10 Year Treasury Yield	3.06	1.66	0.68	1.49	3.83	4.57
30 Year Mortgage Rate	4.57	3.72	3.08	3.18	7.06	7.74
Bloomberg U.S. Agg Yield	3.46	2.26	1.18	1.56	4.75	5.39
Bloomberg HY Spread	3.16	3.73	5.17	2.89	5.52	3.94
Gold (\$/oz)	1,190.88	1,472.49	1,885.82	1,756.95	1,660.61	1,848.63
WTI Crude Oil (\$/bbl)	73.25	54.07	40.22	75.03	79.49	90.79
Unemployment Rate	3.70	3.50	7.90	4.80	3.50	3.80
Headline CPI²	2.30	1.70	1.40	5.40	8.20	3.70
VIX Index	12.12	16.24	26.37	23.14	31.62	17.52

Forward Looking Forecasts

	Real GDP ³	CPI ³	Unemployment ³	10-Yr Treasury ³	S&P 500 EPS ⁴	Forward P/E ⁴	MSCI EAFE EPS ⁴	Forward P/E ⁴	MSCI EM EPS ⁴	Forward P/E ⁴
2023	2.1%	4.1%	3.7%	4.05%	\$230.67	18.59	\$153.71	13.21	\$79.28	12.02
2024	1.0%	2.7%	4.3%	3.59%	\$243.88	17.58	\$159.45	12.74	\$85.43	11.15

1) Source: Bloomberg

2) Values are carried forward from the most recent reported value (6/30/2023)

3) Forecasts are consensus opinions from forecasting agencies, aggregated by Bloomberg, throughout the month

4) Index Forecasts - Forward 12-month estimate, Forward 24-month estimate

Estimate calculated from quarter end (i.e. June 30, 2023 – June 30, 2024). Price in P/E ratio static as of quarter end.

Current U.S. Economic Conditions: Cautious Growth

Contraction

U.S. GDP Growth: Below avg. growth

U.S. Unemployment

U.S. Credit Markets: Spreads slightly above avg.

Volatility (VIX)

Yield Curve

Investor Sentiment: Below average

Normal Growth

U.S. GDP Growth

U.S. Unemployment: Below avg. unemployment

U.S. Credit Markets: Slight tightening

Volatility (VIX): Below avg. volatility

Yield Curve

Investor Sentiment: Moderately above avg.

Panic

U.S. GDP Growth

U.S. Unemployment

U.S. Credit Markets

Volatility (VIX)

Yield Curve: Sig. below average

Investor Sentiment

Manic Growth

U.S. GDP Growth

U.S. Unemployment

U.S. Credit Markets

Volatility (VIX)

Yield Curve

Investor Sentiment

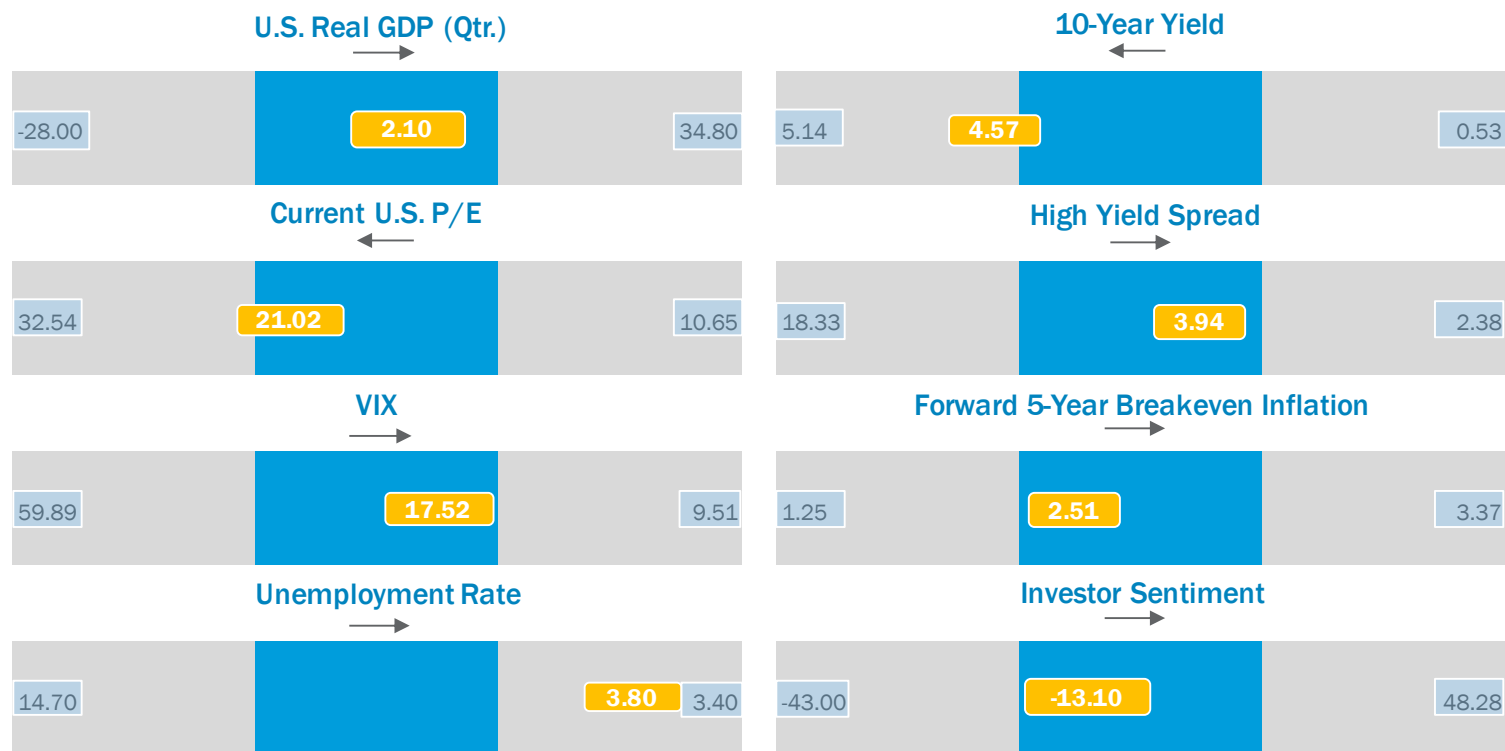
Metrics	Quarter avg.	10-year avg.
U.S. GDP Growth: Prior quarter U.S. Real GDP versus the 10 year U.S. Real GDP average*	2.1%	2.5%
U.S. Unemployment: Quarter avg. unemployment rate versus the 10 year average	3.6%	5.1%
U.S. Credit Markets: Quarter avg. Barclays US Corporate HY Average OAS versus the 10 year average	378	428
Volatility (VIX): Quarter avg. VIX average versus the 10 year VIX average	14.9	18.4
Yield Curve: Quarter avg. 30-year yield minus the quarter avg. 2-year yield versus the 10 year average	(-62) bps	129 bps
Investor Sentiment: Quarterly Sentiment spread versus the 10 year average spread. Spread measured by difference between Bull Sentiment Index and Bear Sentiment Index.	2.1	1.5

*U.S. GDP Growth is the current, end of previous quarter reading

Source: Bloomberg

Global Positioning Indicators

Through September 30, 2023



Current

+/- 1 Standard Deviation From the Mean

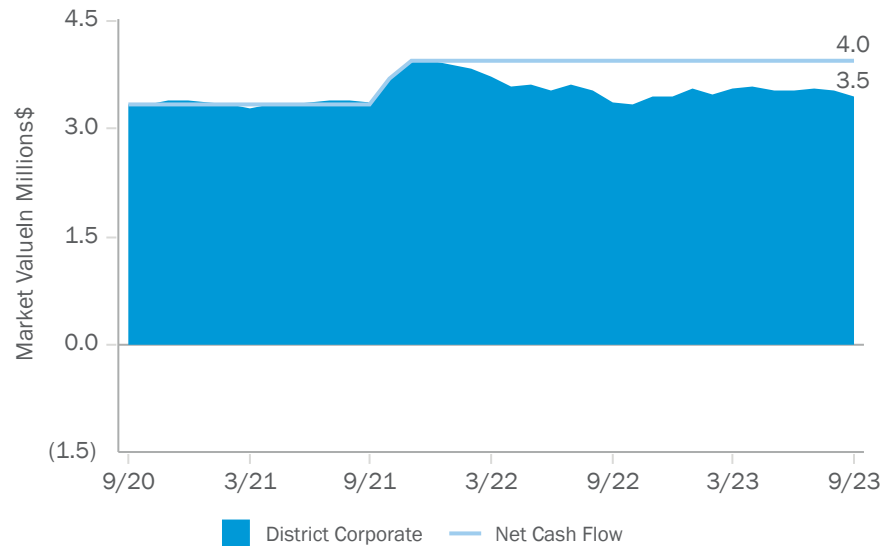
20-Year High and Low

Source: Bloomberg

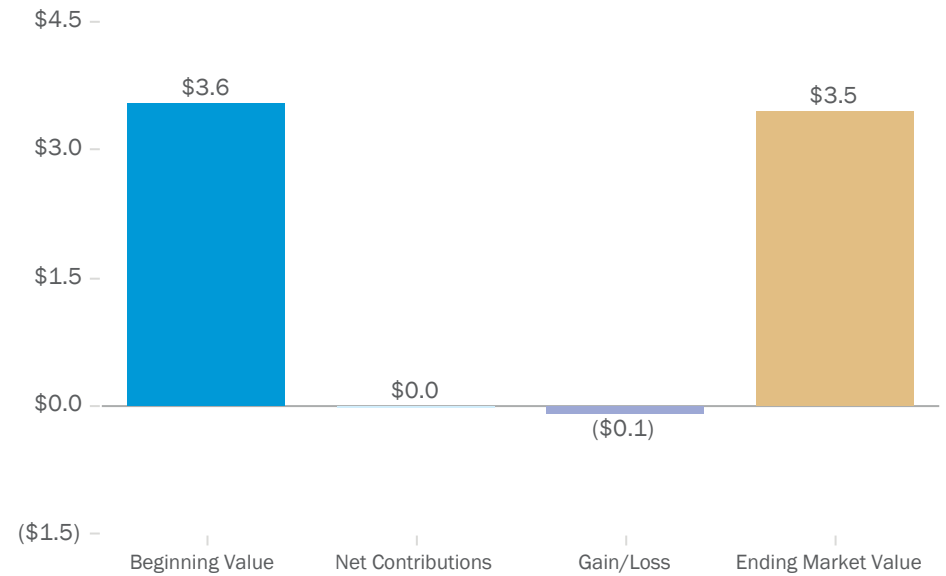
	GROWTH		CAPITAL PRESERVATION		INFLATION PROTECTION
Asset Class	Public Equity	Private Equity	Fixed Income	Hedge Funds	Real Assets
Benchmark	MSCI ACWI	Russell 3000 (lagged)	Barclays Global Aggregate	HFRI Fund Weighted	Morningstar U.S. Real Asset
Canterbury Positioning	<ol style="list-style-type: none"> 1. Consider rebalancing back to targets if underweight 2. Allocate to high active share strategies within active segment 	<ol style="list-style-type: none"> 1. Focus on operational hands-on strategies 2. Continue to allocate in accordance with prior pacing expectations if liquidity allows 	<ol style="list-style-type: none"> 1. Maintain diversification and consider gradually rebalancing to target fixed income allocations given recent drawdown 2. Maintain home country bias given rise in U.S. rates 	<ol style="list-style-type: none"> 1. Slight bias toward long/short credit and event-driven strategies 	<ol style="list-style-type: none"> 1. Diversify exposure to real assets 2. Rebalance real asset exposure
Reason	<ol style="list-style-type: none"> 1. Market dislocation provides opportunity to earn a rebalancing premium 2. Elevated volatility and dispersion as we enter a recession support thoughtful security selection 	<ol style="list-style-type: none"> 1. Persistent value creation across market cycles; ability to influence key company decisions 2. Long term asset class; funds raised during or just after a downturn have historically generated strong returns 	<ol style="list-style-type: none"> 1. Front end maturities offer more attractive yields per unit of duration relative to previous years. Long maturities may offer more diversification and protection in the event of a recession 2. Less non-U.S. developed currency risk and a better hedge against investor liabilities 	<ol style="list-style-type: none"> 1. Stressed opportunities potentially developing in the credit markets 	<ol style="list-style-type: none"> 1. Increases the reliability of the asset class against inflation 2. Offers diversified exposure to a broad set of real assets given volatility characteristics

	Allocation		Net-of-Fees Performance (%)								
	Market Value \$	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
District Corporate	\$3,458,523	100.0	(2.6)	(0.2)	1.9	(4.4)	(0.4)	0.1	-	0.4	May 2016
Blmbg. U.S. Aggregate Index			(3.2)	(1.2)	0.6	(5.2)	0.1	(0.1)	1.1	0.2	
Intermediate Core Bond Median			(3.1)	(1.0)	0.6	(5.2)	0.0	(0.1)	1.0	0.2	
District Corporate Rank			14	14	9	13	79	28	-	34	
Fixed Income Composite	\$3,448,337	99.7	(2.6)	(0.1)	2.1	(4.3)	(0.4)	0.2	-	0.4	May 2016
Blmbg. U.S. Aggregate Index			(3.2)	(1.2)	0.6	(5.2)	0.1	(0.1)	1.1	0.2	
Intermediate Core Bond Median			(3.1)	(1.0)	0.6	(5.2)	0.0	(0.1)	1.0	0.2	
Fixed Income Composite Rank			14	13	8	13	78	28	-	32	
Cash Composite	\$10,186	0.3	0.1	0.3	-	-	-	-	-	0.3	Jan 2023
90 Day U.S. Treasury Bill			1.3	3.6	4.5	1.7	1.7	1.5	1.1	3.6	
Cash			0.1	0.3	-	-	-	-	-	0.3	

Market Value Summary 3 Years Ending September 30, 2023



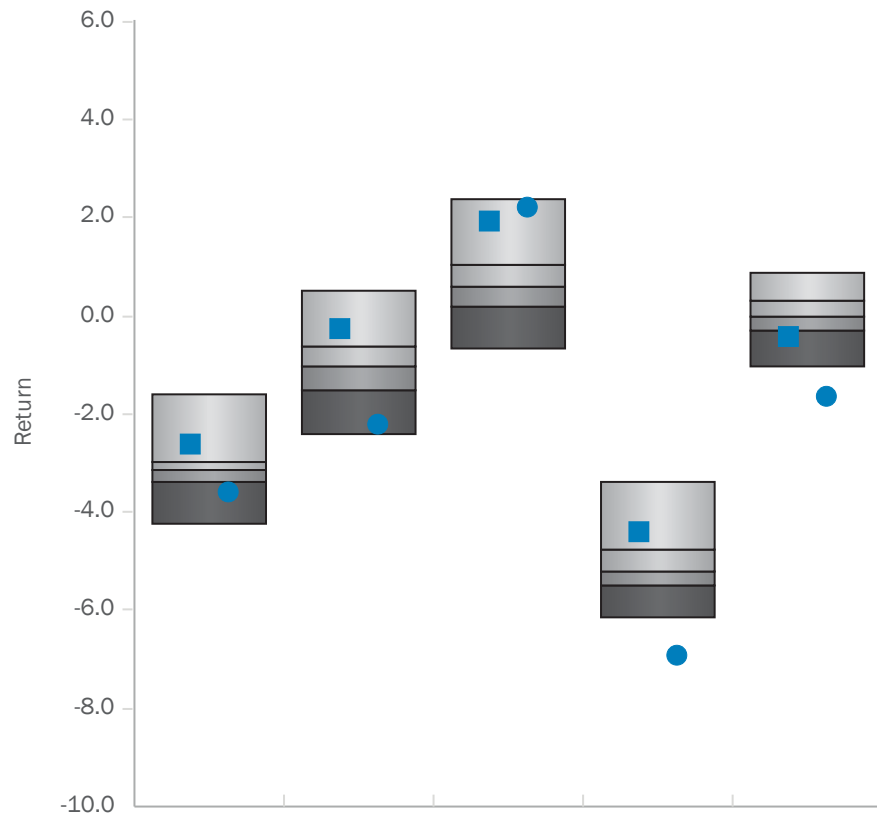
Change in Market Value for the Quarter



Summary of Cash Flows

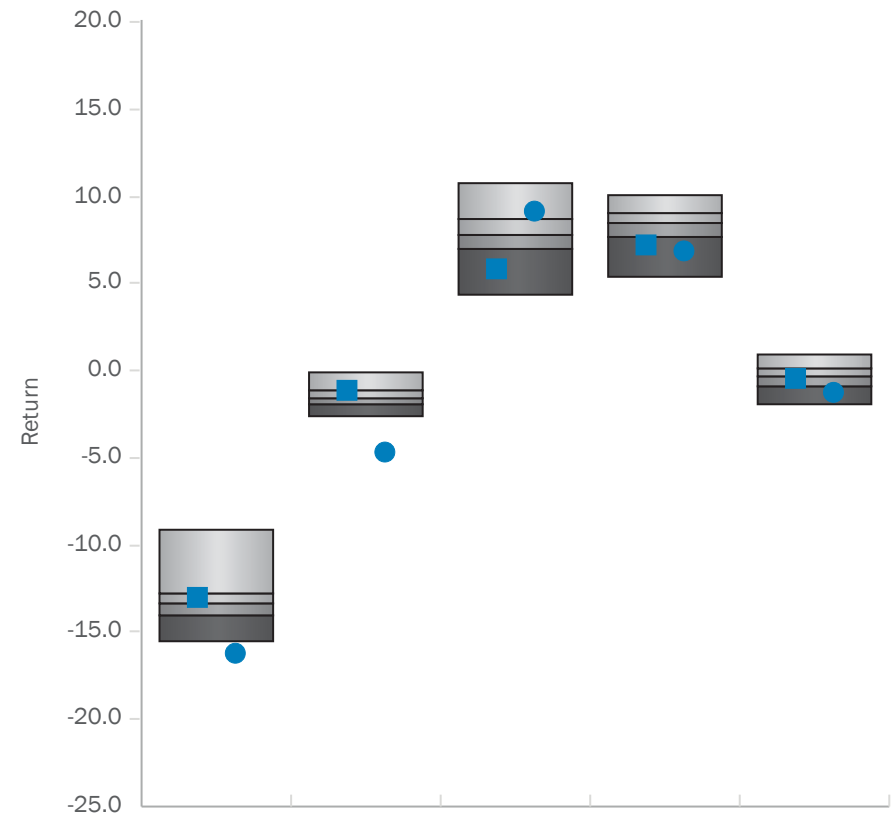
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years
District Corporate						
Beginning Market Value	\$3,551,036	\$3,453,394	\$3,377,693	\$3,343,375	\$1,052,814	\$1,021,858
Net Contributions	-	\$13,742	\$15,602	\$615,627	\$2,605,879	\$2,605,879
Gain/Loss	(\$92,513)	(\$8,613)	\$65,227	(\$500,479)	(\$200,170)	(\$169,214)
Ending Market Value	\$3,458,523	\$3,458,523	\$3,458,523	\$3,458,523	\$3,458,523	\$3,458,523

Intermediate Core Bond
Net-of-Fees Annualized Returns



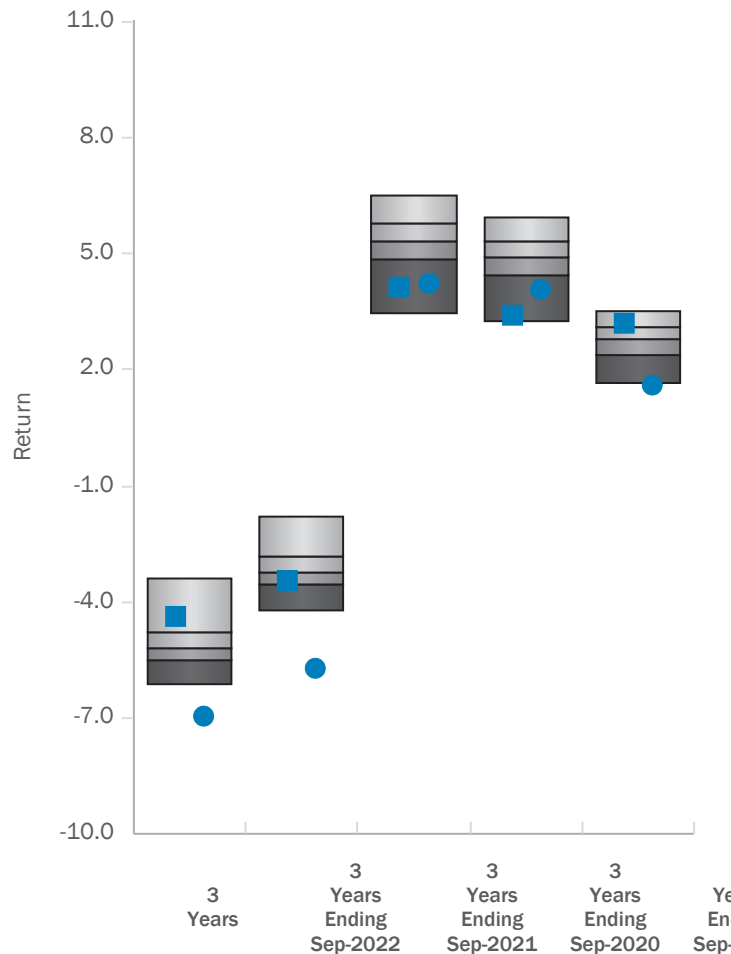
	1 Quarter	YTD	1 Year	3 Years	5 Years
District Corporate	(2.6) (14)	(0.2) (14)	1.9 (9)	(4.4) (13)	(0.4) (79)
Bloomberg Global Aggregate	(3.6) (85)	(2.2) (92)	2.2 (7)	(6.9) (99)	(1.6) (99)
5th Percentile	(1.6)	0.5	2.4	(3.4)	0.9
1st Quartile	(3.0)	(0.6)	1.1	(4.8)	0.3
Median	(3.1)	(1.0)	0.6	(5.2)	0.0
3rd Quartile	(3.4)	(1.5)	0.2	(5.5)	(0.3)
95th Percentile	(4.2)	(2.4)	(0.7)	(6.2)	(1.0)

Intermediate Core Bond
Net-of-Fees Calendar Year Returns



	2022	2021	2020	2019	2018
District Corporate	(13.0) (30)	(1.1) (27)	5.9 (86)	7.2 (83)	(0.5) (57)
Bloomberg Global Aggregate	(16.2) (98)	(4.7) (100)	9.2 (18)	6.8 (86)	(1.2) (86)
5th Percentile	(9.1)	(0.1)	10.7	10.0	0.9
1st Quartile	(12.8)	(1.1)	8.7	9.0	0.1
Median	(13.4)	(1.6)	7.7	8.4	(0.4)
3rd Quartile	(14.0)	(2.0)	7.0	7.6	(0.9)
95th Percentile	(15.5)	(2.6)	4.4	5.4	(1.9)

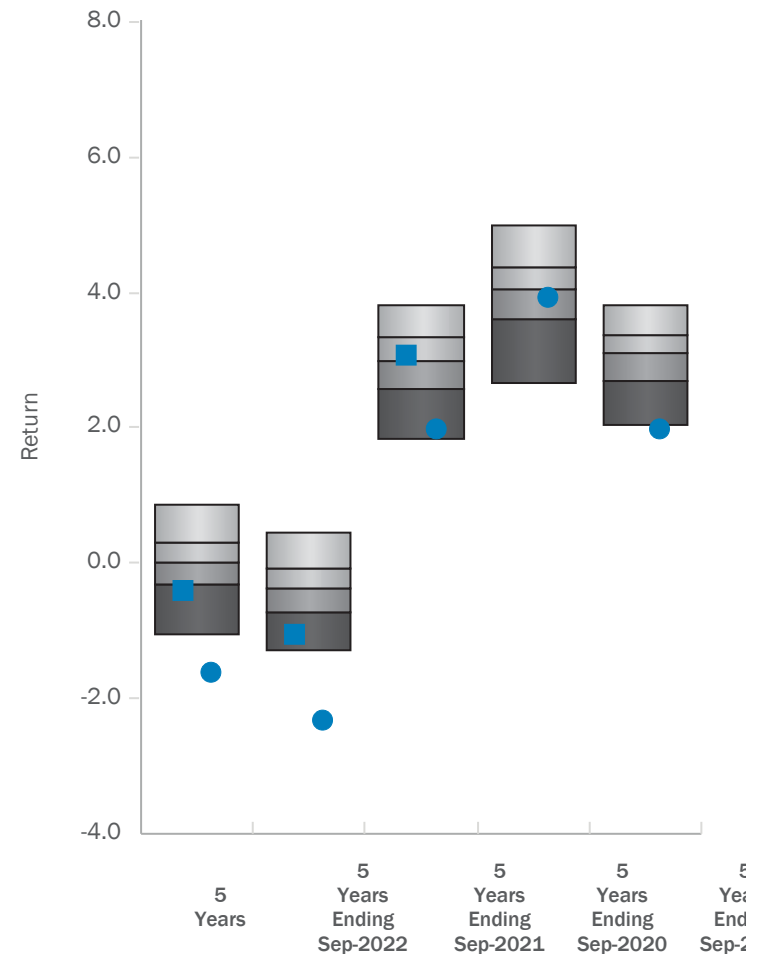
Intermediate Core Bond
Rolling Three Year Returns



District Corporate	(4.4) (13)	(3.4) (65)	4.1 (91)	3.4 (94)	3.2
Blmbg. Global Aggregate	(6.9) (99)	(5.7) (100)	4.2 (90)	4.1 (85)	1.6

5th Percentile	(3.4)	(1.8)	6.5	6.0	3.5
1st Quartile	(4.8)	(2.9)	5.8	5.3	3.1
Median	(5.2)	(3.3)	5.3	4.9	2.8
3rd Quartile	(5.5)	(3.6)	4.9	4.4	2.4
95th Percentile	(6.2)	(4.2)	3.4	3.2	1.7

Intermediate Core Bond
Rolling Five Year Returns



District Corporate	(0.4) (79)	(1.0) (89)	3.1 (44)	-	-
Blmbg. Global Aggregate	(1.6) (99)	(2.3) (100)	2.0 (94)	3.9 (60)	2.0

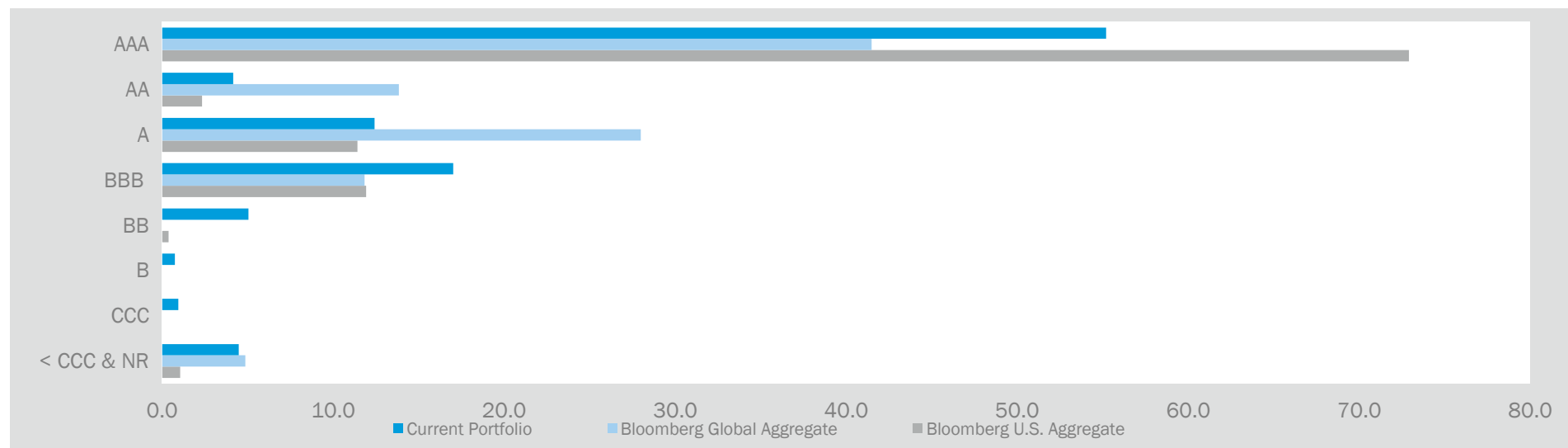
5th Percentile	0.9	0.5	3.8	5.0	3.8
1st Quartile	0.3	(0.1)	3.3	4.4	3.4
Median	0.0	(0.4)	3.0	4.0	3.1
3rd Quartile	(0.3)	(0.7)	2.6	3.6	2.7
95th Percentile	(1.0)	(1.3)	1.8	2.7	2.0

Fixed Income Analysis

Sector Distribution

	Current Portfolio	Bloomberg Global Aggregate	Bloomberg U.S. Aggregate
US Treasury	14.0%	16.9%	41.0%
TIPS	0.7%	0.0%	0.0%
Agency	0.2%	0.5%	1.1%
Municipal (US)	0.2%	0.4%	0.6%
Non-US Developed	0.0%	35.7%	2.2%
Emerging Markets	2.3%	15.2%	1.0%
IG Corporate	25.9%	19.2%	24.9%
HY Corporate	1.8%	0.1%	0.0%
Bank Loans	5.1%	0.0%	0.0%
Private Middle Market Debt	0.0%	0.0%	0.0%
Agency MBS	26.7%	11.1%	26.9%
Non-Agency MBS	9.0%	0.0%	0.0%
ABS	7.1%	0.2%	0.5%
CMBS	5.7%	0.7%	1.7%
CLO	3.0%	0.0%	0.0%
Other & Cash	-1.7%	0.0%	0.0%

Credit Quality Distribution vs. Benchmark



Regional Distribution

	Current Portfolio	Bloomberg Global Aggregate	Bloomberg U.S. Aggregate
US	89.8%	39.7%	92.8%
Non-US Developed	7.3%	46.3%	5.9%
Non-US Emerging	2.9%	14.0%	1.3%

Currency Distribution

	Current Portfolio	Bloomberg Global Aggregate	Bloomberg U.S. Aggregate
US	96.9%	45.0%	100.0%
Non-US Developed	1.8%	42.8%	0.0%
Non-US Emerging	1.3%	12.3%	0.0%

Portfolio Characteristics

	Current Portfolio	Bloomberg Global Aggregate	Bloomberg U.S. Aggregate
Effective Duration	5.34	6.78	6.30
Yield to Maturity (%)	5.77	3.53	4.81
Coupon Rate (%)	4.22	2.39	2.88
Avg. Credit Quality (Barclays)	A	A	AA

	Allocation		Net-of-Fees Performance (%)								
	Market Value \$	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Fixed Income Composite	\$3,448,337	100.0	(2.6)	(0.1)	2.1	(4.3)	(0.4)	0.2	-	0.4	May 2016
Blmbg. U.S. Aggregate Index			(3.2)	(1.2)	0.6	(5.2)	0.1	(0.1)	1.1	0.2	
Intermediate Core Bond Median			(3.1)	(1.0)	0.6	(5.2)	0.0	(0.1)	1.0	0.2	
Fixed Income Composite Rank			14	13	8	13	78	28	-	32	
CCI Core Bond	\$1,352,303	39.2	(3.3)	(0.9)	1.2	(5.1)	0.8	0.5	-	0.7	May 2016
Blmbg. U.S. Aggregate Index			(3.2)	(1.2)	0.6	(5.2)	0.1	(0.1)	1.1	0.2	
Intermediate Core Bond Median			(3.1)	(1.0)	0.6	(5.2)	0.0	(0.1)	1.0	0.2	
CCI Core Bond Rank			66	42	21	42	8	12	-	12	
DoubleLine Total Return	\$518,614	15.0	(3.4)	-	-	-	-	-	-	(4.0)	Jun 2023
Blmbg. U.S. Aggregate Index			(3.2)	(1.2)	0.6	(5.2)	0.1	(0.1)	1.1	(3.6)	
Intermediate Core Bond Median			(3.1)	(1.0)	0.6	(5.2)	0.0	(0.1)	1.0	(3.5)	
DoubleLine Total Return Rank			81	-	-	-	-	-	-	85	
WAMCO Core Plus	\$742,483	21.5	(5.3)	(2.4)	0.6	(7.1)	-	-	-	(7.1)	Sep 2020
Blmbg. U.S. Aggregate Index			(3.2)	(1.2)	0.6	(5.2)	0.1	(0.1)	1.1	(5.1)	
Intermediate Core Bond Median			(3.1)	(1.0)	0.6	(5.2)	0.0	(0.1)	1.0	(5.1)	
WAMCO Core Plus Rank			99	96	49	100	-	-	-	100	
Payden Limited Maturity	\$834,937	24.2	1.6	4.3	5.4	1.9	-	-	-	1.9	Sep 2020
90 Day U.S. Treasury Bill			1.3	3.6	4.5	1.7	1.7	1.5	1.1	1.7	
Ultrashort Bond Median			1.4	3.9	5.0	1.4	1.8	1.7	1.4	1.4	
Payden Limited Maturity Rank			24	25	21	17	-	-	-	16	

CCI Core Bond track record includes history for the MetWest Total Return mutual fund prior to the funding of the co-mingled fund in March 2020.

	Allocation		Net-of-Fees Performance (%)								
	Market Value \$	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
District Bond Fund	\$2,505,954	100.0	2.76	5.43	5.95	2.41	2.07	1.76	-	1.61	Dec 2015
90 Day U.S. Treasury Bill			1.31	3.60	4.47	1.70	1.72	1.54	1.10	1.42	
Cash - 1st Issuance	\$2,505,953	100.0	2.76	5.43	5.95	2.41	2.07	1.72	-	1.57	Dec 2015
90 Day U.S. Treasury Bill			1.31	3.60	4.47	1.70	1.72	1.54	1.10	1.42	

Appendix

Location (TCW):	Los Angeles, CA	CF (3C-7)		Firm Inception:	1996
Firm Assets (TCW):	\$212.7 billion	Fee/Expense Ratio:	0.25%	Benchmark:	Barclays U.S. Aggregate
Product Assets:	\$569 million	Minimum Investment:	\$2,000,000	Strategy:	U.S. Core Plus
Open:	Yes	Lead Managers (TCW):	Laird Landmann, Stephen Kane, Bryan Whalen	Bias:	Core Plus

Strategy Overview

The CCI Core Bond Fund utilizes TCW/MetWest and Dodge & Cox as the two sub-advisors to the Fund. The MetWest team manages the portfolio under the same guidelines and constraints as their flagship Total Return strategy. This is a core plus domestic strategy that utilizes a combination of fundamental bottom-up research and a top-down macro outlook.

The Dodge & Cox team manages the portfolio under the same framework as their flagship Income Fund, a core plus strategy. The team utilizes a top-down-bottom up approach with the goal to generate long term returns through security selection.

Manager Edge & Fit

The TCW/MetWest strategy can serve as an investor's core fixed income allocation or be paired with a differentiated core/core plus bond manager. MetWest is relative value manager that is benchmark aware. They may provide differentiated exposure to other relative value or macro-focused managers.

Relative to other core plus fixed income managers, D&C will typically have a larger allocation to corporate bonds and MBS. D&C employs more of a bottom-up focus than its competitors, which makes it a good fit for investors that want to split their core plus exposure with a more macro focused manager.

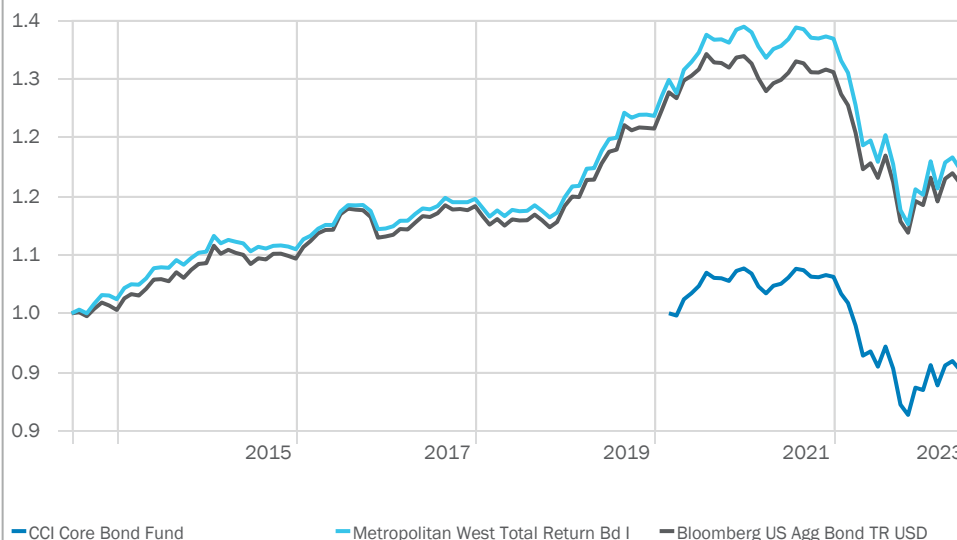
Investment Philosophy & Process

MetWest is able to generate attractive total returns by taking advantage of fixed income market inefficiencies. These inefficiencies include market segmentation, rating agency distortions, investor preference, and lack of investor knowledge. This causes mispricings in the market that MetWest can capitalize on through rigorous fundamental research & security selection as well as through opportunistic top down allocation decisions. Their macro views are based on a mean-reverting framework that believes volatility, inflation rates, spreads, etc. tend to trade towards their historical averages. This view causes MetWest to be early into and out of trades which are executed through dollar cost averaging.

Dodge & Cox's fixed income philosophy is to construct and manage a high average quality, diversified portfolio of securities that are selected through fundamental analysis. They believe that by combining fundamental research with a long-term investment horizon it is possible to uncover and capitalize on inefficiencies in the valuation of market sectors and individual securities. When this fundamental research effort is combined with a disciplined program of risk analysis, attractive returns are possible over the long-term. Fundamental research is central to their investment process. Their credit research focuses on analysis of the fundamental factors that impact an individual issuer's or market sector's credit risk. They also consider economic trends and special circumstances which may affect an industry or a specific issue or issuer.

Growth of a Dollar

Time Period: 7/1/2013 to 6/30/2023



*CCI Core Bond Fund inception date is 3/2/2020. Prior performance generated from MetWest Total Return (MWTIX)

Sector Distribution

	Portfolio Weight	Bloomberg U.S. Aggregate
US Treasury	22.9%	41.0%
TIPS	1.4%	0.0%
Agency	0.0%	1.1%
Municipal (US)	0.6%	0.6%
Non-US Developed	0.0%	2.2%
Emerging Markets	1.0%	1.0%
IG Corporate	25.9%	24.9%
HY Corporate	0.0%	0.0%
Bank Loans	1.9%	0.0%
Private Middle Market Debt	0.0%	0.0%
Agency MBS	35.6%	26.9%
Non-Agency MBS	9.8%	0.0%
ABS	2.6%	0.5%
CMBS	2.7%	1.7%
CLO	2.6%	0.0%
Other & Cash	-6.7%	0.0%

Regional Distribution

	Portfolio Weight	Bloomberg U.S. Aggregate
US	99.0%	92.8%
Non-US Developed	0.0%	5.9%
Non-US Emerging	1.0%	1.3%

Portfolio Characteristics

	Portfolio	Bloomberg U.S. Aggregate
Effective Duration	7.04	6.19
Yield to Maturity (%)	5.39	4.70
Coupon Rate (%)	4.10	2.96

Credit Quality Distribution vs. Benchmark

	AAA	AA	A	BBB	BB	B	CCC	Below CCC/NR
Portfolio	59.0	5.6	14.0	14.6	5.1	0.2	1.4	0.0
Benchmark	72.9	2.3	11.4	11.9	0.4	0.0	0.0	1.1

Performance Based Statistics

	2022	2021	2020	2019	2018	2017	2016
CCI Core Bond Fund	-13.9	-1.0					
Metropolitan West Total Return Bd I	-14.8	-1.1	9.1	9.1	0.2	3.4	2.5
Bloomberg US Agg Bond TR USD	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
CCI Core Bond Fund	-1.0	2.4	-0.9	-3.7			
Metropolitan West Total Return Bd I	-1.3	2.3	-1.3	-4.1	0.8	0.6	1.7
Bloomberg US Agg Bond TR USD	-0.8	2.1	-0.9	-4.0	0.8	0.4	1.5

Time Period: Since Common Inception (3/1/2020) to 6/30/2023

	Return	Std Dev	Sharpe Ratio	Batting Average	Beta	Alpha	Up Capture Ratio	Down Capture Ratio
CCI Core Bond Fund	-2.36	6.57	-0.55	60.00	1.09	1.00	113.19	102.82
Metropolitan West Total Return Bd I	-2.88	6.77	-0.61	52.50	1.12	0.61	114.35	109.31
Bloomberg US Agg Bond TR USD	-2.92	5.99	-0.71	100.00	1.00	0.00	100.00	100.00

*CCI Core Bond Fund inception date is 3/2/2020. Prior performance generated from MetWest Total Return (MWTIX)

DoubleLine Total Return

As of June 30, 2023

Portfolio Characteristics

	Portfolio	Bloomberg U.S. Aggregate
Effective Duration	6.31	6.31
Yield to Maturity (%)	6.33	4.81
Coupon Rate (%)	5.01	2.88

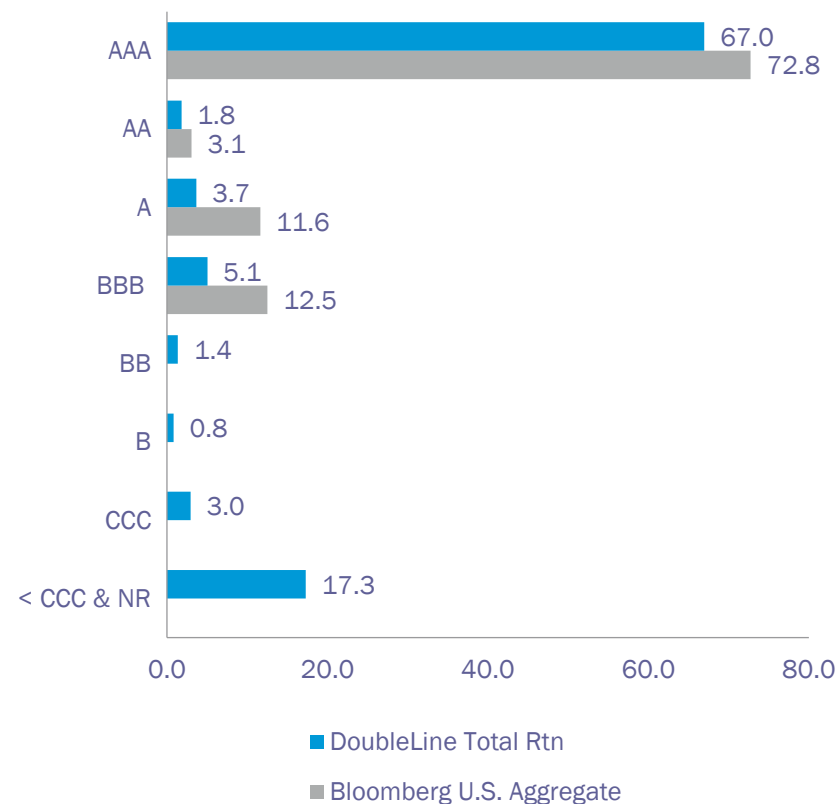
Sector Distribution

	Portfolio Weight	Bloomberg U.S. Aggregate
US Treasury	8.0%	41.0%
TIPS	0.0%	0.0%
Agency	0.2%	5.1%
Municipal (US)	0.0%	0.0%
Non-US Developed	0.0%	0.0%
Emerging Markets	0.0%	0.0%
IG Corporate	0.0%	24.8%
HY Corporate	0.0%	0.0%
Bank Loans	0.0%	0.0%
Private Middle Market Debt	0.0%	0.0%
Agency MBS	38.8%	26.9%
Non-Agency MBS	26.2%	0.0%
ABS	4.3%	0.5%
CMBS	17.1%	1.7%
CLO	3.2%	0.0%
Other & Cash	2.3%	0.0%

Regional Distribution

	Portfolio Weight	Bloomberg U.S. Aggregate
US	100.0%	92.8%
Non-US Developed	0.0%	5.9%
Non-US Emerging	0.0%	1.3%

Credit Quality Distribution (%) vs Bloomberg U.S. Aggregate



WAMCO Core Plus

As of June 30, 2023

Portfolio Characteristics

	Portfolio	Bloomberg U.S. Aggregate
Effective Duration	7.82	6.19
Yield to Maturity (%)	5.69	4.70
Coupon Rate (%)	5.03	2.96

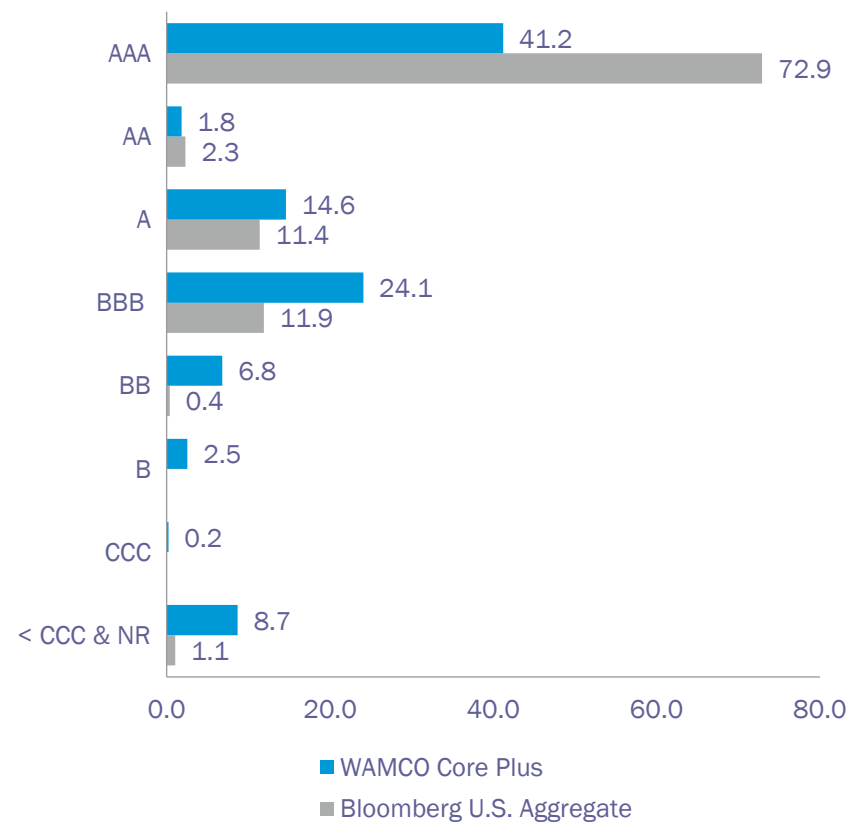
Sector Distribution

	Portfolio Weight	Bloomberg U.S. Aggregate
US Treasury	3.0%	41.0%
TIPS	1.2%	0.0%
Agency	0.2%	1.1%
Municipal (US)	0.0%	0.6%
Non-US Developed	0.0%	2.2%
Emerging Markets	8.2%	1.0%
IG Corporate	36.8%	24.9%
HY Corporate	3.9%	0.0%
Bank Loans	3.2%	0.0%
Private Middle Market Debt	0.0%	0.0%
Agency MBS	32.1%	26.9%
Non-Agency MBS	4.7%	0.0%
ABS	2.1%	0.5%
CMBS	6.3%	1.7%
CLO	0.1%	0.0%
Other & Cash	-2.0%	0.0%

Regional Distribution

	Portfolio Weight	Bloomberg U.S. Aggregate
US	73.1%	92.8%
Non-US Developed	16.0%	5.9%
Non-US Emerging	11.0%	1.3%

Credit Quality Distribution (%) vs Bloomberg U.S. Aggregate



Payden Limited Maturity

As of June 30, 2023

Portfolio Characteristics

	Portfolio	ML 3 Month Treasury
Effective Duration	0.40	0.24
Yield to Maturity (%)	6.10	5.14
Coupon Rate (%)	3.26	0.00

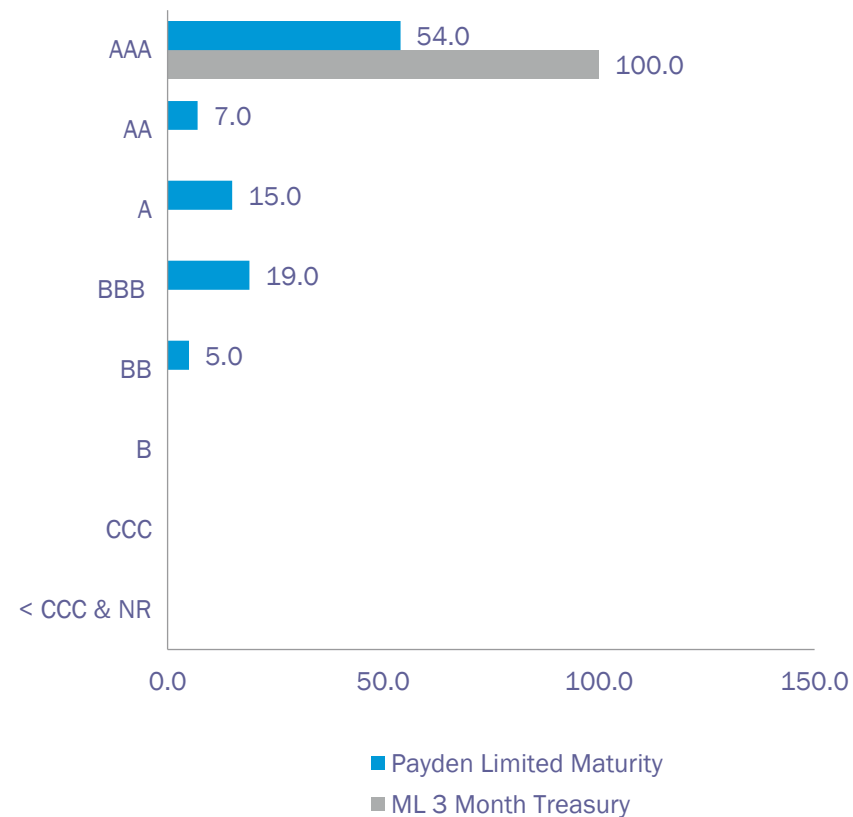
Sector Distribution

	Portfolio Weight	ML 3 Month Treasury
US Treasury	15.0%	100.0%
TIPS	0.0%	0.0%
Agency	0.0%	0.0%
Municipal (US)	0.0%	0.0%
Non-US Developed	0.0%	0.0%
Emerging Markets	0.0%	0.0%
IG Corporate	29.0%	0.0%
HY Corporate	4.0%	0.0%
Bank Loans	16.0%	0.0%
Private Middle Market Debt	0.0%	0.0%
Agency MBS	0.0%	0.0%
Non-Agency MBS	4.0%	0.0%
ABS	20.0%	0.0%
CMBS	4.0%	0.0%
CLO	7.0%	0.0%
Other & Cash	1.0%	0.0%

Regional Distribution

	Portfolio Weight	ML 3 Month Treasury
US	84.0%	100.0%
Non-US Developed	16.0%	0.0%
Non-US Emerging	0.0%	0.0%

Credit Quality Distribution (%) vs ML 3 Month Treasury



Tab 3



To: MHD Finance and Audit Committee
From: Eric Brettner, CFO *EB*
Re: July 2023 Financial Report
Date: August 15, 2023

I. General Comments

These financial statements contain, in summary format, the balance sheet and income statement.

II. Income Statement and Budget

The District's net operating income for the month was \$28,299 which was favorable to budget by \$15,233. The favorable variance is driven by lower than expected operating expenses. Rental revenue from the hospital lease was \$52,141 in July. Investment earnings were comprised of \$12,914 dividend and interest income as well as \$9,514 of realized loss and a \$4,814 increase in the value of investments. The District incurred total operating expenses of \$32,056 which was favorable to budget by \$13,943. The favorable variance was due to lower than budgeted community education and charitable contributions. Depreciation expense was \$989,898 in July. Bond Related Revenues and Expenses included \$1,360,150 of accrued tax revenues less bond fund earnings, and \$1,189,889 of bond interest expense.

III. Balance Sheet

Assets

Cash at July 31, 2023 of \$819,778 increased by \$51,066. The increase was due to deposit of rent revenue. Investment account balances of \$3,559,209 increased by \$8,173 from the prior month. Tax revenue receivables are \$8,194,452 and represent amounts due from the County of Marin. The payments received from the County are deposited directly into the bond fund accounts.

The tax payments received from the County, together with the balance of the proceeds from the bonds issued in November 2015 and September 2017, net of issuance costs, are reflected in the account "Assets Limited to Use – Interest & Sinking Funds". These funds total \$11,026,117 at July 31, 2023 to be used for bond principal and interest payments.

**Liabilities and Net Assets**

Interest payable of \$7,627,550 increased by \$1,271,259 from the prior month due to the accrual of interest. Accrued expenses of \$23,186 are primarily comprised of accruals for audit fees and legal fees.

Related party receivables of \$10,567 include \$11,019 due from the Hospital for payments relating to audit and legal fees and \$452 due to the Network for bank fees.

Bonds payable are separated into current (principal due within one year) and non-current (due in greater than one year). The current payable amount of \$955,000 is due in August 2023. Bond Premium represents payments by bond purchasers greater than the face amount of the bond because the stated interest rate of the bonds was higher than the market rate at the date of issuance. The premium is amortized over the life of the bonds as a reduction to interest expense. The net assets of the District are \$40,961,371.

Marin Healthcare District
Balance Sheet
July 31, 2023

	7/31/2023	6/30/2023	Change	12/31/2022
Assets				
Current Assets				
Cash	819,778	768,712	51,066	748,674
Investment	3,559,209	3,551,036	8,173	3,463,546
Tax Revenues Receivable	8,194,452	6,991,428	1,203,024	6,921,837
Prepaid Expenses	-	-	-	6,000
Total Current Assets	12,573,439	11,311,176	1,262,263	11,140,057
Property, plant, and equipment, net	391,335,838	392,243,263	(907,425)	397,683,703
Parking Garage, net	19,688,821	19,771,294	(82,473)	20,266,128
Assets Limited To Use - Interest & Sinking Funds	11,026,117	10,868,993	157,124	10,518,468
Lease Receivable	11,136,137	11,136,137	-	11,136,137
Deposits & Retainers	36,000	36,000	-	36,000
Total Non-Current Assets	433,222,913	434,055,687	(832,774)	439,640,436
Total Assets	445,796,352	445,366,863	429,489	450,780,493
Liabilities and Net assets				
Current Liabilities				
Accounts Payable	25,007	945	24,062	420
Interest Payable	7,627,550	6,356,291	1,271,259	6,356,291
Accrued Expenses	23,186	19,157	4,029	58,318
Deferred Lease Inflows	10,366,037	10,366,037	-	10,366,037
Related Party Payables	10,567	7,721	2,846	81,972
Current Bond Maturities	955,000	955,000	-	955,000
Total Current Liabilities	19,007,347	17,705,151	1,302,196	17,818,038
Bonds Payable	363,790,000	363,790,000	-	363,790,000
Bond Premium	22,037,634	22,119,003	(81,369)	22,607,217
Total Liabilities	404,834,981	403,614,154	1,220,827	404,215,255
Net Assets				
Net Assets	46,565,238	46,565,238	-	56,792,572
Net (Loss)/Income	(5,603,867)	(4,812,529)	(791,338)	(10,227,334)
Total Net Assets	40,961,371	41,752,709	(791,338)	46,565,238
Total Liabilities and Net Assets	445,796,352	445,366,863	429,489	450,780,493

Marin Healthcare District
Income Statement - Actual vs. Budget
July 31, 2023

	7/31/2023			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	52,141	53,743	(1,602)	364,983	376,198	(11,215)
Investment Earnings	8,214	5,322	2,892	100,919	37,253	63,666
Total Income	60,355	59,065	1,290	465,902	413,451	52,451
Legal Fees	3,901	5,000	1,099	27,402	35,000	7,598
Accounting Fees	2,182	2,000	(182)	12,828	14,000	1,172
Board Compensation	840	1,500	660	6,195	10,500	4,305
Board Expenses	-	2,083	2,083	787	14,583	13,796
Consulting Fees	-	-	-	-	-	-
Election Expenses	-	-	-	250	-	(250)
Charitable Contributions	-	3,833	3,833	-	26,833	26,833
Community Education	-	5,833	5,833	-	40,833	40,833
Dues	966	1,000	34	6,966	7,000	34
Advertising	-	583	583	3,263	4,083	820
MHMC Program Support	16,667	16,667	-	116,667	116,667	-
MHMCN Program Support	7,500	7,500	-	52,500	52,500	-
Total Expense	32,056	45,999	13,943	226,858	321,999	95,141
Net Operating Income (Loss) Before Depreciation, Bond Related Revenue and Expense, and Other Non Operating Expenses	28,299	13,066	15,233	239,044	91,452	147,592
Depreciation Expense	989,898	992,502	2,604	6,930,044	6,947,516	17,472
Net Operating Income (Loss) Before Bond Related Revenue and Expense and Other Non Operating Expenses	(961,599)	(979,436)	17,837	(6,691,000)	(6,856,064)	165,064
Bond-Related Revenue(Expense)						
Tax Revenue	1,317,352	1,317,352	-	9,221,461	9,221,461	-
Bond Fund Earnings	42,798	-	42,798	194,898	-	194,898
Bond Interest Expense	(1,189,889)	(1,188,563)	(1,326)	(8,329,226)	(8,319,942)	(9,284)
Net Income (Loss)	(791,338)	(850,647)	59,309	(5,603,867)	(5,954,545)	350,678

Tab 4



To: MHD Finance and Audit Committee
From: Eric Brettner, CFO *EB*
Re: August 2023 Financial Report
Date: September 20, 2023

I. General Comments

These financial statements contain, in summary format, the balance sheet and income statement.

II. Income Statement and Budget

The District's net operating loss for the month was \$7,382 which was unfavorable to budget by \$13,066. The unfavorable variance is driven by lower than expected investment earnings. Rental revenue from the hospital lease was \$52,141 in August. Investment earnings were comprised of \$14,007 dividend and interest income as well as \$17,558 of realized loss and a \$16,811 decrease in the value of investments. The District incurred total operating expenses of \$39,161 which was favorable to budget by \$6,838. The favorable variance was due to lower than budgeted community education and charitable contributions. The District paid \$8,689 for Marin Local Agency Formation Commission dues. Depreciation expense was \$989,898 in August. Bond Related Revenues and Expenses included \$1,364,065 of accrued tax revenues less bond fund earnings, and \$1,186,706 of bond interest expense.

III. Balance Sheet

Assets

Cash at August 31, 2023 of \$820,276 increased by \$498. The increase was due to deposit of rent revenue offset by intercompany payments for program support. Investment account balances of \$3,538,807 decreased by \$20,402 from the prior month. Tax revenue receivables are \$9,508,899 and represent amounts due from the County of Marin. The payments received from the County are deposited directly into the bond fund accounts.

The tax payments received from the County, together with the balance of the proceeds from the bonds issued in November 2015 and September 2017, net of issuance costs, are reflected in the account "Assets Limited to Use – Interest & Sinking Funds". These funds total \$2,493,185 at August 31, 2023 to be used for bond principal and interest payments. The decrease of \$8,532,932 from the prior month is due to payment of interest.

**Liabilities and Net Assets**

Interest payable of \$1,268,075 decreased by \$6,359,475 from the prior month due to the payment of interest. Accrued expenses of \$23,240 are primarily comprised of accruals for audit fees and legal fees.

Related party receivables of \$22,998 include \$25,226 due from the Hospital for payments relating to audit and legal fees and \$2,228 due to the Network for bank fees.

Bonds payable are separated into current (principal due within one year) and non-current (due in greater than one year). The current payable amount of \$1,250,000 is due in August 2024. Bond Premium represents payments by bond purchasers greater than the face amount of the bond because the stated interest rate of the bonds was higher than the market rate at the date of issuance. The premium is amortized over the life of the bonds as a reduction to interest expense. The net assets of the District are \$40,141,450.

Marin Healthcare District
Income Statement - Actual vs. Budget
August 31, 2023

	8/31/2023			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	52,141	53,743	(1,602)	417,124	429,940	(12,816)
Investment Earnings	(20,362)	5,322	(25,684)	80,557	42,575	37,982
Total Income	31,779	59,065	(27,286)	497,681	472,515	25,166
Legal Fees	2,422	5,000	2,578	29,826	40,000	10,174
Accounting Fees	2,182	2,000	(182)	15,010	16,000	990
Board Compensation	735	1,500	765	6,930	12,000	5,070
Board Expenses	-	2,083	2,083	787	16,667	15,880
Consulting Fees	-	-	-	-	-	-
Election Expenses	-	-	-	250	-	(250)
Charitable Contributions	-	3,833	3,833	-	30,667	30,667
Community Education	-	5,833	5,833	-	46,667	46,667
Dues	9,655	1,000	(8,655)	16,620	8,000	(8,620)
Advertising	-	583	583	3,263	4,667	1,404
MHMC Program Support	16,667	16,667	-	133,333	133,333	-
MHMN Program Support	7,500	7,500	-	60,000	60,000	-
Total Expense	39,161	45,999	6,838	266,019	368,001	101,982
Net Operating Income (Loss) Before Depreciation, Bond Related Revenue and Expense, and Other Non Operating Expenses	(7,382)	13,066	(20,448)	231,662	104,514	127,148
Depreciation Expense	989,898	992,502	2,604	7,919,942	7,940,019	20,077
Net Operating Income (Loss) Before Bond Related Revenue and Expense and Other Non Operating Expenses	(997,280)	(979,436)	(17,844)	(7,688,280)	(7,835,505)	147,225
Bond-Related Revenue(Expense)						
Tax Revenue	1,317,352	1,317,352	-	10,538,813	10,538,813	-
Bond Fund Earnings	46,713	-	46,713	241,611	-	241,611
Bond Interest Expense	(1,186,706)	(1,188,563)	1,857	(9,515,932)	(9,508,506)	(7,426)
Net Income (Loss)	(819,921)	(850,647)	30,726	(6,423,788)	(6,805,198)	381,410

Marin Healthcare District
Balance Sheet
August 31, 2023

	8/31/2023	7/31/2023	Change	12/31/2022
Assets				
Current Assets				
Cash	820,276	819,778	498	748,674
Investment	3,538,807	3,559,209	(20,402)	3,463,546
Tax Revenues Receivable	9,508,899	8,194,452	1,314,447	6,921,837
Prepaid Expenses	-	-	-	6,000
Total Current Assets	13,867,982	12,573,439	1,294,543	11,140,057
Property, plant, and equipment, net	390,428,412	391,335,838	(907,426)	397,683,703
Parking Garage, net	19,606,349	19,688,821	(82,472)	20,266,128
Assets Limited To Use - Interest & Sinking Funds	2,493,185	11,026,117	(8,532,932)	10,518,468
Lease Receivable	11,136,137	11,136,137	-	11,136,137
Deposits & Retainers	36,000	36,000	-	36,000
Total Non-Current Assets	423,700,083	433,222,913	(9,522,830)	439,640,436
Total Assets	437,568,065	445,796,352	(8,228,287)	450,780,493
Liabilities and Net assets				
Current Liabilities				
Accounts Payable	-	25,007	(25,007)	420
Interest Payable	1,268,075	7,627,550	(6,359,475)	6,356,291
Accrued Expenses	23,240	23,186	54	58,318
Deferred Lease Inflows	10,366,037	10,366,037	-	10,366,037
Related Party Payables	22,998	10,567	12,431	81,972
Current Bond Maturities	1,250,000	955,000	295,000	955,000
Total Current Liabilities	12,930,350	19,007,347	(6,076,997)	17,818,038
Bonds Payable	362,540,000	363,790,000	(1,250,000)	363,790,000
Bond Premium	21,956,265	22,037,634	(81,369)	22,607,217
Total Liabilities	397,426,615	404,834,981	(7,408,366)	404,215,255
Net Assets				
Net Assets	46,565,238	46,565,238	-	56,792,572
Net (Loss)/Income	(6,423,788)	(5,603,867)	(819,921)	(10,227,334)
Total Net Assets	40,141,450	40,961,371	(819,921)	46,565,238
Total Liabilities and Net Assets	437,568,065	445,796,352	(8,228,287)	450,780,493

Tab 5



To: MHD Finance and Audit Committee
From: Eric Brettner, CFO
Re: September 2023 Financial Report
Date: October 16, 2023

I. General Comments

These financial statements contain, in summary format, the balance sheet and income statement.

II. Income Statement and Budget

The District's net operating loss for the month was \$69,344 which was unfavorable to budget by \$82,410. The unfavorable variance is driven by lower than expected investment earnings. Rental revenue from the hospital lease was \$52,141 in September. Investment earnings were comprised of \$16,460 dividend and interest income as well as \$4,650 of realized loss and a \$89,218 decrease in the value of investments. The District incurred total operating expenses of \$44,077 which was favorable to budget by \$1,922. The favorable variance was due to lower than budgeted community education and charitable contributions. Depreciation expense was \$989,898 in September. Bond Related Revenues and Expenses included \$1,328,352 of accrued tax revenues less bond fund earnings, and \$1,186,706 of bond interest expense.

III. Balance Sheet

Assets

Cash at September 30, 2023 of \$872,891 increased by \$52,615. The increase was due to deposit of rent revenue. Investment account balances of \$3,458,523 decreased by \$80,284 from the prior month. Tax revenue receivables are \$10,824,483 and represent amounts due from the County of Marin. The payments received from the County are deposited directly into the bond fund accounts.

The tax payments received from the County, together with the balance of the proceeds from the bonds issued in November 2015 and September 2017, net of issuance costs, are reflected in the account "Assets Limited to Use – Interest & Sinking Funds". These funds total \$2,505,953 at September 30, 2023 to be used for bond principal and interest payments.

**Liabilities and Net Assets**

Interest payable of \$2,536,150 increased by \$1,268,075 from the prior month due to the accrual of interest. Accrued expenses of \$27,577 are primarily comprised of accruals for audit fees and legal fees.

Related party payables of \$29,538 include \$27,722 due to the Hospital for program support and legal fees and \$3,816 due to the Network for program support.

Bonds payable are separated into current (principal due within one year) and non-current (due in greater than one year). The current payable amount of \$1,250,000 is due in August 2024. Bond Premium represents payments by bond purchasers greater than the face amount of the bond because the stated interest rate of the bonds was higher than the market rate at the date of issuance. The premium is amortized over the life of the bonds as a reduction to interest expense. The net assets of the District are \$39,223,854.

Marin Healthcare District
Income Statement - Actual vs. Budget
September 30, 2023

	9/30/2023			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Rental Revenue	52,141	53,743	(1,602)	469,264	483,683	(14,419)
Investment Earnings	(77,408)	5,322	(82,730)	3,149	47,897	(44,748)
Total Income	(25,267)	59,065	(84,332)	472,413	531,580	(59,167)
Legal Fees	4,903	5,000	97	34,728	45,000	10,272
Accounting Fees	2,182	2,000	(182)	17,192	18,000	808
Board Compensation	945	1,500	555	7,875	13,500	5,625
Board Expenses	10,914	2,083	(8,831)	11,701	18,750	7,049
Consulting Fees	-	-	-	-	-	-
Election Expenses	-	-	-	250	-	(250)
Charitable Contributions	-	3,833	3,833	-	34,500	34,500
Community Education	-	5,833	5,833	-	52,500	52,500
Dues	966	1,000	34	17,586	9,000	(8,586)
Advertising	-	583	583	3,263	5,250	1,987
MHMC Program Support	16,667	16,667	-	150,000	150,000	-
MHMN Program Support	7,500	7,500	-	67,500	67,500	-
Total Expense	44,077	45,999	1,922	310,095	414,000	103,905
Net Operating Income (Loss) Before Depreciation, Bond Related Revenue and Expense, and Other Non Operating Expenses	(69,344)	13,066	(82,410)	162,318	117,580	44,738
Depreciation Expense	989,898	992,502	2,604	8,909,840	8,932,521	22,681
Net Operating Income (Loss) Before Bond Related Revenue and Expense and Other Non Operating Expenses	(1,059,242)	(979,436)	(79,806)	(8,747,522)	(8,814,941)	67,419
Bond-Related Revenue(Expense)						
Tax Revenue	1,317,352	1,317,352	-	11,856,165	11,856,165	-
Bond Fund Earnings	11,000	-	11,000	252,611	-	252,611
Bond Interest Expense	(1,186,706)	(1,188,563)	1,857	(10,702,638)	(10,697,069)	(5,569)
Net Income (Loss)	(917,596)	(850,647)	(66,949)	(7,341,384)	(7,655,845)	314,461

Marin Healthcare District
Balance Sheet
September 30, 2023

	9/30/2023	8/31/2023	Change	12/31/2022
Assets				
Current Assets				
Cash	872,891	820,276	52,615	748,674
Investment	3,458,523	3,538,807	(80,284)	3,463,546
Tax Revenues Receivable	10,824,483	9,508,899	1,315,584	6,921,837
Prepaid Expenses	-	-	-	6,000
Total Current Assets	15,155,897	13,867,982	1,287,915	11,140,057
Property, plant, and equipment, net	389,520,986	390,428,412	(907,426)	397,683,703
Parking Garage, net	19,523,877	19,606,349	(82,472)	20,266,128
Assets Limited To Use - Interest & Sinking Funds	2,505,953	2,493,185	12,768	10,518,468
Lease Receivable	11,136,137	11,136,137	-	11,136,137
Deposits & Retainers	36,000	36,000	-	36,000
Total Non-Current Assets	422,722,953	423,700,083	(977,130)	439,640,436
Total Assets	437,878,850	437,568,065	310,785	450,780,493
Liabilities and Net assets				
Current Liabilities				
Accounts Payable	30,797	-	30,797	420
Interest Payable	2,536,150	1,268,075	1,268,075	6,356,291
Accrued Expenses	27,577	23,240	4,337	58,318
Deferred Lease Inflows	10,366,037	10,366,037	-	10,366,037
Related Party Payables	29,538	22,998	6,540	81,972
Current Bond Maturities	1,250,000	1,250,000	-	955,000
Total Current Liabilities	14,240,099	12,930,350	1,309,749	17,818,038
Bonds Payable	362,540,000	362,540,000	-	363,790,000
Bond Premium	21,874,897	21,956,265	(81,368)	22,607,217
Total Liabilities	398,654,996	397,426,615	1,228,381	404,215,255
Net Assets				
Net Assets	46,565,238	46,565,238	-	56,792,572
Net (Loss)/Income	(7,341,384)	(6,423,788)	(917,596)	(10,227,334)
Total Net Assets	39,223,854	40,141,450	(917,596)	46,565,238
Total Liabilities and Net Assets	437,878,850	437,568,065	310,785	450,780,493