

Board of Directors and Management
Maverick County Hospital District
Eagle Pass, Texas

As part of our audit of the financial statements of Maverick County Hospital District as of and for the year ended August 31, 2022, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America

An audit performed in accordance with auditing standards generally accepted in the United States of America is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our contract more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our contract more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The District's significant accounting policies are described in *Note 1* of the audited financial statements.

GASB 87, Leases

Effective September 1, 2021, the District adopted GASB 87, *Leases*. GASB 87 creates one model for recognizing leases for both lessees and lessors. Substantially all leases are recognized on the lessees' balance sheet. In the activity statement, lessees no longer report rent expense for the previously classified operating leases but instead report interest expense on the liability and amortization expense related to the asset. Lessors recognize a lease receivable and corresponding deferred inflow of resources. Interest income associated with the receivable are recognized using the effective interest method.

Alternative Accounting Treatments

No matters are reportable.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Valuation of patient accounts receivable
- Value of property taxes receivable and tax revenue
- Net pension asset
- Lease discount rate, lease term, and lease payments related to GASB 87, *Leases*

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Indigent care
- Defined benefit pension plan
- COVID-19 and CARES Act funding

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Areas in which adjustments were proposed include:

Proposed Audit Adjustments Recorded

- Net pension asset
- Nursing home net patient revenues and nursing home facility fees

Proposed Audit Adjustments Not Recorded

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole
- We would like to call your attention to the fact that although these uncorrected misstatements, individually and in the aggregate, were deemed to be immaterial to the current year financial statements, it is possible that the impact these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated

Auditor's Judgments About the Quality of the District's Accounting Principles

No matters are reportable.

Significant Issues Discussed with Management

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- Participation in QIPP nursing home program

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (*attached*)

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the District as of and for the year ended August 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our audit procedures 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified.

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 material misstatements of the District's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matters that we consider to be a deficiency.

Deficiency

Audit Adjustments

During the course of the audit, various adjustments were proposed and recorded. Areas where adjustments were proposed have been previously discussed in this letter. Management should review the causes for these adjustments and implement corrective procedures to ensure that interim financial statements are accurate. Such corrective procedures would include timely completion of account reconciliations and resolution of unreconciled variances.

We observed matters that we consider to be deficiencies that we communicated to management verbally.

OTHER MATTERS

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96)

This Statement addresses the accounting for the costs related to cloud computing agreements. The standard defines a subscription-based information technology arrangements (SBITA), establishes that a SBITA would result in a right-to-use (RTU) asset and a corresponding liability, provides capitalization criteria, and requires new note disclosures. The statement's language and concepts closely mirror the lease guidance provided in Statement 87, *Leases*. This statement requires governments report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

This communication is intended solely for the information and use of management, Board of Directors, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

FORVIS, LLP

February 28, 2023

Representation of:

Maverick County Hospital District
3496 Bob Rogers Drive, Suite 250
Eagle Pass, Texas 78852

Provided to:

FORVIS, LLP
Certified Public Accountants
14241 Dallas Parkway, Suite 1100
Dallas, Texas 75254-2961

The undersigned ("We") are providing this letter in connection with FORVIS' audits of our financial statements as of and for the years ended August 31, 2022 and 2021.

Our representations are current and effective as of the date of FORVIS' report: February 18, 2023.

Our engagement with FORVIS is based on our contract for services dated: August 8, 2022.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to FORVIS' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

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.

Confirmation of Matters Specific to the Subject Matter of FORVIS' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - b. Internal control to prevent and detect fraud.
3. 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 financial records and related data, 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. All minutes of governing body meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the governing body, if applicable, and maintained as part of our records.
 - e. All significant contracts and grants.
4. We have responded fully and truthfully to all your inquiries.

Misappropriation, Misstatements, & Fraud

5. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
- a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, liabilities, or net position.
6. We have no knowledge of fraud or suspected fraud affecting the entity involving:
- a. Management or employees who have significant roles in internal control over financial reporting, or
 - b. Others when the fraud could have a material effect on the financial statements.
7. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, other regulators, citizens, policyholders, suppliers, or others.
9. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.
10. We have no knowledge of illegal acts that may materially misstate the financial statements.

Ongoing Operations

11. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a

going concern within one year of the date of this letter without consideration of potential mitigating effects of management's plans not yet fully implemented and concluded substantial doubt does not exist.

12. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. Entities are potentially facing declines in the fair values of investments and other assets, declines in the volume of business, contributions, constraints on liquidity and difficulty obtaining financing or bonding. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, etc., that could negatively impact the entity's ability to maintain sufficient liquidity.
13. We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity's financial statements. Further, management and governance are solely responsible for all aspects of managing the entity, including questioning the quality and valuation of investments, inventory, and other assets, evaluating assumptions regarding defined benefit pension plan obligations, reviewing allowances for uncollectible amounts, evaluating capital needs and liquidity plans; etc.

Related Parties

14. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

15. We understand that the term related party refers to:
 - Entities for which investments are accounted for by the equity method.
 - Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management.
 - Principal owners and members of their immediate families.
 - Management and members of their immediate families.
 - Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings, & Regulations

16. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
17. We have no knowledge of any communications from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
18. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
19. There are no regulatory examinations currently in progress for which we have not received examination reports.
20. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act* nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
21. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

Nonattest Services

22. You have provided nonattest services, including the following, during the period of this engagement:
 - Preparing a draft of the financial statements and related notes
 - Preparation of the Maverick County Hospital District Foundation's Form 990, *Return of Organization Exempt from Income Tax*
 - Assistance with adoption of GASB 87, *Leases*
23. With respect to these services:
 - a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
 - c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
 - d. We have evaluated the adequacy of the services performed and any findings that resulted.
 - e. Established and maintained internal controls, including monitoring ongoing activities.

- f. We have received the deliverables from you and have stored these deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

24. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
25. We do not issue an annual report, nor do we have plans to issue an annual report at this time.
Transactions, Records, & Adjustments
26. All transactions have been recorded in the accounting records and are reflected in the financial statements.
27. The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
28. We have everything we need to keep our books and records.
29. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
30. We are in agreement with the adjusting journal entries you have proposed, and they will be posted to the entity's accounts.
31. We believe the effects of the uncorrected financial statement misstatements and omitted disclosures summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Healthcare Matters

32. We have provided you with all peer review organizations, administrative contractor, and third-party payer reports and information.
33. We have informed you of all pending or completed investigations by regulatory authorities of which we are aware. There are no known circumstances that could jeopardize the entity's participation in the Medicare or other governmental healthcare programs.
34. Adequate provisions and allowances have been accrued for any material losses from Medicare/Medicaid and other third-party payer contractual, audit, or other adjustments.
35. With respect to the entity's possible exposure to past or future medical malpractice assertions:
 - a. We have disclosed to you all incidents known to us that could possibly give rise to an assertion of malpractice.
 - b. All known incidents have been reported to the appropriate medical malpractice insurer and are appropriately considered in our malpractice liability accrual.

- c. There is no known lapse in coverage, including any lapse subsequent to the fiscal year-end, that would result in any known incidents being uninsured.
 - d. Management does not expect any claims to exceed malpractice insurance limits.
 - e. We believe our accruals for malpractice claims are sufficient for all known and probable potential claims.
36. Billings to third-party payers comply in all material respects with applicable coding guidelines, laws, and regulations. Billings reflect only charges for goods and services that were medically necessary; properly approved by regulatory bodies, if required; and properly rendered.
37. With regard to cost reports filed with Medicare, Medicaid, or other third parties:
- a. All required reports have been properly filed.
 - b. Management is responsible for the accuracy and propriety of those reports.
 - c. All costs reflected on such reports are appropriate and allowable under applicable reimbursement rules and regulations and are patient-related and properly allocated to applicable payers.
 - d. The reimbursement methodologies and principles employed are in accordance with applicable rules and regulations.
 - e. All items required to be disclosed, including disputed costs that are being claimed to establish a basis for a subsequent appeal, have been fully disclosed in the cost report.
 - f. Recorded third-party settlements include differences between filed (and to be filed) cost reports and calculated settlements, which are necessary based upon historical experience or new or ambiguous regulations that may be subject to differing interpretations. While management believes the entity is entitled to all the amounts claimed on the cost reports, management also believes the amounts of these differences are appropriate.
38. With respect to the entity's possible exposure to past or future workers' compensation assertions:
- a. We have disclosed to you all incidents known to us that could possibly give rise to workers' compensation assertion.
 - b. All known incidents have been reported to the appropriate workers' compensation insurer.
 - c. There is no known lapse in coverage, including any lapse subsequent to the fiscal year-end, that would result in any known incidents being uninsured.
 - d. Management does not expect any claims to exceed workers' compensation insurance limits.
39. There are no instances of noncompliance with laws or regulations with respect to Medicare and Medicaid antifraud and abuse statutes, in any jurisdiction, whose effects we believe should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, other than those disclosed or accrued in the financial statements. This is including, but not limited to, the Anti-Kickback Statute of the *Medicare and Medicaid Patient and Program Protection Act of 1987*, limitations on certain physician referrals (the Stark law), and the *False Claims Act*.

Governmental Accounting & Disclosure Matters

40. With regard to deposit and investment activities:
 - a. All deposit, repurchase and reverse repurchase agreements, and investment transactions have been made in accordance with legal and contractual requirements.
 - b. Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
 - c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
41. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
42. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.
43. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
44. We have appropriately disclosed the entity'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/fund balance is available and have determined that net position is properly recognized under the policy.
45. The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.
46. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, and pension information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

Accounting & Disclosure

47. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements, or other arrangements (either written or oral) that are in place.
48. Except as reflected in the financial statements, there are no:
 - a. Plans or intentions that may materially affect carrying values or classifications of assets, liabilities, or net position.

- b. Material transactions omitted or improperly recorded in the financial records.
 - c. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - d. Agreements to purchase assets previously sold.
 - e. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
 - f. Guarantees, whether written or oral, under which the entity is contingently liable.
 - g. Known or anticipated asset retirement obligations.
49. Except as disclosed in the financial statements, the entity has:
- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
 - b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

Revenue, Accounts Receivable, & Inventory

50. Adequate provisions and allowances have been accrued for any material losses from:
- a. Uncollectible receivables.
 - b. Excess or obsolete inventories.
 - c. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

51. We have identified all accounting estimates that could be material to the financial statements, and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
52. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business, revenues, available sources of supply, investments, or deposits, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

53. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:

- a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated course of action.
- b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
- c. The significant assumptions appropriately reflect market participant assumptions.
- d. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
- e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Pension

54. We believe the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
55. We have provided you with the entity's most current pension plan instrument for the audit period, including all plan amendments.
56. The participant data provided to you related to pension plans are true copies of the data submitted or electronically transmitted to the plan's actuary.
57. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.
58. We are unable to determine the possibility of a withdrawal liability in a multiemployer benefit plan.
59. We plan to continue to make amendments to the pension plans, which may affect the amortization period of prior service costs.

New Accounting Standards

GASB Statement 87, Leases

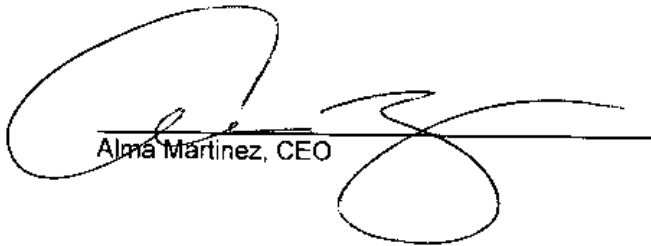
60. In connection with the adoption of GASB Statement No. 87, *Leases* (GASB 87), we represent the following:
 - a. We have identified a complete population of potential leases as of the implementation date.
 - b. We have reviewed all significant contracts to identify lease and nonlease components as of the earliest date of adoption. Allocation of contract prices between lease and nonlease components are based upon standalone prices or other reasonable factors.
 - c. We have adequate controls in place to prevent and/or detect errors in lease assets and liabilities on a recurring basis.

Paycheck Protection Program

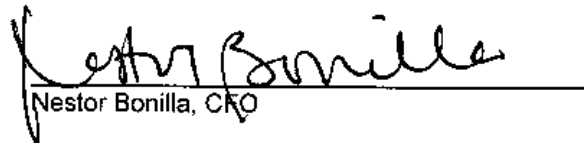
61. We have complied with all eligibility requirements to receive Paycheck Protection Program (PPP) funds under the CARES Act and applicable regulations. We have met all requirements for recognition of forgiveness income as of the balance sheet date.

Other Matters

62. To the best of our knowledge, the amounts recorded as receivables under the Section 1115(a) waiver program (Uncompensated Care and Delivery System Reform Incentive Payment Program), are reasonable estimates of the amounts we will ultimately receive for these programs. We have made appropriate allowances for any amounts subject to retrospective audit and adjustment by the state of Texas or the Center for Medicare and Medicaid Services.
63. With regards to the entity's participation in the Nursing Facility Quality Incentive Payment Program, it is the intention of the entity and management companies that losses from operation of the nursing homes, if any, will be limited to no more than the percent of the net program revenue received by the entity as designated by the nursing home agreements.



Alma Martínez, CEO



Nestor Bonilla, CFO

Maverick County Hospital District
ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	15,139,463	(28,813)	15,110,650	-0.19%
Non-Current Assets & Deferred Outflows	13,415,246		13,415,246	
Current Liabilities	(4,002,439)	(130,644)	(4,133,083)	3.26%
Non-Current Liabilities & Deferred Inflows	(1,507,244)		(1,507,244)	
Current Ratio	3.783		3.656	-3.36%
Total Assets & Deferred Outflows	28,554,709	(28,813)	28,525,896	-0.10%
Total Liabilities & Deferred Inflows	(5,509,683)	(130,644)	(5,640,327)	2.37%
Total Net Position	(23,045,026)	159,457	(22,885,569)	-0.69%
Operating Revenues	(11,681,759)	(22,055)	(11,703,814)	0.19%
Operating Expenses	15,203,649	15,330	15,218,979	0.10%
Nonoperating (Revenues) Exp	(4,914,669)	50,868	(4,863,801)	-1.04%
Change in Net Position	(1,392,779)	44,143	(1,348,636)	-3.17%

Client: Maverick County Hospital District
 Period Ending: August 31, 2022

Major Enterprise Fund
 SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) or Projected (P)	Assets & Deferred Outflows		Liabilities & Deferred Inflows		Operating Revenues	Operating Expenses	Nonoperating Revenues/Exp	Net Position	Net Effect on Following Year	
			Current	Noncurrent	Current	Noncurrent					Change in Net Position	Net Position
			DR (CR)	DR (CR)	DR (CR)	DR (CR)					DR (CR)	DR (CR)
Turnaround effect of prior year passed adjustments		F	0	0	0	0	0	(115,314)	0	115,314	0	0
	Employee benefits expense							(21,833)				
	Salaries and wages							(93,481)				
	Net position									115,314		
To increase allowance for uncollectible taxes		J	(50,868)	0	0	0	0	0	50,868	0	0	0
	Property tax revenue								50,868			
	Property taxes receivable, net of allowance		(50,868)									
To increase payroll accrual		F	0	0	(108,811)	0	0	108,811	0	0	(108,811)	108,811
	Salaries and wages							108,811				
	Accrued salaries, wages and compensated absences				(108,811)							
To increase PTO accrual		F	0	0	(21,833)	0	0	21,833	0	0	(21,833)	21,833
	Salaries and wages							21,833				
	Accrued salaries, wages and compensated absences				(21,833)							
To increase 340B receivable		F	22,055	0	0	0	(22,055)	0	0	0	22,055	(22,055)
	Prepaid expense and other		22,055									
	Other revenues						(22,055)				22,055	(22,055)
Total passed adjustments			(28,813)	0	(130,644)	0	(22,055)	15,330	50,868	115,314	(108,989)	108,589
										Impact on Change in Net Position	44,143	
										Impact on Net Position	168,467	