

SOUTH GILLIAM COUNTY HEALTH DISTRICT
FINANCIAL REPORT
JUNE 30, 2025

SOUTH GILLIAM COUNTY HEALTH DISTRICT
BOARD OF DIRECTORS
JUNE 30, 2025

BOARD OF DIRECTORS

Hanna Bass

Molly Roustson

Kelly Smith

Tory Flory (Until September 15, 2024)

Mary Reser

The Board of Directors receive mail at the District's address below.

DISTRICT ADDRESS

PO Box 597
Condon, Oregon 97823

REGISTERED AGENT

Lisa Bettencourt, Administrator

SOUTH GILLIAM COUNTY HEALTH DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
South Gilliam County Health District
Condon, Oregon

Report on the Audit of Financial Statements

Opinions

We have audited the modified cash-basis financial statements of the governmental activities, the business-type activities, and each major fund of the South Gilliam County Health District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, the business-type activities, and each major fund of the South Gilliam County Health District, as of June 30, 2025, and the respective changes in modified cash-basis financial position, and where applicable, cash flows for the year then ended in accordance with modified cash basis of accounting described in Note 2.

Basis for Opinions

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

Emphasis of Matter

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Board of Directors
South Gilliam County Health District
Independent Auditor's Report
December 11, 2025

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Board of Directors
South Gilliam County Health District
Independent Auditor's Report
December 11, 2025

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and individual fund schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 2.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 11, 2025, on our consideration of District's compliance with certain provisions of laws and regulations including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Singer Lewak LLP

December 11, 2025

By:



Bradley G. Bingenheimer, Partner

BASIC FINANCIAL STATEMENTS

SOUTH GILLIAM COUNTY HEALTH DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
June 30, 2025

	Governmental Activities	Business-type Activities	Totals
Assets			
Cash and cash equivalents	\$ 648,199	\$ 346,268	\$ 994,467
Total assets	<u>648,199</u>	<u>346,268</u>	<u>994,467</u>
Liabilities			
Accrued payroll liabilities	204	-	204
Total liabilities	<u>204</u>	<u>-</u>	<u>204</u>
Net position			
Restricted for:			
Public health	66,107	-	66,107
Unrestricted	<u>581,888</u>	<u>346,268</u>	<u>928,156</u>
Total net position	<u>\$ 647,995</u>	<u>\$ 346,268</u>	<u>\$ 994,263</u>

See notes to financial statements

SOUTH GILLIAM COUNTY HEALTH DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:						
Health and wellness	\$ 1,736,509	\$ 407,381	\$ 849,322	\$ (479,806)		\$ (479,806)
Total governmental activities	1,736,509	407,381	849,322	(479,806)		(479,806)
Business-type activities:						
Ambulance	69,316	115,579	3,087		\$ 49,350	49,350
Total business-type activities	69,316	115,579	3,087		49,350	49,350
Totals	\$ 1,805,825	\$ 522,960	\$ 852,409	(479,806)	49,350	(430,456)
General revenues:						
Taxes levied for:						
General purposes			130,028		-	130,028
Rent			28,200		-	28,200
Unrestricted investment earnings			39,243		14,263	53,506
Miscellaneous			39,987		13,570	53,557
		Total general revenues and transfers	237,458		27,833	265,291
Change in net position			(242,348)		77,183	(165,165)
Net position - beginning			890,343		269,085	1,159,428
Net position - ending	\$ 647,995	\$ 346,268	\$ 994,263			

See notes to financial statements

SOUTH GILLIAM COUNTY HEALTH DISTRICT
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
June 30, 2025

	General	Public Health	Facilities Reserve	Equipment Reserve	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 301,465	\$ 66,107	\$ 229,236	\$ 51,391	\$ 648,199
Total assets	\$ 301,465	\$ 66,107	\$ 229,236	\$ 51,391	\$ 648,199
Liabilities and fund balances					
Liabilities					
Accrued payroll liabilities	\$ 204	\$ -	\$ -	\$ -	\$ 204
Total liabilities	204	-	-	-	204
Fund balances					
Restricted for:					
Public health	-	66,107	-	-	66,107
Committed for:					
Health care	51,303	-	-	-	51,303
Capital projects	-	-	229,236	51,391	280,627
Unassigned	249,958	-	-	-	249,958
Total fund balances	301,261	66,107	229,236	51,391	647,995
Total liabilities and fund balances	\$ 301,465	\$ 66,107	\$ 229,236	\$ 51,391	\$ 648,199

See notes to financial statements

SOUTH GILLIAM COUNTY HEALTH DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	General	Public Health	Facilities Reserve	Equipment Reserve	Total
			Reserve	Reserve	Governmental Funds
Revenues					
Property taxes	\$ 130,028	\$ -	\$ -	\$ -	\$ 130,028
Charges for services	407,381	-	-	-	407,381
Intergovernmental	282,830	566,492	-	-	849,322
Rent	28,200	-	-	-	28,200
Interest	24,493	-	11,018	3,732	39,243
Miscellaneous	34,972	5,015	-	-	39,987
Total revenues	<u>907,904</u>	<u>571,507</u>	<u>11,018</u>	<u>3,732</u>	<u>1,494,161</u>
Expenditures					
Health and wellness					
Personnel services	698,732	250,771	-	-	949,503
Materials and services	187,787	314,436	-	-	502,223
Capital outlay	-	100,000	148,631	36,152	284,783
Total expenditures	<u>886,519</u>	<u>665,207</u>	<u>148,631</u>	<u>36,152</u>	<u>1,736,509</u>
Excess (deficiency) of revenues over expenditures	<u>21,385</u>	<u>(93,700)</u>	<u>(137,613)</u>	<u>(32,420)</u>	<u>(242,348)</u>
Other financing sources (uses)					
Transfers in	-	-	100,000	-	100,000
Transfers out	-	(100,000)	-	-	(100,000)
Total other financing sources (uses)	<u>-</u>	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>21,385</u>	<u>(193,700)</u>	<u>(37,613)</u>	<u>(32,420)</u>	<u>(242,348)</u>
Fund balances at beginning of year	<u>279,876</u>	<u>259,807</u>	<u>266,849</u>	<u>83,811</u>	<u>890,343</u>
Fund balances at end of year	<u>\$ 301,261</u>	<u>\$ 66,107</u>	<u>\$ 229,236</u>	<u>\$ 51,391</u>	<u>\$ 647,995</u>

See notes to financial statements

SOUTH GILLIAM COUNTY HEALTH DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
June 30, 2025

	Ambulance	Ambulance	Replacement	Ambulance
	Enterprise	Reserve	Enterprise	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 209,576	\$ 136,692	\$ 346,268	
Total current assets	209,576	136,692	346,268	
Net position				
Unrestricted	209,576	136,692	346,268	
Total net position	\$ 209,576	\$ 136,692	\$ 346,268	

See notes to financial statements

SOUTH GILLIAM COUNTY HEALTH DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
Year Ended June 30, 2025

	Ambulance		
	Ambulance	Replacement	
	Enterprise	Reserve	Total
Operating revenues			
Charges for services	\$ 115,579	\$ -	\$ 115,579
Operating grants	3,087	-	3,087
 Total operating revenues	 118,666	 -	 118,666
Operating expenses			
Personnel services	20,778	-	20,778
Materials and services	48,538	-	48,538
 Total operating expenses	 69,316	 -	 69,316
Operating income (loss)	49,350	-	49,350
Nonoperating revenues (expenses)			
Interest income	9,570	4,693	14,263
Miscellaneous	13,570	-	13,570
 Total nonoperating revenues (expenses)	 23,140	 4,693	 27,833
Income before capital contributions and transfers	72,490	4,693	77,183
Transfers in	-	45,000	45,000
Transfers out	(45,000)	-	(45,000)
 Change in net position	 27,490	 49,693	 77,183
Net position - beginning	182,086	86,999	269,085
 Net position - ending	 \$ 209,576	 \$ 136,692	 \$ 346,268

See notes to financial statements

SOUTH GILLIAM COUNTY HEALTH DISTRICT
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUNDS
Year Ended June 30, 2025

	Ambulance Enterprise	Ambulance Replacement Reserve	Total
Cash flows from operating activities			
Receipts from customers	\$ 115,579	\$ -	\$ 115,579
Other	3,087	-	3,087
Payments to employees	(20,778)	-	(20,778)
Payments to suppliers	(48,538)	-	(48,538)
Net cash provided by operating activities	<u>49,350</u>	<u>-</u>	<u>49,350</u>
Cash flows from noncapital financing activities			
Transfers in	-	45,000	45,000
Transfers out	<u>(45,000)</u>	<u>-</u>	<u>(45,000)</u>
Net cash used in noncapital financing activities	<u>(45,000)</u>	<u>45,000</u>	<u>-</u>
Cash flows from capital and related financing activities			
Other	<u>13,570</u>	<u>-</u>	<u>13,570</u>
Net cash provided by (used in) capital and related financing activities	<u>13,570</u>	<u>-</u>	<u>13,570</u>
Cash flows from investing activities			
Interest on investments	<u>9,570</u>	<u>4,693</u>	<u>14,263</u>
Net cash provided by investing activities	<u>9,570</u>	<u>4,693</u>	<u>14,263</u>
Net increase (decrease) in cash and cash equivalents	<u>27,490</u>	<u>49,693</u>	<u>77,183</u>
Cash and cash equivalents - beginning of year	<u>182,086</u>	<u>86,999</u>	<u>269,085</u>
Cash and cash equivalents - end of year	<u>\$ 209,576</u>	<u>\$ 136,692</u>	<u>\$ 346,268</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	<u>\$ 49,350</u>	<u>\$ -</u>	<u>\$ 49,350</u>
Net cash provided by operating activities	<u>\$ 49,350</u>	<u>\$ -</u>	<u>\$ 49,350</u>

See notes to financial statements

SOUTH GILLIAM COUNTY HEALTH DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – FINANCIAL REPORTING ENTITY

The South Gilliam County Health District (the “District”) was organized under the general laws of the State of Oregon. Control of the District is vested in its Board of Directors. Administrative functions are delegated to individuals who report to and are responsible to the Board. The chief administrative officer is the District Administrator.

The accompanying financial statements present all activities and funds for which the District is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation- government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and other nonexchange transactions are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

Only cash and cash equivalents and items that involve the receipt or disbursement of cash or cash equivalents during the period are recognized, except for the following modifications:

Interfund receivables and payables that arise from transactions and events involving cash or cash equivalents are recognized;

Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, marketable investments, and receivables resulting from loans) that arise from transactions and events involving cash or cash equivalents are recognized; and

Liabilities for cash or cash equivalents held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not presented in the financial statements. For example, accounts receivable for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets such as property, equipment, and infrastructure are not presented as well as long-term liabilities such as debt and compensated absences.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of presentation- government-wide financial statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds. Separate statements for each fund are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. The fund financial statements are presented on the modified cash basis of accounting.

The District reports the following major governmental funds:

General – accounts for the financial resources of the District that are not accounted for in any other fund. Principal sources of revenue are property taxes and charges for services. Expenditures are primarily for administration and operations of the District.

Public Health – accounts for the operation of public health service programs. Principle sources of revenues are grants.

Facilities Reserve – accounts for expenditures on major facilities construction projects.

Equipment Reserve – accounts for expenditures related to equipment acquisition.

The District reports the following major proprietary funds:

Ambulance Enterprise – accounts for operations of ambulance services for the District. Ambulance billings and operating grants are its principal revenues.

Ambulance Replacement Reserve – accounts for expenditures related to the replacement of ambulances.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of presentation – fund financial statements (continued)

Further, certain activity occurs during the year involving transfers of resources between funds involving cash or cash equivalents. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between funds included in governmental activities are eliminated.

If the District utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting, and the fund financial statements for the enterprise funds would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

The District's policy, although not in accordance with accounting principles generally accepted in the United States of America, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified cash basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The District begins its budgeting process by appointing budget committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The Board of Directors adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The District established the levels of budgetary control at the department and program level, along with transfers and contingencies when activity could be identified as such, and personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for other activity in funds.

Budget amounts shown in the financial statements may have been revised since the original budget amounts were adopted. The Board of Directors must authorize all appropriation transfers and supplementary budgetary appropriations.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

Net position

Government-wide and proprietary fund statements

On the statement of net position, equity is classified as net position and displayed in two components:

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of “restricted”.

Restricted resources in government-wide and proprietary fund financial statements

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund balance

Governmental fund balance

Governmental fund balance is reported within one of the fund balance categories listed below:

Non-spendable — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund balance (continued)

Committed — Fund balance amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board of Directors has granted authority to assign fund balance amounts. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Directors has by resolution authorized the Finance Manager to assign fund balance. The Board of Directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, the constraints upon resources resulting from assignments are more easily removed or modified.

Unassigned — the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

Restricted resources in governmental fund financial statements

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Restricted resources in governmental fund financial statements

It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property and become a lien against the property as of July 1 of each year. Property taxes are payable in three installments following the lien date on November 15, February 15 and May 15 each year.

As the basic financial statements are presented on the cash basis, uncollected property taxes are not reported. Property taxes are recorded as revenues when received.

Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who use, or directly benefit from services or privileges provided by a given function or segment (e.g., licenses and permits), and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All other taxes and fees, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the public works funds are ambulance charges to customers for services. Operating expenses for the enterprise fund include personal services, materials and services, and capital outlay expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 3 – CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents at June 30, 2025 are as follows:

Deposits with financial institutions	\$ 125,469
State of Oregon Local Government Investment Pool	<u>868,998</u>
 Total deposits and investments	 <u>\$ 994,467</u>

The District maintains a pool of cash and cash equivalents that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents. Interest earned on pooled cash and cash equivalents is allocated to participating funds based upon their combined cash and cash equivalents balance.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

Deposits with financial institutions

Custodial Credit Risk – Deposits with Financial Institutions: This is the risk that in the event of a bank failure, the District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest-bearing accounts and the aggregate of all interest-bearing accounts at each financial institution. Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failure of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the District's deposits. As of June 30, 2025, none of the District's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Government Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

Credit risk: Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Concentration of Credit Risk: The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100% of the District's investments are in the State of Oregon State and Local Investment Pool.

Interest Rate Risk: The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy which limits the amount of investments that can be held by counterparties.

NOTE 4 – LEASES

The District leases building space to several tenants under 90-day cancellable contracts. The contract renew annually and will not transfer ownership. Revenue from leases of 12 months or less were \$28,200 during the fiscal year.

The ambulance service rents building space annually from the fire district. The annual rent is \$5,000.

NOTE 5 – INTERFUND TRANSACTIONS

The interfund transfers during the year ended June 30, 2025 were as follows:

	Transfers In:		
	Ambulance		Total
	Facilities	Replacement	
Transfers Out:			
Public Health Department	\$ 100,000	\$ -	\$ 100,000
Ambulance Enterprise	<u>-</u>	45,000	45,000
Total	\$ 100,000	\$ 45,000	\$ 145,000

The District makes routine transfers from operating funds to reserve funds for specific purposes authorized by resolution.

Significant transfers during the year included a transfer from Public Health to the Facilities Reserve fund for construction projects totaling \$100,000.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – DEFINED BENEFIT PENSION PLAN

The District contributes to a defined contribution pension plan, authorized under Internal Revenue Code Section 457. The Variable Annuity Life Insurance Company administers the plan. Under provisions of the plan, established by the Board of Directors, the District contributes 7 percent of eligible employees' salaries. Provisions of the plan may be modified by the action of the District's Board of Directors.

This defined contribution pension plan provides an individual account for each participant. Under the defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions. The plan is available to all full-time employees of the District. Contributions vest immediately. During the year, \$52,239 was contributed by the District.

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**COMBINING FINANCIAL STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

SOUTH GILLIAM COUNTY HEALTH DISTRICT
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
GENERAL FUNDS
June 30, 2025

	General Fund	Health Reserve Fund	Patient Assistance Reserve Fund	Patient Total
Assets				
Cash and cash equivalents	\$ 250,162	\$ 39,932	\$ 11,371	\$ 301,465
Total assets	\$ 250,162	\$ 39,932	\$ 11,371	\$ 301,465
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 204	\$ -	\$ -	\$ 204
Total liabilities	204	-	-	204
Fund balances				
Committed for:				
Health care	-	39,932	11,371	51,303
Unassigned	249,958	-	-	249,958
Total fund balances	249,958	39,932	11,371	301,261
Total liabilities and fund balances	\$ 250,162	\$ 39,932	\$ 11,371	\$ 301,465

SOUTH GILLIAM COUNTY HEALTH DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GENERAL FUNDS
Year Ended June 30, 2025

	General Fund	Health Reserve Fund	Patient Assistance Fund		Total
			General Fund	Assistance Fund	
Revenues					
Property taxes	\$ 130,028	\$ -	\$ -	\$ -	\$ 130,028
Charges for services	407,381	-	-	-	407,381
Intergovernmental	282,830	-	-	-	282,830
Rent	28,200	-	-	-	28,200
Interest	21,919	1,901	673	673	24,493
Miscellaneous	34,972	-	-	-	34,972
Total revenues	905,330	1,901	673	673	907,904
Expenditures					
Health and wellness					
Personnel services	698,732	-	-	-	698,732
Materials and services	185,026	-	2,761	2,761	187,787
Total expenditures	883,758	-	2,761	2,761	886,519
Net change in fund balances	21,572	1,901	(2,088)	(2,088)	21,385
Fund balances at beginning of year	228,386	38,031	13,459	13,459	279,876
Fund balances at end of year	\$ 249,958	\$ 39,932	\$ 11,371	\$ 11,371	\$ 301,261

SOUTH GILLIAM COUNTY HEALTH DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget			
	Original	Final	Actual	Variance
Revenues				
Property taxes	\$ 154,000	\$ 154,000	\$ 130,028	\$ (23,972)
Charges for services	431,272	431,272	407,381	(23,891)
Intergovernmental	175,000	175,000	282,830	107,830
Rents	25,200	25,200	28,200	3,000
Interest	7,000	7,000	21,919	14,919
Miscellaneous	2,900	2,900	34,972	32,072
 Total revenues	 795,372	 795,372	 905,330	 109,958
Expenditures				
Personnel services	929,312	604,312	698,732	(94,420)
Materials and services	289,060	289,060	185,026	104,034
Capital outlay	15,000	15,000	-	15,000
Contingency	117,000	117,000	-	117,000
 Total expenditures	 1,350,372	 1,025,372	 883,758	 141,614
 Excess (deficiency) of revenues over expenditures	 (555,000)	 (230,000)	 21,572	 251,572
Other financing sources (uses)				
Transfers in	355,000	30,000	-	(30,000)
 Total other financing sources (uses)	 355,000	 30,000	 -	 (30,000)
 Net change in fund balance	 (200,000)	 (200,000)	 21,572	 221,572
 Fund balance at beginning of year	 200,000	 200,000	 228,386	 28,386
 Fund balance at end of year	 \$ -	 \$ -	 \$ 249,958	 \$ 249,958

SOUTH GILLIAM COUNTY HEALTH DISTRICT
HEALTH RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ 1,800	\$ 1,901	\$ 101
Total revenues	1,800	1,901	101
Expenditures			
Materials and services	39,824	-	39,824
Total expenditures	39,824	-	39,824
Net change in fund balance	(38,024)	1,901	39,925
Fund balance at beginning of year	38,024	38,031	7
Fund balance at end of year	\$ -	\$ 39,932	\$ 39,932

SOUTH GILLIAM COUNTY HEALTH DISTRICT
PATIENT ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ 660	\$ 673	\$ 13
Total revenues	660	673	13
Expenditures			
Materials and services	14,113	2,761	11,352
Total expenditures	14,113	2,761	11,352
Net change in fund balance	(13,453)	(2,088)	11,365
Fund balance at beginning of year	13,453	13,459	6
Fund balance at end of year	\$ -	\$ 11,371	\$ 11,371

SOUTH GILLIAM COUNTY HEALTH DISTRICT
PUBLIC HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget			
	Original	Final	Actual	Variance
Revenues				
Intergovernmental	\$ 678,527	\$ 678,527	\$ 566,492	\$ (112,035)
Miscellaneous	-	-	5,015	5,015
Total revenues	<u>678,527</u>	<u>678,527</u>	<u>571,507</u>	<u>(107,020)</u>
Expenditures				
Personnel services	-	325,000	250,771	74,229
Materials and services	261,789	261,789	314,436	(52,647)
Capital outlay	111,738	111,738	100,000	11,738
Total expenditures	<u>373,527</u>	<u>698,527</u>	<u>665,207</u>	<u>33,320</u>
Excess (deficiency) of revenues overexpenditures	<u>305,000</u>	<u>(20,000)</u>	<u>(93,700)</u>	<u>(73,700)</u>
Other financing sources (uses)				
Transfers out	<u>(455,000)</u>	<u>(130,000)</u>	<u>(100,000)</u>	<u>30,000</u>
Total other financing sources (uses)	<u>(455,000)</u>	<u>(130,000)</u>	<u>(100,000)</u>	<u>30,000</u>
Net change in fund balance	<u>(150,000)</u>	<u>(150,000)</u>	<u>(193,700)</u>	<u>(43,700)</u>
Fund balance at beginning of year	<u>150,000</u>	<u>150,000</u>	<u>259,807</u>	<u>109,807</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,107</u>	<u>\$ 66,107</u>

SOUTH GILLIAM COUNTY HEALTH DISTRICT
FACILITIES RESERVE FUND (MAJOR FUND) (CAPITAL PROJECTS FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ 13,200	\$ 11,018	\$ (2,182)
Total revenues	<u>13,200</u>	<u>11,018</u>	<u>(2,182)</u>
Expenditures			
Capital outlay	379,928	148,631	231,297
Total expenditures	<u>379,928</u>	<u>148,631</u>	<u>231,297</u>
Excess (deficiency) of revenues over expenditures	<u>(366,728)</u>	<u>(137,613)</u>	<u>229,115</u>
Other financing sources (uses)			
Transfers in	100,000	100,000	-
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(266,728)	(37,613)	229,115
Fund balance at beginning of year	<u>266,728</u>	<u>266,849</u>	<u>121</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 229,236</u></u>	<u><u>\$ 229,236</u></u>

SOUTH GILLIAM COUNTY HEALTH DISTRICT
EQUIPMENT RESERVE FUND (CAPITAL PROJECTS FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ 4,080	\$ 3,732	\$ (348)
Total revenues	4,080	3,732	(348)
Expenditures			
Capital outlay	87,836	36,152	51,684
Total expenditures	87,836	36,152	51,684
Net change in fund balance	(83,756)	(32,420)	51,336
Fund balance at beginning of year	83,756	83,811	55
Fund balance at end of year	\$ -	\$ 51,391	\$ 51,391

SOUTH GILLIAM COUNTY HEALTH DISTRICT
AMBULANCE ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 122,000	\$ 115,579	\$ (6,421)
Intergovernmental	10	3,087	3,077
Interest	4,000	9,570	5,570
Miscellaneous	<u>12,200</u>	<u>13,570</u>	<u>1,370</u>
 Total revenues	 <u>138,210</u>	 <u>141,806</u>	 <u>3,596</u>
 Expenditures			
Personnel services	30,800	20,778	10,022
Materials and services	141,000	48,538	92,462
Capital outlay	45,000	-	45,000
Contingency	<u>31,410</u>	<u>-</u>	<u>31,410</u>
 Total expenditures	 <u>248,210</u>	 <u>69,316</u>	 <u>178,894</u>
 Excess (deficiency) of revenues over expenditures	 <u>(110,000)</u>	 <u>72,490</u>	 <u>182,490</u>
 Other financing sources (uses)			
Transfers out	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
 Total other financing sources (uses)	 <u>(45,000)</u>	 <u>(45,000)</u>	 <u>-</u>
 Net change in fund balance	 <u>(155,000)</u>	 <u>27,490</u>	 <u>182,490</u>
 Fund balance at beginning of year	 <u>155,000</u>	 <u>182,086</u>	 <u>27,086</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 209,576</u>	 <u>\$ 209,576</u>

SOUTH GILLIAM COUNTY HEALTH DISTRICT
AMBULANCE REPLACEMENT RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ 2,500	\$ 4,693	\$ 2,193
Total revenues	<u>2,500</u>	<u>4,693</u>	<u>2,193</u>
Expenditures			
Capital outlay	133,824	-	133,824
Total expenditures	<u>133,824</u>	<u>-</u>	<u>133,824</u>
Excess (deficiency) of revenues over expenditures	<u>(131,324)</u>	<u>4,693</u>	<u>136,017</u>
Other financing sources (uses)			
Transfers in	45,000	45,000	-
Total other financing sources (uses)	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net change in fund balance	(86,324)	49,693	136,017
Fund balance at beginning of year	<u>86,324</u>	<u>86,999</u>	<u>675</u>
Fund balance at end of year	\$ -	\$ 136,692	\$ 136,692

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COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

Board of Directors
South Gilliam County Health District
Condon, Oregon

We have audited the basic financial statements of the South Gilliam County Health District (the "District") as of and for the year ended June 30, 2025, and have issued our report thereon dated December 11, 2025. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0230 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0230 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

Board of Directors
South Gilliam County Health District
Independent Auditor's Report
Required by Oregon State Regulations

Budgets legally required

In the detail budget document for the 2025-26 fiscal year, the historical amounts for fiscal year 2022-23 and 2023-24 do not agree to actual amounts as follows:

Fund/Appropriation Category	Presented	Historical	Variance
2023-24 General - Total Resources	1,084,050	1,033,561	(50,489)
2023-24 General - Total Requirements	1,084,050	1,032,661	(51,389)
2023-24 Public Health - Total Resources/Requirements	357,030	616,836	259,806
2022-23 General - Total Resources/Requirements	1,142,828	1,188,242	45,414
2022-23 Public Health - Total Resources	571,491	745,356	173,865
2022-23 Public Health - Total Requirements	323,160	745,356	422,196
2022-23 Equipment - Total Resources/Requirements	131,648	95,712	(35,936)

Expenditures in Excess of Appropriations

The District had expenditures in excess of appropriation as follows:

Fund	Appropriation category	Budget	Actual	Variance
General	Personnel services	\$ 604,313	\$ 698,732	\$ (94,419)
Public Health	Materials and services	261,789	314,436	(52,647)

OAR 162-010-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions 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. We have separately issued a letter to those charged with governance regarding deficiencies in internal control.

Restriction of Use

This report is intended solely for the information and use of the Board of Directors and management of South Gilliam County Health District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Singer Lewak LLP

December 11, 2025

By:



Brad Bingenheimer, Partner