

SOUTH GILLIAM COUNTY HEALTH DISTRICT
Condon, Oregon

Financial Statements and
Independent Auditors' Report

June 30, 2023

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Board of Directors

<u>Name</u>	<u>Term Expires</u>
Kathy Johnson	June 30, 2025
Cindy Hinton	June 30, 2025
David Greiner	June 30, 2025
Tory Flory	June 30, 2027
Mary Reser	June 30, 2027

Registered agent and office:

Lisa Helms, Executive Director
P.O. Box 597
Condon, Oregon 97823
(541) 384-2061

SOUTH GILLIAM COUNTY HEALTH DISTRICT

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PAUL A. BARNETT, C.P.A.

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BETSY J. BENNETT, C.P.A.

DAVID J. BARNETT, C.P.A.

KODY H. MOSS, C.P.A.

INDEPENDENT AUDITORS' REPORT

Board of Directors

South Gilliam County Health District

Condon, Oregon

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of South Gilliam County Health District, as of and for the year ended June 30, 2023, and the related notes to the financial statements and the respective budgetary comparison for the Combined General Fund which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2023, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 South Gilliam County Health 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 1 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 1, 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.

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

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Gilliam Health 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 South Gilliam Health 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise South Gilliam County Health District's basic financial statements. The supplementary information section is 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 were derived from and relate 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 supplementary information section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated May 14, 2024, on our consideration of the South Gilliam County Health 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.

Barnett & Moro, P.C.
Hermiston, Oregon

By:



Dennis L. Barnett, Shareholder
May 17, 2024

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Statement of Net Position

- Modified Cash Basis

June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS:</u>			
Current assets			
Cash and cash equivalents	\$ 989,234	\$ 359,591	\$ 1,348,825
Capital assets not being depreciated	6,000	-	6,000
Capital assets, net of accumulated depreciation	<u>675,872</u>	<u>65,813</u>	<u>741,685</u>
Total assets	<u>1,671,106</u>	<u>425,404</u>	<u>2,096,510</u>
<u>NET POSITION:</u>			
Net investment in capital assets	681,872	65,813	747,685
Restricted for public health	259,807	-	259,807
Unrestricted	<u>729,427</u>	<u>359,591</u>	<u>1,089,018</u>
Total net position	<u><u>\$ 1,671,106</u></u>	<u><u>\$ 425,404</u></u>	<u><u>\$ 2,096,510</u></u>

See accompanying notes to
the basic financial statements.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Statement of Activities
- Modified Cash Basis
For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Business-Type Activities</u>	<u>Totals</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>		
Governmental activities:						
Health and wellness	\$ 1,253,638	\$ 613,572	\$ 718,607	\$ 78,541	\$ -	\$ 78,541
Business-Type activities:						
Ambulance	104,777	128,877	4,000	-	28,100	28,100
Total government	<u>\$ 1,358,415</u>	<u>\$ 742,449</u>	<u>\$ 722,607</u>	<u>78,541</u>	<u>28,100</u>	<u>106,641</u>
General revenues:						
Property taxes				141,021	-	141,021
Interest income				22,304	9,138	31,442
Miscellaneous				68,522	3,108	71,630
Total general revenues				<u>231,847</u>	<u>12,246</u>	<u>244,093</u>
Change in net position				310,388	40,346	350,734
Net position - beginning				<u>1,360,718</u>	<u>385,058</u>	<u>1,745,776</u>
Net position - ending				<u>\$ 1,671,106</u>	<u>\$ 425,404</u>	<u>\$ 2,096,510</u>

See accompanying notes to
the basic financial statements.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Governmental Funds Balance Sheet

-- Modified Cash Basis

June 30, 2023

	Combined General Fund
	<hr/>
<u>ASSETS:</u>	
Cash and investments	\$ 989,234
	<hr/>
<u>LIABILITIES</u>	\$ -
	<hr/>
<u>FUND BALANCES:</u>	
Fund balances:	
Committed for capital projects	333,840
Committed for health care	49,022
Restricted for public health	259,807
Unassigned	346,565
	<hr/>
Total fund balances	989,234
	<hr/>
Total liabilities and fund balances	\$ 989,234
	<hr/>
Fund balances reconcile to net position as follows:	
Total fund balances	\$ 989,234
Capital assets are not current financial resources and not reported in the governmental fund financial statements:	
Capital assets	1,190,047
Accumulated depreciation	(508,175)
	<hr/>
Net position	\$ 1,671,106
	<hr/>

See accompanying notes to
the basic financial statements.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances

- Modified Cash Basis

For the Year Ended June 30, 2023

	Combined General Fund
<hr/>	
<u>REVENUES:</u>	
Property taxes	\$ 141,021
Investment income	22,304
Rent	26,700
Operating grants and donations	718,607
Charges for service	586,872
Miscellaneous	68,522
	<hr/>
Total general revenues and transfers	1,564,026
	<hr/>
<u>EXPENDITURES/EXPENSES:</u>	
District operations:	
Personal services	923,612
Materials and services	291,210
Capital outlay	42,370
	<hr/>
Total expenditures/expenses	1,257,192
	<hr/>
<u>EXCESS OF REVENUES</u>	
<u>OVER EXPENDITURES</u>	306,834
	<hr/>
Beginning of the year	682,400
	<hr/>
End of the year	\$ 989,234
	<hr/> <hr/>

See accompanying notes to
the basic financial statements.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023**

Net change in governmental fund balances	\$ 306,834
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>	
Expenditures for capital assets	41,870
Less current year depreciation	<u>(38,316)</u>
Change in net position of governmental activities	<u><u>\$ 310,388</u></u>

SOUTH GILLIAM COUNTY HEALTH DISTRICT

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual

(Arising from Cash Transactions)

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES:</u>				
Property taxes:				
Current year	\$ 159,000	\$ 159,000	\$ 128,228	\$ (30,772)
Prior years	2,500	2,500	12,793	10,293
Grants	150,020	150,020	150,000	(20)
Medical services	405,000	405,000	410,123	5,123
Public Health	263,656	263,656	-	(263,656)
Rent	24,000	24,000	26,700	2,700
Wind/SIP revenues	1,000	1,000	-	(1,000)
Interest and miscellaneous	4,400	4,400	79,271	74,871
Total revenues	<u>1,009,576</u>	<u>1,009,576</u>	<u>807,115</u>	<u>(202,461)</u>
<u>EXPENDITURES:</u>				
Personal services	889,643	889,643	658,976	230,667
Materials and services	207,310	207,310	182,701	24,609
Capital outlay	4,000	4,000	-	4,000
Contingency	72,523	72,523	-	72,523
Total expenditures	<u>1,173,476</u>	<u>1,173,476</u>	<u>841,677</u>	<u>331,799</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	(163,900)	(163,900)	(34,562)	129,338
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers in/(out)	<u>(31,100)</u>	<u>(31,100)</u>	<u>137,609</u>	<u>106,509</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES AND</u>				
<u>OTHER FINANCING USES</u>	(195,000)	(195,000)	103,047	298,047
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>195,000</u>	<u>195,000</u>	<u>243,518</u>	<u>48,518</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,565</u>	<u>\$ 346,565</u>

Note: Actual public health revenues are reported in the Public Health Fund.

See accompanying notes to
the basic financial statements.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Statement of Net Position - Modified Cash Basis

Proprietary Fund

June 30, 2023

	Ambulance Fund	Ambulance Replacement Reserve Fund	Total
<u>ASSETS:</u>			
Cash and investments	\$ 159,639	\$ 199,952	\$ 359,591
Capital assets, net of accumulated depreciation	65,813	-	65,813
Total assets	225,452	199,952	425,404
<u>NET POSITION:</u>			
Net investment in capital assets	65,813	-	65,813
Unrestricted	159,639	199,952	359,591
Total net position of business-type activity	\$ 225,452	\$ 199,952	\$ 425,404

See accompanying notes to
the basic financial statements.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Statement of Revenues, Expenses and Changes in Fund Net Position-- Modified Cash Basis

Proprietary Fund

For the Year Ended June 30, 2023

	Ambulance Fund	Ambulance Replacement Reserve Fund	Total
<u>OPERATING REVENUES:</u>			
Charges for services	\$ 128,877	\$ -	\$ 128,877
Operating grants	4,000	-	4,000
Miscellaneous	3,108	-	3,108
Total operating revenue	<u>135,985</u>	<u>-</u>	<u>135,985</u>
<u>OPERATING EXPENSES:</u>			
Personal services	21,439	-	21,439
Materials and services	42,624	-	42,624
Depreciation expense	40,714	-	40,714
Total operating expenses	<u>104,777</u>	<u>-</u>	<u>104,777</u>
<u>OPERATING INCOME</u>	31,208	-	31,208
<u>NONOPERATING REVENUES:</u>			
Investment income	4,342	4,796	9,138
<u>INCOME BEFORE TRANSFERS</u>	35,550	4,796	40,346
Transfers in (out)	(40,000)	40,000	-
<u>CHANGE IN NET POSITION</u>	(4,450)	44,796	40,346
<u>NET POSITION - BEGINNING</u>	229,902	155,156	385,058
<u>NET POSITION - ENDING</u>	<u>\$ 225,452</u>	<u>\$ 199,952</u>	<u>\$ 425,404</u>

See accompanying notes to
the basic financial statements.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Statement of Cash Flows - Modified Cash Basis

Proprietary Fund

Year Ended June 30, 2023

	Ambulance Fund	Ambulance Replacement Reserve Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash receipts from customers	\$ 131,985	\$ -	\$ 131,985
Cash receipts from granting agencies	4,000	-	4,000
Cash payments to suppliers	(42,624)	-	(42,624)
Cash payments to employees	(21,439)	-	(21,439)
Net cash provided by operating activities	<u>71,922</u>	<u>-</u>	<u>71,922</u>
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</u>			
Purchase of equipment	<u>(6,195)</u>	<u>-</u>	<u>(6,195)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Transfers to other funds	<u>(40,000)</u>	<u>40,000</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest received	<u>4,342</u>	<u>4,796</u>	<u>9,138</u>
<u>NET INCREASE IN CASH</u>	<u>30,069</u>	<u>44,796</u>	<u>74,865</u>
<u>CASH AND INVESTMENTS, JULY 1</u>	<u>129,570</u>	<u>155,156</u>	<u>284,726</u>
<u>CASH AND INVESTMENTS, JUNE 30</u>	<u><u>\$ 159,639</u></u>	<u><u>\$ 199,952</u></u>	<u><u>\$ 359,591</u></u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>			
Operating income	\$ 31,208	\$ -	\$ 31,208
<u>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>			
Depreciation and amortization	<u>40,714</u>	<u>-</u>	<u>40,714</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u><u>\$ 71,922</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 71,922</u></u>

See accompanying notes to
the basic financial statements.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements (the statement of net position and the statement of activities) are reported using the economic resources measurement focus. The governmental fund financial statements (the fund balance sheets and the statement of revenues, expenditures, and changes in fund balances) are reported on the current financial resources measurement focus.

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. The difference between governmental fund assets and liabilities is reported as fund balance. Business-type activities are generally supported by fees charged to external customers. Program revenues include: 1) charges for goods and services, and 2) operating grants and contributions, 3) capital grants and contributions. The principal revenues are operating grants from government entities.

The District uses the modified cash basis of accounting for preparation of financial statements. The District only recognizes items that involve receipts or disbursements of cash, except for the following modifications which have substantial support in generally accepted accounting principles:

The District capitalizes assets with an original cost over \$5,000 and an estimated useful life longer than one year. Capital assets are depreciated using the straight-line method over estimated useful lives. The District reports long-term debt that relates to the acquisition of capital assets.

Except for the modifications listed above, the District does not record transactions relating to revenues earned or expenses incurred until the period in which the cash is received or disbursed. Accordingly, receivables, payables, and accrued expenses are not reported.

The District reports a combined general fund and its only proprietary fund as major funds.

The combined general fund consists of the following budgeted funds:

General fund:

This fund is used to account for the general operations of the District; its assets may be transferred to another fund for any authorized purpose.

Health reserve fund:

Established to provide a perpetual fund to promote health care for the residents and visitors to South Gilliam County. Donations and interest are the major revenues.

Patient assistance reserve fund:

Established to provide financial assistance to patients who need outside medical testing.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Equipment fund:

Accounts for cash received from other funds for the purchase and replacement of equipment.

Ambulance replacement reserve fund:

Accounts for cash received from other funds for the replacement or repair of ambulances.

Facilities fund:

Accounts for funds reserved for building improvements.

Gilliam County public health fund:

Accounts for funds received from Gilliam County for the administration of Gilliam County Public Health Services.

The District reports the following major proprietary fund:

Ambulance fund:

Accounts for operations of ambulance services for the District. Ambulance billings are its principal revenue.

Budget procedures:

A budget is prepared for each fund in accordance with the modified cash basis of accounting and legal requirements set forth in the Oregon Local Budget Law. Budget amounts shown in the financial statements include the original and supplemental budget amounts and all appropriation transfers approved by the Board of Directors.

The District employs the following procedures in establishing the budgetary data reflected in the financial statements.

The appointed budget officer develops a proposed budget for submission to the budget committee appointed by the Board of Directors. The operating budget includes proposed expenditures and the means for financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years.

After the proposed budget is prepared, the budget officer publishes a "Notice of Budget Committee Meeting" in at least one newspaper of general circulation. At the budget committee meeting, the budget message is delivered explaining the proposed budget and any significant changes in the District's financial position. The budget committee meets thereafter as many times as necessary until the budget document is completed.

After approval by the budget committee and the required public hearing, and prior to July 1, the budget is adopted by the Board of Directors, and appropriations are enacted by resolution. Appropriations control expenditures in broad categories as required by Oregon Local Budget Law. More detailed classifications of budgeted expenditures are adopted for administrative control purposes. Budget appropriations lapse at year end.

The governing body is authorized to transfer appropriation within any fund by resolution. Revisions that increase total expenditures in any fund may be made only through a supplemental budget.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Budget procedures (continued):

Expenditures may not legally exceed budget appropriations at the following legal level of control for each department in each fund:

- Personal services
- Materials and services
- Capital outlay

Appropriations are made at the same legal level of control described above. The District over-expended personal services in the Health Reserve Fund by \$48,000, Materials and services in the Public Health Fund by \$47,943 and Capital outlay in the Public Health Fund by \$41,870.

Actual amounts reported in the Ambulance Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual differ from the proprietary fund Statement of Revenues, Expenditures and Changes in Fund Net Position because capital outlay and principal payments on related debt are recorded for budgetary purposes in the year the disbursement is made. Amounts reconcile as follows:

Budgetary fund balance	\$ 159,639	Budgetary change in fund balance	\$ 36,264
Capital assets	65,813	Depreciation	(40,714)
Modified cash net position	<u>\$ 225,452</u>	Modified cash change in net position	<u>\$ (4,450)</u>

Capital assets:

Governmental capital assets generally result from expenditures in the governmental funds. These assets are reported as assets on the statement of net position but are not reported in the fund financial statements. Proprietary capital assets are also reported on their respective fund financial statements. All capital assets are capitalized with the straight-line method at original cost, using an estimation for the useful life. The District capitalizes assets purchased or constructed with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Not all items reported as capital outlay meet these requirements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at estimated fair values on the date donated.

Investment policy:

A portion of the District's investments are invested in an external investment pool, The Oregon Short-Term Fund (Fund). Numerous local governments in Oregon, as well as state of Oregon (State) agencies, participate in the Fund. The fair value of the District's position in the pool is the same as the value of the pool shares. The Fund is not registered with the U.S. Securities and Exchange Commission. The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council. Investments in the Fund are further governed by portfolio guidelines issued by the Fund Board.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Investment policy (continued):

District monies are invested as allowed by Oregon Statute. Presently all investments are in demand deposits, bank short-term investments and Local Government Investment Pool (LGIP) shares.

Income taxes:

The District is exempt from federal and state income tax.

Property taxes:

Gilliam County assesses and collects taxes for the District. Property taxes are billed in October of each year. Unpaid personal and real property taxes become liens against the property on January 1 and July 1, respectively. Property taxes are payable in three installments due November 15, February 15, and May 15. A 3% discount is allowed for full payment by November 15. Interest at 16% annually is charged for late payments.

The 2022-23 tax levy was adopted June 20, 2022. The levy is within the available tax base.

Use of estimates:

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interfund transactions:

During the course of normal operations, the District has transactions between funds. Interfund transactions are generally classified as follows:

Operation transfers are reported as follows:

- “Other financing sources and uses” in the governmental and business-type funds
- “Operating transfers in” by the recipient fund
- “Operating transfers out” by the disbursing fund

The District routinely transfers amounts designated for specific purposes authorized by resolutions of the Board of Directors to various reserve funds. These amounts are eliminated on the statement of activities.

Net position:

Net position present the difference between assets and liabilities in the statement of net position. Net investment in capital assets are: capital assets net of accumulated depreciation reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by laws or regulations. When the option is available to use restricted or unrestricted resources for any purpose, the District will expend restricted resources first.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Fund balance:

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash and include inventories and prepaid amounts.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the District board passes a resolution that places specific constraints on how the resources may be used. The District board can modify or rescind the resolution at any time through passage of an additional resolution.

Fund balance is reported as assigned when resources are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the District board approves which resources should be assigned to expenditure for particular purposes during the adoption of the annual budget.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned.

When the option is available to use restricted or unrestricted resources for any purpose, the District expends restricted resources first. When the option is available to use committed, assigned, or unassigned resources for any purpose, the District expends committed resources before assigned resources, and assigned resources before unassigned resources.

Proprietary funds:

Proprietary funds account for activities in a way similar to private business enterprise, where the cost of providing goods or services are financed by service charges. Proprietary funds classify transactions as operating and non-operating revenues and expenses. Operating revenues and expenses result from providing goods and services in connection with the fund's primary purpose.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 2 – CASH AND INVESTMENTS:

Cash and investments consisted of the following:

	Carrying Amount	Fair Value
Checking - General fund	\$ 90,699	\$ 90,699
Checking - Ambulance fund	11,694	11,694
Local government investment pool health	1,129,594	1,129,594
Local government investment pool ambulance	116,838	116,838
Total	<u>\$ 1,348,825</u>	<u>\$ 1,348,825</u>

Custodial credit risk-deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's bank deposits were covered by federal depository insurance of \$250,000. ORS Chapter 295 governs the collateralization of Oregon Public funds and provides the statutory requirements for the Public Funds Collateralization Program. The Public Funds Collateralization Program was created by the Office of the State Treasurer to facilitate bank depository, custodian, and public official compliance with ORS 295. ORS 295 requires the depository institution to pledge collateral against any public funds deposits in excess of deposit insurance amounts. The District keeps its deposits at financial institutions deemed to be qualified depositories by the Office of the State Treasurer. None of the District's bank balances were exposed to custodial credit risk at June 30, 2023.

Credit risk - investments

The Local Government Investment Pool's credit risk is not rated.

Custodial credit risk - investments

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments. The Local Government Investment Pool is not subject to custodial credit risk because it is not evidenced by securities that exist in physical or book entry form.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 3 – CAPITAL ASSETS:

Capital assets and related changes therein consisted of the following:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Capital assets being depreciated:				
Buildings and improvements	922,911		-	922,911
Vehicles and equipment	219,266	41,870	-	261,136
Total capital assets being depreciated	1,142,177	41,870	-	1,184,047
Less: Accumulated depreciation:				
Buildings and improvements	(287,385)	(21,685)	-	(309,070)
Vehicles and equipment	(182,474)	(16,631)	-	(199,105)
Total accumulated depreciation	(469,859)	(38,316)	-	(508,175)
Total capital assets being depreciated, net	672,318	3,554	-	675,872
Governmental capital assets, net	\$ 678,318	\$ 3,554	\$ -	\$ 681,872
Business-type Activities:				
Capital assets being depreciated:				
Vehicles and equipment	\$ 483,178	\$ 6,195	\$ -	\$ 489,373
Less: Accumulated depreciation:				
Vehicles and equipment	(382,846)	(40,714)	-	(423,560)
Business-type capital assets, net	\$ 100,332	\$ (34,519)	\$ -	\$ 65,813
Depreciation expense by function follows:				
Total depreciation expense Governmental Activities				
Health and wellness			\$ 38,316	
Total depreciation expense Business-type Activities				
Ambulance			\$ 40,714	

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 4 – RETIREMENT 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% of eligible employees' salaries. Provisions of the plan may be modified by 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, \$27,897 was contributed by the employer and \$7,817 in employee contributions were made.

NOTE 5 – INTERFUND TRANSACTIONS:

	Transfers In:			
	General	Public	Ambulance	
Transfers Out:	Fund	Health	Replacement	Total
Public Health Fund	\$ 137,609	\$ -	\$ -	\$ 137,609
Health Fund	-	3,654	-	3,654
Ambulance Fund	-	-	40,000	40,000
Total	<u>\$ 137,609</u>	<u>\$ 3,654</u>	<u>\$ 40,000</u>	<u>\$ 181,263</u>

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

NOTE 6 - LEASES:

The District leases building space to several tenants under 90 day cancellable contracts, the contracts renew annually. The leases will not transfer ownership. Revenue from leases of 12 months or less were \$26,700 during the fiscal year.

The ambulance service rents building space annually from the fire district. The annual rent is \$5,000. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 7 - SUBSEQUENT EVENTS:

The District has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued. The District has disclosed all subsequent events that would materially effect the financial statements at June 30, 2023.

SUPPLEMENTARY INFORMATION

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Combined Balance Sheet

-- Modified Cash Basis

June 30, 2023

	<u>General Fund</u>	<u>Health Reserve Fund</u>	<u>Patient Assistance Reserve Fund</u>	<u>Equipment Fund</u>	<u>Public Health Fund</u>	<u>Facilities Fund</u>	<u>Total Combined General Fund</u>
<u>ASSETS:</u>							
Cash and investments	\$ 346,565	\$ 36,207	\$ 12,815	\$ 79,791	\$ 259,807	\$ 254,049	\$ 989,234
Total assets	<u>\$ 346,565</u>	<u>\$ 36,207</u>	<u>\$ 12,815</u>	<u>\$ 79,791</u>	<u>\$ 259,807</u>	<u>\$ 254,049</u>	<u>\$ 989,234</u>
<u>LIABILITIES</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>FUND BALANCES:</u>							
Committed for capital projects	-	-	-	79,791	-	254,049	333,840
Committed for health care	-	36,207	12,815	-	-	-	49,022
Restricted for public health	-	-	-	-	259,807	-	259,807
Unassigned	346,565	-	-	-	-	-	346,565
	<u>346,565</u>	<u>36,207</u>	<u>12,815</u>	<u>79,791</u>	<u>259,807</u>	<u>254,049</u>	<u>989,234</u>
Total liabilities and fund balances	<u>\$ 346,565</u>	<u>\$ 36,207</u>	<u>\$ 12,815</u>	<u>\$ 79,791</u>	<u>\$ 259,807</u>	<u>\$ 254,049</u>	<u>\$ 989,234</u>

See accompanying independent auditors' report.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balances - Combined General Fund

- Modified Cash Basis

For the Year Ended June 30, 2023

	General Fund	Health Reserve Fund	Patient Assistance Fund	Equipment Fund	Public Health Fund	Facilities Fund	Total Combined General Fund
<u>REVENUES:</u>							
Property taxes	\$ 141,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,021
Investment income	10,749	1,443	337	2,480	-	7,295	22,304
Rent	26,700	-	-	-	-	-	26,700
Operating grants and donations	150,000	-	-	-	568,607	-	718,607
Charges for service	410,123	-	-	-	176,749	-	586,872
Miscellaneous	68,522	-	-	-	-	-	68,522
Total general revenues	807,115	1,443	337	2,480	745,356	7,295	1,564,026
<u>EXPENDITURES/EXPENSES:</u>							
Health and wellness:							
Personal services	658,976	48,000	-	-	216,636	-	923,612
Materials and services	182,701	-	-	-	108,509	-	291,210
Capital outlay	-	-	-	15,921	26,449	-	42,370
Total expenditures/expenses	841,677	48,000	-	15,921	351,594	-	1,257,192
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(34,562)	(46,557)	337	(13,441)	393,762	7,295	306,834
<u>OTHER FINANCING SOURCES (USES):</u>							
Transfers in	137,609	-	-	-	3,654	-	141,263
Transfers out	-	(3,654)	-	-	(137,609)	-	(141,263)
Total other financing sources (uses)	137,609	(3,654)	-	-	(133,955)	-	-
Net change in fund balances	103,047	(50,211)	337	(13,441)	259,807	7,295	306,834
Beginning of the year	243,518	86,418	12,478	93,232	-	246,754	682,400
End of the year	\$ 346,565	\$ 36,207	\$ 12,815	\$ 79,791	\$ 259,807	\$ 254,049	\$ 989,234

See accompanying independent auditors' report.

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Health Reserve Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual

(Arising from Cash Transactions)

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES:</u>				
Investment income	\$ 400	\$ 400	\$ 1,443	\$ 1,043
Total revenues	400	400	1,443	1,043
<u>EXPENDITURES:</u>				
Personal services	-	-	48,000	(48,000)
Materials and services	82,400	82,400	-	82,400
Total expenditures	82,400	82,400	48,000	34,400
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	(82,000)	(82,000)	(46,557)	35,443
<u>OTHER FINANCING SOURCES:</u>				
Transfers in/(out)	1,000	1,000	(3,654)	(4,654)
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	(81,000)	(81,000)	(50,211)	30,789
<u>FUND BALANCE, BEGINNING OF YEAR</u>	81,000	81,000	86,418	5,418
<u>FUND BALANCE, END OF YEAR</u>	\$ -	\$ -	\$ 36,207	\$ 36,207

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Patient Assistance Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual
(Arising from Cash Transactions)
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES:</u>				
Interest and miscellaneous	<u>\$ 85</u>	<u>\$ 85</u>	<u>\$ 337</u>	<u>\$ 252</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>12,185</u>	<u>12,185</u>	<u>-</u>	<u>12,185</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>(12,100)</u>	<u>(12,100)</u>	<u>337</u>	<u>12,437</u>
<u>OTHER FINANCING SOURCES:</u>				
Operating transfers in	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>(12,000)</u>	<u>(12,000)</u>	<u>337</u>	<u>12,337</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>12,000</u>	<u>12,000</u>	<u>12,478</u>	<u>478</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,815</u>	<u>\$ 12,815</u>

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Equipment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual
(Arising from Cash Transactions)
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES:</u>				
Interest and miscellaneous	\$ 300	\$ 300	\$ 2,480	2,180
<u>EXPENDITURES:</u>				
Capital outlay	<u>147,300</u>	<u>147,300</u>	<u>500</u>	<u>146,800</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>(147,000)</u>	<u>(147,000)</u>	<u>1,980</u>	<u>148,980</u>
<u>OTHER FINANCING SOURCES:</u>				
Operating transfers in	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>(55,000)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>(92,000)</u>	<u>(92,000)</u>	<u>1,980</u>	<u>93,980</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>92,000</u>	<u>92,000</u>	<u>93,232</u>	<u>1,232</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,212</u>	<u>\$ 95,212</u>

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Facilities Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual

(Arising from Cash Transactions)

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES:</u>				
Interest and miscellaneous	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 7,295</u>	<u>\$ 6,295</u>
<u>EXPENDITURES:</u>				
Capital outlay	<u>291,000</u>	<u>291,000</u>	<u>-</u>	<u>291,000</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>(290,000)</u>	<u>(290,000)</u>	<u>7,295</u>	<u>297,295</u>
<u>OTHER FINANCING SOURCES:</u>				
Operating transfers in	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>(45,000)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>(245,000)</u>	<u>(245,000)</u>	<u>7,295</u>	<u>252,295</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>245,000</u>	<u>245,000</u>	<u>246,754</u>	<u>1,754</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,049</u>	<u>\$ 254,049</u>

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Ambulance Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual

(Arising from Cash Transactions)

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES:</u>				
Ambulance revenue	\$ 90,000	\$ 90,000	\$ 128,545	\$ 38,545
Donations and grants	110	110	4,000	3,890
Tri-County membership	3,500	3,500	3,440	(60)
Interest and miscellaneous	5,600	5,600	4,342	(1,258)
Total revenues	99,210	99,210	140,327	41,117
<u>EXPENDITURES:</u>				
Personal services	26,400	26,400	21,439	4,961
Materials and services	112,350	112,350	42,624	69,726
Capital outlay	40,200	40,200	-	40,200
Operating contingency	10,260	10,260	-	10,260
Total expenditures	189,210	189,210	64,063	125,147
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	(90,000)	(90,000)	76,264	166,264
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers out	-	-	(40,000)	(40,000)
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER FINANCING USES</u>	(90,000)	(90,000)	36,264	126,264
<u>FUND BALANCE, BEGINNING OF YEAR</u>	90,000	90,000	129,570	39,570
<u>FUND BALANCE, END OF YEAR</u>	\$ -	\$ -	\$ 165,834	\$ 165,834

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Ambulance Replacement Reserve Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual

(Arising from Cash Transactions)

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES:</u>				
Interest	\$ -	\$ -	\$ 4,796	\$ 4,796
Grants	110,000	110,000	-	(110,000)
	110,000	110,000	4,796	(105,204)
<u>EXPENDITURES:</u>				
Capital outlay	254,576	254,576	-	254,576
<u>EXCESS OF REVENUES</u>				
<u>OVER EXPENDITURES</u>	(144,576)	(144,576)	4,796	149,372
<u>OTHER FINANCING SOURCES:</u>				
Operating transfers in	40,000	40,000	40,000	-
Total other financing sources	40,000	40,000	40,000	-
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER FINANCING SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	(104,576)	(104,576)	44,796	149,372
<u>FUND BALANCE, BEGINNING OF YEAR</u>	155,024	155,024	155,156	132
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 50,448</u>	<u>\$ 50,448</u>	<u>\$ 199,952</u>	<u>\$ 149,504</u>

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Public Health Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual

(Arising from Cash Transactions)

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State/Federal Funds	<u>\$ 345,916</u>	<u>\$ 345,916</u>	<u>\$ 745,356</u>	<u>\$ 399,440</u>
<u>EXPENDITURES:</u>				
Personal services	240,223	240,223	216,636	23,587
Materials and services	60,566	60,566	108,509	(47,943)
Capital outlay	-	-	26,449	(26,449)
Operating contingency	<u>45,127</u>	<u>45,127</u>		<u>45,127</u>
Total expenditures	<u>345,916</u>	<u>345,916</u>	<u>351,594</u>	<u>(5,678)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	-	-	393,762	393,762
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating transfers in/(out)	<u>-</u>	<u>-</u>	<u>(133,955)</u>	<u>(133,955)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	259,807	259,807
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 259,807</u></u>	<u><u>\$ 259,807</u></u>

SOUTH GILLIAM COUNTY HEALTH DISTRICT

General Fund
Schedule of Actual Expenditures
(Arising from Cash Transactions)
Year Ended June 30, 2023

Personal services:

Payroll and benefits	\$ 658,976
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Materials and services:

Office supplies and janitorial	25,806
Repairs and maintenance	7,576
Medical supplies	32,148
Professional fees	31,160
Insurance	21,159
Utilities	14,582
Conference expense	6,259
Licenses and dues	7,194
Advertising	1,692
Electronic medical records expense	24,882
Travel, technology, and other miscellaneous	10,243
Total materials and services	<u>182,701</u>
Total	<u><u>\$ 841,677</u></u>

SOUTH GILLIAM COUNTY HEALTH DISTRICT

Ambulance Fund
Schedule of Actual Expenditures
(Arising from Cash Transactions)
Year Ended June 30, 2023

Personal services:

Payroll and benefits	\$ 21,439
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Materials and services:

Repairs and maintenance	3,094
Medical supplies	7,297
Insurance	6,277
Rent	5,000
Billing	4,143
Fuel	7,276
Training	3,542
Meals	3,709
Licenses, office, and other miscellaneous	2,286
Total materials and services	<u>42,624</u>
Total	<u><u>\$ 64,063</u></u>

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DAVID J. BARNETT, C.P.A.

KODY H. MOSS, C.P.A.

INDEPENDENT AUDITORS' 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 as of and for the year ended June 30, 2023, and have issued our report thereon dated May 14, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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 162-10-000 through 162-10-320 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.
- 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 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except for the budget overexpenditure reported in Note 1 to the financial statements.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered South Gilliam County Health District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of South Gilliam County Health District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the South Gilliam County Health District's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal controls over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

Segregation of Accounting Duties:

The Executive Director and Ambulance Service's bookkeeper are authorized to sign the Health District's and Ambulance Service's checks respectively. Each maintains the accounting records of their respective division. Internal control is weakened when one individual can execute a transaction and can also record a transaction. As an offsetting control, large Health District checks and all Ambulance Service checks are signed by a second person. We recommend authority to sign checks be separated from those employees who record transactions.

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 specified parties.

Barnett & Moro, P.C.

By: 

Dennis L. Barnett, Shareholder

May 17, 2024