

SHERMAN COUNTY HEALTH DISTRICT
Board of Directors Meeting
September 12th, 2024
Meeting Time: 5:30 PM
Meeting Pursuant to ORS 440

AGENDA ITEMS SUBJECT TO CHANGE

Call to order

Visitor's comments on agenda items (Discussion to be regarding agenda items only):

Old Business:

- A. MCCFL Update Apartments

Consent Items:

- A. Approval of the minutes from July 2024 Regular Board Meeting
- B. Financial Report/ Payment of Bills for July and August 2024
- C. Patient Report for May and July and June 2024

PA & Administration Report

Old Business

- B.

New Business

- A. RTO & Company 2023-2024 Audit Review
- B. 2023-2024 Secretary of State Plan of Action for 2023-2024 Audit
- C. SDAO/SDIS Public Meeting Training -Vector Solutions

Good of the Order

Adjournment

NEXT MEETING DATE THURSDAY, OCTOBER 10TH, 2024

Send minutes with Agenda

** If necessary, an Executive Session may be held pursuant to ORS 192.660(2): (a) Employment; (c) Medical; (d) Labor Negotiations; (e) Property; (f) Records Exempt by Law from Public Inspection; (h) Legal Rights; (i) Personnel

Link to join meeting via Microsoft Teams:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_YmRhNjMwZGYtYWVhMS00YmE2LTk4ZDUtMmVmNTNiNTdkNzEy%40thread.v2/0?context=%7b%22Tid%22%3a%22305d8b27-224a-478e-813d-0336f923605a%22%2c%22Oid%22%3a%22590ba976-21e2-421b-908c-0f9d352e75dc%22%7d

Sherman County Health District Board of Directors Meeting Minutes

Regular Board Meeting

July 11, 2024
Moro, Oregon

Present:

Board Members: President Bert Perisho, Vice President Jayme Mason, Director Janice Strand (absent), Director Mike McArthur, Director Linda Cornie

Staff: Caitlin Blagg, District Administrator

Call to Order: President Perisho called the meeting to order at 5:32 p.m.

Visitor's comments on agenda items (Discussion to be regarding agenda items only):

Consent Items

- A. **REGULAR MEETING MINUTES:** The meeting minutes from May 9th and June 13th were reviewed.
- B. **Director McArthur made a motion to approve all consent agenda items. Vice President Mason seconded. No discussion. Motion carried (unanimous).**
- C. **FINANCIAL REPORT:** Handed out was a financial report put together by District Administrator Blagg stating the District's cash on hand as of the end of June 2024 was \$606,365.06. Also presented was a Profit & Loss statement for the end of fiscal year 2023-2024 and year-to-date budget vs actual report. The check register for May and June 2024 was gone over to explain some of the different costs. District Administrator Blagg gave an overview of the financial report for the 2023-2024 fiscal year.
- D. **PATIENT REPORT:** The patient report for May and June 2024 was given to the Board members for review. The average provider patient per day number was 8.23 and the average number of Medical Assistant visits per day was 4.54. In the fiscal year 2023-2024 we saw a total of 1504 patient visits and 830 MA visits. This is a 5% increase from FY 2022-2023. These nursing visits were only the visits that were scheduled as a nursing visit; they do not include any 'add on labs' that clinicians might have requested as part of an office visit.

PA-C & Administration Report

Caitlin Blagg, District Administrator: District Administrator Blagg let the Board know that Bridget Whitaker has been here for just over 2 months and is doing a fabulous job. She catches on very quickly and fits right in with staff. We very much enjoy having her as a member of our team.

Ms. Blagg informed the board that SherCo Electric came and installed new lights in the waiting room and reception area, and they have been a wonderful improvement.

DirectLine-IT is working on programming our server and will be installing it soon. We have been working with them on looking into different internet service providers because Blue Mountain has been horribly unreliable lately.

Old Business

- A. **MCCFL APARTEMENT UPDATE:** District Administrator Blagg informed the Board that Mid-Columbia Center for Living is in the process of working up plans for the remodel. They have a draft but are waiting for an engineer to look the plans over.

New Business

- A. **RTO AUDIT LETTERS:** District Administrator handed out the annual audit letters from RTO and requested that all board members fill them out. She also had the management representative letter for board signature.
- B. **CAPITAL OUTLAY POLICY:** District Administrator Blagg stated that Amanda Taskey, accountant at RTO suggested increasing our limit on our capital outlay due to rising costs of just about everything. Her recommendation was to increase it to \$5,000. It currently is \$2,500. **Director McArthur made a motion to increase the Capital Outlay Policy to \$10,000. Vice President Mason seconded. No discussion. Motion carried (unanimous).** All present board members signed the newly revised Capital Outlay Policy.
- C. **ANNUAL MEDICARE MEETING:** District Administrator Blagg stated that the annual Medicare meeting will be August 12th at 12:30. She asked if any board members were available to attend.
- D. **SDAO NEWS AND RISK MANAGEMENT REVIEW:** District Administrator Blagg handed out a brochure from SDAO with their Risk Management Review and schedule of trainings for Summer 2024. The Board was able to review the information.
- E. **SDAO/SDIS PUBLIC MEETING TRAINING:** Ms. Blagg told the Board this training will be available in the next couple of weeks so it will take place at the August or September meeting.

Good of the Order:

- A. Vice President Mason suggested scheduling another work session this fall. District Administrator Blagg will coordinate something for October.

Adjourn

Director Cornie made a motion to adjourn the meeting. Mike McArthur seconded. The meeting was adjourned at 5:53 p.m.

The next Board Meeting will be on Thursday, August 8th, 2024, at 5:30 pm, in the Administration Office.

Respectfully submitted,
Caitlin Blagg
District Administrator

Board President
Bert Perisho

Vice-President
Jayme Mason

Director
Janice Strand

Director
Mike McArthur

Director
Linda Cornie

Date

Sherman County Medical Clinic

Balance Sheet

As of August 31, 2024

	<u>Aug 31, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
CHECKING	31,564.70
OREGON TREASURY INV. POOL	461,877.44
Total Checking/Savings	<u>493,442.14</u>
Total Current Assets	<u>493,442.14</u>
TOTAL ASSETS	<u>493,442.14</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
PAYROLL LIABILITIES	
125 Health Insurance - Blagg	-9.64
Flex 125 - Blagg	-645.24
Flex 125 - Haines	1,117.31
Flex 125 - Mayfield	-478.67
Flex 125 - Dornbirer	-668.64
Flex 125 - von Borstel	-234.60
Flex 125 - Whitaker	200.00
PAYROLL LIABILITIES - Other	2,793.22
Total PAYROLL LIABILITIES	<u>2,073.74</u>
Total Other Current Liabilities	<u>2,073.74</u>
Total Current Liabilities	<u>2,073.74</u>
Total Liabilities	2,073.74
Equity	
Retained Earnings	600,504.42
Net Income	-109,136.02
Total Equity	<u>491,368.40</u>
TOTAL LIABILITIES & EQUITY	<u>493,442.14</u>

	<u>Jul - Aug 24</u>
Ordinary Income/Expense	
Income	
CLINIC INCOME	
IV Therapy	575.00
Capitation2	489.00
EHR Payments	23,642.79
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Total CLINIC INCOME	24,706.79
INTEREST	4,631.88
PCPCH	15,645.50
MISCELLANEOUS INCOME	
Records Request	268.75
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Total MISCELLANEOUS INCOME	268.75
OFC/APT RENT	9,278.00
PHARMACY	3,818.00
RECEIVED GRANTS/LOANS	
Phone Triage Reimbursement	512.00
	<hr/>
Total RECEIVED GRANTS/LOANS	512.00
	<hr/>
Total Income	58,860.92
Gross Profit	58,860.92
Expense	
PERSONAL SERVICES	
EMPLOYEE PAYROLL EXPENSES	
Administrator - CB	12,261.60
Physician Assistant - EH	26,512.05
Medical Asst/ Referrals JM	5,807.36
Receptionist - LVD	8,132.02
Billing Clerk - BvB	8,640.00
Community Care Worker/ MA - SP	6,690.41
Referral Coordinator/MA - BW	7,392.01
Employee Insurance and Benefits	
Employee Insurance	27,979.22
Flex Fees	150.00
	<hr/>
Total Employee Insurance and Benefits	28,129.22
P/R Taxes	7,485.35
Unemployment	443.45
	<hr/>
Total EMPLOYEE PAYROLL EXPENSES	111,493.47
Total PERSONAL SERVICES	111,493.47
MATERIALS AND SERVICES	
CONTRACTED HEALTH CARE COST	
Supervising Physician	3,500.00
	<hr/>
Total CONTRACTED HEALTH CARE COST	3,500.00
ADMINISTRATION AND AUDIT	
Audit	10,000.00

Sherman County Medical Clinic

Profit & Loss

July through August 2024

	<u>Jul - Aug 24</u>
Bank Service Charges	
Credit Card Fee	706.22
Monthly Maintenance Fee	0.15
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Total Bank Service Charges	706.37
Miscellaneous	
Advertisement*	1,264.60
Payroll Processing	265.50
Miscellaneous - Other	15.00
	<hr/>
Total Miscellaneous	1,545.10
Office Supplies	2,364.79
Postage and Delivery	373.00
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Total ADMINISTRATION AND AUDIT	14,989.26
EDUCATION AND TRAINING	
Trainings, Registrations, Dues	1,495.00
Travel/ Meals/ Lodging	
Lodging	373.50
Meals	199.24
	<hr/>
Total Travel/ Meals/ Lodging	572.74
Total EDUCATION AND TRAINING	2,067.74
UTILITIES	
Electric	549.64
Garbage	147.93
Hazardous Waste Disposal	409.84
Telephone	1,225.03
Water and Sewer	508.00
109 Scott Street	
Garbage 109	134.22
Water/Sewer 109	254.00
	<hr/>
Total 109 Scott Street	388.22
Total UTILITIES	3,228.66
MEDICAL SUPPLIES	
IV Therapy Expense	816.89
Phone Triage	475.00
MEDICAL SUPPLIES - Other	6,739.03
	<hr/>
Total MEDICAL SUPPLIES	8,030.92
PHARMACY2	5,060.51
INSURANCE AND LEGAL FEES	
Clinic Insurance	
Dishonesty Bond	150.00
Workers Comp	2,173.32
	<hr/>
Total Clinic Insurance	2,323.32

Sherman County Medical Clinic
Profit & Loss
July through August 2024

	<u>Jul - Aug 24</u>
Legal Fees	79.98
Total INSURANCE AND LEGAL FEES	2,403.30
BUILDING SUPPLIES/ MAINTENANCE	
Janitorial	300.00
Maintenance Work	4,200.00
BUILDING SUPPLIES/ MAINTENANCE - Other	3,610.08
Total BUILDING SUPPLIES/ MAINTENANCE	8,110.08
COMPUTER, SOFTWARE, EMR	
Computer Equipment and Software	1,637.31
Total COMPUTER, SOFTWARE, EMR	1,637.31
EHR SYSTEM	
Billing Clearinghouse	390.28
EHR SYSTEM - Other	1,406.82
Total EHR SYSTEM	1,797.10
Total MATERIALS AND SERVICES	50,824.88
CAPITAL OUTLAY*****	
Medical Equipment	2,878.59
Total CAPITAL OUTLAY*****	2,878.59
DEBT SERVICE	
Mortgage-Interest	1,509.71
Mortgage Principal	1,290.29
Total DEBT SERVICE	2,800.00
Total Expense	167,996.94
Net Ordinary Income	-109,136.02
Net Income	-109,136.02

Sherman County Medical Clinic Custom Transaction Detail Report

Date	Num	Name	July 2024 Memo	Amount	Description
07/01/2024		Hallandale Pharmacy		-386.00	Pharmacy
07/01/2024		Blue Mountain Networks LLC		-395.63	Telephone
07/01/2024		McKesson Medical Surgical		-3,107.54	Medical Supplies
07/01/2024	RTO2024-06R		Reverse of GJE RTO2024-06 -- cleared 6/29, posted 7/1	-341.39	Accountant Reverse
07/02/2024	Conf1223	KATRINA WILSON	10.5 hours @ \$15/hr	-157.50	Janitorial
07/02/2024	Conf1224	Visa		-1,758.00	EHR/Legal Fees
07/02/2024	Conf1225	PACIFIC POWER		-236.57	Electric
07/02/2024	Conf1226	STERICYCLE		-151.28	Hazardous Waste
07/02/2024	90607	Impact Office Systems	Copier Fees	-146.93	Copier Fees
07/02/2024	90606	H2OREGON BOTTLED WATER	Water for Coolers	-48.65	Water for Coolers
07/02/2024	90608	Inovalon Provider, Inc.		-195.14	Billing Clearinghouse
07/02/2024	90605	CITY OF MORO		-381.00	Water/Sewer and 109
07/03/2024		IRS		-4,265.85	Federal Taxes
07/03/2024		Oregon Department of Revenue		-1,049.30	State Taxes
07/03/2024		NorthAmerican Bankcard	June 2024	-330.08	Credit Card Fee
07/04/2024		Hallandale Pharmacy		-233.00	Pharmacy
07/09/2024			Funds Transfer	40,000.00	Transfer
07/09/2024	Conf1231	Meriplex Solutions	Tech Support	-74.97	Tech Support
07/09/2024	Conf1232	FoneMed		-475.00	Phone Triage
07/09/2024	Conf1233	STERICYCLE		-151.28	Hazardous Waste
07/09/2024	Conf1234	THE DALLES DISPOSAL		-66.23	Garbage 109
07/09/2024	Conf1235	THE DALLES DISPOSAL		-55.13	Garbage
07/09/2024	90610	BANK OF EASTERN OR.		-1,400.00	Mortgage
07/10/2024	90609	SDIS		-13,017.00	Employee Insurance
07/10/2024		Dr. Kristen G. Dillon	June 2024	-1,750.00	Supervising Physician
07/10/2024		ASI-FLEX		-75.00	Flex Fees
07/10/2024		Merrill Lynch		-1,265.00	IRA Contributions
07/11/2024	9924	Cascade Biomedical Services, INC.	Invoice: 5505	-635.00	Equipment Certification
07/11/2024	9919	Streamline	Invoice: E1DAF8DF-0008	-1,512.00	Website
07/11/2024	9920	Erin Haines		-1,495.00	Training
07/11/2024	9921	Caitlin Blagg		-715.86	Lodging, Building Supplies
07/11/2024	9922	Oregon Department of Human Services - OFS	AI061297	-4,182.31	Vaccine
07/11/2024	9923	SAIF	Invoice: 1001628692, Policy	-2,173.32	Workers Comp
07/12/2024		NorthWest Payroll Solutions	#515	-115.50	Payroll Processing
07/12/2024	515			-15,090.38	Payroll
07/12/2024		ASI-FLEX	Flex Reimbursement	-588.76	Flex Reimbursement

Sherman County Medical Clinic Custom Transaction Detail Report

Date	Account	Description	Amount	Category
07/12/2024		QUILL	-67.14	Office Supplies
07/17/2024		IRS	-5,703.51	Federal Taxes
07/17/2024		Oregon Department of Revenue	-1,420.16	State Taxes
07/17/2024		Hallandale Pharmacy	-633.00	Pharmacy
07/17/2024		Hallandale Pharmacy	-153.00	Pharmacy
07/18/2024		Hallandale Pharmacy	-143.00	Pharmacy
07/20/2024		Hallandale Pharmacy	-233.00	Pharmacy
07/22/2024		GoDaddy.com	-50.34	Website Domain Renewal
07/22/2024		Hallandale Pharmacy	-273.00	Pharmacy
07/22/2024		Amazon.com	-84.99	Desk Riser
07/23/2024			40,000.00	Funds Transfer
07/23/2024		U.S. Postal Service	-219.00	3 rolls of stamps
07/23/2024		ASI-FLEX	-270.00	Flex Reimbursement
07/24/2024		Merrill Lynch	-1,265.00	IRA Contributions
07/24/2024		Hallandale Pharmacy	-273.00	Pharmacy
07/25/2024	9925	OLD REPUBLIC SURETY	-150.00	Bond: YPO2133040
07/25/2024	9926	SherCo Electric	-2,707.50	Lighting in Reception
07/25/2024	9927	Sherman County Fair	-250.00	Advertisement
07/25/2024		Lilo's Bbq	-63.60	Staff Lunch
07/25/2024		Hallandale Pharmacy	-253.00	Pharmacy
07/26/2024	516		-12,130.13	Payroll
07/26/2024		NorthWest Payroll Solutions	-50.00	#516 Payroll Processing
07/28/2024		Dragon	-79.00	Dictation Software
07/29/2024		LIFELOC TECHNOLOGIES	-1,237.96	BA Tester and Printer
07/29/2024		QUILL	-410.43	Office Supplies
07/29/2024		Hallandale Pharmacy	-415.00	Pharmacy
07/30/2024		Oregon Department of Revenue	-886.91	Unemployment Tax
07/30/2024	9928	Riverside Contracting LLC	-527.30	Fan and Door at 109
07/31/2024		IRS	-4,157.07	Federal Taxes
07/31/2024		Oregon Department of Revenue	-1,023.17	State Taxes
07/31/2024		Hallandale Pharmacy	-273.00	Pharmacy
07/31/2024		Amazon.com	-44.84	Labels for Lab
			-13,468.65	
			-13,468.65	
President		Vice President		
Bert Perisho		Jayne Mason		
Director		Director	Director	Date
Janice Strand		Mike McArthur	Linda Cornie	

Sherman County Medical Clinic
August 2024

Accrual Basis

Date	Num	Name	Memo	Amount	Description
08/01/2024		PD-RX PHARMACUTICAL		-62.85	Pharmacy
08/02/2024		NorthAmerican Bankcard	July 2024	-376.14	Credit Card Fee
08/05/2024		BLUE CROSS BLUE SHIELD		-414.70	Telephone
08/06/2024		Olympia Pharmacy		-372.75	IV Therapy
08/06/2024		ASI-FLEX	Flex Reimbursement	-300.00	Flex Reimbursement
08/06/2024	90611	CITY OF MORO		-381.00	Water/Sewer and 109
08/06/2024	90613	Impact Office Systems	Copier Fees	-118.69	Copier Fees
08/06/2024	90615	Inovalon Provider, Inc.		-195.14	Billing Clearinghouse
08/06/2024	90612	H2OREGON BOTTLED WATER	Water for Coolers	-90.35	Water for Coolers
08/06/2024	90614	BANK OF EASTERN OR.		-1,400.00	Mortgage
08/06/2024	Conf1240	KATRINA WILSON	9.5 hours @ \$15/hr	-142.50	Janitorial
08/06/2024	Conf1242	PACIFIC POWER		-313.07	Electric
08/06/2024	Conf1245	STERICYCLE		-151.28	Hazardous Waste
08/06/2024	Conf1246	THE DALLES DISPOSAL		-67.99	Garbage 109
08/06/2024	Conf1247	THE DALLES DISPOSAL		-92.80	Garbage
08/06/2024		McKesson Medical Surgical		-427.88	Medical Supplies
08/07/2024		Dr. Kristen G. Dillon	July 2024	-1,750.00	Supervising Physician
08/08/2024		ASI-FLEX	Flex Reimbursement	-196.01	Flex Reimbursement
08/09/2024	517			-12,130.04	Payroll
08/09/2024		NorthWest Payroll Solutions	#517	-50.00	Payroll Processing
08/09/2024		Merrill Lynch		-1,265.00	IRA Contributions
08/10/2024		ASI-FLEX	July 2024	-75.00	Flex Fees
08/13/2024		PD-RX PHARMACUTICAL		-223.65	Medical Supplies
08/14/2024		IRS		-4,157.09	Federal Taxes
08/14/2024		Oregon Department of Revenue		-1,023.17	State Taxes
08/15/2024		Hallandale Pharmacy		-619.00	Pharmacy
08/16/2024	Conf1248	Visa		-2,026.35	EHR System/Legal Fees
08/16/2024	90617	Blue Mountain Networks LLC		-414.70	Telephone
08/19/2024			Funds Transfer	50,000.00	Transfer
08/19/2024	90616	SDIS		-13,017.00	Employee Insurance
08/19/2024		Merrill Lynch		-1,265.00	IRA Contributions
08/19/2024		Hallandale Pharmacy		-433.00	Pharmacy
08/19/2024		ASI-FLEX	Flex Reimbursement	-883.02	Flex Reimbursement
08/20/2024	9929	U.S. Postal Service	Box #186	-154.00	PO Box
08/20/2024	9930	PERS	Invoice: 1706521	-15.00	PERS Fees
08/20/2024	9931	Riverside Contracting LLC		-4,200.00	Roof at 109
08/20/2024		QUILL	Quill + Renewal	-69.99	Office Supplies
08/21/2024	9932	RTO & Company	Invoice: 152046	-10,000.00	Audit
08/21/2024		Hallandale Pharmacy		-143.00	Pharmacy
08/21/2024		Hallandale Pharmacy		-333.00	Pharmacy
08/21/2024		ASI-FLEX	Flex Reimbursement	-380.17	Flex Reimbursement
08/21/2024		ASI-FLEX	Flex Reimbursement	-755.58	Flex Reimbursement

Sherman County Medical Clinic
August 2024

Accrual Basis

08/23/2024	518			-12,130.04	Payroll
08/23/2024		NorthWest Payroll Solutions	#518	-50.00	Payroll Processing
08/26/2024		Hallandale Pharmacy		-103.00	Pharmacy
08/28/2024		IRS		-4,157.07	Federal Taxes
08/28/2024		Oregon Department of Revenue		-1,023.17	State Taxes
08/28/2024		Dragon	Dictation Software	-79.00	Dictation Software
08/29/2024		Amazon.com	USB's	-71.88	USB Drives
08/29/2024		QUILL		-185.93	Office Supplies
08/30/2024		PD-RX PHARMACUTICAL		-98.66	Pharmacy
08/30/2024		ASI-FLEX	Flex Reimbursement	-657.16	Flex Reimbursement
				-29,041.82	
				-29,041.82	
		_____	_____		
		President	Vice President		
		Bert Perisho	Jayne Mason		
		_____	_____		
		Director	Director		
		Janice Strand	Mike McArthur		
		_____	_____		
		Director	Date		
		Linda Cornie			

	Jul '24 - Jun 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
CLINIC INCOME				
IV Therapy	575.00			
Capitation2	489.00			
EHR Payments	25,076.45			
CLINIC INCOME - Other	0.00	210,702.00	-210,702.00	0.0%
Total CLINIC INCOME	26,140.45	210,702.00	-184,561.55	12.4%
COMMUNITY SERVICE FEES	0.00	23,328.00	-23,328.00	0.0%
COUNTY TAXES	0.00	339,000.00	-339,000.00	0.0%
DONATIONS & MEMORIALS	0.00	0.00	0.00	0.0%
INTEREST	4,631.88	14,197.00	-9,565.12	32.6%
PCPCH	15,645.50	93,269.00	-77,623.50	16.8%
MISCELLANEOUS INCOME				
Records Request	268.75			
MISCELLANEOUS INCOME - Other	0.00	2,534.00	-2,534.00	0.0%
Total MISCELLANEOUS INCOME	268.75	2,534.00	-2,265.25	10.6%
OFC/APT RENT	9,278.00	24,000.00	-14,722.00	38.7%
PHARMACY				
DME/Medical Supply	15.00			
PHARMACY - Other	4,251.00	5,404.00	-1,153.00	78.7%
Total PHARMACY	4,266.00	5,404.00	-1,138.00	78.9%
RECEIVED GRANTS/LOANS				
Phone Triage Reimbursement	512.00			
RECEIVED GRANTS/LOANS - Other	0.00	4,608.00	-4,608.00	0.0%
Total RECEIVED GRANTS/LOANS	512.00	4,608.00	-4,096.00	11.1%
Total Income	60,742.58	717,042.00	-656,299.42	8.5%
Gross Profit	60,742.58	717,042.00	-656,299.42	8.5%
Expense				
PERSONAL SERVICES				
EMPLOYEE PAYROLL EXPENSES				
Administrator - CB	15,384.80			
Physician Assistant - EH	33,265.12			
Medical Asst/ Referrals JM	5,807.36			
Receptionist - LVD	10,203.23			
Billing Clerk - BvB	10,840.80			
Community Care Worker/ MA - SP	8,394.42			
Referral Coordinator/MA - BW	9,240.02			
Employee Insurance and Benefits				
Employee Insurance	27,979.22			
Flex Fees	225.00			
Employee Insurance and Benefits - Other	0.00	279,740.00	-279,740.00	0.0%
Total Employee Insurance and Benefits	28,204.22	279,740.00	-251,535.78	10.1%
P/R Taxes	8,814.25	43,215.00	-34,400.75	20.4%
Unemployment	443.45	15,320.00	-14,876.55	2.9%
Unemployment to Former Employee	0.00	40,000.00	-40,000.00	0.0%
EMPLOYEE PAYROLL EXPENSES - Other	0.00	539,417.00	-539,417.00	0.0%
Total EMPLOYEE PAYROLL EXPENSES	130,597.67	917,692.00	-787,094.33	14.2%
PERSONAL SERVICES - Other	0.00	917,692.00	-917,692.00	0.0%
Total PERSONAL SERVICES	130,597.67	1,835,384.00	-1,704,786.33	7.1%
MATERIALS AND SERVICES				
PROPERTY TAX	0.00	2,364.00	-2,364.00	0.0%
CONTRACTED HEALTH CARE COST				
Supervising Physician	3,500.00			
CONTRACTED HEALTH CARE COST - Ot...	0.00	31,950.00	-31,950.00	0.0%
Total CONTRACTED HEALTH CARE COST	3,500.00	31,950.00	-28,450.00	11.0%
ADMINISTRATION AND AUDIT				
Audit	10,000.00			
Bank Service Charges				
Credit Card Fee	932.37			
Monthly Maintenance Fee	0.15			
Total Bank Service Charges	932.52			
Licenses and Permits	888.00			
Miscellaneous				
Advertisement*	1,264.60			
Payroll Processing	317.00			
Miscellaneous - Other	15.00			
Total Miscellaneous	1,596.60			
Office Supplies	2,562.90			
Postage and Delivery	373.00			
ADMINISTRATION AND AUDIT - Other	0.00	47,494.00	-47,494.00	0.0%
Total ADMINISTRATION AND AUDIT	16,353.02	47,494.00	-31,140.98	34.4%
EDUCATION AND TRAINING				
Trainings, Registrations, Dues	1,495.00			
Travel/ Meals/ Lodging				
Lodging	373.50			
Meals	199.24			
Total Travel/ Meals/ Lodging	572.74			
EDUCATION AND TRAINING - Other	0.00	10,394.00	-10,394.00	0.0%
Total EDUCATION AND TRAINING	2,067.74	10,394.00	-8,326.26	19.9%
UTILITIES				
Electric	920.86			
Garbage	147.93			
Hazardous Waste Disposal	561.12			
Shredding/Paper Disposal	174.23			
Telephone	1,225.03			
Water and Sewer	762.00			

**Sherman County Medical Clinic
2016-2017 Profit & Loss Budget vs. Actual**

July 2024 through June 2025

	Jul '24 - Jun 25	Budget	\$ Over Budget	% of Budget
109 Scott Street				
Garbage 109	134.22			
Water/Sewer 109	381.00			
Total 109 Scott Street	515.22			
UTILITIES - Other	0.00	23,797.00	-23,797.00	0.0%
Total UTILITIES	4,306.39	23,797.00	-19,490.61	18.1%
MEDICAL SUPPLIES				
IV Therapy Expense	816.89			
Phone Triage	950.00			
MEDICAL SUPPLIES - Other	6,739.03	44,419.00	-37,679.97	15.2%
Total MEDICAL SUPPLIES	8,505.92	44,419.00	-35,913.08	19.1%
PHARMACY2	5,060.51	5,404.00	-343.49	93.6%
INSURANCE AND LEGAL FEES				
Clinic Insurance				
Dishonesty Bond	150.00			
Workers Comp	2,173.32			
Total Clinic Insurance	2,323.32			
Legal Fees	79.98			
INSURANCE AND LEGAL FEES - Other	0.00	23,278.00	-23,278.00	0.0%
Total INSURANCE AND LEGAL FEES	2,403.30	23,278.00	-20,874.70	10.3%
BUILDING SUPPLIES/ MAINTENANCE				
Janitorial	461.25			
Maintenance Work	4,200.00			
BUILDING SUPPLIES/ MAINTENANCE - ...	3,610.08	7,183.00	-3,572.92	50.3%
Total BUILDING SUPPLIES/ MAINTENANCE	8,271.33	7,183.00	1,088.33	115.2%
COMPUTER, SOFTWARE, EMR				
Computer Equipment and Software	6,637.31			
COMPUTER, SOFTWARE, EMR - Other	0.00	64,000.00	-64,000.00	0.0%
Total COMPUTER, SOFTWARE, EMR	6,637.31	64,000.00	-57,362.69	10.4%
EHR SYSTEM				
Billing Clearinghouse	585.42			
EHR SYSTEM - Other	2,110.23	18,418.00	-16,307.77	11.5%
Total EHR SYSTEM	2,695.65	18,418.00	-15,722.35	14.6%
MATERIALS AND SERVICES - Other	0.00	278,701.00	-278,701.00	0.0%
Total MATERIALS AND SERVICES	59,801.17	557,402.00	-497,600.83	10.7%
CAPITAL OUTLAY*****				
Building Remodel	0.00	40,000.00	-40,000.00	0.0%
Medical Equipment	2,878.59	10,000.00	-7,121.41	28.8%
Office Equipment	0.00	10,000.00	-10,000.00	0.0%
CAPITAL OUTLAY***** - Other	0.00	60,000.00	-60,000.00	0.0%
Total CAPITAL OUTLAY*****	2,878.59	120,000.00	-117,121.41	2.4%
DEBT SERVICE				
Mortgage-Interest	1,509.71	8,891.00	-7,381.29	17.0%
Mortgage Principal	1,290.29	7,909.00	-6,618.71	16.3%
DEBT SERVICE - Other	0.00	16,800.00	-16,800.00	0.0%
Total DEBT SERVICE	2,800.00	33,600.00	-30,800.00	8.3%
OPERATING CONTINGENCY*****	0.00		-54,733.00	0.0%
Total Expense	196,077.43	2,601,119.00	-2,405,041.57	7.5%
Net Ordinary Income	-135,334.85	-1,884,077.00	1,748,742.15	7.2%
Net Income	-135,334.85	-1,884,077.00	1,748,742.15	7.2%

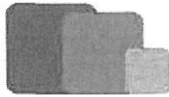
Provider Patient Report

2024-2025	Number of Office Visits	Days Clinic Was Open/Days Provider was in	E Visits	Provider Absent # of Days (Personal Leave)	Clinic Related Leave	Provider Coverage	Reason for Provider Leave or Clinic Closed	Average Patients/ day	Notes
July	145	22/17.5	1	0.5			Personal	8.29	1 Holiday, No Fridays
August	145	22/17	1	0				8.53	No Fridays
September									
October									
November									
December									
January									
February									
March									
April									
May									
June									
Total:	290		2	0.5	0	0			
							Annual Average number of visits/day:	1.40	
		Number of Visits:					2021-2022	1388	7.58
							2020-2021	1219	6.64
							2019-2020	1536	8.4
							2018-2019	1428	6.78
							2017-2018	1537	6.60
							2016-2017	1625	7.19
							2015-2016	1912	8.22
							2014-2015	2091	9.63
							2013-2014	1952	8.85
							2023-2024	1504	8.23
							2022-2023	1429	7.69

MA Patient Report

2024-2025	Number of Nursing visits	Number of Days	Average Nursing Visits per day
July	100	17.5	5.71
August	101	17	5.94
September			#DIV/0!
October			#DIV/0!
November			#DIV/0!
December			#DIV/0!
January			#DIV/0!
February			#DIV/0!
March			#DIV/0!
April			#DIV/0!
May			#DIV/0!
June			#DIV/0!
Total:	201	34.5	5.83
Previous Years Totals:			
2014-2015	1276	220	5.8
2015-2016	1084	236.5	4.58
2016-2017	1150	227.75	5.05
2017-2018	1131	232.5	4.86
2018-2019	887	214	4.14
2019-2020	732	184	3.98
2020-2021	1830	179.6	10.19
2021-2022	1255	183.75	6.83
2022-2023	820	186.5	4.4
2023-2024	830	183	4.54

Covid Vaccine



Board of Directors and Caitlin Blagg
Sherman County Health District
PO Box 186
Moro, OR 97039

In planning and performing our audit of the financial statements of the governmental activities and the major fund as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Sherman County Health District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sherman County Health District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sherman County Health District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

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 did not identify any deficiencies in internal control that we consider to be a material weakness.

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

2024-1 The District's accounting personnel do not possess the advanced training that would provide the expertise necessary to prepare the financial statements and related notes in accordance with the modified cash basis of accounting, and therefore may not be able to prevent or detect a material misstatement in the preparation and disclosure of the financial statements. Misstatements in financial statements may include not only misstated financial amounts, but also the omission of disclosures required by the modified cash basis of accounting. Consequently, they have contracted with our office to prepare those statements. The staff and management of the District has the necessary skills, knowledge, and experience to take responsibility for the financial statements.

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

RTO & Company
The Dalles, OR
August 8, 2024

SHERMAN COUNTY HEALTH DISTRICT

SHERMAN COUNTY, OREGON

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

SHERMAN COUNTY HEALTH DISTRICT

FOR THE YEAR ENDED JUNE 30, 2024

BOARD OF DIRECTORS

<u>MEMBERS</u>		<u>TERM EXPIRES</u>
Robert Perisho President	P.O. Box 411 Moro, OR 97039	6/30/25
Jayne Mason Vice-President	P.O. Box 132 Moro, OR 97039	6/30/25
Janice Strand Director	P.O. Box 233 Rufus, OR 97050	6/30/25
Mike McArthur Director	93350 Foss Lane Wasco, OR 97065	6/30/27
Linda Cornie Director	P.O. Box 96 Wasco, OR 97065	6/30/27

ADMINISTRATIVE STAFF

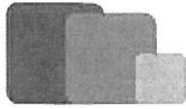
Caitlin Blagg	PO Box 186 Moro, OR 97039	District Administrator
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ATTORNEY

Ruben D Cleaveland	VanKoten & Cleaveland LLC 417 Sherman Ave, Suite 7 Hood River, Oregon 97031
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INSURANCE AGENT

SDIS	Marsh & McLennan Agency LLC 212 SW 4 th St, Suite 308 Madras, Oregon 97741
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sherman County Health District
Moro, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and the major fund of Sherman County Health District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Sherman County Health 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 and the major fund of Sherman County Health District, as of June 30, 2024, and the respective changes in modified cash basis financial position 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 Sherman 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,

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 budgetary basis fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated August 8, 2024, on our consideration of 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.



RTO & Company
The Dalles, OR 97058
August 8, 2024

SHERMAN COUNTY HEALTH DISTRICT

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2024

(all amounts are in dollars)

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>PROGRAM REVENUES</u>			<u>Net Revenues, (Expenses) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Total Governmental Activities</u>
Governmental Activities:					
Health Care Services	783,202	357,943	-	-	(425,259)
Interest on Long-Term Debt	9,151	-	-	-	(9,151)
<u>TOTAL GOVERNMENTAL ACTIVITIES:</u>	792,353	357,943	-	-	(434,410)

General Revenues:

Property Taxes, Levied for General Purposes	587,367
Community Service Fees/SIP	29,297
Interest and Investment Earnings	26,020
Miscellaneous	5,126
Total General Revenues	647,810

Change in net position 213,400

Net position, beginning July 1 958,090

Net position, ending June 30 1,171,490

The accompanying notes are an integral part of this financial statement

SHERMAN COUNTY HEALTH DISTRICT

RECONCILIATION OF BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30 2024

(all amounts are in dollars)

Fund Balances - Governmental Funds 600,504

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets:		
Nondepreciable Assets, Land	23,000	
Depreciable Assets, Net of Depreciation	<u>748,606</u>	<u>771,606</u>

Long-term liabilities are not due and payable within the current period and, therefore, are not reported in the governmental funds. (200,620)

Net Position of Governmental Activities 1,171,490

The accompanying notes are an integral part of this financial statement

SHERMAN COUNTY HEALTH DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(all amounts are in dollars)

Total Net Change in Fund Balances - Governmental Funds	201,766
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report repayment of debt principal as a disbursement, but the repayment reduces long-term liabilities in the Statement of Net Position. Similarly, loan forgiveness and accrued interest affect long-term liabilities in the Statement of Net Position, but have no effect on current financial resources reported in the governmental funds.

Repayment of debt principal	7,649
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Governmental funds report capital outlay as an expenditure. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	35,637	
Less current year depreciation	<u>(31,652)</u>	3,985

Change in Net Position of Governmental Activities	<u>213,400</u>
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The accompanying notes are an integral part of this financial statement

separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, net position or fund balance, revenues, and expenditures or expenses. The District's funds are organized into one major category: governmental. The District has no proprietary or fiduciary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, deferred outflows, liabilities, deferred inflows, revenues, or expenditures or expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. Total assets, deferred outflows, liabilities, deferred inflows, revenues, or expenditures or expenses of that individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are grouped in the financial statements as follows:

Governmental Fund Types

General Fund: The General Fund is the District's primary operating fund and is always classified as a major fund. Currently, this is the District's only fund. This fund type is used to account for all financial resources, except those required by law or administrative action to be accounted for in another fund. The principal revenue source is property taxes. Primary disbursements are for public health services.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

MEASUREMENT FOCUS

The government-wide financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting. Under this measurement focus, all assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with the activities are generally reported within the limitations of modified cash basis of accounting.

The governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on the balance sheets. The operating statement presents sources and uses of available spendable financial resources during a given period. Fund balance is the measure of available spendable financial resources at the end of the period.

BASIS OF ACCOUNTING

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net

Capital assets are depreciated using the straight line method over the following useful lives:

Equipment	5 to 15 years
Building and Improvements	15 to 40 years

Currently, the District does not own any infrastructure assets.

Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions or events acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

LONG TERM DEBT

All long-term bonds, notes and other debt arising from cash transactions or events to be repaid from the governmental resources are reported as liabilities in the government-wide statements.

NET POSITION/FUND BALANCE CLASSIFICATIONS

Government-Wide Financial Statements

Net Position is classified and displayed in three components:

1. *Net Investment in Capital Assets.* Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
2. *Restricted.* Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or through constitutional provisions or enabling legislation.
3. *Unrestricted.* Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Fund Financial Statements

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balances with respective levels of constraint. In the

financial statements.

E. REVENUES AND EXPENDITURES

PROGRAM REVENUES

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity are reported as program receipts. The District has the following program receipts in each activity:

Health Care Services

Patient fees, pharmacy sales, building rent, grants and donations

PROPERTY TAX REVENUES AND RECEIVABLES

Property taxes are levied on July 1 pursuant to Oregon Revised Statute 310.030. Taxes are payable in full on November 15 or are payable in installments the last of which is due on May 15 of the year following the year in which payment was imposed. Taxes become delinquent on personal property when any installment is not paid by its due date. Taxes become delinquent on real property if not paid by May 15. On January 1 and July 1 tax liens attach to personal and real property respectively to secure payment of all taxes, penalties and interest ultimately imposed. Personal Property is subject to summary seizure and the responsible taxpayer is subject to warrant service 30 days after delinquency date. Foreclosure proceedings begin on real property after three years from the date taxes become delinquent.

Property taxes are collected by the Sherman County Tax Collector and credited to the District's account. Funds are deposited by the Sherman County Tax Collector to the District's checking account and transferred, as necessary, by the District Administrator to the Local Government Investment Pool account.

F. 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 certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGET AND BUDGETARY ACCOUNTING

The budget is prepared on the modified cash basis method of accounting for each fiscal year July 1 through June 30. The budget process includes a series of notices and publications culminating with the budget hearing. After the public hearing has been held, the Board enacts the resolutions to adopt the budget, make appropriations, and declare the ad valorem tax levy for all funds.

The Appropriations Resolution contains amounts for personal services, materials and services, capital outlay, debt service, interfund transfers, and operating contingency as

Dollar-denominated; therefore, the District is not exposed to this risk.

Custodial Credit Risk for Investments – Custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another party. At June 30, 2024, the District did not have any investments exposed to custodial credit risk and does not have a formal policy to limit this risk.

Credit Risk for Investments – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The LGIP is unrated.

Concentration of Credit Risk for Investments – Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. There are no investments in any one issuer that represent five percent or more of the District's total investments and no formal policy to limit this risk.

Interest Rate Risk for Investments – Interest rate risk is the risk that changes in interest rates demanded by the market will adversely affect the value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its value to changes in market interest rates. The District manages its exposure to interest rate risk by limiting its investments to the LGIP.

B. CHANGES IN CAPITAL ASSETS

A summary of changes in Capital Assets is as follows:

D. LONG TERM DEBT

Note Payable on Building Purchase – On December 15, 2021, the District purchased a new building behind the clinic at 109 Scott St. The total purchase price of the building was \$290,000. The District entered into a loan agreement with Bank of Eastern Oregon for \$219,000 of the purchase price. The loan calls for monthly payments of \$1,385, with an interest rate of 4.5% and balance due in full by December 2041. Future debt payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
			200,620
2024-2025	7,735	8,891	192,885
2025-2026	8,091	8,535	184,794
2026-2027	8,462	8,164	176,332
2027-2028	8,830	7,796	167,502
2028-2029	9,257	7,369	158,245
2029-2034	53,048	30,081	105,197
2034-2039	66,411	16,717	38,785
2039-2041	<u>38,785</u>	<u>2,327</u>	-
Total	<u>200,619</u>	<u>89,879</u>	

CHANGES IN LONG TERM DEBT:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
BEO Loan	208,268	-	(7,648)	200,620	7,735

NOTE 4 – OTHER INFORMATION

A. RISK MANAGEMENT

The District purchases commercial insurance policies to insure against most hazards. There have been no significant reductions in the District's insurance coverage, in any risk category, from coverage in the prior year. Settlement amounts have not exceeded insurance coverage in any of the past three years.

B. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of this financial statement with management. The date of this financial statement is also the issuance date. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

OTHER SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules – Budgetary Basis

Major governmental funds are defined as those funds whose revenues, expenditures, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental funds for the same items. The general fund is always classified as a major fund.

General Fund: The General Fund is the general operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

SHERMAN COUNTY HEALTH DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISONS - BUDGETARY BASIS

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

(all amounts are in dollars)

<u>EXPENDITURES (CONTINUED)</u>	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>MATERIALS AND SERVICES:</u>				
Supervising Physician	31,950	31,950	21,000	10,950
Education and Training	10,394	20,394	5,832	14,562
Utilities	17,857	17,857	19,479	(1,622)
Medical Supplies	30,308	40,308	33,142	7,166
Building Supply and Maintenance	4,720	14,720	5,814	8,906
Clinic Insurance and Legal Fees	20,453	20,453	17,425	3,028
Administration and Audit	46,885	61,885	35,714	26,171
Pharmacy	2,557	17,557	7,385	10,172
Property Taxes	2,364	2,364	1,041	1,323
Computer Equipment & Technology	15,545	35,545	21,237	14,308
EHR and Billing Services	10,315	10,315	14,401	(4,086)
<u>TOTAL MATERIAL & SERVICES</u>	<u>193,348</u>	<u>273,348</u>	<u>182,468</u>	<u>90,880</u>
 <u>CAPITAL OUTLAY:</u>				
Medical Equipment	10,000	10,000	2,754	7,246
Office Equipment	10,000	10,000	17,925	(7,925)
Building Remodel	25,000	125,000	14,958	110,042
<u>TOTAL CAPITAL OUTLAY</u>	<u>45,000</u>	<u>145,000</u>	<u>35,637</u>	<u>109,363</u>
 <u>DEBT SERVICE:</u>				
Principal	7,545	7,545	7,649	(104)
Interest	9,255	9,255	9,151	104
<u>TOTAL DEBT SERVICE</u>	<u>16,800</u>	<u>16,800</u>	<u>16,800</u>	<u>0</u>
 <u>CONTINGENCY</u>	 <u>35,077</u>	 <u>68,895</u>	 <u>-</u>	 <u>68,895</u>
 <u>TOTAL EXPENDITURES</u>	 <u>1,024,811</u>	 <u>1,288,629</u>	 <u>803,987</u>	 <u>484,642</u>
 Net Change in Fund Balance	 (400,454)	 (400,454)	 201,766	 602,220
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	 <u>400,454</u>	 <u>400,454</u>	 <u>398,738</u>	 <u>(1,716)</u>
 <u>FUND BALANCE - END OF YEAR</u>	 <u>-</u>	 <u>-</u>	 <u>600,504</u>	 <u>600,504</u>

In connection with our testing nothing came to our attention that caused us to believe that Sherman County Health 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 as follows:

Budget:

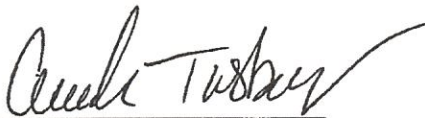
- 1) The appropriations resolution included an appropriation for capital outlay under the general fund. This amount should have been appropriated under health services in order to be consistent with appropriating by organizational program.
- 2) The beginning cash balances in the historical columns of the budget document are inaccurate.
- 3) Outstanding debt for 'other borrowings' was not listed on LB-1 form for the building loan.
- 4) The supplemental budget was not published as required by Oregon Budget Law.

OAR 162-10-0230 internal Control

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting. In a separate communication dated August 8, 2024, we reported to management our findings related to control deficiencies.

Restriction on Use

This report is intended solely for the information and use of the board of directors and management of Sherman 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.



RTO & Company
The Dalles, OR 97058
August 8, 2024

August 8, 2024

To the Board of Directors
Sherman County Health District
Moro, Oregon

Dear Board of Directors:

We have completed our audit of the District's financial statements for the fiscal year ended June 30, 2024 and our audit report has been issued. The purpose of this letter is to advise you of matters that came to our attention during the audit and to make recommendations to your staff.

Budget:

- The appropriations resolution included an appropriation for capital outlay under the general fund. This amount should have been appropriated under health services in order to be consistent with appropriating by organizational program.
- The beginning cash balances in the historical columns of the budget document are inaccurate.
- Outstanding debt for 'other borrowings' was not listed on LB-1 form for the building loan.
- The supplemental budget was not published as required by Oregon Budget Law.

Payroll:

- Minor payroll posting errors were noted; WBF payments, STT, and PFML are posted to unemployment expense. We recommend posting employer portion of WBF expense to payroll taxes. Both state transit tax and paid family medical leave are a deduction from employee checks, therefore, not an employer expense. Please post to payroll liabilities in the future.
- Multiple checks paid to Merrill Lynch for IRA contributions were posted to employee Flex liability accounts.

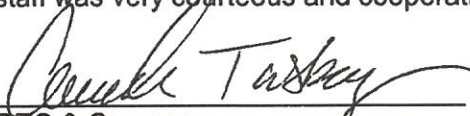
Revenue:

- A deposit from the prior year was voided in the current year, which resulted in the beginning balances not tying to the prior year audit.
- A deposit cleared the bank on 6/29/24, but was posted in QuickBooks as of 7/1/24, causing the bank reconciliation to disagree with the Balance Sheet.

Expenditures:

- A portion of the cost of the new server was posted to materials and services instead of capital outlay.
- The principal portion of a debt payment was posted to interest income.

We appreciate the care exercised in maintaining the District's accounts. As in prior years, all of the District's staff was very courteous and cooperative during the course of the audit.



RTO & Company



September 12, 2024

Office of the Secretary of State
Audits Division
255 Capitol St. NE, Suite #500
Salem, OR 97310

Plan of Action for SHERMAN COUNTY HEALTH DISTRICT

Sherman County Health District respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2024. The audit was completed by the independent auditing firm RTO & Company, The Dalles, Oregon. The plan of action was adopted by the governing body at their meeting on September 12, 2024, as indicated by signatures below.

The deficiencies are discussed below with the Action Plan listed for each.

1. **Significant Deficiency 2024-1:** The District's accounting personnel do not possess the advanced training that would provide the expertise necessary to prepare the financial statements and related notes in accordance with the modified cash basis of accounting, and therefore may not be able to prevent or detect a material misstatement in the preparation and disclosure of the financial statements. Misstatements in financial statements may include not only misstated financial amounts, but also the omission of disclosures required by the modified cash basis of accounting. Consequently, they have contracted with our office to prepare those statements. The staff and management of the District has the necessary skills, knowledge, and experience to take responsibility for the financial statements.

Recommendation: Discuss situation with the Board of Directors and make sure they understand the deficiency.

Action Taken: During the audit review, the Board of Directors stated they understand the deficiency and will not make any changes. To help remedy this deficiency the District hires an independent accounting firm, RTO & Company, to annually audit the District and all financials.

If you have any other questions, please feel free to contact me at 541-565-0536 or admin@shermancountymedicalclinic.net.

Sincerely,

Caitlin M. Blagg
District Administrator
Sherman County Health District
Sherman County Medical Clinic

Bert Perisho
President
Sherman County Health District

*Motion to accept the Plan of Action for Secretary of State in Board Minutes 9/12/2024

Caitlin Blagg, District Administrator | Phone: 541.565.0536 | Fax: 541.565.3617 | admin@shermancountymedicalclinic.net

www.shermancountymedicalclinic.net | 110 Main Street, PO Box 186, Moro, OR 97039