



Independent Auditor's Report

To the Board of Directors
East Umatilla County Ambulance Area Health District
Athena, Oregon

Opinion

We have audited the accompanying modified cash-basis financial statements of East Umatilla County Ambulance Area Health District (EUCAAHD) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise EUCAAHD'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 modified-cash basis financial position of EUCAAHD as of June 30, 2022, and the changes in its 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 Opinion

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 EUCAAHD, 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 opinion.

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 opinion is 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; this includes 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.

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 opinion. 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 EUCAAHD'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 EUCAAHD'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole that collectively comprise EUCAAHD's basic financial statements. The combined and individual budgetary comparison schedules, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

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 December 29, 2022, on our consideration of EUCAAHD's internal control over financial reporting and on our tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-240 to 162-10-320. The purpose of that report is to describe our evaluation of internal control over financial reporting and the scope of our testing of compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance.



A Member of
The RBH Group, LLC
Certified Public Accountants

Pendleton, Oregon
December 29, 2022

FINANCIAL STATEMENTS

East Umatilla County Ambulance Area Health District

Statement of Net Position - Modified Cash Basis June 30, 2022

ASSETS

Current assets:

Cash	\$ 54,310
Investments	<u>539,118</u>
TOTAL CURRENT ASSETS	<u>593,428</u>

Noncurrent assets:

Land	15,460
Other capital assets	816,777
Accumulated depreciation	<u>(292,979)</u>
TOTAL NONCURRENT ASSETS	<u>539,258</u>

TOTAL ASSETS	<u>1,132,686</u>
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LIABILITIES

Current liabilities:

Deposits payable	<u>100</u>
TOTAL CURRENT LIABILITIES	<u>100</u>

Long-term liabilities:

Notes payable	-
TOTAL LONG-TERM LIABILITIES	<u>-</u>

TOTAL LIABILITIES	<u>100</u>
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NET POSITION

Invested in capital assets, net of related debt	539,258
Restricted	0
Unrestricted	<u>593,328</u>
TOTAL NET POSITION	<u>\$ 1,132,586</u>

The accompanying notes are an integral part of this financial statement.

East Umatilla County Ambulance Area Health District

Statement of Revenues, Expenses and Changes in Net Position - Modified Cash Basis Year Ended June 30, 2022

OPERATING REVENUES:	
Charges for services	\$ 210,282
Rent	4,260
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TOTAL OPERATING REVENUES	214,542
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OPERATING EXPENSES:	
Materials and services	44,750
Special payments	614,911
Depreciation	46,432
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TOTAL OPERATING EXPENSES	706,093
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OPERATING INCOME (LOSS)	(491,551)
	<hr/>
NONOPERATING REVENUES (EXPENSES):	
Property taxes	484,046
Payments in Lieu of Taxes	327
Donations	3,100
Intergovernmental	11,775
Interest revenue	3,108
Other	466
	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	502,822
	<hr/>
CHANGE IN NET POSITION	11,271
NET POSITION - BEGINNING OF YEAR	1,121,315
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NET POSITION - END OF YEAR	\$ 1,132,586
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The accompanying notes are an integral part of this financial statement.

East Umatilla County Ambulance Area Health District

Notes to Financial Statements June 30, 2022

NOTE 1: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The East Umatilla County Ambulance Area Health District (EUCAAHD) was created on July 20, 2017, under the provisions of Oregon Revised Statutes, Chapter 440, to provide ambulance service for an area including the cities of Weston, Athena, Adams and Helix. The governing body consists of a five-member board.

The accounting policies of EUCAAHD conform to the modified cash basis of reporting as applicable to municipal governments. This modified basis of accounting differs from accounting principles generally accepted in the United States of America. To the extent they are applicable to the cash basis of reporting, EUCAAHD applies Governmental Accounting Standards Board (GASB) pronouncements.

A. Scope of the Entity for Financial Reporting

EUCAAHD is an independent municipal corporation governed by an elected board and does not have any component units.

B. Basis of Presentation

Governmental financial statements generally include both government-wide and fund financial statements. However, EUCAAHD is a special-purpose government engaged only in business-type activities and such organizations present only the financial statements required for enterprise funds.

The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses. Government resources are allocated to and accounted for in individual accounts based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

EUCAAHD operates one fund and accounts for its transactions as an enterprise fund. Enterprise funds, a form of proprietary fund, are used to account for business-like activities provided to the general public. These activities are financed in part by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. East Umatilla County Ambulance Area Health District maintains the following enterprise fund:

AMBULANCE SERVICE FUND – The Ambulance Service Fund accounts for the operations and maintenance of the ambulance. User fees are a source of revenue,

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while expenses are principally for operation, maintenance and depreciation of the ambulance and equipment.

C. Measurement Focus and Basis of Accounting

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

Measurement Focus

In the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position, business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported.

Basis of Accounting

In the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position, activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions with a provision for depreciation. This basis is a special purpose framework other than accounting principles generally accepted in the United States of America. As a result of the use of this modified cash basis of accounting, certain assets and their related revenues and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not* recorded in these financial statements.

Modifications of the cash basis having substantial support have been adopted and, accordingly, EUCAAHD records: 1) property and equipment purchased for cash (or financed) as assets, 2) accumulated depreciation, and 3) liabilities arising from the receipt of borrowed cash.

If EUCAAHD utilized the basis of accounting recognized as generally accepted, the financial statements would be presented on the accrual basis of accounting.

D. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by EUCAAHD.

State statutes authorize EUCAAHD to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the States of Oregon, Washington, Idaho and California, interest

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bearing bonds of certain local governmental units in the State of Oregon, bankers' acceptances, repurchase agreements, commercial paper with certain minimum ratings, and the state treasurer's investment pool (see Note 2).

E. Receivables

Revenues are recognized when payment is received rather than when earned, which is in accordance with the modified cash basis of accounting. Accordingly, a value for receivables is not included in the accompanying financial statements.

F. Inventories

Inventories consist of supplies. No physical inventory is taken during the year. Inventories remain at a relatively low constant value. The cost of inventory has been recorded as an expense at the time individual inventory items were purchased, which is in accordance with the modified cash basis of accounting. Accordingly, a value for inventory is not included in the accompanying financial statements.

G. Capital Assets

Capital assets are those assets having initial useful lives extending beyond a single reporting period. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Depreciation of all exhaustible capital assets is charged as an expense against its operations. A capitalization threshold of \$2,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

Buildings	40-50 years
Improvements other than buildings	10-25 years
Machinery, furniture and equipment	3-20 years

H. Equity Classification

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of

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any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

It is EUCAAHD’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. Revenues and Expenses

Operating revenues and expenses result from providing services and producing and delivering goods and/or services, including charges for ambulance services and rent. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

J. Use of Estimates

The preparation of financial statements in conformity with the special purpose framework used by EUCAAHD 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.

K. Property Taxes

Property taxes attach as an enforceable lien on real property as of July 1st. Taxes are levied on July 1st and payable in three installments on November 15th, February 15th and May 15th. Taxes are billed and collected by Umatilla County and remitted to EUCAAHD at periodic intervals. Property taxes are recognized when received under the cash basis of accounting.

NOTE 2: CASH AND INVESTMENTS

Deposits: At year-end, the carrying amount of EUCAAHD’s deposits was \$54,310 and the bank balance was \$54,310. EUCAAHD’s deposits at year-end were entirely covered by federal depository insurance. Collateralization requirements are set by ORS 295 for Oregon public funds. Protection through the Public Funds Collateralization Program, a shared liability structure for participating depositories established by the state treasurer to facilitate compliance with ORS 295, is available for deposits exceeding federal depository insurance.

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Investments: At June 30, 2022, EUCAAHD had invested \$539,118 with the Oregon Short-Term Fund (OSTF), which is a cash and investment pool available for use by all state funds and local governments and is maintained by the State Treasurer. The Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to eligible participants, including municipalities. Currently, there are more than 1,500 participants. The LGIP is not rated by any national rating service. The OSTF financial statements and the OSTF Portfolio Rules can be obtained at www.ost.state.or.us.

Local government pooled assets are reported as an Investment Trust Fund in Oregon's Comprehensive Annual Financial Report. The Oregon Short-Term Fund Board, established by the Oregon Legislature, advises the Oregon Investment Council and the Oregon State Treasury in the management and investments of the LGIP. The carrying value of this investment (cost) approximates the market value at June 30, 2022. In accordance with the modified cash basis of accounting, this investment is carried at cost basis.

The state of Oregon LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company and is not rated by any national rating service. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Funds Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The Division's report on the Pool as of and for the year ended June 30, 2022 was unqualified.

Credit Risk: State statutes authorize EUCAAHD to invest primarily in general obligations of the US Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers and the LGIP, among others. EUCAAHD has no formal investment policy that further restricts its investment choices.

Concentration Risk: EUCAAHD has concentrations in the following investments: LGIP 100%.

Interest Rate Risk: EUCAAHD does not have a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

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NOTE 3: CAPITAL ASSETS

Capital asset activity, resulting from modified cash basis transactions, for the fiscal year ended June 30, 2022, was as follows:

	Balance at July 1, 2021	Additions	Deductions	Balance at June 30, 2022
Capital assets not being depreciated:				
Land	\$ 15,460	\$ -	\$ -	\$ 15,460
Construction in progress	-	-	-	-
Total capital assets not being Depreciated	15,460	-	-	15,460
Other capital assets:				
Vehicle	425,287	-	-	425,287
Equipment	173,389	20,025	-	193,414
Building	198,076	-	-	198,076
Total other capital assets at Historical or estimated cost	796,752	20,025	-	816,777
Less accumulated depreciation for:				
Vehicle	106,458	23,272	-	129,730
Equipment	77,170	18,149	-	95,319
Building	62,919	5,011	-	67,930
Total accumulated depreciation	246,547	46,432	-	292,979
Other capital assets, net	550,205	(26,407)	-	523,798
Capital assets, net	<u>\$ 565,665</u>	<u>\$ (26,407)</u>	<u>\$ -</u>	<u>\$ 539,258</u>

Depreciation expense for the year ended June 30, 2022 was \$46,432.

NOTE 4: RISK MANAGEMENT

EUCAAHD is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employer; and natural disasters. EUCAAHD has joined with other special districts in Oregon to form Special District Insurance Service (SDIS), a public entity risk pool currently operating as a common risk management and insurance program for member special districts. EUCAAHD pays an annual premium to SDIS for its liability, property, automobile physical damage, workers' compensation and employee health and accident insurance. SDIS is self-sustaining through member premiums but reinsures through commercial companies for property and liability coverage.

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NOTE 5: PROPERTY TAX LIMITATION

The State of Oregon has a constitutional limit on property taxes for governmental operations. Under the limitation, tax revenue is separated into those for public schools and those for local governments other than public schools. The limitation specifies a maximum rate for all local government operations of \$10 per \$1,000 of real market value, while schools are similarly limited to a \$5 maximum rate. Local government taxes received by EUCAAHD do not exceed the \$10 rate limit; however, this limitation may affect the availability of future tax revenues for EUCAAHD.

In May 1997, voters approved Measure 50 which rolled back assessed values to 90% of 1995-96 and limits future increases of taxable assessed values to 3% per year, except for major improvements. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rate provided a majority approves at either (i) a general election in an even numbered year, or (ii) at any other election in which at least 50% of registered voters cast a ballot.

NOTE 6: OPERATING LEASES

EUCAAHD is leasing two office spaces to tenants on a month to month basis in the front part of the building. EUCAAHD receives \$175 per month for the smaller office space and \$180 per month for the large office space. EUCAAHD received a total of \$4,260 from these leases during the year ended June 30, 2022. EUCAAHD also maintains a \$100 security deposit on the office space.

GASB 87 took effect for fiscal years beginning after June 15, 2021. However, as the District presents these financial statements using the Modified Cash Basis of accounting, there is no effect on their financial statements from this pronouncement.

NOTE 7: NET POSITION

Net position classification for the year ended June 30, 2022 were as follows:

Net Position

Invested in capital assets, net of related debt	\$ 539,258
Restricted:	
By grantors	-
Unrestricted	<u>593,328</u>
Total Net Position	<u>\$ 1,132,586</u>

NOTE 8: SUBSEQUENT EVENTS

The District was awarded \$20,000 of grant funds from AWERE for the purchase of a UTV.

The District entered into a contract to install a new HVAC system totaling \$12,000.

INDIVIDUAL ACCOUNT SCHEDULES

East Umatilla County Ambulance Area Health District

Budgetary Comparison Schedule - Cash Basis Combined Accounts Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Charges for services	\$ 130,000	\$ 130,000	\$ 160,623	\$ 30,623
Property taxes	460,000	460,000	470,070	\$ 10,070
Previously levied taxes	15,000	15,000	13,975	\$ (1,025)
Interest	7,000	7,000	3,108	\$ (3,892)
Rent	2,160	2,160	4,260	\$ 2,100
Grant	50,000	50,000	11,775	\$ (38,225)
Intergovernmental	250,000	250,000	-	\$ (250,000)
Payments in Lieu of Taxes	3,000	3,000	327	\$ (2,673)
Other	8,000	8,000	53,226	45,226
TOTAL REVENUES	<u>925,160</u>	<u>925,160</u>	<u>717,364</u>	<u>(207,796)</u>
EXPENSES:				
Materials and services	60,600	60,600	32,293	28,307
Capital outlay	175,000	175,000	32,482	142,518
Contingency	656,310	656,310	-	656,310
Special Payments	600,000	600,000	614,911	(14,911)
TOTAL EXPENSES	<u>1,491,910</u>	<u>1,491,910</u>	<u>679,686</u>	<u>812,224</u>
CHANGE IN NET POSITION	(566,750)	(566,750)	37,678	604,428
NET POSITION - BEGINNING OF YEAR	566,750	566,750	555,750	(11,000)
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 593,428</u>	<u>\$ 593,428</u>

See accompanying notes to budgetary comparison schedules.

East Umatilla County Ambulance Area Health District

Budgetary Comparison Schedule - Cash Basis Operating Account Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Charges for services	\$ 130,000	\$ 130,000	\$ 160,623	\$ 30,623
Property taxes	460,000	460,000	470,072	10,072
Local Option Levy	15,000	15,000	13,975	(1,025)
Interest	7,000	7,000	2,873	(4,127)
Rent	2,160	2,160	4,260	2,100
Grants	50,000	50,000	11,775	(38,225)
Intergovernmental	250,000	250,000	-	(250,000)
Payments in Lieu of Taxes	3,000	3,000	327	(2,673)
Other	8,000	8,000	53,225	45,225
	<u>925,160</u>	<u>925,160</u>	<u>717,130</u>	<u>(208,030)</u>
TOTAL REVENUES				
EXPENSES:				
Materials and services	60,600	60,600	32,293	28,307
Capital outlay	175,000	175,000	32,482	142,518
Contingency	656,310	656,310	-	656,310
Special Payments	600,000	600,000	614,911	(14,911)
	<u>1,491,910</u>	<u>1,491,910</u>	<u>679,686</u>	<u>812,224</u>
TOTAL EXPENSES				
EXCESS OF REVENUES OVER (UNDER) EXPENSES	<u>(566,750)</u>	<u>(566,750)</u>	<u>37,444</u>	<u>604,194</u>
OTHER FINANCING SOURCES(USES):				
Transfers out	<u>-</u>	<u>-</u>	<u>(21,823)</u>	<u>(21,823)</u>
	<u>-</u>	<u>-</u>	<u>(21,823)</u>	<u>(21,823)</u>
TOTAL OTHER FINANCING SOURCES(USES)				
CHANGE IN NET POSITION	(566,750)	(566,750)	15,621	582,371
NET POSITION - BEGINNING OF YEAR	<u>566,750</u>	<u>566,750</u>	<u>517,779</u>	<u>(48,971)</u>
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 533,400</u>	<u>\$ 533,400</u>

See accompanying notes to budgetary comparison schedules.

East Umatilla County Ambulance Area Health District

Budgetary Comparison Schedule - Cash Basis Ambulance Replacement Account Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest	\$ -	\$ -	\$ 78	\$ 78
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>78</u>	<u>78</u>
EXPENSES:				
Contingency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENSES	<u>-</u>	<u>-</u>	<u>78</u>	<u>78</u>
Transfers in	<u>-</u>	<u>-</u>	<u>21,823</u>	<u>21,823</u>
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCE	<u>-</u>	<u>-</u>	<u>21,823</u>	<u>21,823</u>
CHANGE IN NET POSITION	<u>-</u>	<u>-</u>	<u>21,901</u>	<u>21,901</u>
NET POSITION -	<u>-</u>	<u>-</u>	<u>10,326</u>	<u>10,326</u>
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,227</u>	<u>\$ 32,227</u>

See accompanying notes to budgetary comparison schedules.

East Umatilla County Ambulance Area Health District

Budgetary Comparison Schedule - Cash Basis Building Account Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest	\$ -	\$ -	\$ 156	\$ 156
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>156</u>	<u>156</u>
EXPENSES:				
Contingency	-	-	-	-
TOTAL EXPENSES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENSES	<u>-</u>	<u>-</u>	<u>156</u>	<u>156</u>
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	-	-	156	156
NET POSITION -	<u>-</u>	<u>-</u>	<u>27,645</u>	<u>27,645</u>
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,801</u>	<u>\$ 27,801</u>

See accompanying notes to budgetary comparison schedules.

East Umatilla County Ambulance Area Health District

Notes to Budgetary Comparison Schedules June 30, 2022

BUDGETS AND BUDGETARY ACCOUNTING

ORS 440.403 establishes standard procedures relating to the preparation, adoption, and execution of the annual budget for Health Districts. As a Health District, EUCAAHD is not subject to the Oregon Local Budget law many other local governments are subject to. The budgetary fiscal period coincides with the annual reporting period (July 1 through June 30). Appropriated budgets are adopted by the executive body and, accordingly, used as a management control device for all funds. EUCAAHD follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The proposed budget is prepared for the fiscal year not later than June 1 of each year.
2. The proposed budget and the date and place of a hearing is published in the local newspaper five to 30 days prior to the hearing.
3. A public hearing is conducted to obtain taxpayer comments.
4. By June 30, the appropriated budget is legally enacted through passage of a resolution.
5. The budget is prepared and adopted for each fund in accordance with the cash basis of accounting, under which revenues and related assets are recognized when received rather than when earned, and expenditures or expenses, as appropriate, are recognized when paid rather than when the obligation is incurred. Accordingly, the budgetary comparison schedules – cash basis presents comparisons of legally adopted budgets with actual data on a cash basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements on the modified cash basis of accounting, a reconciliation of resultant differences in net assets as of June 30, 2022, is presented in the following note.
6. A supplemental budget may be adopted by resolution at a regular meeting of the district board. Supplemental budgets may not extend beyond the end of the fiscal year during which it is submitted.
7. Unused appropriations for all the budgeted funds lapse at the end of the year.

RECONCILIATION OF BUDGET BASIS TO MODIFIED CASH BASIS

The budgetary comparison schedule – cash basis presents comparisons of legally adopted budgets with actual data on a budgetary basis, which uses the cash basis of accounting. Since accounting principles applied for purposes of developing data on a budgetary basis differ from

East Umatilla County Ambulance Area Health District

those used to present financial statements in conformity with the modified cash basis, reconciliation is presented below:

Net assets – budgetary basis	\$ 593,428
Adjustments:	
Capital assets	832,237
Accumulated depreciation	(292,979)
Deposits payable	<u>(100)</u>
Net assets – modified cash basis	<u>\$ 1,132,586</u>



**Independent Auditor's Report Required
by Oregon State Regulations**

Board of Directors
East Umatilla County Ambulance Area Health District
Athena, Oregon

We have audited the basic financial statements of the East Umatilla County Ambulance Area Health District (EUCAAHD) as of and for the year ended June 30, 2022, and have issued our report thereon dated December 29, 2022. 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 EUCAAHD'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 (ORS 440.375).
- Budgets legally required (ORS 440.403).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294 & ORS 440.400).
- Expenditure and accounting of district funds (ORS 440.400).
- 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 EUCAAHD 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 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows:

- EUCAAHD did not comply with ORS 279B.070 which requires municipalities to obtain three quotes or submit to competitive bid any purchases over \$10,000. During the current fiscal year, the District purchased one asset which met the requirements of this statute, but did not obtain competitive bids or multiple quotes, nor did they meet the exceptions to this statute as described in ORS 279B.075 and .080.
- Upon our review of the LB budget worksheets for EUCAAHD for the 2021-2022 and 2022-2023 budget years, it was noted that Interfund Transfers were accounted for in the Ambulance Account and the Building Account, but the corresponding transfers out were not budgeted for in the General Operating Fund. Instead, they were misclassified as Capital Outlays.
- For the 2021-2022 and 2022-2023 budget years, the Budget Resolution for EUCAAHD did not include budgeted amounts for the Ambulance and Equipment Replacement Funds. Rather, all funds were combined into one summarized budget which did not reflect interfund transfers or break out budgeted totals for each individual fund.

ORS Chapter 440 establishes the budget process for health districts. The provisions of ORS 294.305 to 294.565 (i.e., Local Budget Law) do not apply to health districts organized under ORS 440.315 to 440.410. As a result, health districts are exempt from ORS 294.338, which prohibits municipal corporations from making expenditures in excess of appropriated amounts.

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered EUCAAHD'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 EUCAAHD's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of EUCAAHD's internal control. Deficiencies in internal control were reported to management in letters dated December 29, 2022.

Restriction on Use

This report is intended solely for the information and use of the board of directors and management of EUCAAHD and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

THE TRBH Group, LLC

December 29, 2022