

SHERMAN COUNTY HEALTH DISTRICT
Board of Directors Meeting
September 14th, 2023
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):

Consent Items:

- A. Approval of the minutes from August 2023 Board Meeting
- B. Financial Report/ Payment of Bills for August 2023
- C. Patient Report for August 2023

PA & Administration Report

Old Business:

- A. Commercial Lease Agreement for Center for Living – Apartment #1 and #2
- B. Upstairs Apartments – Update on contracted work
- C. Solar + Storage Grant
- D. Flu Shot Clinic Date

New Business

- A. RTO & Company Management Rep Letter for 2022-2023 Audit
- B. Secretary of State Plan of Action for 2022-2023 Audit
- C. October Meeting Date Conflict

Good of the Order

Adjournment

NEXT MEETING DATE THURSDAY, OCTOBER 12TH, 2023

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

August 10, 2023
Moro, Oregon

Present:

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

Staff: Caitlin Blagg, District Administrator

Visitor:

Call to Order: President Perisho called the meeting to order at 5:40 p.m.

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

Consent Items

- A. **REGULAR MEETING MINUTES:** After reviewing the minutes from the July 13th, 2023, Regular Board meeting, **Director Cornie made a motion to accept the minutes as written. Vice President Mason seconded. No discussion. Motion carried (unanimous).**
- B. **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 July 2023 was \$385,895.29. Also presented was a Profit & Loss statement as of July 2023 and year-to-date budget vs actual report. The check register for July 2023 was gone over to explain some of the different costs. **Vice President Mason made a motion to accept the financial report for July 2023. Director Cornie seconded. No discussion. Motion carried (unanimous).**
- C. **PATIENT REPORT:** The patient report for July 2023 was given to the Board members for review. The average provider patient per day number was 8.33 and average number of Medical Assistant visits per day was 4.58. 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.
The fiscal year ended with a total of 1429 office visits and 820 MA visits.

PA-C & Administration Report

- A. **Caitlin Blagg, District Administrator:** District Administrator Blagg let the Board know Erin Haines has been giving more interviews about new dementia screening methods. She was on OPB earlier this week and an article was published in The Times Journal.

Ms. Blagg stated that the Clinic will have a table display at the fair with some swag items that will be replenished throughout the week.

Old Business

- A. COMMERCIAL LEASE AGREEMENT:** District Administrator Blagg presented a draft copy of a commercial lease agreement for apartments #1 and #2. Ms. Blagg found the average cost of rental office space in The Dalles to be \$13.68sq ft/yr. Ms. Blagg asked for clarification on a few items. After some discussion, changes were made to the draft and will be sent over to Center for Living for review. Ms. Blagg will bring any feedback received from CFL back to the Board at the next meeting.
- B. UPSTARIS APARTMENTS:** Riverside Construction will be here in the next couple of weeks to begin work on the apartments. Paint color and flooring colors have been picked out and ordered. Once the construction part is finished, Ms. Blagg will get a professional cleaner to come in and deep clean the apartments.
- C. SOLAR DEVELOPMENT DISCUSSION:** Ms. Blagg informed the board that she has been working with Mid-Columbia Economic Development District on pursuing the Solar + Storage project for the clinic. Three energy companies responded to the request for bids. Two declined immediately and one asked for more information. The one that responded said it was a project that needed a plan from an electrical engineer. After Ms. Blagg explained to MCEDD that we do not have a budget to hire an electrical engineer, she was informed that we could apply for a different kind of grant to hire an engineer and then go for the solar grant. Jacque Schei from MCEDD stated she would reach out to other contacts she had about the best way to move forward with this project. Ms. Blagg will wait to hear from her. The Board informed Ms. Blagg not to spend too much time pursuing this project and that she had done what they asked in looking into the project.

New Business

- A. FLU SHOT CLINIC:** Ms. Blagg is hoping to hold the Flu Shot Clinic on October 5th. She will keep the Board informed of the final decision.

Good of the Order:

None

Adjourn

Director Cornie made a motion to adjourn the meeting. Vice President Mason seconded. The meeting was adjourned at 6:15 p.m.

The next Board Meeting will be on Thursday, September 12th, 2023, 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, 2023

	Aug 31, 23
ASSETS	
Current Assets	
Checking/Savings	
CHECKING	38,297.99
OREGON TREASURY INV. POOL	313,743.84
Total Checking/Savings	352,041.83
Total Current Assets	352,041.83
TOTAL ASSETS	352,041.83
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
PAYROLL LIABILITIES	
125 Health Insurance - Blagg	324.65
Flex 125 - Blagg	-593.94
Flex 125 - Haines	1,045.48
Flex 125 - Mayfield	-778.67
Flex 125 - Dornbirer	1,232.06
Flex 125 - von Borstel	115.88
PAYROLL LIABILITIES - Other	2,034.12
Total PAYROLL LIABILITIES	3,379.58
Total Other Current Liabilities	3,379.58
Total Current Liabilities	3,379.58
Total Liabilities	3,379.58
Equity	
Retained Earnings	398,738.37
Net Income	-50,070.12
Total Equity	348,662.25
TOTAL LIABILITIES & EQUITY	352,041.83

Sherman County Medical Clinic
Profit & Loss
July through August 2023

	Jul - Aug 23
Ordinary Income/Expense	
Income	
CLINIC INCOME	
Capitation2	779.91
EHR Payments	27,115.53
Managed Care Reimbursement-Wraps	10,167.49
	<hr/>
Total CLINIC INCOME	38,062.93
INTEREST	2,517.14
PCPCH	16,537.00
OFC/APT RENT	4,478.00
PHARMACY	271.89
RECEIVED GRANTS/LOANS	
Phone Triage Reimbursement	791.00
	<hr/>
Total RECEIVED GRANTS/LOANS	791.00
	<hr/>
Total Income	62,657.96
Gross Profit	62,657.96
Expense	
PERSONAL SERVICES	
EMPLOYEE PAYROLL EXPENSES	
Physician Assistant - EH	24,862.48
Administrator - CB	11,499.20
Medical Asst/ Referrals JM	8,881.20
Receptionist - LVD	7,508.14
Billing Clerk - BvB	6,588.02
Community Care Worker/ MA - SP	6,276.02
Employee Insurance and Benefits	
Employee Insurance	13,982.09
Flex Fees	150.00
	<hr/>
Total Employee Insurance and Benefits	14,132.09
P/R Taxes	6,038.45
Unemployment	397.98
	<hr/>
Total EMPLOYEE PAYROLL EXPENSES	86,183.58
	<hr/>
Total PERSONAL SERVICES	86,183.58
MATERIALS AND SERVICES	
CONTRACTED HEALTH CARE COST	
Supervising Physician	3,500.00
	<hr/>
Total CONTRACTED HEALTH CARE COST	3,500.00
ADMINISTRATION AND AUDIT	
Bank Service Charges	
Credit Card Fee	355.94
Monthly Maintenance Fee	0.15
	<hr/>
Total Bank Service Charges	356.09
Licenses and Permits	240.00

Sherman County Medical Clinic
Profit & Loss
July through August 2023

	Jul - Aug 23
Miscellaneous	
Advertisement*	1,054.60
Payroll Processing	256.00
Miscellaneous - Other	1,050.90
Total Miscellaneous	2,361.50
Office Supplies	1,047.19
Postage and Delivery	163.15
Total ADMINISTRATION AND AUDIT	4,167.93
EDUCATION AND TRAINING	
Trainings, Registrations, Dues	506.45
Travel/ Meals/ Lodging	
Meals	108.60
Total Travel/ Meals/ Lodging	108.60
Total EDUCATION AND TRAINING	615.05
UTILITIES	
Electric	513.95
Garbage	107.47
Hazardous Waste Disposal	280.14
Shredding/Paper Disposal	164.15
Telephone	619.32
Water and Sewer	492.00
109 Scott Street	
Garbage 109	127.91
Water/Sewer 109	246.00
Total 109 Scott Street	373.91
Total UTILITIES	2,550.94
MEDICAL SUPPLIES	
Phone Triage	830.00
Flu/Pneumonia Vaccine	2,132.61
MEDICAL SUPPLIES - Other	2,842.49
Total MEDICAL SUPPLIES	5,805.10
PHARMACY2	203.62
INSURANCE AND LEGAL FEES	
Clinic Insurance	
Dishonesty Bond	150.00
Workers Comp	1,599.04
Total Clinic Insurance	1,749.04
Total INSURANCE AND LEGAL FEES	1,749.04
BUILDING SUPPLIES/ MAINTENANCE	
Janitorial	281.25
Maintenance Work	120.00
BUILDING SUPPLIES/ MAINTENANCE - Other	34.99

Sherman County Medical Clinic
Profit & Loss
July through August 2023

	<u>Jul - Aug 23</u>
Total BUILDING SUPPLIES/ MAINTENANCE	436.24
COMPUTER, SOFTWARE, EMR	
Computer Equipment and Software	<u>3,202.92</u>
Total COMPUTER, SOFTWARE, EMR	3,202.92
EHR SYSTEM	
Billing Clearinghouse	179.86
EHR SYSTEM - Other	<u>1,339.80</u>
Total EHR SYSTEM	<u>1,519.66</u>
Total MATERIALS AND SERVICES	23,750.50
DEBT SERVICE	
Mortgage-Interest	1,565.25
Mortgage Principal	<u>1,234.75</u>
Total DEBT SERVICE	<u>2,800.00</u>
Total Expense	<u>112,734.08</u>
Net Ordinary Income	<u>-50,076.12</u>
Net Income	<u><u>-50,076.12</u></u>

	Jul '23 - Jun 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
CLINIC INCOME				
Capitation2	779.91			
EHR Payments	27,671.42			
Managed Care Reimbursement-Wraps	10,167.49			
CLINIC INCOME - Other	0.00	200,820.00	-200,820.00	0.0%
Total CLINIC INCOME	38,618.82	200,820.00	-162,201.18	19.2%
COMMUNITY SERVICE FEES	0.00	20,447.00	-20,447.00	0.0%
COUNTY TAXES	0.00	308,182.00	-308,182.00	0.0%
INTEREST	2,517.14	5,951.00	-3,433.86	42.3%
PCPCH	16,537.00			
OFC/APT RENT	4,478.00	21,600.00	-17,122.00	20.7%
PHARMACY	271.89	2,557.00	-2,285.11	10.6%
RECEIVED GRANTS/LOANS				
Phone Triage Reimbursement	791.00			
Total RECEIVED GRANTS/LOANS	791.00			
Total Income	63,213.85	559,557.00	-496,343.15	11.3%
Gross Profit	63,213.85	559,557.00	-496,343.15	11.3%
Expense				
PERSONAL SERVICES				
EMPLOYEE PAYROLL EXPENSES				
Physician Assistant - EH	31,115.32			
Administrator - CB	14,391.20			
Medical Asst/ Referrals JM	11,114.80			
Receptionist - LVD	9,426.54			
Billing Clerk - BvB	7,727.07			
Community Care Worker/ MA - SP	7,854.42			
Employee Insurance and Benefits				
Employee Insurance	13,982.09			
Flex Fees	225.00			
Employee Insurance and Benefits - Other	0.00	183,162.00	-183,162.00	0.0%
Total Employee Insurance and Benefits	14,207.09	183,162.00	-168,954.91	7.8%
P/R Taxes	7,223.60	38,039.00	-30,815.40	19.0%
Unemployment	397.98	13,479.00	-13,081.02	3.0%
Unemployment to Former Employee	0.00	25,000.00	-25,000.00	0.0%
EMPLOYEE PAYROLL EXPENSES - Other	0.00	474,906.00	-474,906.00	0.0%
Total EMPLOYEE PAYROLL EXPENSES	103,458.02	734,586.00	-631,127.98	14.1%
PERSONAL SERVICES - Other	0.00	734,586.00	-734,586.00	0.0%
Total PERSONAL SERVICES	103,458.02	1,469,172.00	-1,365,713.98	7.0%
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				
Bank Service Charges				
Credit Card Fee	682.12			
Monthly Maintenance Fee	0.15			
Total Bank Service Charges	682.27			
Licenses and Permits	240.00			
Miscellaneous				
Advertisement*	1,054.60			
Payroll Processing	306.00			
Miscellaneous - Other	1,050.90			
Total Miscellaneous	2,411.50			
Office Supplies	1,200.17			
Postage and Delivery	163.15			
ADMINISTRATION AND AUDIT - Other	0.00	46,885.00	-46,885.00	0.0%
Total ADMINISTRATION AND AUDIT	4,697.09	46,885.00	-42,187.91	10.0%
EDUCATION AND TRAINING				
Trainings, Registrations, Dues	506.45			
Travel/ Meals/ Lodging				
Meals	108.60			
Total Travel/ Meals/ Lodging	108.60			
EDUCATION AND TRAINING - Other	0.00	10,394.00	-10,394.00	0.0%
Total EDUCATION AND TRAINING	615.05	10,394.00	-9,778.95	5.9%
UTILITIES				
Electric	818.55			
Garbage	162.60			
Hazardous Waste Disposal	420.21			
Shredding/Paper Disposal	164.15			
Telephone	619.32			
Water and Sewer	738.00			
109 Scott Street				
Garbage 109	205.90			
Water/Sewer 109	369.00			
Total 109 Scott Street	574.90			
UTILITIES - Other	0.00	17,857.00	-17,857.00	0.0%
Total UTILITIES	3,497.73	17,857.00	-14,359.27	19.6%
MEDICAL SUPPLIES				
Phone Triage	830.00			
Flu/Pneumonia Vaccine	2,132.61			
MEDICAL SUPPLIES - Other	2,842.49	30,308.00	-27,465.51	9.4%
Total MEDICAL SUPPLIES	5,805.10	30,308.00	-24,502.90	19.2%

	Jul '23 - Jun 24	Budget	\$ Over Budget	% of Budget
PHARMACY2	278.12	2,557.00	-2,278.88	10.9%
INSURANCE AND LEGAL FEES				
Clinic Insurance				
Dishonesty Bond	150.00			
Workers Comp	1,599.04			
Total Clinic Insurance	1,749.04			
Legal Fees	39.99			
INSURANCE AND LEGAL FEES - Other	0.00	20,453.00	-20,453.00	0.0%
Total INSURANCE AND LEGAL FEES	1,789.03	20,453.00	-18,663.97	8.7%
BUILDING SUPPLIES/ MAINTENANCE				
Janitorial	416.25			
Maintenance Work	120.00			
BUILDING SUPPLIES/ MAINTENANCE - ...	34.99	4,720.00	-4,685.01	0.7%
Total BUILDING SUPPLIES/ MAINTENANCE	571.24	4,720.00	-4,148.76	12.1%
COMPUTER, SOFTWARE, EMR				
Computer Equipment and Software	3,712.92			
COMPUTER, SOFTWARE, EMR - Other	0.00	15,545.00	-15,545.00	0.0%
Total COMPUTER, SOFTWARE, EMR	3,712.92	15,545.00	-11,832.08	23.9%
EHR SYSTEM				
Billing Clearinghouse	539.58			
EHR SYSTEM - Other	2,009.70	10,315.00	-8,305.30	19.5%
Total EHR SYSTEM	2,549.28	10,315.00	-7,765.72	24.7%
MATERIALS AND SERVICES - Other	0.00	193,348.00	-193,348.00	0.0%
Total MATERIALS AND SERVICES	27,015.56	386,696.00	-359,680.44	7.0%
CAPITAL OUTLAY*****				
Building Remodel	0.00	25,000.00	-25,000.00	0.0%
Medical Equipment	0.00	10,000.00	-10,000.00	0.0%
Office Equipment	0.00	10,000.00	-10,000.00	0.0%
CAPITAL OUTLAY***** - Other	0.00	45,000.00	-45,000.00	0.0%
Total CAPITAL OUTLAY*****	0.00	90,000.00	-90,000.00	0.0%
DEBT SERVICE				
Mortgage-Interest	1,565.25	9,255.00	-7,689.75	16.9%
Mortgage Principal	1,234.75	7,545.00	-6,310.25	16.4%
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	35,077.00	-35,077.00	0.0%
Total Expense	133,273.58	2,014,545.00	-1,881,271.42	6.6%
Net Ordinary Income	-70,059.73	-1,454,988.00	1,384,928.27	4.8%
Net Income	-70,059.73	-1,454,988.00	1,384,928.27	4.8%

Sherman County Medical Clinic
August 2023

Date	Num	Name	Memo	Amount	Description
08/02/2023		IRS		-3,963.19	Federal Taxes
08/02/2023		Oregon Department of Revenue		-934.59	State Taxes
08/02/2023		ASI-FLEX	Flex Reimbursement	-125.45	Flex Reimbursement
08/04/2023		GoDaddy.com	Email Renewal	-934.92	Email Renewal
08/04/2023		QUILL	Paper, Labels, Coffee	-240.41	Paper, Labels, Coffee
08/04/2023		NorthAmerican Bankcard	July 2023	-142.68	Credit Card Fees
08/08/2023		U.S. Postal Service		-11.15	Postage
08/08/2023	Conf1058	Meriplex Solutions	Tech Support	-510.00	Tech Support
08/08/2023	Conf1059	THE DALLES DISPOSAL		-66.23	Garbage 109
08/08/2023	Conf1060	THE DALLES DISPOSAL		-107.47	Garbage
08/08/2023	Conf1061	FoneMed		-415.00	Phone Triage
08/08/2023	Conf1062	Visa	EHR System	-669.90	EHR System
08/08/2023	Conf1063	Iron Mountain		-0.13	Shredding
08/08/2023	Conf1064	STERICYCLE		-140.07	Hazardous Waste
08/08/2023	Conf1065	KATRINA WILSON	10.5 hours @ \$15/hr	-157.50	Janitorial
08/08/2023	90529	BANK OF EASTERN OR.		-1,400.00	Mortgage
08/08/2023	90528	SDIS	September 2023	-7,243.15	Employee Insurance
08/08/2023	90526	CITY OF MORO		-369.00	Water/Sewer
08/08/2023	90527	Impact Office Systems	Copier Fees	-128.56	Copier Fees
08/08/2023	9860	U.S. Postal Service	PO Box 186, 97039	-152.00	PO Box Fee
08/09/2023		Dr. Kristen G. Dillon	July 2023	-1,750.00	Supervising Physician
08/09/2023		Merrill Lynch		-1,246.00	IRA Contributions
08/10/2023		ASI-FLEX	July 2023	-75.00	Flex Fees
08/10/2023		Amazon.com	Business Prime Subscription	-179.00	Business Prime Subscription
08/10/2023		PD-RX PHARMACUTICAL		-106.09	Pharmacy
08/11/2023	491			-10,889.02	Payroll
08/11/2023		NorthWest Payroll Solutions	#491	-50.00	Payroll Processing
08/15/2023		ASI-FLEX	Flex Reimbursement	-46.25	Flex Reimbursement
08/16/2023		IRS		-3,930.44	Federal Taxes
08/16/2023		Oregon Department of Revenue		-925.35	State Taxes
08/16/2023		Microsoft Office 360	MS Office Subscription	-24.00	MS Office Subscription
08/16/2023		The Dirty Cowgirl Saloon	Annual Meeting Staff Meal	-108.60	Staff Lunch
08/17/2023		Amazon.com	Exercise DVDs	-54.90	Exercise DVDs
08/18/2023	90530	H2OREGON BOTTLED WATER	Water for Coolers	-41.70	Water for Coolers
08/18/2023		McKesson Medical Surgical		-2,530.47	Medical Supply
08/21/2023			Funds Transfer	30,000.00	Transfer
08/21/2023		Merrill Lynch		-1,246.00	IRA Contributions
08/25/2023		NorthWest Payroll Solutions	#492	-50.00	Payroll Processing
08/25/2023	492			-10,975.17	Payroll
08/28/2023		Dragon	Dictation Software	-79.00	Dictation Software
08/30/2023		IRS		-3,963.17	Federal Taxes
08/30/2023		Oregon Department of Revenue		-934.59	State Taxes
08/31/2023		QUILL		-68.98	Sheet Protectors and Bleach
				-26,985.13	

Sherman County Medical Clinic
August 2023

Accrual Basis

				-26,985.13	
		President	Vice President		
		Bert Perisho	Jayne Mason		
		Director	Director		
		Janice Strand	Mike McArthur		
		Director	Date		
		Linda Cornie			

Provider Patient Report

2023-2024	Number of Office Visits	Open/Days Provider was in	Provider Absent # of Days (Personal Leave)	Clinic Related Leave	Provider Coverage	Reason for Provider Leave or Clinic Closed	Average Patients per	Notes
July	100	20/12	4			Personal	8.33	No Fridays, 1 Holiday
August	148	23/17.5	1.5			Personal	8.46	No Fridays
September								
October								
November								
December								
January								
February								
March								
April								
May								
June								
Total:	248		5.5	0	0			
						Annual Average number of visits/day:	1.40	
		Number of Visits:	2022-2023	1429	7.69			
			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			

MA Patient Report

2023-2024	Number of Nursing visits	Number of Days	Average Nursing Visits per day	
July	55	12	4.58	
August	61	17.5	3.49	
September			#DIV/0!	
October			#DIV/0!	Flu Shot Clinic
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:	116	29.5	3.93	
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	Covid Vaccine
2021-2022	1255	183.75	6.83	
2022-2023	820	186.5	4.4	

Caitlin Blagg

From: Jaime Preston <Jpreston@mccfl.org>
Sent: Wednesday, August 30, 2023 1:15 PM
To: Caitlin Blagg
Subject: Lease - suggested edits

Hello Caitlin,

Further to my previous email- can we suggest two edits?

1. Page 1. under the heading "Premises": Can we include/describe our designated parking spaces?
2. Page 3- " Remodeling or Restructuring Improvements": Could we add/ would you agree to the following-

that if we obtain prior written approval for any changes to the apartment that we are then relieved of the obligation to put the property back to his former condition at the beginning of the term of the lease?

Let me know,

Jaime Preston
Deputy Director
Mid-Columbia Center for Living
Office - 541.296.5452 x 5048
Direct - 541.392.4178
Fax - 541.298.5263

Hood River County | 1610 Woods Court | Hood River, OR 97031
Wasco County | 1060 Webber St. | The Dalles, OR 97058

This e-mail may contain confidential information that is being transmitted to and only for the use of the recipient(s) named above. Reading, disclosure, discussion, dissemination, distribution or copying this information by anyone other than the intended recipients or his or her employees or agents is strictly prohibited. If you have received this e-mail in error, please immediately notify the Privacy Officer, at (541) 386-2620 and delete all copies of the original.

This e-mail may contain confidential information that is being transmitted to and only for the use of the recipient named above. Reading, disclosure, discussion, dissemination, distribution or copying this information by anyone other than the intended recipients or his or her employees or agents is strictly prohibited. If you have received this e-mail in error, please immediately notify the Privacy Officer at 541-386-2620 and delete all copies of the original message.

COMMERCIAL LEASE

This Lease Agreement (this "Lease") is dated as of September 01, 2023, by and between Sherman County Health District ("Landlord"), and Mid-Columbia Center for Living ("Tenant"). The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant a 880 square foot apartment to be used as office space. (the "Premises") located at 110 Main Street #1, Moro, OR 97039.

TERM. The lease term will begin on September 01, 2023 and will terminate on August 31, 2025.

LEASE PAYMENTS. Tenant shall pay to Landlord monthly installments of \$1,000.00, payable in advance on the first day of each month. Lease payments shall be made to the Landlord at PO Box 186, Moro, Oregon 97039. The payment address may be changed from time to time by the Landlord.

SECURITY DEPOSIT. At the time of the signing of this Lease, Tenant shall pay to Landlord, in trust, a security deposit of \$500.00 to be held and disbursed for Tenant damages to the Premises (if any) as provided by law.

POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing. At the expiration of the term, Tenant shall remove its goods and effects and peaceably yield up the Premises to Landlord in as good a condition as when delivered to Tenant, ordinary wear and tear excepted.

USE OF PREMISES. Tenant may use the Premises only for providing behavioral health services The Premises may be used for any other purpose only with the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant shall notify Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

FURNISHINGS. The following furnishings will be provided: Refrigerator, Kitchen Range. Tenant shall return all such items at the end of the lease term in a condition as good as the condition at the beginning of the lease term, except for such deterioration that might result from normal use of the furnishings.

PROPERTY INSURANCE. Landlord and Tenant shall each maintain appropriate insurance for their respective interests in the Premises and property located on the Premises. Landlord shall be named as an additional insured in such policies. Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to Landlord. Landlord shall receive advance written notice from the insurer prior to any termination of such insurance policies. Tenant shall also maintain any other insurance which Landlord may reasonably require for the protection of Landlord's interest in the Premises. Tenant is responsible for maintaining casualty insurance on its own property.

LIABILITY INSURANCE. Tenant shall maintain liability insurance on the Premises in a total aggregate sum of at least \$1,000,000.00. Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to Landlord. Landlord shall receive advance written notice from the insurer prior to any termination of such insurance policies.

RENEWAL TERMS. This Lease shall automatically renew for an additional period of 2 years per renewal term, unless either party gives written notice of termination no later than 90 days prior to the end of the term or renewal term. The lease terms during any such renewal term shall be the same as those contained in this Lease.

MAINTENANCE.

Landlord's obligations for maintenance shall include:

- the roof, outside walls, and other structural parts of the building
- the sewer, water pipes, and other matters related to plumbing
- the electrical wiring

Tenant's obligations for maintenance shall include:

- the parking lot, driveways, and sidewalks, including snow and ice removal
- all other items of maintenance not specifically delegated to Landlord under this Lease.

UTILITIES AND SERVICES.

Landlord shall be responsible for the following utilities and services in connection with the Premises:

- water and sewer

Tenant shall be responsible for the following utilities and services in connection with the Premises:

- electricity
- heating
- garbage and trash disposal
- janitorial services
- telephone service
- internet service

Tenant acknowledges that Landlord has fully explained to Tenant the utility rates, charges and services for which Tenant will be required to pay to Landlord (if any), other than those to be paid directly to the third-party provider.

TAXES. Taxes attributable to the Premises or the use of the Premises shall be allocated as follows:

REAL ESTATE TAXES. Landlord shall pay all real estate taxes and assessments for the Premises.

TERMINATION UPON SALE OF PREMISES. Notwithstanding any other provision of this Lease, Landlord may terminate this lease upon 90 days' written notice to Tenant that the Premises have been sold.

DESTRUCTION OR CONDEMNATION OF PREMISES. If the Premises are partially destroyed by fire or other casualty to an extent that prevents the conducting of Tenant's use of the Premises in a normal manner, and if the damage is reasonably repairable within sixty days after the occurrence of the destruction, and if the cost of repair is less than \$5,000.00, Landlord shall repair the Premises and a just proportion of the lease payments shall abate during the period of the repair according to the extent to which the Premises have been rendered untenantable. However, if the damage is not repairable within sixty days, or if the cost of repair is \$5,000.00 or more, or if Landlord is prevented from repairing the damage by forces beyond Landlord's control, or if the property is condemned, this Lease shall terminate upon twenty days' written notice of such event or condition by either party and any unearned rent paid in advance by Tenant shall be apportioned and refunded to it. Tenant shall give Landlord immediate notice of any damage to the Premises.

DEFAULTS. Tenant shall be in default of this Lease if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within 5 days (or any other obligation within 10 days) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without further notice (to the extent permitted by law), and without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under

this Lease. Tenant shall pay all costs, damages, and expenses (including reasonable attorney fees and expenses) suffered by Landlord by reason of Tenant's defaults. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or not such sums or charges are designated as "additional rent". The rights provided by this paragraph are cumulative in nature and are in addition to any other rights afforded by law.

LATE PAYMENTS. For any payment that is not paid within 10 days after its due date, Tenant shall pay a late fee of \$50.00.

CUMULATIVE RIGHTS. The rights of the parties under this Lease are cumulative, and shall not be construed as exclusive unless otherwise required by law.

NON-SUFFICIENT FUNDS. Tenant shall be charged \$25.00 for each check that is returned to Landlord for lack of sufficient funds.

REMODELING OR STRUCTURAL IMPROVEMENTS. Tenant shall have the obligation to conduct any construction or remodeling (at Tenant's expense) that may be required to use the Premises as specified above. Tenant may also construct such fixtures on the Premises (at Tenant's expense) that appropriately facilitate its use for such purposes. Such construction shall be undertaken and such fixtures may be erected only with the prior written consent of the Landlord which shall not be unreasonably withheld. Tenant shall not install awnings or advertisements on any part of the Premises without Landlord's prior written consent. At the end of the lease term, Tenant shall be entitled to remove (or at the request of Landlord shall remove) such fixtures, and shall restore the Premises to substantially the same condition of the Premises at the commencement of this Lease.

ACCESS BY LANDLORD TO PREMISES. Subject to Tenant's consent (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, mortgagees, tenants or workers. However, Landlord does not assume any liability for the care or supervision of the Premises. As provided by law, in the case of an emergency, Landlord may enter the Premises without Tenant's consent. During the last three months of this Lease, or any extension of this Lease, Landlord shall be allowed to display the usual "To Let" signs and show the Premises to prospective tenants.

INDEMNITY REGARDING USE OF PREMISES. To the extent permitted by law, Tenant agrees to indemnify, hold harmless, and defend Landlord from and against any and all losses, claims, liabilities, and expenses, including reasonable attorney fees, if any, which Landlord may suffer or incur in connection with Tenant's possession, use or misuse of the Premises, except Landlord's act or negligence.

DANGEROUS MATERIALS. Tenant shall not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might substantially increase the danger of fire on the Premises, or that might be considered hazardous by a responsible insurance company, unless the prior written consent of Landlord is obtained and proof of adequate insurance protection is provided by Tenant to Landlord.

COMPLIANCE WITH REGULATIONS. Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the federal, state, county, municipal and other authorities, and the fire insurance underwriters. However, Tenant shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature.

There shall be no smoking inside the building or on the premises. No use, possession, manufacture, processing, or selling of any illicit drugs, any illegal substances, State regulated drugs or State regulated substances on the property.

MECHANICS LIENS. Neither the Tenant nor anyone claiming through the Tenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing of this Lease constitutes notice that such liens are invalid. Further, Tenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps that are necessary in order to keep the premises free of all liens resulting from construction done by or for the Tenant.

DISPUTE RESOLUTION. The parties will attempt to resolve any dispute arising out of or relating to this Agreement through friendly negotiations amongst the parties. If the matter is not resolved by negotiation, the parties will resolve the dispute using the below Alternative Dispute Resolution (ADR) procedure.

Any controversies or disputes arising out of or relating to this Agreement will be submitted to mediation in accordance with any statutory rules of mediation. If mediation is not successful in resolving the entire dispute or is unavailable, any outstanding issues will be submitted to final and binding arbitration under the rules of the American Arbitration Association. The arbitrator's award will be final, and judgment may be entered upon it by any court having proper jurisdiction.

ASSIGNABILITY/SUBLETTING. Tenant may not assign or sublease any interest in the Premises, nor effect a change in the majority ownership of the Tenant (from the ownership existing at the inception of this lease), nor assign, mortgage or pledge this Lease, without the prior written consent of Landlord, which shall not be unreasonably withheld.

NOTICE. Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LANDLORD:

Sherman County Health District
110 Main Street, PO Box 186
Moro, Oregon 97039

TENANT:

Mid-Columbia Center for Living
110 Main Street #1
Moro, OR 97039

Such addresses may be changed from time to time by any party by providing notice as set forth above. Notices mailed in accordance with the above provisions shall be deemed received on the third day after posting.

GOVERNING LAW. This Lease shall be construed in accordance with the laws of the State of Oregon.

ENTIRE AGREEMENT/AMENDMENT. This Lease Agreement contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER. The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

BINDING EFFECT. The provisions of this Lease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.

LANDLORD:

Sherman County Health District

By:
Caitlin Blagg, District Administrator

Date:

TENANT:

Mid-Columbia Center for Living

By:
Jamie Preston, Deputy Director

Date:

Notes: Portable window A/C unit: Tenant can use as needed. Landlord is not responsible for maintenance or replacement of this item.

COMMERCIAL LEASE

This Lease Agreement (this "Lease") is dated as of September 01, 2023, by and between Sherman County Health District ("Landlord"), and Mid-Columbia Center for Living ("Tenant"). The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant a 880 square foot apartment to be used as office space. (the "Premises") located at 110 Main Street #2, Moro, OR 97039.

TERM. The lease term will begin on September 01, 2023 and will terminate on August 31, 2025.

LEASE PAYMENTS. Tenant shall pay to Landlord monthly installments of \$1,000.00, payable in advance on the first day of each month. Lease payments shall be made to the Landlord at PO Box 186, Moro, Oregon 97039. The payment address may be changed from time to time by the Landlord.

SECURITY DEPOSIT. At the time of the signing of this Lease, Tenant shall pay to Landlord, in trust, a security deposit of \$500.00 to be held and disbursed for Tenant damages to the Premises (if any) as provided by law.

POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing. At the expiration of the term, Tenant shall remove its goods and effects and peaceably yield up the Premises to Landlord in as good a condition as when delivered to Tenant, ordinary wear and tear excepted.

USE OF PREMISES. Tenant may use the Premises only for providing behavioral health services. The Premises may be used for any other purpose only with the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant shall notify Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

FURNISHINGS. The following furnishings will be provided: Refrigerator, Kitchen Range, Washing Machine, Dryer. Tenant shall return all such items at the end of the lease term in a condition as good as the condition at the beginning of the lease term, except for such deterioration that might result from normal use of the furnishings.

PROPERTY INSURANCE. Landlord and Tenant shall each maintain appropriate insurance for their respective interests in the Premises and property located on the Premises. Landlord shall be named as an additional insured in such policies. Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to Landlord. Landlord shall receive advance written notice from the insurer prior to any termination of such insurance policies. Tenant shall also maintain any other insurance which Landlord may reasonably require for the protection of Landlord's interest in the Premises. Tenant is responsible for maintaining casualty insurance on its own property.

LIABILITY INSURANCE. Tenant shall maintain liability insurance on the Premises in a total aggregate sum of at least \$1,000,000.00. Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to Landlord. Landlord shall receive advance written notice from the insurer prior to any termination of such insurance policies.

RENEWAL TERMS. This Lease shall automatically renew for an additional period of 2 years per renewal term, unless either party gives written notice of termination no later than 90 days prior to the end of the term or renewal term. The lease terms during any such renewal term shall be the same as those contained in this Lease.

MAINTENANCE.

Landlord's obligations for maintenance shall include:

- the roof, outside walls, and other structural parts of the building
- the sewer, water pipes, and other matters related to plumbing
- the electrical wiring

Tenant's obligations for maintenance shall include:

- the parking lot, driveways, and sidewalks, including snow and ice removal
- all other items of maintenance not specifically delegated to Landlord under this Lease.

UTILITIES AND SERVICES.

Landlord shall be responsible for the following utilities and services in connection with the Premises:

- water and sewer

Tenant shall be responsible for the following utilities and services in connection with the Premises:

- electricity
- heating
- garbage and trash disposal
- janitorial services
- telephone service
- internet service

Tenant acknowledges that Landlord has fully explained to Tenant the utility rates, charges and services for which Tenant will be required to pay to Landlord (if any), other than those to be paid directly to the third-party provider.

TAXES. Taxes attributable to the Premises or the use of the Premises shall be allocated as follows:

REAL ESTATE TAXES. Landlord shall pay all real estate taxes and assessments for the Premises.

TERMINATION UPON SALE OF PREMISES. Notwithstanding any other provision of this Lease, Landlord may terminate this lease upon 90 days' written notice to Tenant that the Premises have been sold.

DESTRUCTION OR CONDEMNATION OF PREMISES. If the Premises are partially destroyed by fire or other casualty to an extent that prevents the conducting of Tenant's use of the Premises in a normal manner, and if the damage is reasonably repairable within sixty days after the occurrence of the destruction, and if the cost of repair is less than \$5,000.00, Landlord shall repair the Premises and a just proportion of the lease payments shall abate during the period of the repair according to the extent to which the Premises have been rendered untenantable. However, if the damage is not repairable within sixty days, or if the cost of repair is \$5,000.00 or more, or if Landlord is prevented from repairing the damage by forces beyond Landlord's control, or if the property is condemned, this Lease shall terminate upon twenty days' written notice of such event or condition by either party and any unearned rent paid in advance by Tenant shall be apportioned and refunded to it. Tenant shall give Landlord immediate notice of any damage to the Premises.

DEFAULTS. Tenant shall be in default of this Lease if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within 5 days (or any other obligation within 10 days) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without further notice (to the extent permitted by law), and without prejudicing Landlord's rights to damages. In the alternative, Landlord

may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses (including reasonable attorney fees and expenses) suffered by Landlord by reason of Tenant's defaults. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or not such sums or charges are designated as "additional rent". The rights provided by this paragraph are cumulative in nature and are in addition to any other rights afforded by law.

LATE PAYMENTS. For any payment that is not paid within 10 days after its due date, Tenant shall pay a late fee of \$50.00.

CUMULATIVE RIGHTS. The rights of the parties under this Lease are cumulative, and shall not be construed as exclusive unless otherwise required by law.

NON-SUFFICIENT FUNDS. Tenant shall be charged \$25.00 for each check that is returned to Landlord for lack of sufficient funds.

REMODELING OR STRUCTURAL IMPROVEMENTS. Tenant shall have the obligation to conduct any construction or remodeling (at Tenant's expense) that may be required to use the Premises as specified above. Tenant may also construct such fixtures on the Premises (at Tenant's expense) that appropriately facilitate its use for such purposes. Such construction shall be undertaken and such fixtures may be erected only with the prior written consent of the Landlord which shall not be unreasonably withheld. Tenant shall not install awnings or advertisements on any part of the Premises without Landlord's prior written consent. At the end of the lease term, Tenant shall be entitled to remove (or at the request of Landlord shall remove) such fixtures, and shall restore the Premises to substantially the same condition of the Premises at the commencement of this Lease.

ACCESS BY LANDLORD TO PREMISES. Subject to Tenant's consent (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, mortgagees, tenants or workers. However, Landlord does not assume any liability for the care or supervision of the Premises. As provided by law, in the case of an emergency, Landlord may enter the Premises without Tenant's consent. During the last three months of this Lease, or any extension of this Lease, Landlord shall be allowed to display the usual "To Let" signs and show the Premises to prospective tenants.

INDEMNITY REGARDING USE OF PREMISES. To the extent permitted by law, Tenant agrees to indemnify, hold harmless, and defend Landlord from and against any and all losses, claims, liabilities, and expenses, including reasonable attorney fees, if any, which Landlord may suffer or incur in connection with Tenant's possession, use or misuse of the Premises, except Landlord's act or negligence.

DANGEROUS MATERIALS. Tenant shall not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might substantially increase the danger of fire on the Premises, or that might be considered hazardous by a responsible insurance company, unless the prior written consent of Landlord is obtained and proof of adequate insurance protection is provided by Tenant to Landlord.

COMPLIANCE WITH REGULATIONS. Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the federal, state, county, municipal and other authorities, and the fire insurance underwriters. However, Tenant shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature.

There shall be no smoking inside the building or on the premises. No use, possession, manufacture, processing, or selling of any illicit drugs, any illegal substances, State regulated drugs or State regulated substances on the property.

MECHANICS LIENS. Neither the Tenant nor anyone claiming through the Tenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing of this Lease constitutes notice that such liens are invalid. Further, Tenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps that are necessary in order to keep the premises free of all liens resulting from construction done by or for the Tenant.

DISPUTE RESOLUTION. The parties will attempt to resolve any dispute arising out of or relating to this Agreement through friendly negotiations amongst the parties. If the matter is not resolved by negotiation, the parties will resolve the dispute using the below Alternative Dispute Resolution (ADR) procedure.

Any controversies or disputes arising out of or relating to this Agreement will be submitted to mediation in accordance with any statutory rules of mediation. If mediation is not successful in resolving the entire dispute or is unavailable, any outstanding issues will be submitted to final and binding arbitration under the rules of the American Arbitration Association. The arbitrator's award will be final, and judgment may be entered upon it by any court having proper jurisdiction.

ASSIGNABILITY/SUBLETTING. Tenant may not assign or sublease any interest in the Premises, nor effect a change in the majority ownership of the Tenant (from the ownership existing at the inception of this lease), nor assign, mortgage or pledge this Lease, without the prior written consent of Landlord, which shall not be unreasonably withheld.

NOTICE. Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LANDLORD:

Sherman County Health District
110 Main Street, PO Box 186
Moro, Oregon 97039

TENANT:

Mid-Columbia Center for Living
110 Main Street #1
Moro, OR 97039

Such addresses may be changed from time to time by any party by providing notice as set forth above. Notices mailed in accordance with the above provisions shall be deemed received on the third day after posting.

GOVERNING LAW. This Lease shall be construed in accordance with the laws of the State of Oregon.

ENTIRE AGREEMENT/AMENDMENT. This Lease Agreement contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER. The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

BINDING EFFECT. The provisions of this Lease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.

LANDLORD:
Sherman County Health District

By:
Caitlin Blagg, District Administrator

Date:

TENANT:
Mid-Columbia Center for Living

By:
Jamie Preston, Deputy Director

Date:

Notes: Washer Unit and Dryer Unit: Tenant can use as needed. Landlord is not responsible for maintenance or replacement of these items.



September 14, 2023

RTO & Company
305 E 5th St.
The Dalles, OR 97058

This representation letter is provided in connection with your audit of the financial statements of Sherman County Health District, which comprise the respective financial position of the governmental activities and the major fund as of June 30, 2023, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 14, 2023, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 3, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with the modified cash basis of accounting and include all properly classified funds and other financial information of the primary government and all component units required by the modified cash basis to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with the modified cash basis of accounting.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the modified cash basis of accounting.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with the modified cash basis of accounting.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

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

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

Information Provided

- 1) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 2) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 3) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 4) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
 - o Management,
 - o Employees who have significant roles in internal control, or
 - o Others where the fraud could have a material effect on the financial statements.
- 5) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 6) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 7) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 8) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government—specific

- 9) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 10) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
- 11) We have a process to track the status of audit findings and recommendations.
- 12) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 13) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 14) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 15) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 16) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 17) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.

- 18) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
- 19) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance, except for the Oregon Budget Law violations as mentioned in the financial statements.
- 20) As part of your audit, you assisted with preparation of the financial statements and disclosures, adjusting journal entries, and depreciation schedule. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, adjusting journal entries, and depreciation schedule.
- 21) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 22) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 23) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 24) The financial statements include all fiduciary activities required by GASBS No. 84, as amended.
- 25) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34, as amended](#).
- 26) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 27) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 28) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 29) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 30) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 31) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 32) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 33) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 34) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 35) With respect to the budgetary basis financial statements:
 - a) We acknowledge our responsibility for presenting the budgetary basis financial statements in accordance with the modified cash basis of accounting, and we believe the budgetary basis financial statements,

including its form and content, is fairly presented in accordance with the modified cash basis of accounting. The methods of measurement and presentation of the budgetary basis financial statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b) If the budgetary basis financial statements are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: _____

Title: _____

Signature: _____

Title: _____



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, 2023, 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:

2023-1 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
September 14, 2023



September 15, 2023

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, 2022. 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 14, 2023, as indicated by signatures below.

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

1. **Significant Deficiency 2023-1:** 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 12/14/2023

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