

EASTERN OREGON HUMAN SERVICES CONSORTIUM

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



EASTERN OREGON HUMAN SERVICES CONSORTIUM

Basic Financial Statements and Supplementary Information

Year Ended June 30, 2022

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EASTERN OREGON HUMAN SERVICES CONSORTIUM

Basic Financial Statements and Supplementary Information

Year Ended June 30, 2022

MAILING ADDRESS

401 E 3rd Street, Suite 101
The Dalles OR 97058

OFFICIALS AS OF JUNE 30, 2022

DIRECTORS

<u>Name</u>	<u>Affiliation</u>	<u>Mailing Address</u>
Aaron Grigg	Center for Human Development Union County	1100 K Avenue La Grande OR 97850
Al Barton	Mid-Columbia Center for Living Hood River, Sherman and Wasco Counties	419 East 7th Street - Room 207 The Dalles OR 97058
Chantay Jett	Wallowa Valley Center for Wellness Wallowa County	616 W North Street Enterprise OR 97821
Kimberly Lindsay	Community Counseling Solutions Gilliam, Grant, Morrow and Wheeler Counties	120 South Main Street - 2nd Floor Heppner OR 97836
Shari Selander	Mountain Valley Mental Health Programs, Inc. and New Directions Northwest Baker County	2200 Fourth Street Baker City OR 97814
Steven Jensen	Lifeways Inc Malheur County	702 Sunset Drive Ontario OR 97914
Chris Siegner	Symmetry Care, Inc. Harney County	415 North Fairview Burns OR 97720

MANAGEMENT

<u>Name</u>	<u>Title/Position</u>	<u>Mailing Address</u>
Lisa Chamness	Financial Assistance Administrator	401 E 3rd Street, Suite 101 The Dalles OR 97058

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors:
Eastern Oregon Human Services Consortium
The Dalles, OR 97058

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Eastern Oregon Human Services Consortium of The Dalles, Oregon, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Eastern Oregon Human Services Consortium's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Eastern Oregon Human Services Consortium of The Dalles, Oregon, as of June 30, 2022, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Eastern Oregon Human Services Consortium's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Eastern Oregon Human Services Consortium's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Report on Summarized Comparative Information

We have previously audited Eastern Oregon Human Services Consortium, The Dalles, Oregon's 2021 financial statements of the governmental activities, each major fund, and the related notes to the financial statements. We expressed an unmodified audit opinion on those financial statements in our report dated December 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it is derived.

Required Supplementary Information

Management has omitted the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

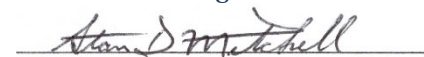
Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 16 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the financial statements taken as whole.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 14, 2022 on our consideration of Eastern Oregon Human Services Consortium's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Gaslin Accounting CPA's PC



Stan D Mitchell, CPA
November 14, 2022

BASIC FINANCIAL STATEMENTS

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Statement of Net Position

June 30, 2022

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Total Primary Government</u>	
		<u>2022</u>	<u>2021</u>
Current Assets:			
Cash and Cash Investments	\$ 1,163,456	\$ 1,163,456	\$ 2,228,488
Contracts Receivable	628,463	628,463	-
Total Assets	1,791,919	1,791,919	2,228,488
 <u>LIABILITIES</u>			
Current Liabilities			
Accounts Payable	255,308	255,308	300,889
Total Liabilities	255,308	255,308	300,889
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Revenues OHA	-	-	59,640
Total Deferred Inflows of Resources	-	-	59,640
 <u>NET POSITION</u>			
Unrestricted	1,536,611	1,536,611	1,867,959
Total Net Position	\$ 1,536,611	\$ 1,536,611	\$ 1,867,959

The notes to the financial statements are an integral part of this statement.

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
		Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Total Primary Government	
					2022	2021	
Governmental activities:							
Mental Health and Developmental Disability Program Services	\$ 2,487,475	\$ 2,086,256	\$ 59,639	\$ -	\$ (341,580)	\$ (341,580)	\$ 420,742
Total Governmental Activities	<u>2,487,475</u>	<u>2,086,256</u>	<u>59,639</u>	<u>-</u>	<u>(341,580)</u>	<u>(341,580)</u>	<u>420,742</u>
Total Primary Government	<u>\$ 2,487,475</u>	<u>\$ 2,086,256</u>	<u>\$ 59,639</u>	<u>\$ -</u>	<u>(341,580)</u>	<u>(341,580)</u>	<u>420,742</u>
General Revenues:							
Other Income					-	-	6,390
Unrestricted Investment Earnings					10,232	10,232	14,878
Total General Revenues					<u>10,232</u>	<u>10,232</u>	<u>21,268</u>
Change in Net Position					(331,348)	(331,348)	442,010
Total Net Position - July 1					<u>1,867,959</u>	<u>1,867,959</u>	<u>1,425,949</u>
Total Net Position - June 30					<u>\$ 1,536,611</u>	<u>\$ 1,536,611</u>	<u>\$ 1,867,959</u>

The notes to the financial statements are an integral part of this statement.

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Total Governmental Funds	
		2022	2021
<u>ASSETS</u>			
Cash and Cash Investments	\$ 1,163,456	\$ 1,163,456	\$ 2,228,488
Contracts Receivable	628,463	628,463	-
Total Assets	\$ 1,791,919	\$ 1,791,919	\$ 2,228,488
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ 255,308	\$ 255,308	\$ 300,889
Total Liabilities	255,308	255,308	300,889
Deferred Inflows of Resources:			
Deferred Revenues - OHA	-	-	59,640
Total Deferred Inflows of Resources	-	-	59,640
Fund Balances:			
Unassigned	1,536,611	1,536,611	1,867,959
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,791,919	\$ 1,791,919	\$ 2,228,488

The notes to the financial statements are an integral part of this statement.

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

Year Ended June 30, 2022

<u>REVENUES</u>	General	Total Governmental Funds	
	Fund	2022	2021
Oregon Department of Human Services Contracts	\$ 2,086,256	\$ 2,086,256	\$ 1,755,486
Interest Income	10,232	10,232	14,878
Other Income	59,639	59,639	6,390
Total Revenues	2,156,127	2,156,127	1,776,754
 <u>EXPENDITURES</u>			
Program Services:			
Materials and Services:			
LA 01 - Local Administration	-	-	20,262
MH 20 - Non-Residential Adult Services	299,910	299,910	254,810
MH 24 - Regional Acute Psychiatric Inpatient Services	45,248	45,248	56,804
MH 25 - Community Crisis Services for Adults and Children	175,036	175,036	100,937
MH 37 - Crisis Intervention Training	754,028	754,028	758,018
DD 02 - Local Administration	21,095	21,095	-
DD 48 - Case Management:	92,106	92,106	38,906
DD 55 - Abuse Investigation Services	56,414	56,414	39,723
Total Program Services	1,443,837	1,443,837	1,269,460
 Local Funds:			
Materials and Services:			
Grant Writing	36,085	36,085	-
Wraparound Funds	177,509	177,509	26,520
Audit Services	6,499	6,499	5,600
Legal Counsel	2,205	2,205	-
Regional Services	2,880	2,880	-
Insurance	4,037	4,037	-
Management/Coordinator	26,334	26,334	3,307
Peer to Peer Support Services	117,587	117,587	22,253
Other Expenses	502	502	4,724
County Payments	670,000	670,000	2,880
Total Local Funds	1,043,638	1,043,638	65,284
Total Expenditures	2,487,475	2,487,475	1,334,744
Net Change in Fund Balance	(331,348)	(331,348)	442,010
Fund Balance - July 1	1,867,959	1,867,959	1,425,949
Fund Balance - June 30	\$ 1,536,611	\$ 1,536,611	\$ 1,867,959

The notes to the financial statements are an integral part of this statement.

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Eastern Oregon Human Services Consortium became a Governmental Unit in July of 1990 and is designated as a Council of Governments under Chapter 190 of the Oregon Revised Statutes. The Consortium operates as an association of Baker, Gilliam, Grant, Harney, Hood River, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, and Wheeler Counties in Eastern Oregon and consists of eight Community Mental Health Providers (CMHP). The Consortium was formed to apply for and administer Mental Health and like grants which become available to the above-named counties. The activities of the Consortium include, but are not limited to, the provision of services and training to persons eligible under the various grants administered by the Consortium. The Consortium is governed by the CMHP directors of the thirteen counties participating in the Consortium. The commissioners of each county designate a representative to attend and vote at the meetings of the Consortium. The following is a summary of significant accounting policies:

A. The Reporting Entity

The Consortium, for financial purposes, includes all of the funds and account groups relevant to the operations of Eastern Oregon Human Services Consortium.

The Consortium receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. The Consortium is not included in any other governmental "reporting entity" as defined by the GASB pronouncement since the Consortium's board members have decision making authority, the power to designate management, the ability to influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statements 14, which are included in the Consortiums reporting entity.

The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Consortium.

The financial statements of the Consortium consist of a general fund. The Consortium has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled or dependent on the Consortium. The criteria for including organizations within the Consortium's reporting entity, as set forth in GASB No. 14, *The Financial Reporting Entity*, as amended, is financial accountability. Financial Accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will, by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The Consortium's financial statements do not include the operations of member governments and various agencies for which funding is issued by the Consortium, because none of the criteria for inclusion as set forth in GASB No. 14, as amended, has been met.

B. Basic Financial Statements - Government-Wide Statements

The Consortium's basic financial statements include both government-wide (reporting the Consortium as a whole) and fund financial statements (reporting the Consortium's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental type.

In the government-wide *Statement of Net Position*, the governmental column presents consolidated governmental information on the full-accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Consortium's net position is reported in three parts – investment in capital assets, net of related debt, restricted, and unrestricted net position.

The government-wide *Statement of Activities* reports both the gross and net cost of the Consortium's functions. This government-wide focus is more on the sustainability of the Consortium as an entity and the change in the Consortium's net position resulting from the current year's activities.

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Basic Financial Statements - Government-Wide Statements – (Continued)

The *Statement of Activities* reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with function. Program revenues include charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Operating grants include operating-specific and discretionary grants and contributions, while the capital grants column reports capital-specific grants and contributions. The net costs are normally covered by general revenue (interest income, etc.).

In the *Statement of Activities*, some functions, such as general government, support services, or administration, include expenses that are in essence, indirect expenses of other functions. For the most part, these indirect expenses are inconsequential; accordingly, the Consortium does not allocate indirect expenses to other functions.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Consortium are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in the governmental activities category. Governmental accounting standards set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of the governmental category) for the determination of major funds.

The government reports the following major governmental funds:

The *General Fund* is the government's only operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses recognized when incurred.

2. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e. both measurable and available). *Available* means collectible within the current period or within 60 days after year end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred.

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Notes to Financial Statements
Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

3. Use of Estimates

Management uses estimates and assumptions in preparing basic financial statements in accordance with US generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

E. Financial Statement Amounts

1. Cash and Cash Investments

All short-term cash surpluses are maintained in a cash and investment pool. Investments are reported at fair value, which is determined using selected basis. Short-term investments are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

2. Cash and Cash Equivalents

Cash and cash investments are presented in basic financial statements at fair value. State statutes authorize the Consortium to invest primarily in general obligations of the US Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper and the State Treasurer's Local Government Investment Pool.

3. Government-wide Net Position

Government-wide fund net position is divided into three components 1) *Net Investment in Capital Assets* – consisting of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets; 2) *Restricted Net Position* – consisting of net position restricted by the Consortium's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors; 3) *Unrestricted* – all other net position is reported here.

4. Governmental Fund Balances

Fund balances reported in the governmental fund balance sheet are to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The hierarchy from most restrictive to least restrictive is as follows: *non-spendable*, *restricted*, *committed*, *assigned*, and *unassigned*. For the classification of governmental fund balances, the Consortium considers an expenditure to be made from the most restrictive first when more than one classification is available.

- *Non-spendable* – Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- *Restricted* – Amounts that can be spent only for specific purposes because of the Consortium Charter, state or federal laws, or externally imposed conditions by grantors or creditors.
- *Committed* – Amounts that can be used only for specific purposes determined by a formal action by Consortium Directors' resolution.
- *Assigned* – Amounts that are designated by the Consortium Directors for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Consortium Directors. Assignments are made by Consortium management based on the Consortium Directors' direction.
- *Unassigned* – All amounts not included in other spendable classifications.

5. Prior Year Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Consortium's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Notes to Financial Statements

Year Ended June 30, 2022

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end. The Consortium follows these procedures in establishing the budgetary data reflected in the financial statements:

- In accordance with the budget laws of the State of Oregon, the budget officer submits to the budget committee a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
- The public budget committee meeting is conducted to receive the budget message, make adjustments to the budget and obtain public comment.
- A public hearing is conducted to obtain further comment.
- The Consortium's Board of Directors must prepare a resolution to formally adopt the budget not later than June 30.
- Formal budgetary integration is employed as a management control device during the year for the general fund.
- Budgets for the general fund service elements are adopted on a basis consistent with generally accepted accounting principles.
- Appropriations lapse at the end of each fiscal year.
- The Board of Directors may authorize supplemental budgets and appropriations during the year.

The Consortium is considered a Council of Governments and is subject to ORS 294.900 through 294.930 regarding budgeting. Budgets were prepared in accordance with the above cited provisions.

B. Local Budget Law

No budget law violations were incurred during the year.

C. Budget Modifications

No changes were made to the original budget.

NOTE 3 – CASH AND CASH INVESTMENTS

Cash and cash investments consist of the following:

<u>Account Type</u>	<u>2022</u>	<u>2021</u>
General Checking	\$ 19,117	\$ 38,165
Oregon Local Government Investment Pool	1,144,339	2,190,323
Totals	<u>\$ 1,163,456</u>	<u>\$ 2,228,488</u>

Interest Rate Risk

The Consortium manages its exposure to declines in fair values of investments by limiting its investment portfolio to demand deposits and short-term investments with original maturities of three months or less.

Credit Risk

The Oregon Local Government Investment Pool (LGIP) operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations, or regulations. The reported value of the LGIP is the same as the fair value of LGIP shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council. The LGIP is not registered with the SEC as an investment company and is not subject to credit risk rating.

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Notes to Financial Statements
Year Ended June 30, 2022

NOTE 3 – CASH AND CASH INVESTMENTS – (Continued)

Concentration of Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the Consortium’s deposits may not be returned to it. The Consortium has no formal investment policy but does follow the requirements of ORS 295. The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts. At year end, the bank balances of Consortium deposits were \$833,712. Federal Depository Insurance Corporation coverage is limited to \$250,000 per depositor. Under the Oregon Public Funds Collateralization Program, depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts thereby better protecting public funds though not guaranteeing that all public funds are 100% protected.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of failure of the counterparty, the Consortium will not be able to recover the value of investments or collateral securities that are in the possession of the outside party. The Consortium complies with ORS 294 that lists acceptable investments. At June 30, the Consortium had no investments that were held by either a counterparty or a counterparty’s trust department agent. Therefore, the Consortium has no outstanding investments that were exposed to custodial credit risk.

NOTE 4 – CONTRACTS RECEIVABLE

Contracts receivable consists of the following:

<u>Due From</u>	<u>Income Category</u>	<u>2022</u>	<u>2021</u>
Oregon Health Authority	MH 37	\$ 198,429	\$ -
Oregon Health Authority	MH 20	149,955	-
Oregon Health Authority	MH 24	187,682	-
Oregon Health Authority	MH 25	87,518	-
Oregon Health Authority	Local Administration	4,879	-
Totals		\$ 628,463	\$ -

NOTE 4 – ACCOUNTS PAYABLE

Accounts payable consists of the following:

<u>Vendor</u>	<u>Expense Category</u>	<u>2022</u>	<u>2021</u>
GOBHI	Crisis Intervention Training (CRT)	\$ 188,507	\$ 188,507
Center for Human Dev.	Peer to Peer	-	25,000
Symmetry Care	Adult Wraparound	-	50,000
Greater Or. Sec. Transport	Transportation	5,385	4,265
So. Oregon Sec. Transport	Transportation	2,925	-
Community Counseling	DD-02	3,761	-
Community Counseling	DD-55	16,767	-
Symmetry Care	Local Funds	-	32,458
GOBHI	Management	-	659
Cornerstone	Grant Writing	2,628	-
Lane Council of Gov'ts	Legal Counsel	1,947	-
Community Counseling	Regional Expenses	33,388	-
Totals		\$ 255,308	\$ 300,889

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Notes to Financial Statements
Year Ended June 30, 2022

NOTE 5 – DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Consortium is reporting unavailable revenues from the following sources:

Funding Source	2022	2021
Oregon Health Authority Funds	\$ -	\$ 59,640
Totals	\$ -	\$ 59,640

NOTE 6 - STATE OF OREGON, MENTAL HEALTH DIVISION GRANTS

The Consortium obtains a major portion of its revenue from the Department of Human Services and the Oregon Health Authority, Addictions and Mental Health Division. Under the terms of the agreement, they are reimbursed for the actual expenditure of funds up to the agreement amounts.

The Department of Human Services requires Eastern Oregon Human Services Consortium to submit reports subsequent to the contract period that reflect the expenses claimed by member providers against the various agreements. This information is used to determine agreement over payments and under payments.

NOTE 7 - RELATED PARTY TRANSACTIONS

The Consortium is a related party with respect to Greater Oregon Behavioral Health, Inc. (GOBHI). The two organizations are operated under separate control with no requirements to maintain common membership or directors in either organization.

The Consortium has no employees but contracts with Greater Oregon Behavioral Health, Inc for services that include Provider and Community Relations Services, Regional Children’s Crisis Services and management services. The Consortium’s agreement with GOBHI for manager/coordinator services for 2022 and 2021 totaled \$26,334 and \$19,187, respectively. Additionally, GOBHI received \$754,028 in Crisis Intervention Training provider funds in both years.

NOTE 8 - ECONOMIC DEPENDENCY

A material part of the Consortium's funding is dependent on the State of Oregon, Department of Human Services’ grants in the form of financial assistance agreements. The agreement provides funding beginning July 1, 2021 through June 30, 2023. The agreement may be amended by the State at any time.

NOTE 9 - CONTINGENCIES

Expenditures in the various programs are subject to review by the contracting agency. The Consortium serves as a pass-through entity and does not provide the specific services set forth in the grant agreements. Any amount that may be deemed non-reimbursable has not been determined.

REQUIRED SUPPLEMENTARY INFORMATION

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Oregon Department of Human Services:			
LA 01 - Local Administration	\$ 9,758	\$ 24,396	\$ 14,638
MH 20 - Adult Services	299,910	449,866	149,956
MH 24 - Acute Psychiatric Inpatient Services	375,363	187,682	(187,681)
MH 25 - Community Crisis Services for Adults and Children	175,036	262,554	87,518
MH 37 - Crisis Intervention Training (CIT)	793,714	992,143	198,429
DD 02 - Local Administration	245,244	22,035	(223,209)
DD 48 - Case Management	-	97,279	97,279
DD 55 - Abuse Investigation Services	43,332	50,301	6,969
Total Oregon DHS Contracts	<u>1,942,357</u>	<u>2,086,256</u>	<u>143,899</u>
Other Revenues:			
Interest Income	25,000	10,232	(14,768)
Other Income	-	59,639	59,639
Total Other Revenues	<u>25,000</u>	<u>69,871</u>	<u>44,871</u>
Total Revenues	<u>1,967,357</u>	<u>2,156,127</u>	<u>188,770</u>
Expenditures:			
Materials and Services:			
MH 20 - Non-Residential Adult Services - Wraparound Funds	149,955	149,955	-
MH 20 - Non-Residential Adult Services - Peer to Peer	149,955	149,955	-
MH 24 - Regional Acute Psychiatric Inpatient Services	375,363	32,140	343,223
MH 24 - Regional Acute Psychiatric Inpatient Services - Transport	-	13,108	(13,108)
MH 25 - Com. Crisis Svcs for Adults & Children - Wraparound Funds	175,036	175,036	-
MH 37 - Crisis Intervention Training - GOBHI Contract	754,028	754,028	-
DD 02 - Local Administration	-	21,095	(21,095)
DD 48 - Case Management	288,576	92,106	196,470
DD 55 - Abuse Investigation Services	-	56,414	(56,414)
Local Funds:			
Grant Writing	60,000	36,085	23,915
Adult Wraparound	227,509	177,509	50,000
Audit Services	7,500	6,499	1,001
Legal Counsel	-	2,205	(2,205)
Regional Services	-	2,880	(2,880)
Insurance	4,000	4,037	(37)
Management/Coordinator	100,000	26,334	73,666
Peer to Peer Support Services	175,045	117,587	57,458
Other Expenses	-	502	(502)
County Payments	670,000	670,000	-
Total Expenditures	<u>3,136,967</u>	<u>2,487,475</u>	<u>649,492</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,169,610)</u>	<u>(331,348)</u>	<u>838,262</u>
Other Financing Sources (Uses):			
Regional Contingency	(1,004,697)	-	1,004,697
Total Other Financing Sources (Uses)	<u>(1,004,697)</u>	<u>-</u>	<u>1,004,697</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	<u>(2,174,307)</u>	<u>(331,348)</u>	<u>1,842,959</u>
Fund Balance - July 1	<u>2,174,307</u>	<u>1,867,959</u>	<u>(306,348)</u>
Fund Balance - June 30	<u>\$ -</u>	<u>\$ 1,536,611</u>	<u>\$ 1,536,611</u>

NON-ACCOUNTING INFORMATION

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of the Eastern Oregon Human Services Consortium as of and for the year ended June 30, 2022, and have issued our report thereon dated November 14, 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 the Eastern Oregon Human Services Consortium'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).
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

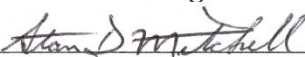
In connection with our testing nothing came to our attention that caused us to believe the Consortium was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

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

Gaslin Accounting CPA's PC



Stan D Mitchell, CPA
November 14, 2022

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Addiction and Mental Health Service Element Descriptions

Service Name: **Local Administration**

Service Element: **LA 01**

Service Description:

- *Local Administration* (LA 01) is the central management of a community mental health program across all program areas. It includes planning and resource development; coordination of services with state hospital and training center services; negotiation and monitoring of contracts and subcontracts; and documentation of service delivery in compliance with state and federal requirements.

Service Name: **Non-Residential Adult Mental Health Services**

Service Element: **MHS 20**

Service Description:

- *Non-Residential Adult Mental Health Services* (MHS 20) are provided for persons who have a chronic mental illness, or other mental or emotional disturbance posing a hazard to the health and safety of themselves or others, or who, at the time of request for crisis screening, appear at risk of suffering from such a mental or emotional disturbance. Services include: case management and residential case management services, emergency services on a 24-hour basis, screening and evaluation, crisis stabilization, vocational and social services, rehabilitation, continuity of care, medication monitoring, emotional support, and individual, family and group counseling and therapy.

Service Name: **Child and Adolescent Mental Health Services**

Service Element: **MHS 22**

Service Description:

- *Child and Adolescent Mental Health Services* (MHS 22) are mental health services delivered to individuals under age 18 (or under age 21 if Medicaid-eligible) that have a principal mental, emotional or behavioral condition diagnosed on Axis I of a completed five-axis DSM diagnosis. MHS 22 Services may be delivered in clinic, home, school or other settings familiar and comfortable for the individual.

Service Name: **Regional Acute Psychiatric Inpatient Services**

Service Element: **MHS 24**

Service Description:

- *Regional Acute Psychiatric Inpatient Services* (MHS 24) are inpatient psychiatric services delivered to individuals who are suffering from an acute mental illness, or other mental or emotional disturbance posing a hazard to the health and safety of the individual or others. The services are delivered on an inpatient basis and are intended to stabilize, control and/or ameliorate acute psychiatric dysfunctional symptoms or behaviors in order to return the individual to a less restrictive environment at the earliest possible time. MHS 24 Services also include ancillary services such as regional coordination and enhancements to CMHP services that serve to expedite the movement of individuals into and out of facilities where inpatient psychiatric services are delivered.

Service Name: **Community Crisis Services for Adults and Children**

Service Element: **MHS 25**

Service Description:

- *Community Crisis Services for Adults and Children* (MHS 25) are immediately available mental health crisis assessment, triage and intervention services delivered to individuals experiencing the sudden onset of psychiatric symptoms or the serious deterioration of mental or emotional stability or functioning. MHS 25 services are of limited duration and are intended to stabilize the individual and prevent further serious deterioration in the individual's mental status or mental health condition.

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Addiction and Mental Health Service Element Descriptions

Service Name: **Flexible Funding MHS Special Projects**

Service I.D. Code: **MHS 37**

Service Description:

- Flexible funding is the promotion, prevention, early identification and intervention of conditions that lead to mental health, substance use and addiction disorders. This focus will lead to improved outcomes and enhanced healthcare experiences for individuals as well as reduce overall expenditures. County will have the flexibility to allocate the funds to meet community needs and statutory requirements. County shall prioritize persons to be served as outlined in ORS 430.644, federal Mental Health and Substance Abuse Prevention and Treatment grants, and OAR 309-032-1525. County is responsible to establish and maintain a structure for meaningful system design and oversight that includes involvement by individuals and families across all ages that have or are receiving addictions or mental health services.
- System design and oversight structure must include: A: Planning, B: Implementation, C: Monitoring, D: Evaluation of services and supports, E: Involvement in activities that focus on: (1) Resource allocation (2) Outcomes (3) Quality improvement (4) Advisory councils.

Service Name: **DD Local Administration**

Service Element: **DD 02**

Service Description:

- *DD Local Administration* (DD 02) is the central management of a Community Developmental Disability Program for which financial assistance is included in either the Financial Assistance Award or the Service Element Prior Authorization of this Agreement. DD 02 includes service eligibility determination, planning and resource development, coordination of Community Developmental Disability Program services with state and other community services, negotiation and monitoring of contracts and subcontracts, and documentation of service delivery in compliance with state and federal requirements.

Service Name: **Diversion Services**

Service Element: **DD 44**

Service Description:

- *Diversion Services* (DD 44) are services delivered to individuals who are eligible for, and at imminent risk of, civil commitment under Oregon Revised Statutes (ORS) Chapter 427, or to children with developmental disabilities who are at imminent risk of out-of-home placement. The purpose of DD 44 Services is to maintain the individual in the community or the child in the home, but services may include temporary out-of-home placement. DD 44 Services include, but are not limited to: professional consultation, assessment and evaluation; adaptive equipment; respite care; adaptations to eligible individuals' residences to increase accessibility or security; short-term residential and/or vocational services; added staff supervision; and other services necessary to maintain the individual in the community or the child in the home.

Service Name: **Case Management**

Service Element: **DD 48**

Service Description:

- *Case Management* (DD 48) services are eligibility, evaluation and coordination services delivered to individuals with developmental disabilities who are in need of DD services funded by Department. The purpose of DD 48 Services is to provide a fixed point of entry for such individuals. DD 48 Services Include: documentation of individuals' eligibility for DD services, assessment of the level of care needed by each individual eligible for DD services, assistance to individuals and/or their families in obtaining services, monitoring the delivery and outcomes of Department-funded DD services provided to individuals residing in the County, responding to individuals' needs for crisis intervention services, and ensuring provision of protective services for individuals age 18 and over, as necessary.

DD 48 Services also include: (i) coordination of the development, and monitoring the implementation of Individual Support Plans (ISP) that comply with the requirements of OAR 309-041-1300 through 309-041-1370, as such rules may be revised from time to time; and (ii) review and approval of plans of care and support for individuals age 18 and older receiving services developed under Department's plan for universal access to DD services.

EASTERN OREGON HUMAN SERVICES CONSORTIUM

Addiction and Mental Health Service Element Descriptions

Service Name: **Comprehensive In-Home Support Services for Adults**

Service Element: **DD 49**

Service Description:

- *Comprehensive In-Home Support Services for Adults* (DD 49) are services that enable individuals 18 years or older with developmental disabilities to continue to live in their own homes or in their family homes. DD 49 Services include assistance in: determining support needs; finding and arranging resources and personal support services to meet the individuals' needs; assisting individuals to make informed decisions about personal support needs and support providers; and monitoring and improving the quality of personal supports. Personal supports may include, but are not limited to: respite care; non-medical transportation; in-home staffing; supported employment services; community inclusion activities; and environmental accessibility adaptations. DD 49 Services may also include fiscal intermediary services, such as assisting individuals or their families in complying with payroll and related requirements for employers when individuals or their families employ their own caregivers.

Service Name: **Abuse Investigation Services**

Service Element: **DD 55**

Service Description:

- *Abuse Investigation Services* (DD 55) are the activities of responding to an abuse allegation and assuring that the abuse investigations for adults are appropriately screened, investigated, and reported.

Service Name: **Family Support Services**

Service Element: **DD 150**

Service Description:

- *Family Support Services* (DD 150) are services that enable eligible children, 17 years of age and younger with developmental disabilities, to continue to live in their family homes. DD 150 Services supplement those things typically provided to a child by his or her family and other public or private sources. DD 150 Services include: assistance in determining support needs; finding and arranging resources and personal support services to meet children's needs; assistance in making informed decisions about support needs and support providers; personal supports including, but not limited to, respite care, non-medical transportation, in-home staffing, community inclusion activities, and environmental accessibility adaptations; and monitoring and improving the quality of personal supports. DD 150 Services may also include fiscal intermediary services, such as assisting families who employ caregivers to comply with payroll and other related requirements for employers.

Service Name: **Long Term Support for Children**

Service Element: **DD 151**

Service Description:

- *DD Long-Term Support for Children* (DD 151) are support services provided in the family home for children 17 years of age and younger with developmental disabilities who are at imminent risk of out of home placement. The purpose of DD 151 services is to maintain the child in, or return the child from a community placement to the family home.

Service Name: **Regional Crisis and Back-Up Services**

Service Element: **DD 157**

Service Description:

- *Regional Crisis and Back-Up Services* (DD 157) consist of management of selected developmental disability services for a group of counties, including crisis intervention services as well as other services that can be delivered more effectively or economically on a regional basis. Funds allocated in this service element are generally used for: staff that coordinate and manage regional crisis service planning and payments; regional consultation, respite and other specialized resources needed to enhance or support developmental disability services within the region; and/or other activities as included in an approved Regional Crisis and Back-Up Services Plan.