

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota

REPORT ON FINANCIAL STATEMENTS
(with supplementary information)
Year Ended June 30, 2022

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
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Year Ended June 30, 2022

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Schauer & Associates, P.C.

Certified Public Accountants
INDEPENDENT AUDITORS' REPORT

Governing Board
CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **CENTRAL VALLEY HEALTH DISTRICT, Jamestown, North Dakota**, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the **CENTRAL VALLEY HEALTH DISTRICT's** basic financial statements as listed in the contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the **CENTRAL VALLEY HEALTH DISTRICT, Jamestown, North Dakota**, as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the **CENTRAL VALLEY HEALTH DISTRICT** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the **CENTRAL VALLEY HEALTH DISTRICT's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free

INDEPENDENT AUDITORS' REPORT - continued

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **CENTRAL VALLEY HEALTH DISTRICT's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **CENTRAL VALLEY HEALTH DISTRICT's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 33 through 36 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively

INDEPENDENT AUDITORS' REPORT - continued

comprise the **CENTRAL VALLEY HEALTH DISTRICT, Jamestown, North Dakota's** basic financial statements. The accompanying combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022, on our consideration of the **CENTRAL VALLEY HEALTH DISTRICT, Jamestown, North Dakota's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **CENTRAL VALLEY HEALTH DISTRICT, Jamestown, North Dakota's** internal control over financial reporting and compliance.



SCHAUER & ASSOCIATES, P.C.
Certified Public Accountants
Jamestown, North Dakota

December 5, 2022

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2022

As management of the **CENTRAL VALLEY HEALTH DISTRICT**, we offer readers of the **CENTRAL VALLEY HEALTH DISTRICT**'s financial statements this narrative overview and analysis of the financial activities of the **CENTRAL VALLEY HEALTH DISTRICT** for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the additional information presented in the accompanying basic financial statements and the related notes.

Financial Highlights

Year ended June 30, 2022

- The net position of the **CENTRAL VALLEY HEALTH DISTRICT** increased by \$301,915 or 18% as a result of current year operations.
- Total revenues from all sources were \$3,120,231.
- Total cost of all programs was \$2,818,316.
- Governmental net position totaled \$2,016,283.

Using This Annual Report

This annual report presents the following three components of the financial statements:

1. Government-wide financial statements provide information for the Health District as a whole.
2. Fund financial statements provide detailed information for the Health District's significant funds.
3. Notes to the financial statements provide additional information that is essential to understanding the government-wide and fund statements.

This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the **CENTRAL VALLEY HEALTH DISTRICT**'s finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Health District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Health District is improving or deteriorating.

The Statement of Activities presents information on how the Health District's net position changed during the most recent fiscal year. This statement is presented using the accrual basis of accounting, which means that all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

The government-wide financial statements include functions of the Health District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of **CENTRAL VALLEY HEALTH DISTRICT** include health and welfare.

The government-wide financial statements begin on page 10.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
MANAGEMENT'S DISCUSSION AND ANALYSIS - continued
Year Ended June 30, 2022

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The **CENTRAL VALLEY HEALTH DISTRICT**, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of **CENTRAL VALLEY HEALTH DISTRICT** can be found in one category: governmental funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental fund statements provide a detailed short-term view of the government operations and the basic services it provides, and are reported on the modified accrual basis of accounting which focuses on available spendable resources. This allows the reader to evaluate the Health District's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between the governmental funds and the government-wide financial statements.

The **CENTRAL VALLEY HEALTH DISTRICT** maintains anywhere from 20 to 25 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances for the General Fund, and the following major funds: Family Planning and COVID-19. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The **CENTRAL VALLEY HEALTH DISTRICT** adopts an annually appropriated budget for its governmental funds. Budgetary comparison schedules for the general and major special revenue funds are required to be presented and are included in the required supplementary information section on pages 33 to 36 of this report.

The governmental fund financial statements begin on page 12.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 to 32 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining fund statements and other schedules can be found on pages 41 to 42.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
MANAGEMENT'S DISCUSSION AND ANALYSIS - continued
Year Ended June 30, 2022

Financial Analysis of the Health District as a Whole

As noted earlier, net assets may serve over time as a useful indicator of the Health District's financial position. In the case of the **CENTRAL VALLEY HEALTH DISTRICT**, assets exceeded liabilities by \$2,016,283 at the close of the most recent fiscal year.

Table I provides a summary of the Health District's net assets as of June 30, 2022 and 2021.

Table I
NET POSITION
 June 30, 2022 and 2021

	Governmental Activities	
	2022	2021
ASSETS		
Current assets	\$ 3,283,715	\$ 2,878,695
Capital assets (net of depreciation)	810,073	853,913
Deferred outflows of resources	1,240,510	1,850,897
Total Assets and Deferred Outflows of Resources	<u>\$ 5,334,298</u>	<u>\$ 5,583,505</u>
LIABILITIES		
Current liabilities	\$ 182,819	\$ 163,650
Long-term liabilities	1,097,401	3,136,389
Total Liabilities	<u>1,280,220</u>	<u>3,300,039</u>
Deferred Inflows of Resources	<u>2,037,795</u>	<u>569,098</u>
NET POSITION		
Net investment in capital assets	810,073	853,913
Restricted net position	1,122,606	1,038,715
Unrestricted net position	83,604	(178,260)
Total Net Position	<u>2,016,283</u>	<u>1,714,368</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 5,334,298</u>	<u>\$ 5,583,505</u>

Net investment in capital assets consists of land, buildings, furniture and equipment, less any related debt used to acquire those assets that is still outstanding. The Health District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Health District's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The balance of unrestricted net position may be used to meet the government's ongoing obligations to creditors. As of June 30, 2022, the **CENTRAL VALLEY HEALTH DISTRICT** is able to report positive balances in all categories of net position.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
MANAGEMENT'S DISCUSSION AND ANALYSIS - continued
Year Ended June 30, 2022

Table II shows the changes in net position for the years ended June 30, 2022 and 2021.

Table II
CHANGES IN NET POSITION
 Years Ended June 30, 2022 and 2021

	Governmental Activities	
	2022	2021
REVENUES		
Program revenues		
Charges for services	\$ 630,816	\$ 834,300
Operating grants and contributions	1,714,964	2,000,024
General revenues		
Property taxes, levied for general purposes	639,392	579,524
Grants and contributions not restricted	38,151	25,129
Unrestricted investment earnings	771	1,524
Miscellaneous revenues	96,137	96,887
Total Revenues	<u>3,120,231</u>	<u>3,537,388</u>
EXPENSES		
Health and welfare	<u>2,818,316</u>	<u>2,984,104</u>
Change in net position	301,915	553,284
BEGINNING NET POSITION	<u>1,714,368</u>	<u>1,161,084</u>
ENDING NET POSITION	<u>\$ 2,016,283</u>	<u>\$ 1,714,368</u>

The Statement of Activities shows the cost of services and the charges for services and grants and contributions offsetting those services. Table III shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and other unrestricted revenues for the years ended June 30, 2022 and 2021.

Table III
TOTAL AND NET COST OF SERVICES
 Years Ended June 30, 2022 and 2021

	Governmental Activities			
	Total Costs Year Ended 06/30/22	Net Costs Year Ended 06/30/22	Total Costs Year Ended 06/30/21	Net Costs Year Ended 06/30/21
Health and welfare	<u>\$ 2,818,316</u>	<u>\$ 472,536</u>	<u>\$ 2,984,104</u>	<u>\$ 149,780</u>

Financial Analysis of the Government's Funds

As noted earlier, **CENTRAL VALLEY HEALTH DISTRICT** uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
MANAGEMENT'S DISCUSSION AND ANALYSIS - continued
Year Ended June 30, 2022

Governmental Funds

The focus of the **CENTRAL VALLEY HEALTH DISTRICT's** *governmental funds* is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the **CENTRAL VALLEY HEALTH DISTRICT's** financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the **CENTRAL VALLEY HEALTH DISTRICT's** governmental funds reported combined ending fund balances of \$3,078,821, an increase of \$381,027 in comparison with the prior year. \$1,956,215 constitutes unassigned fund balance, which is available for spending at the government's discretion. As of the end of the fiscal year ended June 30, 2021, the **CENTRAL VALLEY HEALTH DISTRICT's** governmental funds reported combined ending fund balances of \$2,697,794, an increase of \$787,411 in comparison with the prior year. \$1,659,078 constituted unassigned fund balance, which was available for spending at the government's discretion.

The general fund is the chief operating fund of the **CENTRAL VALLEY HEALTH DISTRICT**. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,956,215. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 174.5 % of total general fund expenditures.

The fund balance of **CENTRAL VALLEY HEALTH DISTRICT's** general fund increased by \$297,135 compared to an increase of \$499,909 in the prior year.

General Fund Budgetary Highlights

During the year ended June 30, 2022, revenues were less than budgetary estimates by \$41,696, expenditures were less than budgetary estimates by \$286,807, and other financing sources and uses were higher than budgetary estimates by \$100,597.

During the year ended June 30, 2021, revenues were less than budgetary estimates by \$160,706, expenditures were less than budgetary estimates by \$611,316, and other financing sources and uses were more than budgetary estimates by \$49,299.

Capital Assets

The **CENTRAL VALLEY HEALTH DISTRICT's** net investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$810,073 (net of accumulated depreciation). This net investment in capital assets includes land, building, furniture and equipment.

Additional information on the **CENTRAL VALLEY HEALTH DISTRICT's** capital assets can be found in Note 8 starting on page 22 of this report.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
MANAGEMENT’S DISCUSSION AND ANALYSIS - continued
Year Ended June 30, 2022

Table IV
NET CAPITAL ASSETS
 (Net of Accumulated Depreciation)
 June 30

	Governmental Activities	
	2022	2021
Land	\$ 43,706	\$ 43,706
Building	459,069	483,618
Furniture and equipment	307,298	326,589
Net Capital Assets (Net of Depreciation)	<u>\$ 810,073</u>	<u>\$ 853,913</u>

Debt Administration

Table V
OUTSTANDING LONG-TERM DEBT
 June 30

	Governmental Activities	
	2022	2021
Compensated absences	\$ 49,291	\$ 49,507
Net pension obligation	997,346	3,013,008
Net OPEB liability	50,764	73,874
Total	<u>\$ 1,097,401</u>	<u>\$ 3,136,389</u>

Additional information on **CENTRAL VALLEY HEALTH DISTRICT**’s long-term debt can be found in Note 12 starting on page 23 of this report.

Economic Factors and Next Year’s Budgets and Rates

Central Valley Health District is comprised of two counties, Stutsman and Logan, located in east central North Dakota. The diversified economy for Stutsman County includes agriculture, the University of Jamestown, Cavendish Farms and Collins Aerospace. Stutsman County is currently experiencing limited growth. The COVID-19 Pandemic has affected the area’s well-being both economically and physically, much like the rest of the United States. Logan County is predominately a community of agriculture, which leads its economy. The total taxable valuation of Stutsman County in 2021 was \$131,519,308, which is an increase from 2020’s valuation of \$128,001,910. Logan County had a total valuation of \$17,258,612 in 2021, which is also an increase from the 2020 valuation of \$16,736,178.

Contacting the Health District’s Financial Management

This financial report is designed to provide a general overview of **CENTRAL VALLEY HEALTH DISTRICT**’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the **CENTRAL VALLEY HEALTH DISTRICT**’s Board of Health, 122 2nd St NW, Jamestown, North Dakota 58401.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
STATEMENT OF NET POSITION
June 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 3,059,307
Accounts receivable	20,492
Taxes receivable	23,007
Intergovernmental receivables	159,409
Due from county treasurer	8,672
Inventories	12,828
Capital assets	
Land	43,706
Building	736,246
Furniture and equipment	584,455
Less: accumulated depreciation	<u>(554,334)</u>
Net Capital Assets	<u>810,073</u>
Total Assets	<u>4,093,788</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	1,216,729
Deferred outflows related to OPEB	<u>23,781</u>
Total Deferred Outflows of Resources	<u>1,240,510</u>
 Total Assets and Deferred Outflows of Resources	 <u><u>\$ 5,334,298</u></u>
 LIABILITIES	
Accounts payable	\$ 12,863
Salaries and benefits payable	169,956
Due in more than one year	
Compensated absences payable	49,291
Net pension obligation	997,346
Net OPEB liabilities	<u>50,764</u>
Total liabilities	<u>1,280,220</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	2,011,593
Deferred inflows related to OPEB	<u>26,202</u>
Total Deferred Inflows of Resources	<u>2,037,795</u>
 NET POSITION	
Net investment in capital assets	810,073
Restricted for:	
Special revenue	1,122,606
Unrestricted net position	<u>83,604</u>
Total Net Position	<u>2,016,283</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 <u><u>\$ 5,334,298</u></u>

The accompanying notes are an integral part of these financial statements.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Program Revenue</u>		<u>Assets</u>
Governmental Activities	<u>Charges for</u>	<u>Operating</u>	<u>Governmental</u>
Health and welfare	<u>Services</u>	<u>Grants and</u>	<u>Activities</u>
<u>Expenses</u>	<u>Contributions</u>		<u>Changes in Net</u>
\$ 2,818,316	\$ 630,816	\$ 1,714,964	\$ (472,536)
General revenues:			
Taxes:			
Property taxes, levied for general purposes			639,392
Grants and contributions not restricted to specific programs			38,151
Unrestricted investment earnings			771
Miscellaneous revenues			96,137
Total general revenues			<u>774,451</u>
Change in net position			301,915
Net Position:			
Beginning of year			<u>1,714,368</u>
End of year			<u>\$ 2,016,283</u>

The accompanying notes are an integral part of these financial statements

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
BALANCE SHEET
Governmental Funds
June 30, 2022

	General Fund	Family Planning	COVID-19	Other Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
Cash and cash equivalents	\$ 3,059,257	\$ 50	\$	\$	\$ 3,059,307
Accounts receivable	9,538	10,954			20,492
Taxes receivable, net	23,007				23,007
Intergovernmental receivables	413	10,304	10,532	138,160	159,409
Due from county treasurer	8,672				8,672
Due from other funds		454,855	112,303	459,937	1,027,095
Inventories		12,828			12,828
Total Assets and Deferred					
Outflows of Resources	\$ 3,100,887	\$ 488,991	\$ 122,835	\$ 598,097	\$ 4,310,810

LIABILITIES, DEFERRED					
INFLOWS OF RESOURCES AND					
FUND BALANCES					
Liabilities:					
Accounts payable	\$ 12,863	\$ 30	\$	\$	\$ 12,893
Salaries and benefits payable	169,926				169,926
Due to other funds	939,808			87,287	1,027,095
Total Liabilities	1,122,597	30		87,287	1,209,914
Deferred Inflows of Resources:					
Long-term receivables	22,075				22,075
Fund Balances:					
Nonspendable		12,828			12,828
Restricted		476,133	122,835	510,810	1,109,778
Unassigned	1,956,215				1,956,215
Total Fund Balances	1,956,215	488,961	122,835	510,810	3,078,821
Total Liabilities, Deferred Inflows of					
Resources and Fund Balances	\$ 3,100,887	\$ 488,991	\$ 122,835	\$ 598,097	\$ 4,310,810

The accompanying notes are an integral part of these financial statements.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2022

Total Fund Balance, Governmental Funds	\$	3,078,821
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		810,073
<p>Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		22,075
<p>Net pension liability and pension related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of:</p>		
Net pension obligation		(997,346)
Deferred outflows of resources		1,216,729
Deferred inflows of resources		(2,011,593)
<p>Net OPEB liability and OPEB related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of:</p>		
Net OPEB liability		(50,764)
Deferred outflows of resources		23,781
Deferred inflows of resources		(26,202)
<p>Some liabilities, (such as long-term compensated absences, and bonds payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.</p>		<u>(49,291)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>2,016,283</u></u>

The accompanying notes are an integral part of these financial statements.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2022

	General Fund	Family Planning	COVID-19	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 634,570	\$	\$	\$	\$ 634,570
Intergovernmental	228,902	137,102	304,164	1,045,443	1,715,611
Charges for services	406,248	91,095	122,835	10,638	630,816
Investment earnings	770				770
Miscellaneous	39,812	49,515		44,314	133,641
Total Revenues	<u>1,310,302</u>	<u>277,712</u>	<u>426,999</u>	<u>1,100,395</u>	<u>3,115,408</u>
EXPENDITURES					
Current:					
Health and welfare					
Salaries and benefits	745,491	143,616	252,978	696,075	1,838,160
Travel and meetings	5,152	429	1,391	8,711	15,683
Insurance	3,810	737	354	1,021	5,922
Supplies	177,575	22,917	7,739	7,852	216,083
Building utilities and maintenance	46,430	6,209		13,272	65,911
Vehicle lease	31,300				31,300
Other	111,122	76,280	41,702	330,177	559,281
Equipment				2,041	2,041
Total Expenditures	<u>1,120,880</u>	<u>250,188</u>	<u>304,164</u>	<u>1,059,149</u>	<u>2,734,381</u>
Excess of revenues over expenditures	<u>189,422</u>	<u>27,524</u>	<u>122,835</u>	<u>41,246</u>	<u>381,027</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	107,713	4,506		9,107	121,326
Transfers out			(110,883)	(10,443)	(121,326)
Total other financing sources (uses)	<u>107,713</u>	<u>4,506</u>	<u>(110,883)</u>	<u>(1,336)</u>	
Net change in fund balances	297,135	32,030	11,952	39,909	381,027
Fund Balances - Beginning	1,659,080	456,931	110,883	470,900	2,697,794
Fund Balances - Ending	<u>\$ 1,956,215</u>	<u>\$ 488,961</u>	<u>\$ 122,835</u>	<u>\$ 510,810</u>	<u>\$ 3,078,821</u>

The accompanying notes are an integral part of these financial statements.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES
Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds:	\$	381,027
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the asset's estimated useful lives as depreciation expense for the period. This is the amount by which depreciation \$85,370 exceeded capital outlays \$41,531 in the current period.		(43,839)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.		4,822
Some expenses reported in the statement of activities do not require the use of current financial resources, such as deferred pension and OPEB expense		(40,312)
Some expenses reported in the statement of activities do not require the use of current financial resources, such as compensated absences, and these are not reported as expenditures in governmental funds.		<u>217</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>301,915</u>

The accompanying notes are an integral part of these financial

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

1. Summary of Significant Accounting Policies

The Health District's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. The Health District's more significant accounting policies are described below.

A. Reporting Entity

The accompanying financial statements present the activities of the **CENTRAL VALLEY HEALTH DISTRICT**. The Health District has considered all potential component units for which the Health District is financially accountable and other organizations for which the nature and significance of their relationships with the Health District are such that exclusion would cause the Health District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. This criterion includes appointing a voting majority of an organization's governing body and (1) the ability of the **CENTRAL VALLEY HEALTH DISTRICT** to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on **CENTRAL VALLEY HEALTH DISTRICT**.

Based on these criteria, there are no component units to be included within **CENTRAL VALLEY HEALTH DISTRICT** as a reporting entity.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except fiduciary funds. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, charges for services, and other non-exchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Health District's governmental activities. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) fees and charges paid by recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular program. General revenues, including taxes, are those revenues that are not properly classified as program revenue.

Fund Financial Statements

The fund financial statements provide information about the Health District's funds. A separate statement for the fund category - governmental is presented. The emphasis of fund financial statements is on major governmental funds.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

B. Basis of Presentation - continued

The Health District's major governmental funds are as follows:

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

Family Planning - This fund is used to account for the family planning health grant and related activities.

COVID-19 - This fund is used to administer the COVID funds to deal with the pandemic.

C. Measurement Focus and Basis of Accounting

Government-wide financial statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred regardless of when the related cash flows take place. Non-exchange transactions, in which the Health District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Health District considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days of the end of its fiscal year. All revenues are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims, judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Health District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Health District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues. When both restricted and unrestricted resources are available for use, it is the Health District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

E. Deposits and Investments

In accordance with North Dakota state statutes, the Health District maintains deposits at depository banks that are members of the Federal Reserve System or the National Credit Union Administration. North Dakota laws require all public deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Authorized collateral includes bills, notes, or bonds issued by the United States government, its agencies or instrumentality's, all bonds and notes guaranteed by the United States government, federal land bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies, or instrumentality's, or by any county, city, township, school district, park district, or other political subdivision of the State of North Dakota, whether payable from special revenues or supported by the full faith and credit of the issuing body, and bonds issued by any other state of the United States or such other securities approved by the banking board.

As of June 30, 2022, the Health District's carrying amount of deposits was \$3,059,257 and the bank balance was \$3,045,848. All of the deposits were covered by Federal Depository Insurance, National Credit Union Administration insurance or pledged collateral.

Credit Risk - The Health District may invest idle funds as authorized in North Dakota state statutes as follows:

1. Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentality's, or organizations created by an act of Congress.
2. Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of a type listed above.
3. Certificates of deposit fully insured by the Federal Deposit Insurance Corporation.
4. Obligations of the state.

Concentration of Credit Risk - The Health District does not have a limit on the amount they may invest in any one issuer.

F. Cash Flow Information

The Health District considers cash and cash equivalents to include cash on hand, demand deposits and all highly liquid investments with a maturity of three months or less.

G. Capital Assets

Government-Wide Statements

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net assets. All capital assets are recorded at cost (or estimated historical cost). The assets are updated for additions and retirements during the year. The Health District has established a capitalization threshold of \$3,000 and having a useful life in excess of two years. Donated capital assets are recorded at their estimated fair market value at the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

G. Capital Assets - continued

materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not capitalized.

Capital assets are depreciated over their estimated useful lives on a straight-line basis. The Health District has established the following useful lives:

Building	25 to 50 years
Furniture and equipment	5 to 20 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

H. Net Position/Fund Balance

Government-Wide Statements

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

1. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Statements

In the governmental fund statements, fund balances are classified as nonspendable, restricted or unassigned.

Nonspendable fund balance represents a portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

H. Net Position/Fund Balance - continued

Restricted fund balance represents a portion of fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Unassigned fund balance represents residual classification for the general fund. This classification represents fund balance not assigned to other funds and not restricted, committed, or assigned to specific purposes within the general fund.

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Other Post Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Accounts Receivable

Accounts receivable consist of amounts billed to individuals or other entities for services provided. Due to the clients served by the Health District, they are unable to turn uncollectible accounts over for collection and have established an allowance for bad debts. After 90 days, uncollected balances will be classified as doubtful and after eighteen months, uncollectible accounts are automatically written off as a reduction of income.

3. Taxes Receivable

The taxes receivable represents the past three years of uncollected current and delinquent taxes. No allowance has been established for uncollectible taxes.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Any material tax collections are distributed after the end of each month.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

3. Taxes Receivable - continued

Property taxes are levied January 1. The property taxes attach as an enforceable lien on property on January 1 and may be paid in two installments. The first installment includes one half of the real estate taxes and all the special assessments and the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5% discount on property taxes is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent and penalties are assessed.

Most property owners choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the discount on the property taxes.

4. Intergovernmental Receivables

Intergovernmental receivables consist of reimbursements to the Health District for expenses in the operation of various programs. The amounts consist of a mix of state and federal dollars.

5. Inventories

Inventories consist of pharmaceuticals and vouchers and are valued at cost. The cost of inventory is recognized as an expense in both the fund and the government-wide financial statements when used (consumption method). Reported inventories of governmental funds are offset by “nonspendable” fund balance to indicate they are not available for appropriation and are not expendable available financial resources.

6. Due to/Due from Other Funds

Cash of all funds is commingled into pooled cash. Interfund receivables and payables represent the net balance of funds that flow through the clearing accounts.

Due to other governmental funds from general fund	\$ (939,808)
Due from other governmental funds to family planning	454,855
Due from other governmental funds to COVID-19	112,303
Due from other governmental funds to other governmental funds	372,650

7. Transfers

Transfers between the general fund and other governmental funds is done to reflect the matching requirements of various grants. The following is the reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended June 30, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund from other governmental	\$ 107,713	\$
Family planning from general	4,506	
COVID-19 to general		110,883
Other governmental funds from general	9,107	10,443
	<u>\$ 121,326</u>	<u>\$ 121,326</u>

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

8. Capital Assets

Activity for the year ended June 30, 2022 are as follows:

	June 30, 2021	Additions	Deletions	June 30, 2022
Capital assets not being depreciated				
Land	\$ 43,706	\$	\$	\$ 43,706
Capital assets being depreciated				
Building	736,246			736,246
Furniture and equipment	542,924	41,531		584,455
Total capital assets being depreciated	1,279,170	41,531		1,320,701
Less accumulated depreciation for:				
Building	252,628	24,549		277,177
Furniture and equipment	216,335	60,822		277,157
Total accumulated depreciation	468,963	85,371		554,334
Net capital assets being depreciated	810,207			766,367
Capital assets, net	<u>\$ 853,913</u>	<u>\$ (43,840)</u>	<u>\$</u>	<u>\$ 810,073</u>

Depreciation expense by function:

Governmental Activities – Health and Welfare \$ 85,371

9. Accounts Payable

Accounts payable consists of amounts on open accounts for goods and services received prior to June 30, 2022, and chargeable to the appropriations for the year then ended, but paid subsequent to that date.

10. Salaries and Benefits Payable

Salaries and benefits payable consist of June's payroll and related benefits that are paid in July of the following fiscal year.

11. Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. Deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

In addition to liabilities, the balance sheet will sometimes report a separate section for 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

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

11. Deferred Outflows/Inflows of Resources - continued

resources (revenue) until then. The District has unavailable revenue from a variety of sources in the governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

12. Long-Term Liabilities

The Health District has accrued a liability for compensated absences. Full-time employees are granted annual leave benefits from 10 to 25 days per year depending on tenure with the Health District. Part-time employees working 20 hours or more per week are granted annual leave on a pro-rated basis. No more than two weeks of accumulated leave may be carried over to a new year. Sick leave accrues at the rate of one day per month up to a maximum of 90 days. Upon termination an employee will be paid for all accumulated annual leave. Upon termination no payment will be made for accrued sick leave.

The following is a summary of long-term liabilities transactions for the year ended June 30, 2022:

	June 30, 6/30/21	<u>Additions</u>	<u>Reductions</u>	June 30, 6/30/22	<u>Due Within One Year</u>
<i>Governmental Activities</i>					
Compensated absences	\$ 49,507	\$	\$ 216	\$ 49,291	\$
Net pension obligation	3,013,008		2,015,662	997,346	
Net OPEB liability	73,874		23,110	50,764	
	<u>\$ 3,136,389</u>	<u>\$</u>	<u>\$ 2,038,988</u>	<u>\$ 1,097,401</u>	<u>\$</u>

13. Pension Plan

North Dakota Public Employees Retirement System (Main System)

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to the NDCC Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system; one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

13. Pension Plan - continued

Pension Benefits

Benefits are set by statute. NDPERS has no provision or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016, the Rule of 85 will be replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020, the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition of disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

13. Pension Plan - continued

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 3% and employer contribution rates are 11.12% of covered compensation. For members hired on or after January 1, 2020, member contribution rates are 3% and 12.26% of covered compensation.

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25 and the maximum may not exceed the following:

- 1 to 12 months of service - Greater of one percent of monthly salary or \$25
- 13 to 24 months of service - Greater of two percent of monthly salary or \$25
- 25 to 36 months of service - Greater of three percent of monthly salary or \$25
- Longer than 36 months of service - Greater of four percent of monthly salary or \$25

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Health District reported a liability of \$997,346 for its proportionate share of the net pension liability. The net pension liability was measured as of July 01, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Health District's proportion of the net pension liability was based on the Health District's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2021, the Health District's proportion was .095687 percent which was a decrease of .000085 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Health District recognized pension expense of \$132,874. At June 30, 2022, the Health District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,220	\$ 101,793
Changes of assumptions	1,103,868	1,439,214
Net difference between projected and actual earnings on pension plan investments		369,900
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,498	100,686
District contributions subsequent to the measurement date	86,143	
Total	<u>\$ 1,216,729</u>	<u>\$ 2,011,593</u>

Deferred outflows of resources related to pensions in the amount of \$86,143 resulting from Health District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

13. Pension Plan - continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2023	\$ (145,537)
2024	(208,287)
2025	(166,943)
2026	(360,240)

Actuarial assumptions. The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 %
Salary increases	3.5% to 17.75% including inflation
Investment rate of return	7.00%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	30%	6.00%
International Equity	21%	6.70%
Private Equity	7%	9.50%
Domestic Fixed Income	23%	0.73%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.77%
Cash Equivalents	0%	0.00%

Discount rate. For NDPERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

13. Pension Plan - continued

each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the NDPERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.92%; and the resulting Single Discount Rate is 7.00%.

Sensitivity of the Health District’s proportionate share of the net pension liability to changes in the discount rate. The following presents the Health District’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Health District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Health District’s proportionate share of the net pension liability	\$ 1,586,116	\$ 997,346	\$ 507,103

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued NDPERS financial report.

14. Other Post-Employment Benefits

The following brief description of NDPERS (OPEB) is provided for general information purposes only. Participants should refer to NDAC Chapter 71-06 for more complete information.

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the NDPERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code, a credit toward their monthly health insurance premium under the state health plan based upon the member’s years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019, the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long-term care plan premium expense. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

14. Other Post-Employment Benefits - continued

member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

OPEB Benefits

The employer contribution for the NDPERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as “prefunded credit applied” on the Statement of Changes in Plan Net Position for the OPEB trust funds. Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the NDPERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019, the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long-term care plan premium expense. The benefits are equal to \$5.00 for each of the employee’s, or deceased employee’s years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the Health District reported a liability of \$50,764 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Health District’s proportion of the net OPEB liability was based on the Health District’s share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2021, the District’s proportion was .091273 percent, which is an increase of .179093 from its proportion measured as of June 30, 2020.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

14. Other Post Employment Benefits - continued

For the year ended June 30, 2022, the Health District recognized OPEB expense of \$4,967. At June 30, 2022, the Health District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,916	\$ 1,391
Changes of assumptions	7,861	
Net difference between projected and actual earnings on OPEB plan investments		17,393
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,618	7,418
Health District contributions subsequent to the measurement date	11,386	
Total	<u>\$ 23,781</u>	<u>\$ 26,202</u>

The Health District reported \$11,386 as deferred outflows of resources related to OPEB resulting from Health District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year ended June 30	
2022	\$ (3,021)
2023	(3,146)
2024	(3,768)
2025	(4,196)
2025	324

Actuarial assumptions. The total OPEB liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 %
Salary increases	Not applicable
Investment rate of return	6.50%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Mortality Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

14. Other Post-Employment Benefits - continued

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC’s target asset allocation as of July 1, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Domestic Equities	33%	5.85%
Small Cap Domestic Equities	6%	6.75%
Domestic Fixed Income	40%	0.50%
International Equities	21%	6.25%

Discount rate. The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed plan member and statutory rates described in this report. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Health District’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the Plans as of June 30, 2021, calculated using the discount rate of 6.50%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Health District’s proportionate share of the net OPEB liability	\$ 75,289	\$ 50,764	\$ 30,011

16. Risk Management

The Health District is exposed to various risks related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; health care of its employees and natural disasters.

The Health District participates in the North Dakota Insurance Reserve Fund (NDIRF) public entity risk pool established by the state and other political subdivisions to provide liability coverage. The purpose of the NDIRF is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions made against the

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

16. Risk Management - continued

members and other parties included within the scope of coverage of the NDIRF. The coverage by NDIRF is limited to losses of two million dollars per occurrence for general liability and business automobile. The Health District does not exercise any control over the activities of the NDIRF.

The Health District also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The Health District pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third-party insurance carrier for losses in excess of one million dollars per occurrence during a 12-month period.

The State Bonding Fund provides the Health District with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage. **CENTRAL VALLEY HEALTH DISTRICT** continues to carry commercial insurance for all other risks of loss, including workers' compensation, employee health insurance, accident insurance and employee professional liability insurance.

For insured programs, there have been no significant reductions in insurance coverage. Settled claims have not exceeded commercial insurance coverage for the current year or the three prior years.

17. Federal and State Grants

In the normal course of operations, the Health District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

18. Net Position

Governmental activities net position reported on the Government Wide Statement of Net Position at June 30, 2022, include the following:

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 810,073
Restricted - special revenue	1,122,606
Unrestricted	83,604
Total Net Position	<u>\$ 2,016,283</u>

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended June 30, 2022

19. Governmental Fund Balances

Governmental fund balances reported on the fund financial statements at June 30, 2022, include the following:

	<u>General</u>	<u>Family Planning</u>	<u>Covid -19</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable	\$	\$ 12,828	\$	\$	\$ 12,828
Restricted					
Family Planning		476,133			476,133
COVID - 19			122,835		122,835
Tobacco				(493)	(493)
WIC				5,964	5,964
Title III				57,081	57,081
Women's Way				93,682	93,682
Emergency					
Preparedness				7,332	7,332
Substance Abuse				354,587	354,587
All other funds				(7,343)	(7,343)
Unassigned	1,956,215				1,956,215
Total Fund Balances	<u>\$1,956,215</u>	<u>\$ 488,961</u>	<u>\$ 122,835</u>	<u>\$ 510,810</u>	<u>\$ 3,078,821</u>

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
Required Supplementary Information
Budget and Actual (with Variances) Schedules
General Fund
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 535,982	\$ 590,450	\$ 634,570	\$ 44,120
Intergovernmental	214,231	217,476	228,902	11,426
Charges for services	570,080	501,472	406,248	(95,224)
Investment earnings	600	600	770	170
Miscellaneous	42,000	42,000	39,812	(2,188)
Total Revenues	<u>1,362,893</u>	<u>1,351,998</u>	<u>1,310,302</u>	<u>(41,696)</u>
EXPENDITURES				
Current:				
Health and welfare				
Salaries and benefits	1,005,627	955,808	745,491	210,317
Travel and meetings	25,933	25,089	5,152	19,937
Insurance	4,881	6,160	3,810	2,350
Supplies	196,250	196,200	177,575	18,625
Building utilities and maintenance	44,490	44,491	46,430	(1,939)
Vehicle lease			31,300	(31,300)
Other	92,325	125,439	111,122	14,317
Equipment	49,250	54,500		54,500
Total Expenditures	<u>1,418,756</u>	<u>1,407,687</u>	<u>1,120,880</u>	<u>286,807</u>
Excess of revenues over expenditures	<u>(55,863)</u>	<u>(55,689)</u>	<u>189,422</u>	<u>245,111</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	29,053	7,116	107,713	100,597
Total Other Financing Sources (Uses)	<u>29,053</u>	<u>7,116</u>	<u>107,713</u>	<u>100,597</u>
Net change in fund balances	(26,810)	(48,573)	297,135	345,708
Fund Balances - Beginning	1,659,080	1,659,080	1,659,080	
Fund Balances - Ending	<u>\$ 1,632,270</u>	<u>\$ 1,610,507</u>	<u>\$ 1,956,215</u>	<u>\$ 345,708</u>

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
Required Supplementary Information
Budget and Actual (with Variances) Schedules
Family Planning Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 116,885	\$ 123,782	\$ 137,102	\$ 13,320
Charges for services	134,935	127,368	91,095	(36,273)
Investment earnings				
Miscellaneous	58,995	68,952	49,515	(19,437)
Total Revenues	<u>310,815</u>	<u>320,102</u>	<u>277,712</u>	<u>(42,390)</u>
EXPENDITURES				
Current:				
Health and welfare				
Salaries and benefits	175,974	187,331	143,616	43,715
Travel and meetings	7,082	3,828	429	3,399
Insurance	1,532	1,380	737	643
Supplies	31,030	31,032	22,917	8,115
Building utilities and maintenance	8,183	8,184	6,209	1,975
Other	86,069	102,527	76,280	26,247
Debt service				
Principal	918			
Total Expenditures	<u>310,788</u>	<u>334,282</u>	<u>250,188</u>	<u>84,094</u>
Excess of revenues over expenditures	<u>27</u>	<u>(14,180)</u>	<u>27,524</u>	<u>41,704</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			4,506	(4,506)
Transfers out				
Total other financing sources and uses			<u>4,506</u>	<u>(4,506)</u>
Net change in fund balances	27	(14,180)	32,030	46,210
Fund balances - beginning	456,931	456,931	456,931	
Fund balances - ending	<u>\$ 456,958</u>	<u>\$ 442,751</u>	<u>\$ 488,961</u>	<u>\$ 46,210</u>

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
Required Supplementary Information
Budget and Actual (with Variances) Schedules
COVID-19
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 135,641	\$ 135,641	\$ 304,164	\$ 168,523
Charges for services			122,835	122,835
Investment earnings				
Miscellaneous				
Total Revenues	<u>135,641</u>	<u>135,641</u>	<u>426,999</u>	<u>291,358</u>
EXPENDITURES				
Current:				
Health and welfare				
Salaries and benefits	112,285	112,285	252,978	(140,693)
Travel and meetings	1,872	1,872	1,391	481
Insurance			354	(354)
Supplies	1,600	1,600	7,739	(6,139)
Building utilities and maintenance				
Other	17,483	17,485	41,702	(24,217)
Equipment	2,400	2,400		2,400
Total Expenditures	<u>135,640</u>	<u>135,642</u>	<u>304,164</u>	<u>(168,522)</u>
Excess of revenues over expenditures	<u>1</u>	<u>(1)</u>	<u>122,835</u>	<u>122,836</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out			(110,883)	(110,883)
Total other financing sources and uses			<u>(110,883)</u>	<u>(110,883)</u>
Net change in fund balances	1	(1)	11,952	11,953
Fund balances - beginning	110,883	110,883	110,883	
Fund balances - ending	<u>\$ 110,884</u>	<u>\$ 110,882</u>	<u>\$ 122,835</u>	<u>\$ 11,953</u>

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2022

1. Budgets

The Health District adopts a budget on the modified accrual basis for the general fund and each special revenue fund. The Health District is required to present the adopted and final amended budgeted receipts and disbursements for each of these funds.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- The Health District prepares a budget on or before October 1st. The budget includes proposed expenditures and the means of financing them.
- The final budget must be filed with the county auditor by October 10th.
- No disbursements shall be made or liability incurred in excess of the total appropriations by fund. However, the governing board may amend the budget during the year for any receipts and appropriations not anticipated at the time the budget was prepared. The budget amendments must be approved by the board and the approval must be noted in the proceedings of the board.
- All annual appropriations lapse at year end.

2. Excess of Expenditures Over Appropriations

Expenditures in the COVID-19 Fund exceeded appropriations by \$168,522. All expenditures were approved by the District Board. These expenditures were all funded by available revenues.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
Required Supplementary Information
Schedule of Health District's Share of Net Pension Liability
ND Public Employees Retirement System
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.095687%	0.095772%	0.106650%	0.106109%	0.113630%	0.102722%	0.103804%	0.117569%
Employer's proportionate share of the net pension liability (asset)	\$ 997,345	\$ 3,013,008	\$ 1,250,015	\$ 1,790,705	\$ 1,826,407	\$ 1,001,126	\$ 705,849	\$ 746,236
Employer's covered payroll	\$ 1,083,547	\$ 1,056,480	\$ 1,109,345	\$ 1,090,080	\$ 1,159,988	\$ 1,035,199	\$ 924,849	\$ 990,375
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	92.04%	285.19%	112.68%	164.27%	157.45%	96.71%	76.32%	75.35%
Plan fiduciary net position as a percentage of the total pension liability	78.26%	48.91%	71.66%	62.80%	61.98%	70.46%	77.15%	77.70%

* Complete data for this schedule is not available prior to 2015

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
Required Supplementary Information
Schedule of Health District's Contributions
ND Public Employees Retirement System
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 79,907	\$ 74,808	\$ 80,766	\$ 80,289	\$ 84,113	\$ 74,946	\$ 70,244	\$ 70,515
Contributions in relation to the statutorily required contribution	\$ (76,822)	\$ (80,545)	\$ (80,240)	\$ (88,567)	\$ (73,395)	\$ (73,255)	\$ (73,545)	\$ (70,515)
Contribution deficiency (excess)	\$ 3,085	\$ (5,737)	\$ 526	\$ (8,278)	\$ 10,718	\$ 1,691	\$ (3,301)	\$
Employer's covered-employee payroll	\$ 1,083,547	\$ 1,056,480	\$ 1,109,345	\$ 1,090,080	\$ 1,159,988	\$ 1,035,199	\$ 924,849	\$ 990,375
Contributions as a percentage of covered-employee payroll	7.09%	7.62%	7.23%	8.12%	6.33%	7.08%	7.95%	7.12%

* Complete data for this schedule is not available prior to 2015

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2022

ND Public Employees Retirement System

Changes of benefit terms.

The interest rate earned on member contributions will decrease from 7.00 percent to 6.50 percent effective January 1, 2021 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020, will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019, or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of assumptions

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
Required Supplementary Information
Schedule of Health District's Share of Net OPEB Liability
ND Public Employees Retirement System
Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's proportion of the net OPEB liability (asset)	0.091273%	0.087820%	0.099416%	0.099622%	0.107224%
Employer's proportionate share of the net OPEB liability (asset)	\$ 50,764	\$ 73,874	\$ 79,850	\$ 78,459	\$ 84,815
Employer's covered payroll	\$ 995,107	\$ 1,001,122	\$ 1,109,345	\$ 1,090,080	\$ 1,159,988
Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered - employee payroll	5.10%	7.38%	7.20%	7.20%	7.31%
Plan fiduciary net position as a percentage of the total OPEB liability	76.63%	63.38%	63.13%	61.89%	59.78%

* Complete data for this schedule is not available prior to 2017

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
Required Supplementary Information
Schedule of Health District's Contributions
ND Public Employees Retirement System
Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 11,966	\$ 11,761	\$ 12,902	\$ 12,786	\$ 13,484
Contributions in relation to the statutorily required contribution	\$ (11,540)	\$ (12,668)	\$ (12,847)	\$ (14,181)	\$ (11,751)
Contribution deficiency (excess)	\$ 426	\$ (907)	\$ 55	\$ (1,395)	\$ 1,733
Employer's covered-employee payroll	\$ 995,107	\$ 1,001,122	\$ 1,109,345	\$ 1,090,080	\$ 1,159,988
Contributions as a percentage of covered-employee payroll	1.16%	1.27%	1.16%	1.30%	1.01%

* Complete data for this schedule is not available prior to 2017

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2022

Other Post-Employment Benefits

Changes of benefit terms

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of Assumptions

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

SUPPLEMENTARY INFORMATION

CENTRAL VALLEY HEALTH DISTRICT
 Jamestown, North Dakota
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2022

	Tobacco	WIC	Title III	Women's Way	Emergency Preparedness	Substance Abuse	All Other Funds	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable								
Taxes receivable			49,099	65,765	5,969	339,104		459,937
Due from other funds								
Intergovernmental receivables	17,406	8,404	7,982	27,917	1,363	15,483	59,605	138,160
Inventories								
Total Assets and Deferred Outflows of Resources	\$ 17,406	\$ 8,404	\$ 57,081	\$ 93,682	\$ 7,332	\$ 354,587	\$ 59,605	\$ 598,097

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities:								
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$
Salaries and benefits payable								
Due to other funds	17,899	2,440					66,948	87,287
Total Liabilities	17,899	2,440					66,948	87,287
Deferred Inflows of Resources:								
Long-term receivables								
Fund balances:								
Nonspendable								
Restricted	(493)	5,964	57,081	93,682	7,332	354,587	(7,343)	510,810
Total Fund Balances	(493)	5,964	57,081	93,682	7,332	354,587	(7,343)	510,810
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,406	\$ 8,404	\$ 57,081	\$ 93,682	\$ 7,332	\$ 354,587	\$ 59,605	\$ 598,097

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Tobacco	WIC	Title III	Women's Way	Emergency Preparedness	Substance Abuse	All Other Funds	Total Nonmajor Governmental Funds
REVENUES								
Intergovernmental	\$ 107,057	\$ 90,713	\$ 145,192	\$ 182,822	\$ 73,002	\$ 95,767	\$ 350,890	\$ 1,045,443
Charges for services		470	6,913				3,255	10,638
Investment earnings								
Miscellaneous		2,719	8,601	25,477			7,517	44,314
Total Revenues	<u>107,057</u>	<u>93,902</u>	<u>160,706</u>	<u>208,299</u>	<u>73,002</u>	<u>95,767</u>	<u>361,662</u>	<u>1,100,395</u>
EXPENDITURES								
Current:								
Health and welfare								
Salaries and benefits	82,541	88,574	25,274	103,672	45,515	49,268	301,231	696,075
Travel and meetings	978	1,007	471	354	1,222	1,209	3,470	8,711
Insurance	288	232	268	233				1,021
Supplies	1,925	580	702	307	1,639	129	2,570	7,852
Building utilities and maintenance	2,407	1,939	2,588	1,849	400	589	3,500	13,272
Other	19,411	8,240	93,144	81,406	16,894	46,965	64,117	330,177
Equipment		1,555				486		2,041
Capital outlay								
Total Expenditures	<u>107,550</u>	<u>102,127</u>	<u>122,447</u>	<u>187,821</u>	<u>65,670</u>	<u>98,646</u>	<u>374,888</u>	<u>1,059,149</u>
Excess (deficiency) of revenues over expenditures	<u>(493)</u>	<u>(8,225)</u>	<u>38,259</u>	<u>20,478</u>	<u>7,332</u>	<u>(2,879)</u>	<u>(13,226)</u>	<u>41,246</u>
OTHER FINANCING SOURCES (USES)								
Transfers in		9,107						9,107
Transfers out			(9,955)				(488)	(10,443)
Total other financing sources (uses)		<u>9,107</u>	<u>(9,955)</u>				<u>(488)</u>	<u>(1,336)</u>
Net change in fund balances	(493)	882	28,304	20,478	7,332	(2,879)	(13,714)	39,909
Fund balances - beginning		5,082	28,777	73,204		357,466	6,371	470,900
Fund balances - ending	<u>\$ (493)</u>	<u>\$ 5,964</u>	<u>\$ 57,081</u>	<u>\$ 93,682</u>	<u>\$ 7,332</u>	<u>\$ 354,587</u>	<u>\$ (7,343)</u>	<u>\$ 510,810</u>

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
SUPPLEMENTARY INFORMATION - continued
Year Ended June 30, 2022

LIST OF OFFICIALS

James Torrance, M.D.	Chairperson
Darla Reed	Vice chairperson to February 28, 2022
Laurel Haroldson	Treasurer to December 20, 2021
Cynthia Schaar	Board member
Dennis Ova	Board member
Sandy Rivinius	Board member from February 28, 2022
Charles Johs	Board member
Heidi Larson	Board member, Treasurer from June, 2022
Rob Lech	Board member from December 20, 2021



Schauer & Associates, P.C.

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Governing Board
CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **CENTRAL VALLEY HEALTH DISTRICT, Jamestown, North Dakota**, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise **CENTRAL VALLEY HEALTH DISTRICT's** basic financial statements, and have issued our report thereon dated December 5, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered **CENTRAL VALLEY HEALTH DISTRICT, Jamestown, North Dakota'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 **CENTRAL VALLEY HEALTH DISTRICT, Jamestown, North Dakota's** internal control. Accordingly, we do not express an opinion on the effectiveness of **CENTRAL VALLEY HEALTH DISTRICT, Jamestown, North Dakota's** internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* - continued

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **CENTRAL VALLEY HEALTH DISTRICT, Jamestown, North Dakota's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Central Valley Health District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the **CENTRAL VALLEY HEALTH DISTRICT's** response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The **CENTRAL VALLEY HEALTH DISTRICT's** response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schauwer & Associates, P.C.

SCHAUER & ASSOCIATES, P.C.
Certified Public Accountants
Jamestown, North Dakota

December 5, 2022



Schauer & Associates, P.C.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Governing Board
CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **CENTRAL VALLEY HEALTH DISTRICT**'s compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of **CENTRAL VALLEY HEALTH DISTRICT**'s major federal programs for the year ended June 30, 2022. **CENTRAL VALLEY HEALTH DISTRICT**'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, **CENTRAL VALLEY HEALTH DISTRICT** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **CENTRAL VALLEY HEALTH DISTRICT** and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of **CENTRAL VALLEY HEALTH DISTRICT**'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to **CENTRAL VALLEY HEALTH DISTRICT**'s federal programs.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - continued

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **CENTRAL VALLEY HEALTH DISTRICT**'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **CENTRAL VALLEY HEALTH DISTRICT**'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 **CENTRAL VALLEY HEALTH DISTRICT**'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **CENTRAL VALLEY HEALTH DISTRICT**'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **CENTRAL VALLEY HEALTH DISTRICT**'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of our audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over


INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - continued

compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, but important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


SCHAUER & ASSOCIATES, P.C.
Certified Public Accountants
Jamestown, North Dakota

December 5, 2022

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
SUPPLEMENTARY INFORMATION
Year Ended June 30, 2022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor Program Grant Title	Federal CFDA #	Pass-Through Grantor's #	Expenditures
Department of Agriculture			
Passed through State Department of Health Special Supplemental Food Program for Women, Infants, and Children	10.557	HLH5151 HLH5152	\$ 90,714
Total Department of Agriculture			<u>90,714</u>
Department of Treasury			
Passed through State Department of Health COVID Coronavirus Relief Fund	21.019	HLH0018	39,103
Total Department of Treasury			<u>39,103</u>
Environmental Protection Agency			
Passed through State Department of Environmental Quality Performance Partnership Grants	66.605	EQ3992	1,000
Total Environmental Protection Agency			<u>1,000</u>
Department of Health and Human Services			
Passed through State Department of Health Public Health Emergency Preparedness* Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.069	HLH5271 HLH5272	234,669
Family Planning Services	93.116	HLH5391 HLH5392	713
Immunization Cooperative Agreements	93.217	HLH5112 HLH5113	108,677
Epidemiology and Laboratory Capacity for Infectious Diseases	93.268	HLH4774 HLH5312	121,758
Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health or Healthcare Crises	93.323	HLH4501	143,452
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.391	HLH4903	168,450
HIV Care Formula Grants	93.898	HLH5212	169,071
HIV Prevention Activities - Health Department Based	93.917	HLH5432 HLH5433	24,422
Preventive Health and Health Services Block Grant	93.940	HLH3371 HLH5372	3,535
Maternal Child Health Services Block Grant	93.991	HLH5141	10,000
Total Department of Health and Human Services	93.994	HLH3130 HLH5131	<u>990,427</u>
Total Expenditures of Federal Awards			<u>\$ 1,121,244</u>

*Major Programs

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **CENTRAL VALLEY HEALTH DISTRICT** under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the **CENTRAL VALLEY HEALTH DISTRICT**, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the **CENTRAL VALLEY HEALTH DISTRICT**.

B. Basis of Accounting

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. **CENTRAL VALLEY HEALTH DISTRICT** has elected to use the 10-percent de minimis indirect cost rate as allotted under the Uniform Guidance.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

A. Summary of Auditors' Results

Financial Statements

Type of Auditors' Report - Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency (ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency (ies) identified that are not considered to be material weaknesses? Yes None reported

Type of Auditors' Report Issued on Compliance for Major Programs - Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of Major Programs

CFDA # 93.069 Public Health Emergency Preparedness

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk? Yes No

B. Financial Statement Findings

Finding 2022-001 Significant Deficiency - Financial Statement Preparation

Condition

Schauer & Associates, P.C. assists the Health District's management in preparing financial statements that are presented, including note disclosures in accordance with accounting principles generally accepted in the United States of America.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
Year Ended June 30, 2022

Criteria

As a matter of internal control, management should be responsible and capable of preparing financial statements in conformity with accounting principles generally accepted in the United States of America.

Cause

The Health District Board feels that it is more cost effective to ask an independent accountant to prepare the complete financial statements and disclosures, rather than to invest in ongoing specialized training that would be necessary.

Effect

Without the assistance of the auditors, the financial statements could be misstated or omit material financial statement disclosures.

Recommendation

We recommend that management be aware of this condition and be prepared and able to provide all necessary information and schedules to complete the financial statements and disclosures. We further recommend that a responsible official review a current appropriate disclosure checklist or other guidance to ensure the financial statements contain all necessary disclosures.

View of Responsible Officials

The Health District Board is aware of this condition. The Health District Board will continue to request that Schauer & Associates, P.C. assist with preparation of financial statements; however, the Board will instruct the District administration to provide all requested schedules.

C. Federal Award Findings and Questioned Costs

There were no findings which are required to be reported under this section.

CENTRAL VALLEY HEALTH DISTRICT
Jamestown, North Dakota
SUMMARY OF PRIOR YEAR FINDINGS
Year Ended June 30, 2022

2021-001 Financial Statement Preparation

Condition: Schauer & Associates, P.C. assists the Health District's management in preparing financial statements that are presented, including note disclosure in accordance with accounting principles generally accepted in the United States of America.

Criteria: As a matter of internal control, management should be responsible and capable of preparing financial statements in conformity with accounting principles generally accepted in the United States of America.

Cause: The Health District Board feels that it is more cost effective to ask an independent accountant to prepare the complete financial statements and disclosures, rather than to invest in ongoing specialized training that would be necessary.

Effect: Without the assistance of the auditors, the financial statements could be misstated or omit material financial statement disclosures.

Recommendation: We recommend that management be aware of this condition and be prepared and able to provide all necessary information and schedules to complete the financial statements and disclosures. We further recommend that a responsible official review a current appropriate disclosure checklist or other guidance to ensure the financial statements contain all necessary disclosures.

View of Responsible Officials: The Health District Board is aware of this condition. The Health District Board will continue to request that Schauer & Associates, P.C. assist with preparation of financial statements; however, the Board will instruct the District administration to provide all requested schedules.

Current Status: This finding is repeated as finding 2022-001 in the current year.



Public Health
Prevent. Promote. Protect.

Central Valley Health District

Corrective Action Plan – June 30, 2022

2022-001

Contact Person:

Riley Akervik, Finance Director

Corrective Action Plan:

Due to the size of Central Valley Health District, we do not find it cost effective to properly address this control deficiency.

Completion Date:

N/A

Riley Akervik
Finance Director