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Clatsop Care Center Health District

Presentation to the Board

December 11, 2022

Agenda

- Audit Process
- Auditor Opinions and Reports
- Required Communications
- Overview of Financial Statements

Audit Process

- Internal Controls (including information technology)
- Analytical Procedures
  - Revenues and expenses
  - Trends, comparisons and expectations
- Substantive Procedures
  - Confirmation of account balances
  - Vouching to supporting documentation
  - Representations from attorneys and management
  - Examining objective evidence
- Compliance Testing
  - HUD – Regulatory Compliance
  - Oregon Minimum Standards

Auditor’s Reports

- HUD Audit Report (HUD Regulatory)
  - Issued September 28, 2021
  - Unmodified opinion
- Auditor’s Report (GAAS Standards)
  - Issued November 29, 2021
  - Unmodified opinion
- Oregon Minimum Standards (OR Statutes)
  - Unmodified opinion

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Communication with Those Charged with Governance

Auditor's Communication with The Board of Directors

- Auditor's Responsibility
- Scope and timing – Same as planned
- Significant Accounting Policies – Note 1
- Significant Estimates
    - Accounts receivable
- Disclosures
    - Note 8 – Long term debt
    - Note 13 – Risks and uncertainties (COVID 19)
- Significant Adjustments - None
- No Disagreements

Deficiencies in Internal Controls

- Material Weakness
  - None

- Significant Deficiencies
  - None

- Other
  - Other best practice and suggestions shared with management

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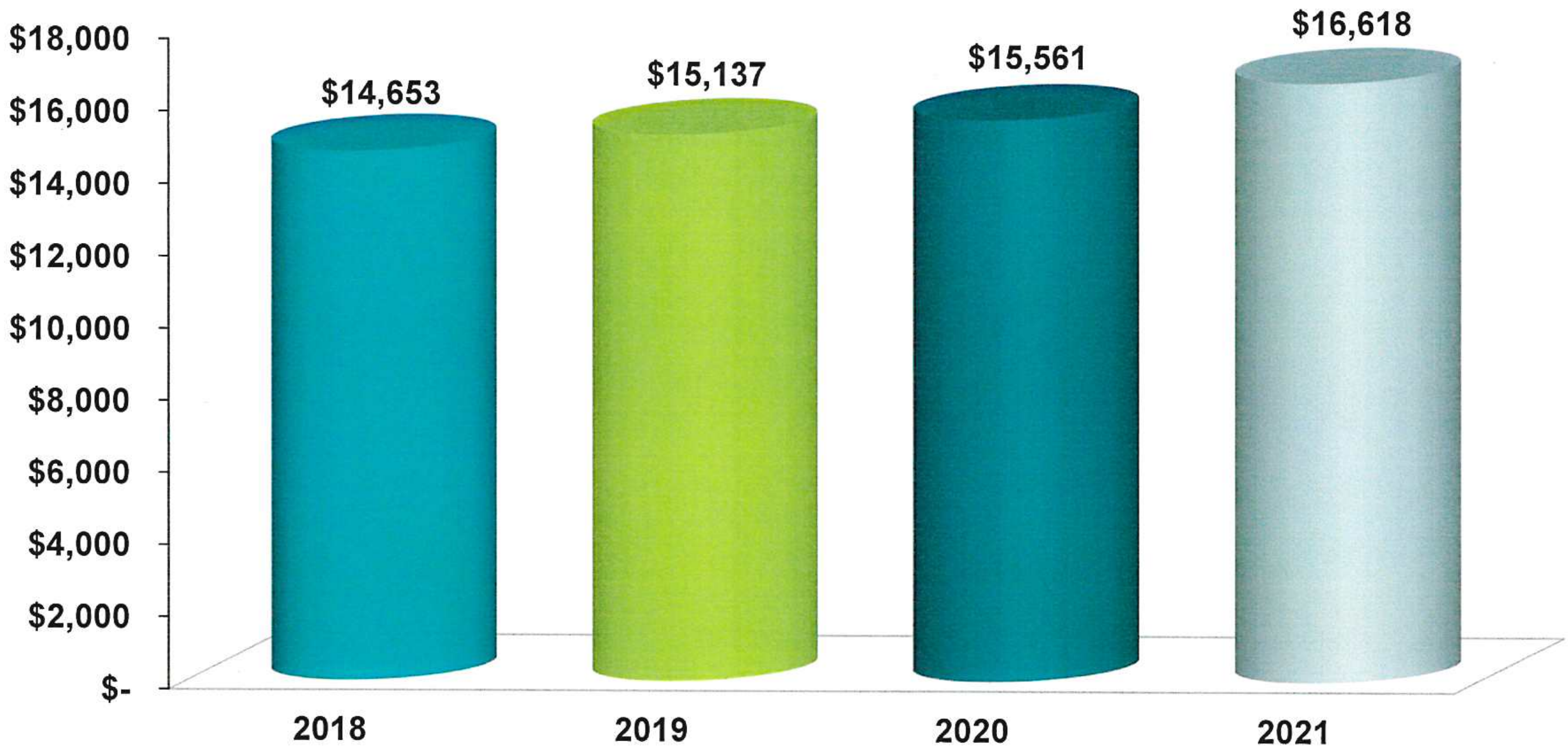
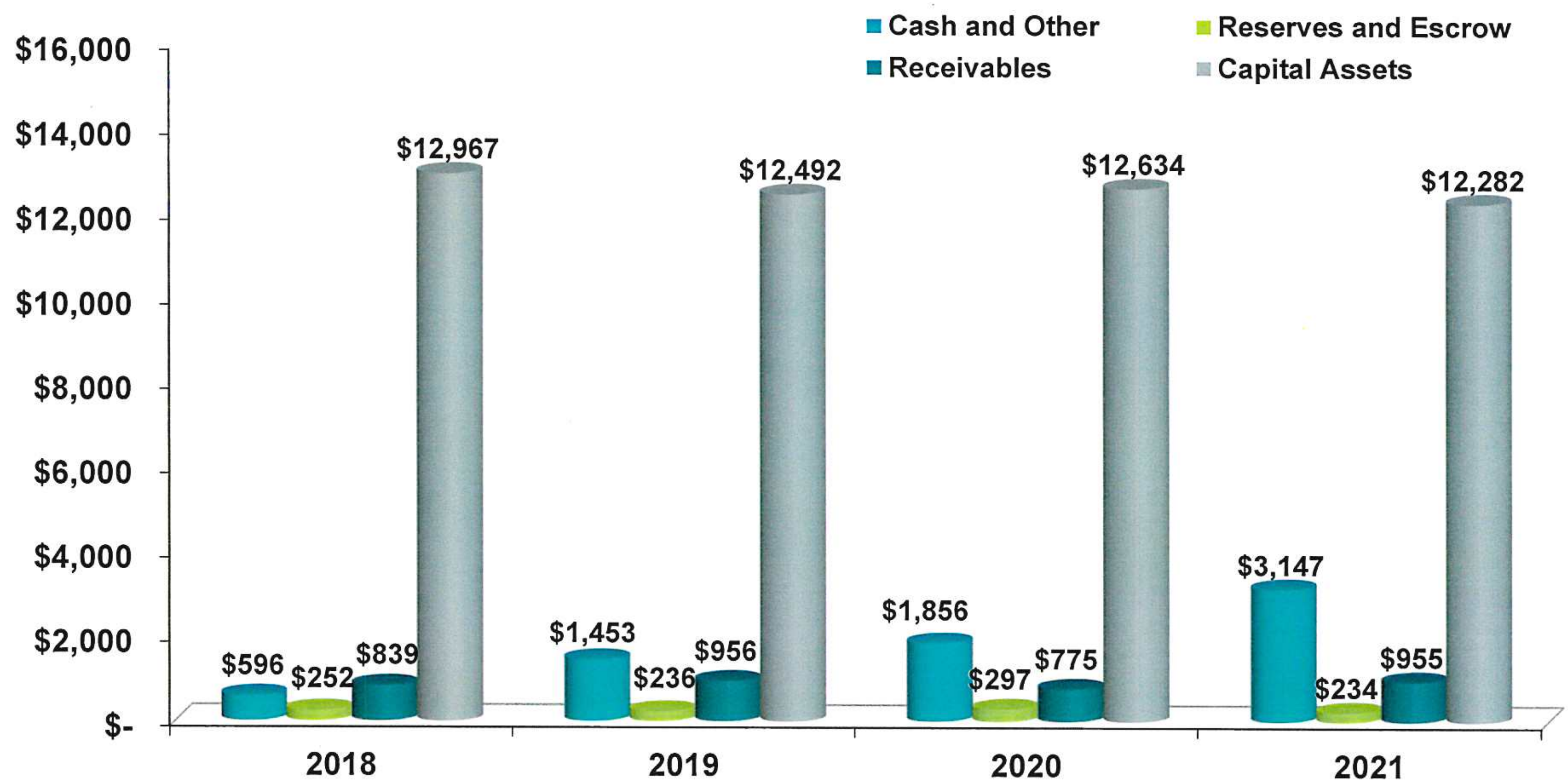
Financial Highlights

Total Assets – in thousands



Assets Breakdown – rounded to nearest thousand

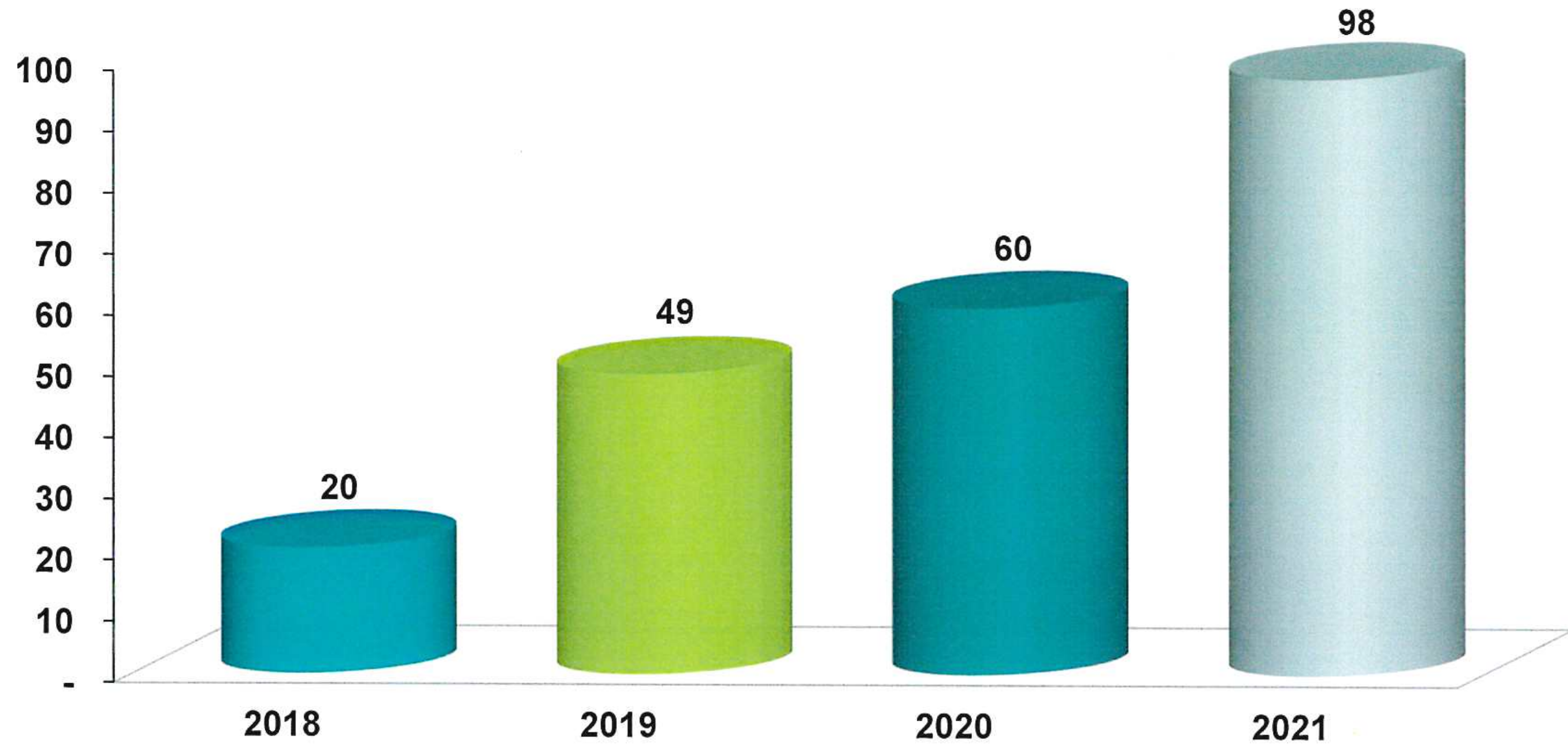


COVID 19 – Cares Act

- Provider Relief Funds (PRF)
  - Received $308,247 in FY 2020
  - Received $132,700 in Aug/Sept 2020
  - Potentially more opportunities for additional PRF funds

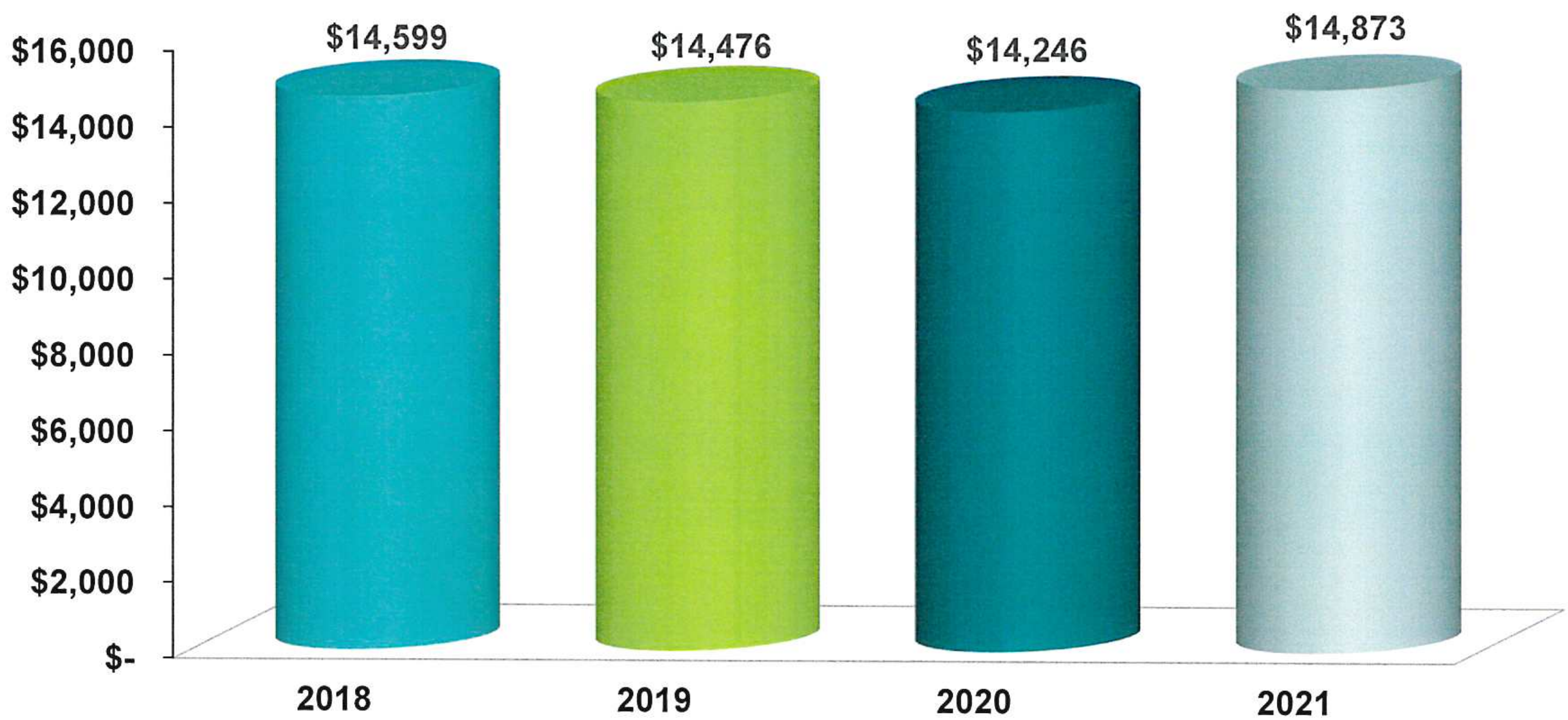
- Paycheck Protection Program (PPP) Loan
  - Received $1,246,999 in August 2020
  - Use limited for payroll, benefits, mortgage payment, rent utilities and interest
  - Forgiven in August 2021

Days Operating Cash on Hand

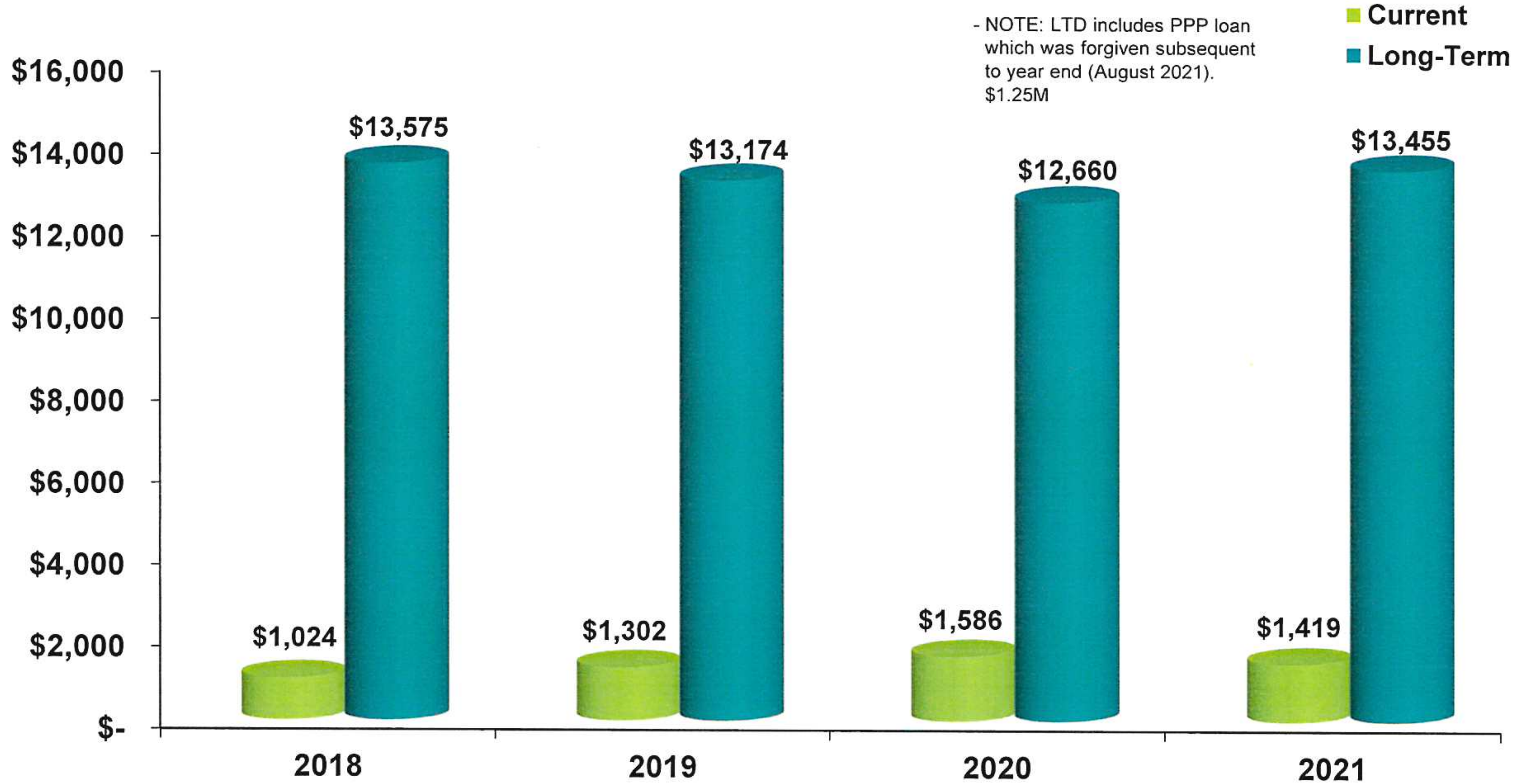


- Calculation = Cash/((Total operating expenses – depreciation + interest + current portion LTD)/365)

Total Liabilities – rounded to nearest thousand

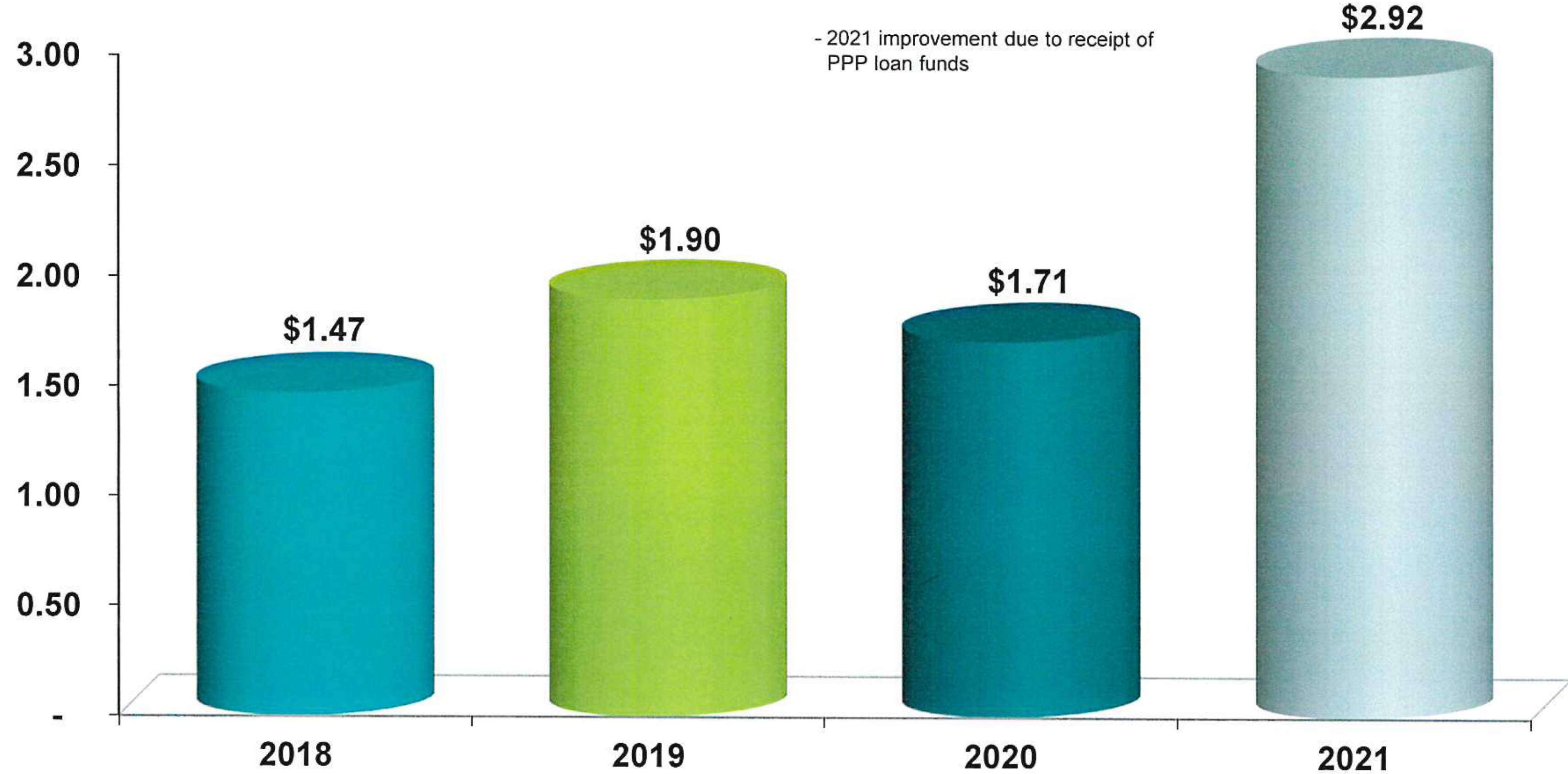


Liabilities Breakdown – rounded to nearest thousand

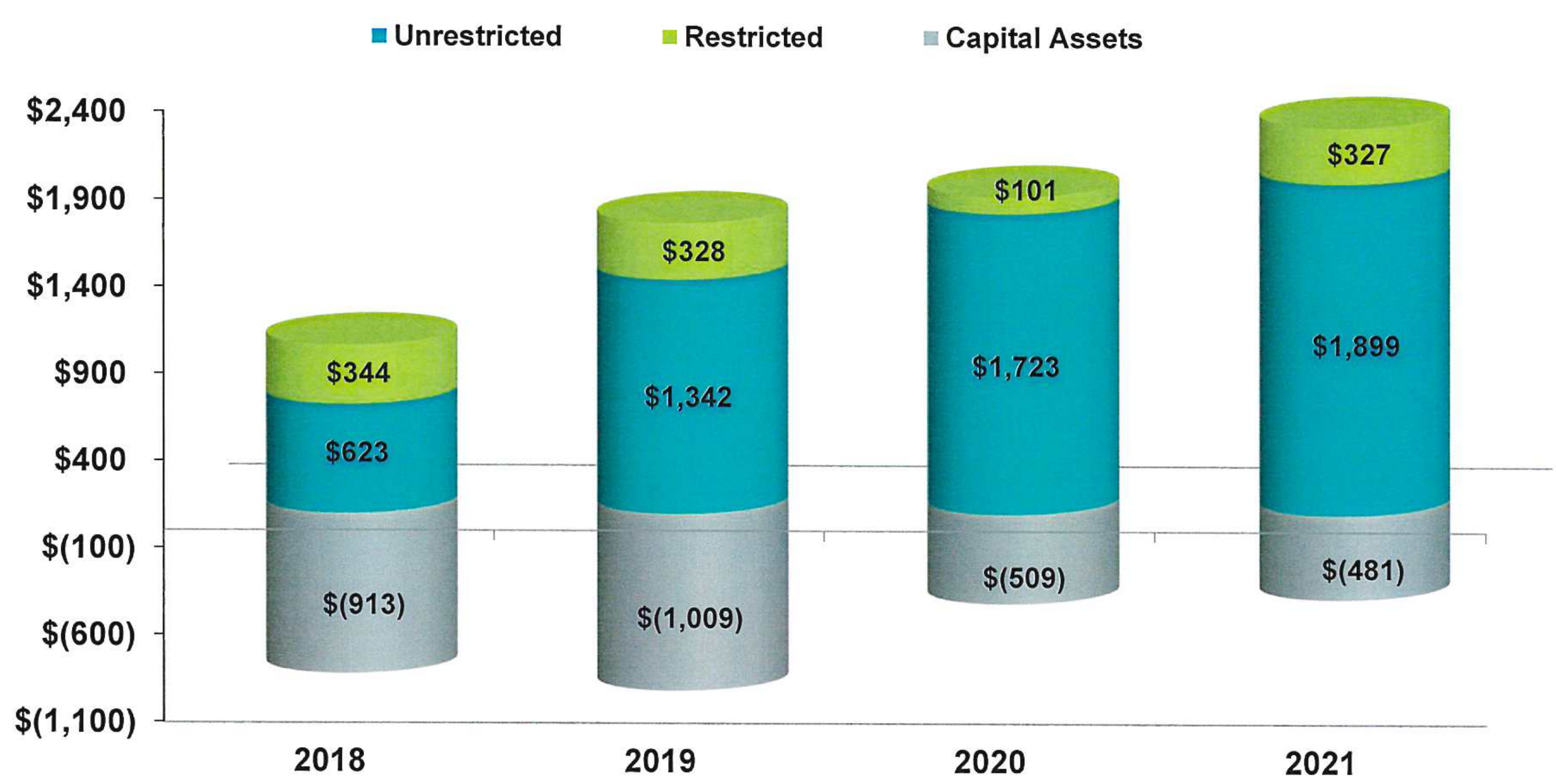


- 2020 current liabilities includes $289K of Provider Relief Funds received, not yet expended (total received in 2020 was $308k)

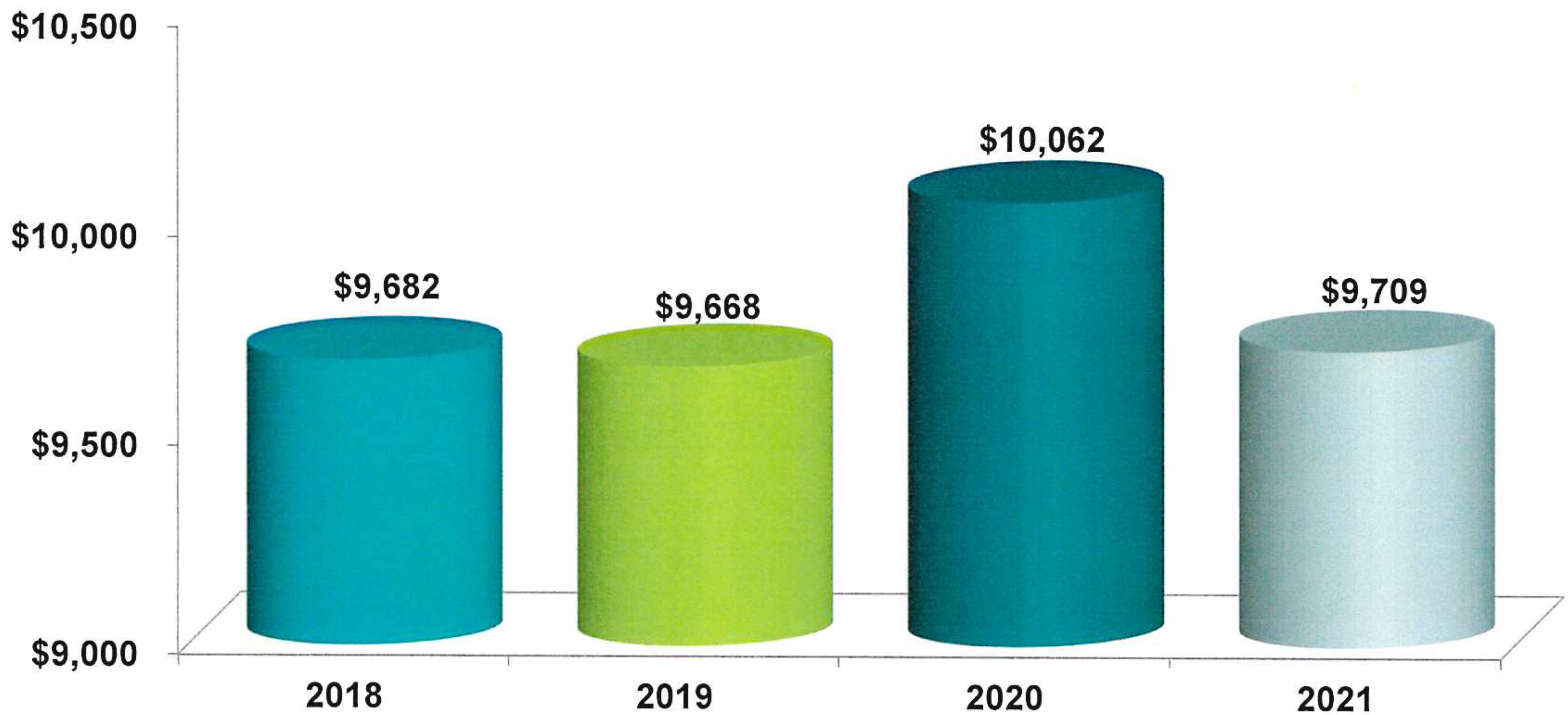
Current Ratio (measures short-term solvency)



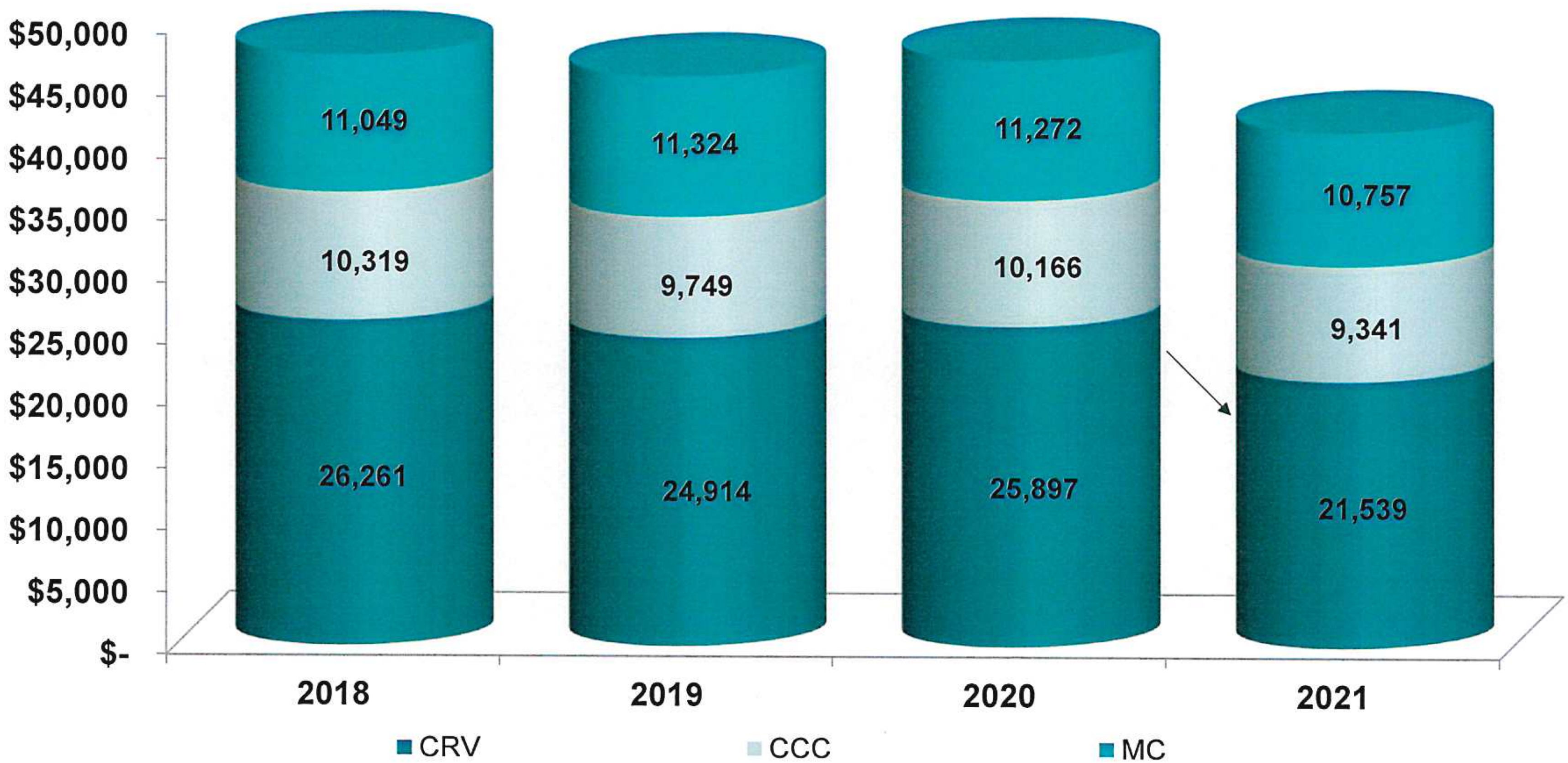
Net Assets – rounded to nearest thousand



Operating Revenue – rounded to nearest thousand

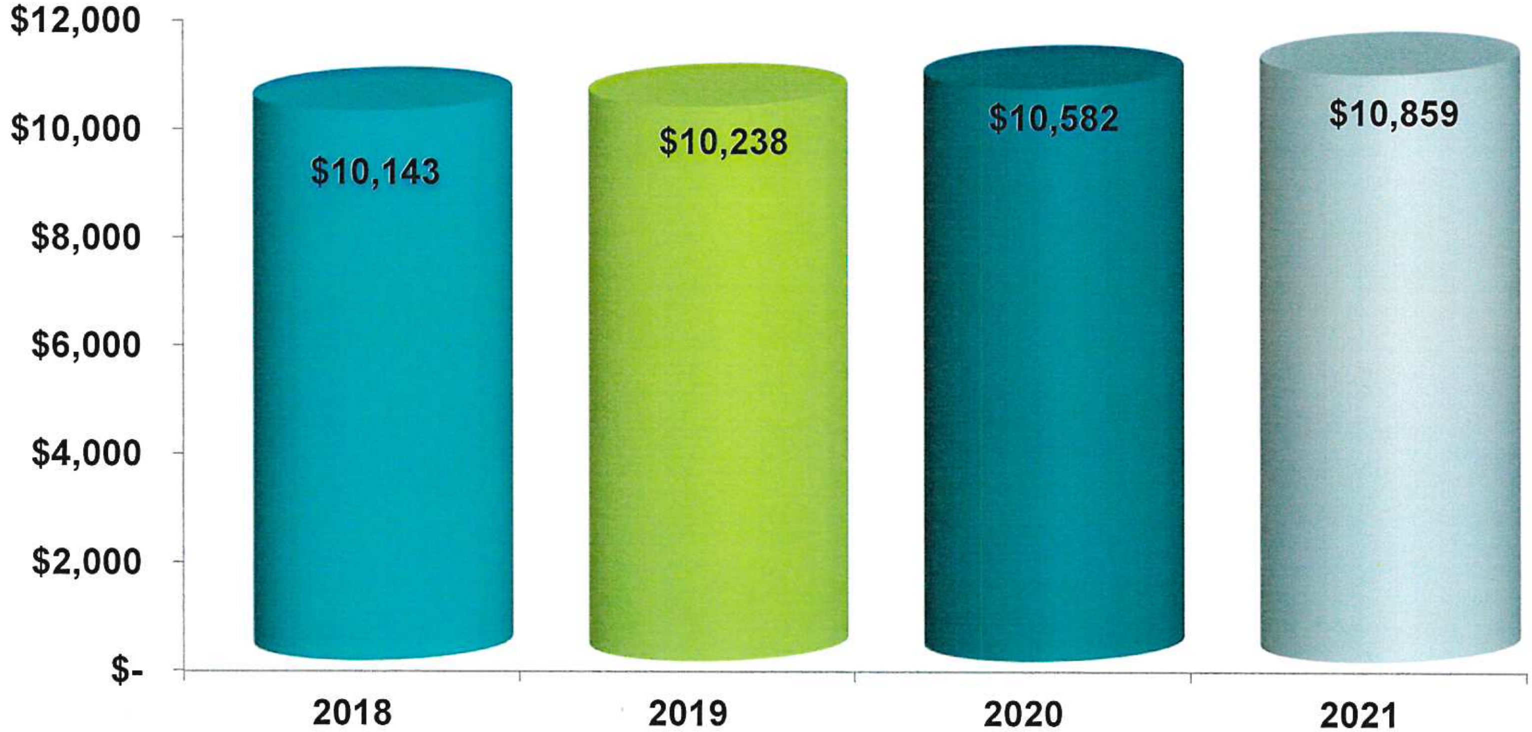


Census

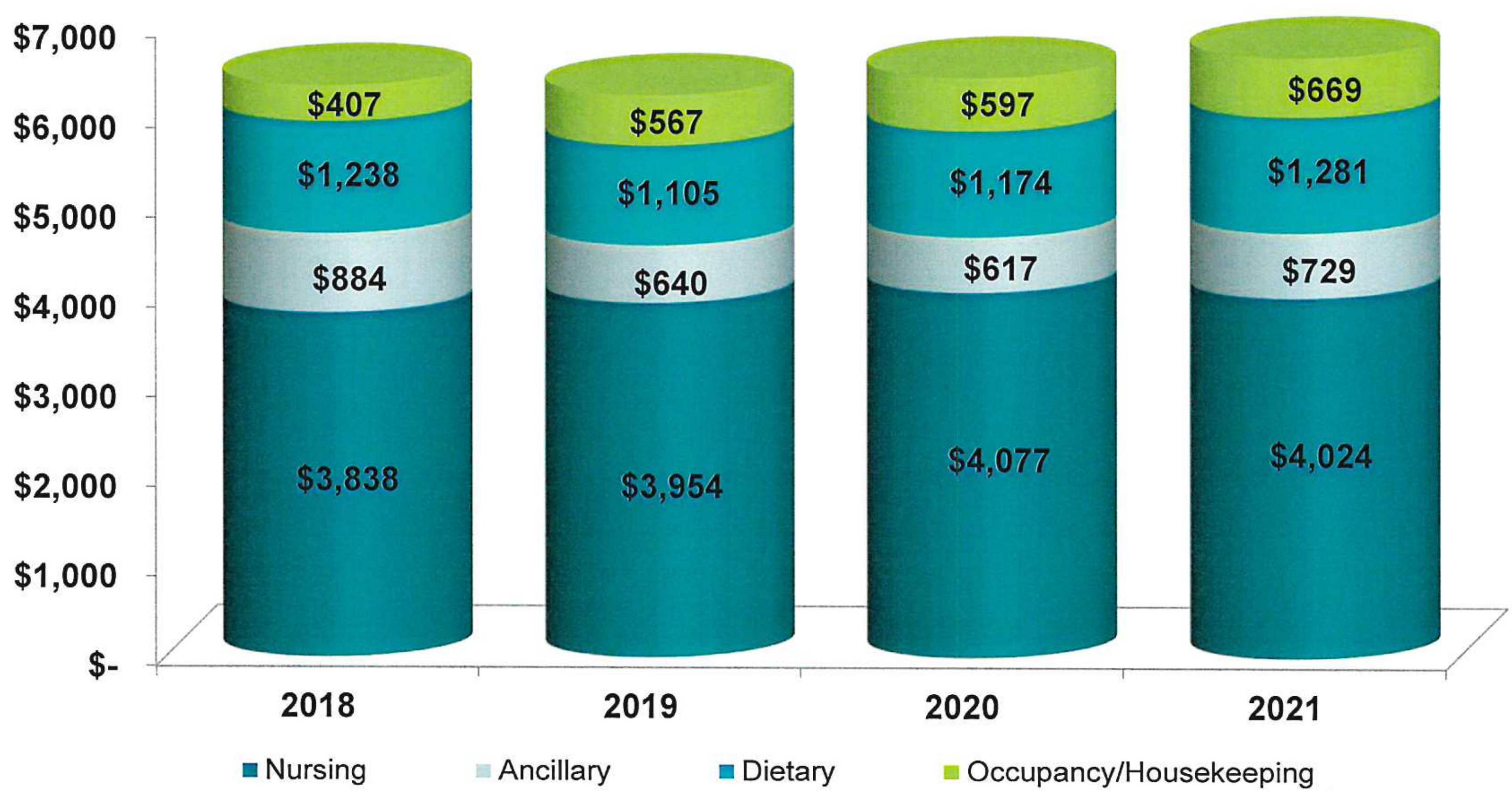


$50,000
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$-
11,049
10,319
26,261
11,324
9,749
24,914
11,272
10,166
25,897
10,757
9,341
21,539
2018
2019
2020
2021
CRV
CCC
MC

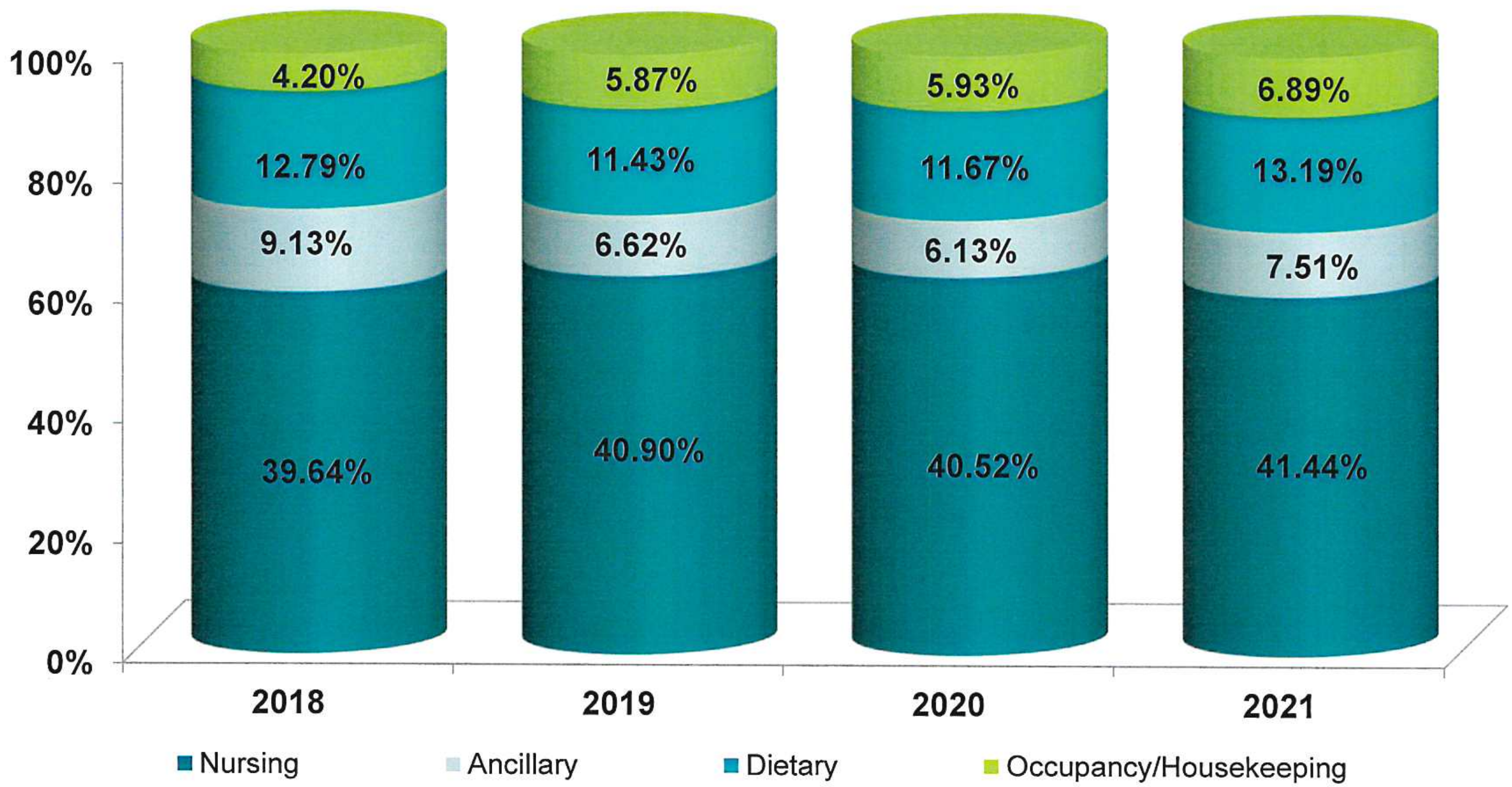
Operating Expenses – rounded to nearest thousand



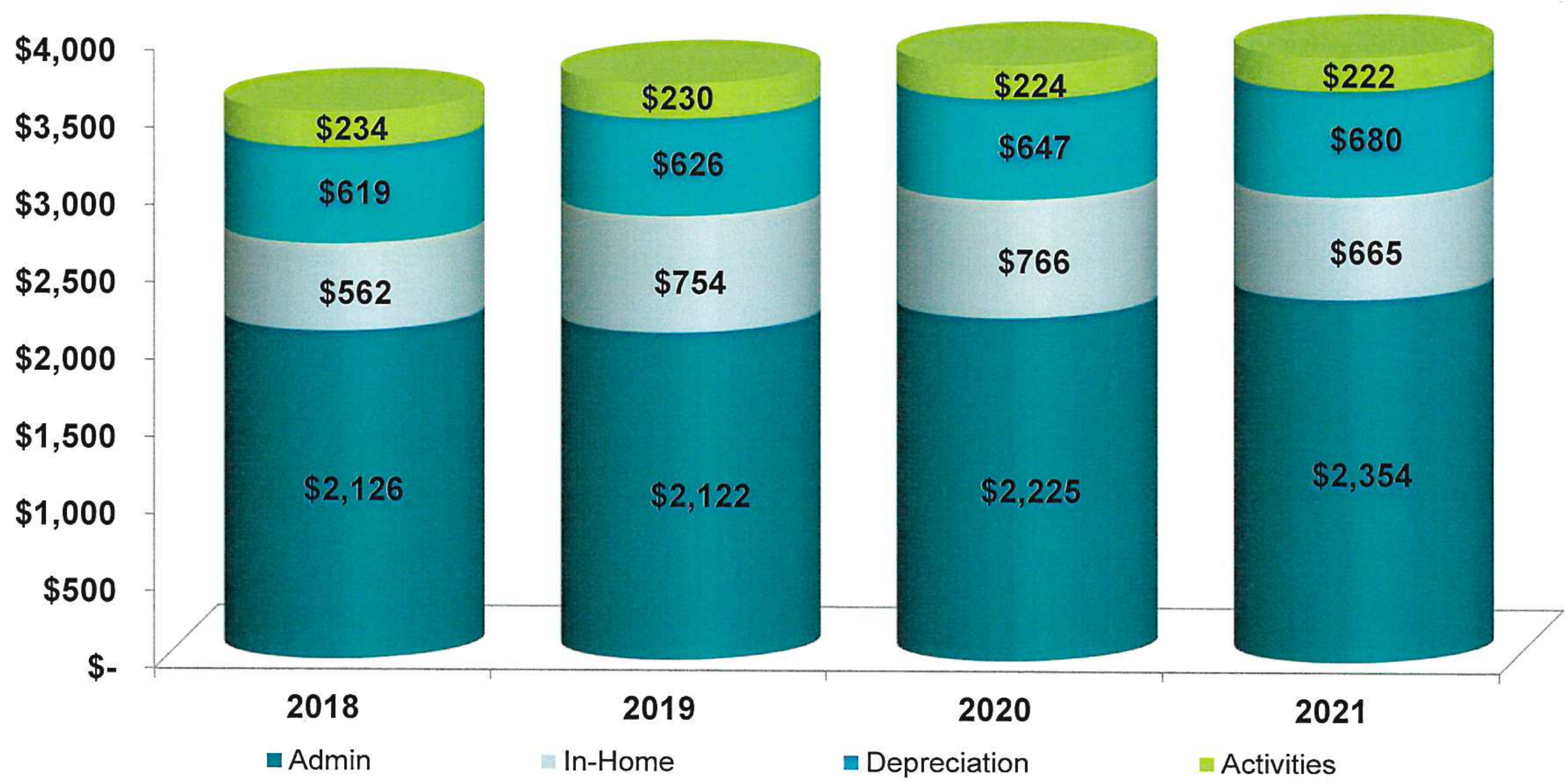
Expense Breakdown – rounded to nearest thousand (Census driven)



Cost of Services– (As a Percent of Revenue)



Expense Breakdown – rounded to nearest thousand (Non-Census Driven)



Marcy Boyd, Partner
Marcy.boyd@mossadams.com
(503) 478-2297

THANK YOU