



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements and Federal Single Audit Report

## Yakima Health District

For the period January 1, 2023 through December 31, 2023

*Published September 3, 2024*

Report No. 1035461



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**Office of the Washington State Auditor  
Pat McCarthy**

September 3, 2024

Board of Health  
Yakima Health District  
Union Gap, Washington

**Report on Financial Statements and Federal Single Audit**

Please find attached our report on the Yakima Health District's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the District's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## **Yakima Health District January 1, 2023 through December 31, 2023**

### **SECTION I – SUMMARY OF AUDITOR’S RESULTS**

The results of our audit of the Yakima Health District are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### **Financial Statements**

We issued an unmodified opinion on the fair presentation of the basic financial statements of the governmental activities and each major fund in accordance with accounting principles generally accepted in the United States of America (GAAP).

##### **Internal Control over Financial Reporting:**

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the District.

#### **Federal Awards**

##### **Internal Control over Major Programs:**

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the District’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

## Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
93.778	Medicaid Cluster - Medical Assistance Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The District qualified as a low-risk auditee under the Uniform Guidance.

## SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

## INDEPENDENT AUDITOR'S REPORT

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*

### **Yakima Health District January 1, 2023 through December 31, 2023**

Board of Health  
Yakima Health District  
Union Gap, Washington

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 and each major fund of the Yakima Health District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 27, 2024.

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

## REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District'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 financial statements. 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*.

## 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

August 27, 2024

## INDEPENDENT AUDITOR'S REPORT

### Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

#### **Yakima Health District January 1, 2023 through December 31, 2023**

Board of Health  
Yakima Health District  
Union Gap, Washington

### **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

#### **Opinion on Each Major Federal Program**

We have audited the compliance of the Yakima Health District, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2023. The District's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the 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 December 31, 2023.

#### **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 (GAAS); 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)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination on the 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 the District's federal programs.

## **Auditor's 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 the 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 GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a 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 judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- 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 the 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 the 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 the District's internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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 compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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.

### Purpose of this Report

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

August 27, 2024

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **Yakima Health District January 1, 2023 through December 31, 2023**

Board of Health  
Yakima Health District  
Union Gap, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Yakima Health District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Yakima Health District, as of December 31, 2023, and the changes in financial position 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 (GAAS) 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 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 opinions.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- 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 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 District's ability to continue as a going concern for a reasonable period of time; and
- 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 required supplementary information listed in the financial section of our report 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 comprise the District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This supplementary information is 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 information is 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 August 27, 2024 on our consideration of the District'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 effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

August 27, 2024

## **FINANCIAL SECTION**

### **Yakima Health District January 1, 2023 through December 31, 2023**

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2023

#### **BASIC FINANCIAL STATEMENTS**

Statement of Net Position – 2023

Statement of Activities – 2023

Balance Sheet – Governmental Funds – 2023

Statement of Revenues, Expenditures and Changes in Fund Net Position – Governmental  
Funds – 2023

Notes to Financial Statements – 2023

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Budgetary Comparison Schedule – Governmental Fund – 2023

Schedule of Changes in Total OPEB Liability and Related Ratios – 2023

Schedule of Proportionate Share of the Net Pension Liability (Asset) – PERS 1, PERS  
2/3 – 2023

Schedule of Employer Contributions – PERS 1, PERS 2/3 – 2023

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Expenditures of Federal Awards – 2023

Notes to the Schedule of Expenditures of Federal Awards – 2023

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Yakima Health District presents this narrative overview and analysis of its financial performance for the fiscal year ended December 31, 2023. We encourage the use of this discussion and analysis in conjunction with statements and supplemental schedules included in this report.

## FINANCIAL HIGHLIGHTS

- The District's overall financial position increased from fiscal year (FY) 2022 to 2023. Net position increased by \$2.9M during FY 2023 to \$14.7M. The change represents an increase of 24.3% in net position from the prior year.
- The final expenditure budget was adopted at \$10.1M. The 2023 final adopted budget represents a decrease of \$10.8M from the prior budget year 2022. Expected and actual COVID 19 operations decreased significantly in the current year.
- The District's net investment in capital assets decreased by \$98K to \$2.1M.

## Discussion of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the financial statements of Yakima Health District. The District's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* consist of a *statement of net position* and a *statement of activities*. They are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements focus on type of activities, rather than type of funds. These statements provide information about the activities of the District as a whole and present a long-term financial view.

The *statement of net position* presents information on all of the District's assets deferred outflows, liabilities and deferred inflows, with the difference reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. The net position is reported in three categories: invested in capital assets, restricted, and unrestricted. Increases or decreases in the net position are indicators of the District's financial health.

The *statement of activities* is a report on the results of the District's operations. This statement separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program). The statement presents the cost of each function and the extent to which each of the local government's functions, programs or services relies on taxes for funding. All changes in net position are reported using the accrual basis of accounting which requires that revenues are reported when they are earned and expenses are reported when the goods and services are received. Items such as uncollected taxes, unpaid vendor invoices for items received in 2023, pension liability changes, other postemployment benefits (OPEB), and



earned but unused vacation leave and a portion of sick leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed in 2023.

**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 Yakima Health District, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. There are two statements required - the balance sheet and the statement of revenues, expenditures, and changes in fund balance. General capital assets and general long-term liabilities are not reported in the governmental fund balance sheet. (They are reported in the government-wide financial statements.) The statement of revenues, expenditures, and changes in fund net balances reports information about the inflows, outflows, and balances of current financial resources of each major governmental fund.

**Notes to the financial statement.** The notes are essential to fair presentation of the basic financial statements. The notes include the summary of significant accounting policies and summary disclosure of such matters as significant contingent liabilities, significant effects of subsequent events, other postemployment benefits, pension plans, accumulated unpaid employee benefits (such as vacation and sick leave), material violations of finance-related legal and contractual provisions, and other significant commitments, any excess of expenditures over appropriations in individual funds or deficit balances of individual funds. Any other disclosures necessary in the circumstances are also included.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information; budgetary comparison schedule, other postemployment benefit, and pension schedules.

### **Condensed Comparative Financial Data**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Yakima Health District, assets exceeded liabilities by \$14.7M at the close of fiscal year 2023. This is a 24.3% increase from the prior year.

Approximately \$2.1M, 14.6%, reflects the District's investment in capital used to provide services to citizens. Consequently, these assets are not available for future spending. This category decreased by approximately \$98K compared to 2022 due to a combination of capital expenditures of \$35K, offset by depreciation expense of \$124K and lease liability of \$9K.

Restricted net position can only be spent on activities in accordance with external restrictions. Restricted net position increased to \$1.5M in 2023 from \$1.3M in 2022. The increase is mainly due to an increase in pension asset to \$968K. Additionally, Foundational Public Health Services (FPHS) funding contributed \$477K. FPHS funding was received in 2023 but will be expended in 2024. The District received a nongovernmental grant, Kresge, from a third party for public health training and community enhancement, \$49K. The unrestricted net position increased by \$2.8M

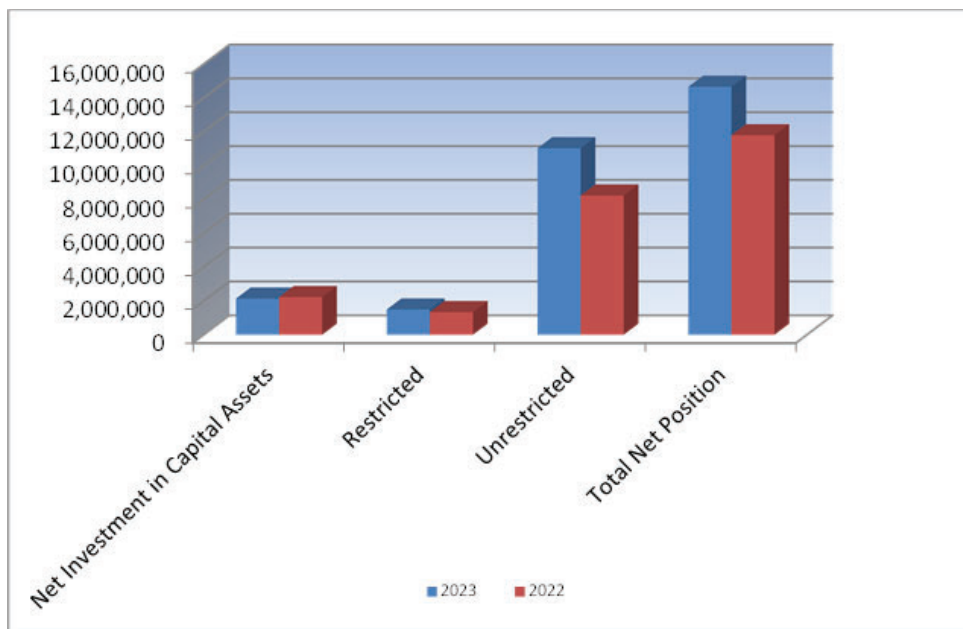
from the prior year mainly due to Public Health Assistance and an increase in revenue for Medicaid Administration Claims and Investment Income. A decrease in Pension liability and Other Post Employment Benefits also contributed to the increase in unrestricted net position.

The Health District receives annual funding, Public Health Assistance, that is flexible of \$1M that is used on varying organizational expenditures. From 2020 to 2022, the organization's focus was combatting COVID-19 in Yakima Valley. In 2023 the District experienced a shift from COVID operations to Foundational Public Health Services (FPHS) activities. FPHS revenue is state shared revenue that is expected to be a major source of funding for the District going forward. For 2023 FPHS funding was \$3.2M. The expenditures for FPHS operations were fully reimbursed, because of that the organization had excess annual flexible funding, which was moved into unrestricted net position at year-end. Medicaid Administration Claims (MAC), revenue based on cost pools of highly compensated medical staff, quarterly invoicing fell into arrears between 2020 and 2022. Invoicing in the current year generated an additional \$662K in revenue. Investment revenue of \$478K also had an impact on the current year unrestricted net position. A reduction in pension expense due to an increase in pension asset and decrease of deferred inflows for a net decrease of \$421K. A decrease in Other Post Employment Benefits liability, \$194K, also contributed to the increase in unrestricted net position.

Current and other assets increased by approximately \$2.5M to \$14.1M from 2022 to 2023. This comprises an increase of \$2.3M in cash and cash equivalents. An increase in accounts receivable of \$151K accounts for the remaining increase in current and other assets. Noncurrent other assets comprise the District's pension asset, see pension note 8 for further details. Changes in deferred inflows and outflows are the result of OPEB and pension adjustments. Please see corresponding notes for further details. Capital assets decreased \$89K due to depreciation and amortization, offset by equipment and technology purchases. Current liabilities increased by \$98K, 11%, from 2022 mainly due to account payables. Long-term liabilities decreased approximately \$195K, 9.7%, due to a decrease in other post-employment benefits, \$194K, and incremental decreases in other noncurrent liabilities.

### Net Position of Governmental Activities

	Governmental Activities		Variance	%
	2023	2022	Positive (Negative)	Change
<b>Assets</b>				
Current and Other Assets	\$ 14,145,215	\$ 11,688,329	\$ 2,456,886	21.02%
Noncurrent Other Assets	968,273	765,937	202,336	26.42%
Capital Assets	2,137,539	2,226,376	(88,837)	-3.99%
Total Assets	17,251,027	14,680,642	2,570,385	17.51%
<b>Deferred Outflows of Resources</b>	848,548	829,378	19,170	2.31%
<b>Liabilities</b>				
Current Liabilities	993,279	894,896	98,383	10.99%
Long-term Liabilities	1,825,999	2,021,481	(195,482)	-9.67%
Total Liabilities	2,819,278	2,916,377	(97,099)	-3.33%
<b>Deferred Inflows of Resources</b>	624,503	802,940	(178,437)	-22.22%
<b>Net Position</b>				
Net Investment in Capital Assets	2,128,327	2,226,376	(98,049)	-4.40%
Restricted	1,493,941	1,337,677	156,264	11.68%
Unrestricted	11,033,526	8,226,650	2,806,876	34.12%
Total Net Position	\$ 14,655,794	\$ 11,790,703	\$ 2,865,091	24.30%



The District's total revenues in 2023 increased by \$1.2M or 11.2%. The largest contributor to the increase in revenue is due to Foundational Public Health Services funding. In 2020, the Health District pivoted from daily operations to combat the threat of COVID-19. However, in 2022 the community need for COVID services decreased resulting in a dramatic decrease in operating grants and contributions in 2023. Organizational funding in 2023 and in the future is FPHS activities. Charges for services increase is due to a rate increase by Washington State Department of Social and Health Services for the Developmental Disability program. The current year also experienced a sizable increase in investment income.

#### **Changes in Net Position**

	<b>Governmental Activities</b>		Variance	%
	2023	2022	Positive (Negative)	Change
<b>Revenues</b>				
Charges for Services	\$ 4,567,511	\$ 3,581,125	\$ 986,386	27.54%
Operating grants and contributions	2,758,996	4,922,154	(2,163,158)	-43.95%
General revenues				
Public Health Assistance	4,232,477	2,692,982	1,539,495	57.17%
Investment Earnings (Loss)	478,230	(371,360)	849,590	-228.78%
Total Revenues	12,037,214	10,824,901	1,212,313	11.20%
<b>Expenditures</b>				
Public Health	9,172,123	8,602,529	569,594	6.62%
Total Expenditures	9,172,123	8,602,529	569,594	6.62%
Change in Net Position	2,865,091	2,222,372	642,719	28.92%
Net Position, beginning of period	11,790,703	9,568,331	2,222,372	23.23%
Net Position, end of period	\$ 14,655,794	\$ 11,790,703	\$ 2,865,091	24.30%

#### **Overall Analysis of Financial Position and Result of Operations**

Although the District has a significant amount of unrestricted net position, the District is carefully monitoring revenues and keeping expenses in line with resources. Total net position increased \$2.4M, 22.2%, in 2023 compared to 2022. The organization's activities were funded mainly by FPHS, state shared revenue, in 2023 creating excess public health assistance. The organization had increases in service revenue that was also a factor that increased the net position.

The financial policy of the Board of Health is that all programs should be completely funded by grants or other determined revenue sources. The use of the fund balance should be closely examined and reviewed. Prudent management of expenses and regular review of monthly financial statements by the management team contributed to diligent fiscal oversight.

#### **Fund Analysis**

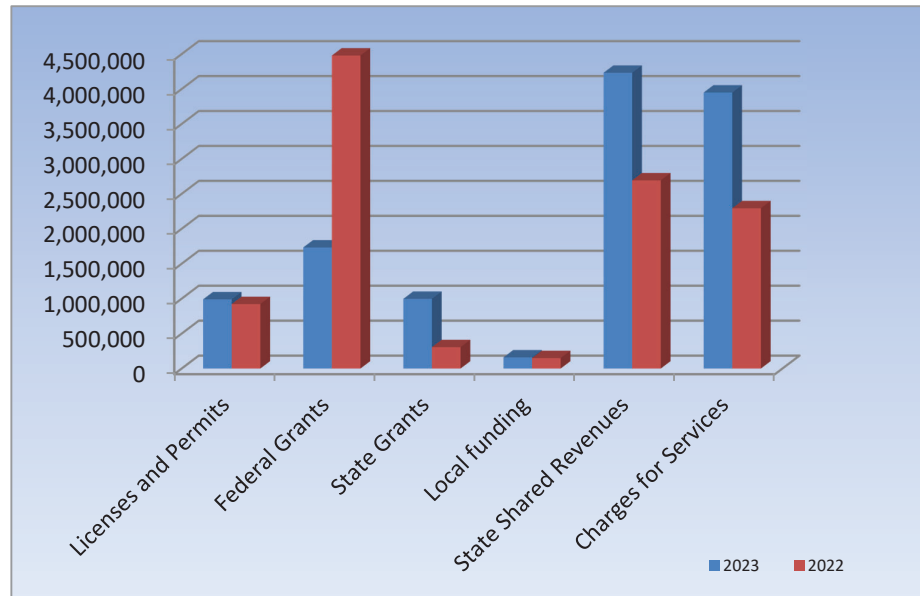
The general fund reported an ending net position of \$13.2M which was an increase of \$2.4M over 2022 net position. Due to diligent program management. Federal grants decreased due to COVID 19 operations subsiding. FPHS activities increased state shared revenue while charges for services increased due to an increase in Developmental Disability and investment interest revenue. Expenses decreased compared to the previous year due to a decrease in the community's need for COVID-19 support.

Restricted fund balance decreased by \$46K due to external restrictions to \$526K in 2023. The District has restrictions for Foundational Public Health Services (FPHS), \$477K, and the Kresge Foundation, \$49K. The Health District received \$3.2M from FPHS for public health operations. The District expended \$2.8M of FPHS funding in 2022 creating a restricted balance at the end of the year. The organization is able to utilize FPHS funding received in calendar year 2022 for calendar year 2023 expenditures. Finally, the remaining restricted fund balance is from a 3<sup>rd</sup> party nongovernmental grant, Kresge contribution. The unassigned fund balance increased by \$2.5M from the prior year to \$12.4M due to Public Health Assistance funds, MAC revenue, investment income and a decrease in restricted balances.

Revenue increased from the prior year by \$1.2M, 11.2%. Federal grant funding saw a decrease of \$2.7M from 2022 due to the communities' decreased need for assistance to combat COVID-19. State grant revenue increased as funding for the breast and cervical cancer treatment program shifted to state funding. State shared revenue had an increase of \$1.5M due to additional Foundational Public Health Services funding. Charges for services increase of \$1.7M was a combination of Department of Social and Health Services (DSHS) rate increase for the District's development disability program and an increase in investment interest revenue.

#### Revenues, Expenses and Changes in Fund Balance

	General Fund		Variance	%
	2023	2022	Positive (Negative)	Change
Licenses and Permits	\$ 990,570	\$ 922,857	\$ 67,713	7.34%
Federal Grants	1,732,573	4,479,353	(2,746,780)	-61.32%
State Grants	997,705	306,438	691,267	225.58%
Local funding	160,000	150,000	10,000	6.67%
State Shared Revenues	4,232,477	2,692,982	1,539,495	57.17%
Charges for Services	3,950,041	2,294,263	1,655,778	72.17%
Total Revenues	12,063,366	10,845,893	1,217,473	11.23%
<b>Expenses</b>				
Public Health	9,662,246	9,962,926	(300,680)	-3.02%
Total Expenses	9,662,246	9,962,926	(300,680)	-3.02%
Change in Net Position	2,401,120	882,967	1,518,153	171.94%
Net Position, beginning of period	10,813,682	9,930,715	882,967	8.89%
Net Position, end of period	\$ 13,214,802	\$ 10,813,682	\$ 2,401,120	22.20%



The District does not believe that it has any restrictions, commitments, or other limitations that significantly affect the availability of operational fund resources in the future.

### **Budget Variance in the General Fund**

The final 2023 expense budget was adopted at \$10.1M. This is a decrease of approximately \$9.7M, 51.6%, from the 2022 budget. Expected and actual COVID 19 expenditures decreased significantly in the current year. Management continues to reevaluate staffing needs and watch the inflow of revenue. The Board of Health does not approve the budget of any program when funding is uncertain.

### **Capital Asset and Long-Term Liability Activity**

#### ***Capital Assets***

The net capital assets decreased from the previous year due to depreciation and amortization. The District entered into a right to use asset contract to lease copy machines. The following shows capital asset balances, net, as of December 31, 2023 and 2022:

	2023	2022
Land	\$ 376,742	\$ 376,742
Buildings	1,302,760	1,332,022
Equipment	381,088	425,332
Other Improvements	68,129	74,763
Right to Use Equipment	8,820	17,517
Total capital assets (net)	\$ 2,137,539	\$ 2,226,376

See Note 5, Capital Assets.

### ***Long Term Liabilities***

Long-term liabilities, \$1.8M, consist of; leases \$6K, compensated absences totaling \$188K, net pension liability of \$418K, and other post-employment benefits of \$1.2M.

See Note 11, Long-Term Liabilities.

### **Contacting The District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the District's finances and to show the District's accountability for the money it receives. The financial statements are audited on an annual basis by the Washington State Auditor's Office in accordance with OMB Circular Uniformed Guidance. Upon completion of the audit and issuance of the audit report, the report will be available by contacting the District. Other questions about additional financial information should be addressed to:

Yakima Health District  
1210 Ahtanum Ridge Drive  
Union Gap, WA 98903  
(509) 575-4040

**YAKIMA HEALTH DISTRICT  
STATEMENT OF NET POSITION  
December 31, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash	\$ 65,327
Revolving Fund/Petty Cash	8,000
Restricted Temporary Investments	525,668
Temporary Investments	12,325,715
Accounts Receivable	196,296
Due From Other Government	966,732
Prepaid Expenses	57,477
<b>Total Current Assets</b>	<b>14,145,215</b>
<i>Noncurrent Assets</i>	
Capital Assets Not Being Depreciated:	376,742
Capital Assets Being Depreciated (net)	1,751,977
Right to Use Equipment Being Amortized (net)	8,820
Net Pension Asset	968,273
<b>Total Noncurrent Assets</b>	<b>3,105,812</b>
<b>Total Assets</b>	<b>17,251,027</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Amounts Related to OPEB	35,322
Amounts Related to Pensions	813,226
<b>Total Deferred Outflows of Resources</b>	<b>848,548</b>
 <b>LIABILITIES</b>	
<i>Current Liabilities</i>	
Accounts Payable	479,992
Wages Payable	108,238
Other Accrued Expenses	175,536
Other Postemployment Benefits	70,643
Due To Other Government	20,027
Compensated Absences	135,430
Lease Payable	3,413
<b>Total Current Liabilities</b>	<b>993,279</b>
<i>Noncurrent Liabilities</i>	
Lease	5,799
Compensated Absences	187,813
Net Pension Liability	418,356
Other Postemployment Benefits	1,214,031
<b>Total Noncurrent Liabilities</b>	<b>1,825,999</b>
<b>Total Liabilities</b>	<b>2,819,278</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Amounts Related to Pensions	624,503
<b>Total Deferred Inflows of Resources</b>	<b>624,503</b>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	2,128,327
Restricted for:	
Pension Asset	968,273
Foundational Public Health Services	477,085
Kresge Foundation	48,583
Unrestricted	11,033,526
<b>Total Net Position</b>	<b>\$ 14,655,794</b>



**YAKIMA HEALTH DISTRICT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Local Contributions	Governmental Activities
Primary Government				
Public Health	\$ 9,172,123	\$ 4,567,511	\$ 2,758,996	\$ (1,845,616)
<b>Total Governmental Activities</b>	<b>9,172,123</b>	<b>4,567,511</b>	<b>2,758,996</b>	<b>(1,845,616)</b>
General revenues:				
Public Health Assistance				4,232,477
Investment Earnings				478,230
Total General Revenues				4,710,707
Change in Net Position				2,865,091
Net Position Beginning				11,790,703
Net Position Ending				\$ 14,655,794

**YAKIMA HEALTH DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2023**

	<u><b>General Fund</b></u>
<b>ASSETS</b>	
Cash	\$ 65,327
Revolving Fund/Petty Cash	8,000
Temporary Investments	12,851,383
Accounts Receivable	196,296
Due From Other Government	966,732
Prepaid Expenses	57,477
Total Assets	<u>14,145,215</u>
<b>LIABILITIES</b>	
Accounts Payable	479,992
Wages Payables	108,238
Accrued Expenses Payable	175,536
Due To Other Government	20,027
Total Liabilities	<u>783,793</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenues	146,620
Total Deferred Inflows of Resources	<u>146,620</u>
<b>FUND BALANCES</b>	
Nonspendable - Prepaid	57,477
Restricted	
Foundational Public Health Services	477,085
Kresge Foundation	48,583
Committed	
Capital Outlay	223,206
Unassigned	12,408,451
Total Fund Balances	<u>13,214,802</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u><u>\$ 14,145,215</u></u>
<b>Reconciliation of amounts reported on Fund Statement to Government-Wide Statement of Net Position</b>	
Amounts reported for governmental activities in the statement are different because amount in Balance Sheet Fund statement is:	\$ 13,214,802
Add: Net Capital, Net Right to Use Equipment, and Net Pension Assets, used in governmental activities are not financial resources and therefore are not reported in the fund statement	3,105,812
Add: Some Accounts receivable and Due from Other Government are not collected within 60 days of year-end and therefore are not reported in the fund statement	146,620
Minus: Some long term liabilities are not due and payable in the current period and therefore are not reported in the fund statement. See Note 11	(2,035,485)
Add Deferred outflows related to pensions (\$813,226) and related to OPEB (\$35,322) minus Deferred inflows related to pensions (\$624,503)	224,045
<b>Net Position of Governmental Activities</b>	<u><u>\$ 14,655,794</u></u>

**YAKIMA HEALTH DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Governmental Funds**  
**Year Ended December 31, 2023**

	General Fund
<b>Revenues</b>	
Licenses and Permits	\$ 990,570
Federal Grants	1,732,573
State Grants	997,705
Local funding	160,000
Public Health Assistance	4,232,477
Fees for Services and Miscellaneous	3,950,041
Total Revenues	<u><b>12,063,366</b></u>
<b>Expenditures</b>	
Current:	
Health	
Personnel Services	4,916,050
Supplies	231,977
Other Services and Charges	4,471,307
Debt Service:	
Principal	6,372
Interest and Other Charges	1,110
Capital Outlay	35,430
Total Expenditures	<u><b>9,662,246</b></u>
Excess (deficiency) of revenues over expenditures	2,401,120
Net Change in Fund Balance	2,401,120
Fund Balance as of January 1, 2023	10,813,682
<b>Fund Balance as of December 31, 2023</b>	<u><b>\$ 13,214,802</b></u>

**Reconciliation to the Statement of Activities**

Reconciliation of amounts reported on this statement and government wide statement of activities:

Net Changes in Fund balances, total Governmental Funds	\$ 2,401,120
Governmental fund report capital outlays and lease liability payments as expenditures. However, in the statement of activities the cost of those assets (\$35,430) is allocated over their estimated useful lives. This adjustment is reduced by the depreciation and amortization already expensed by (\$124,267). The lease liability principle payment is adjusted by (\$6,372).	(82,465)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund-level statement.	146,620
Revenues providing current financial resources which were reported in the prior year statement of activities.	(172,772)
Expenses for increase in employee leave accruals (\$41,073), decrease in net pension liabilities (\$421,060) and decrease in net OPEB (\$192,601), including corresponding deferred inflows and outflows, incurred during the period related to liabilities that are still outstanding and not yet due at year-end, and not reported in the funds.	572,588
<b>Change in Net Position of Governmental Activities</b>	<u><b>\$ 2,865,091</b></u>

The Accompanying Notes are an Integral Part of This Statement

**YAKIMA HEALTH DISTRICT**  
**Notes to Financial Statements**  
**December 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Yakima Health District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

**A. Reporting Entity**

The Yakima Health District was incorporated in 1911 and operates under the laws of the state of Washington applicable to public health jurisdictions. The District was created by the City of Yakima and Yakima County as a local health jurisdiction governed by a local Board of Health. The Board operates under authority of the Revised Code of Washington 70.05. It consists of three County commissioners, two elected officials, four citizen representatives from the community and one Tribal representative. This governing board sets policies, approves appropriations and expenses, establishes local ordinances, and is generally responsible for the administration and operation of the District.

As required by generally accepted accounting principles, the financial statements present the District as the primary government with no component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the Yakima Health District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District's policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the

current period. For this purpose, the Yakima Health District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Licenses, permits, interest and other charges associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The Yakima Health District reports its one and only major governmental fund. The general fund is the Yakima Health District's operating fund. It accounts for all financial resources of the general government.

#### **D. Budgetary Information**

##### **1. Scope of Budget**

The annual appropriated budget is adopted on the full accrual basis of accounting.

All annual appropriations for general revenue (current expense) fund lapse at year-end except for capital outlay projects, which are carried forward from year to year until fully expended or the purpose of the appropriation has been accomplished or abandoned.

The District's managers may transfer appropriations within the related programs. The budget constitutes the legal authority for expenditures of all programs.

##### **2. Amending the Budget**

The Administrator and the Chief Fiscal Officer are authorized to transfer budgeted amounts within any object class within departments. However, any revisions that alter the total expenditures of Yakima Health District, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Board of Health.

When the Yakima Health District determines that it is in the best interest of the District to increase or decrease the appropriation for the agency, it may do so by resolution approved by a majority of the Board of Health members. A majority must include at least two county commissioners.

The budget amounts shown in the Management Discussion and Analysis (MD&A) are the final authorized amounts for the year.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

## **E. Assets, Liabilities and Net Position or Fund Balance**

### **1. Cash and Cash Equivalents**

It is the Yakima Health District's policy to invest all temporary cash surpluses. The amount is classified on the balance sheet as temporary investments.

The Treasurer also holds cash on behalf of the District. Similar to temporary investments, the County Treasurer accounts for these funds in an agency fund.

See Note 4, Deposits and Investments.

### **2. Temporary Investments**

As required by state law, investments of the District's funds are in obligations of the U.S. Government, the State Treasurer's Investment Pool, or deposits with Washington State Banks and Saving & Loan institutions. The District's investments are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). The investments are valued at fair market value.

### **3. Receivables**

Customer accounts receivable consist of amounts owed by private individuals or organizations for goods and services including amounts owed on open account from private individuals or organizations for goods and services rendered.

### **4. Amounts Due to and from Other Governmental Units**

These accounts include amounts due to or from other governments for grants, warrants, entitlements, and charges for services in the normal everyday course of business.

### **5. Prepayments**

Prepayments made for services and supplies that will benefit a future period are recorded as prepaid items. This includes advance payments for postage machine and insurance premiums, both are expensed the following fiscal year.

### **6. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental column in the government-wide financial statement. Capital assets are defined by the Yakima Health District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation when they exceed the capitalization limit of \$5,000.

Costs for additions or improvements to capital assets are capitalized when they significantly increase the value of, enhance the performance of, or change their useful life.

The costs for normal maintenance and repairs are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The District's capital activity for the year is consistent of improvement and equipment purchases.

With the implementation of GASB Statement 87, Leases, the right to use assets are being amortized over the same useful lives as the asset category of the underlying assets. In the event that the assets life is equivalent to the lease term, the District's right to use asset is amortized over the life of the lease from implementation through lease term end.

Property, plant, and equipment are depreciated using the straight-line method over their estimated useful life of such assets.

Description	Useful life	Salvage Value
Land	Unlimited	100%
Buildings	50	20%
Office Equipment & Furniture	20	0%
Building Equipment & Fixtures	15	0%
Computer Equipment and related peripherals	5	0%

#### 8. Lease Liability and Right to Use Asset

Lease Liability consists of amounts recorded in compliance with GASB 87, *Leases*. The District has recorded the Lease Liability and associated Intangible, right to use, asset.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized using the straight-line basis over the same useful lives as the asset category of the underlying assets. If the assets life is equivalent to the lease term, the District's right to use asset is amortized over the life of the lease from implementation through lease term end.

Key estimates and judgements related to lease include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

See Note 6, Leases, for more information.

9. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation (and sick) leave. All vacation and sick leave are accrued when earned in the government-wide financial statements.

Vacation pay, which may be accumulated up to 256 hours is payable upon resignation, retirement or death.

Sick leave policy states that outstanding sick leave is lost upon resignation. However, employees eligible for retirement benefits are allowed to receive 25% of total accumulated sick leave.

10. Other Accrued Liabilities

These accounts consist of accrued wages and accrued employee benefits. It also includes obligations to private agencies awaiting final billings.

11. Long-Term Liabilities

In the government-wide financial statements, long term liabilities consist of compensated absences payable after one-year, net pension liability, and other postemployment benefits.

12. Other Postemployment Benefits

The District uses the state managed Public Employee Benefits Board (PEBB) provided through Washington State Health Care Authority (HCA) to purchase medical insurance for employees. Retirees are grouped with current employees/members in PEBB to allow retirees to receive a lower premium, creating an implicit subsidy. This subsidy creates a liability due to the fact that current contributions are used to fund medical costs for retirees now and in the future. Thus, retirees are receiving postemployment benefits. To calculate the organization's Other Postemployment Benefit (OPEB) liability, an alternative measurement method was used.

13. Pensions

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. 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.

For purposes of calculating the restricted net position related to the net pension asset, the District includes the net pension asset only.

14. Fund Balance Classification

On the Balance Sheet-Governmental Funds, assets in excess of liabilities are reported as fund balances and are segregated into separate classifications indicating the extent to which the District is bound to honor constraints on specific purposes for which those funds can be spent.

- A. Fund balance is reported as *Nonspendable* when the resources cannot be spent because they are either in a nonspendable form or are legally or contractually required to be maintained intact. Resources in nonspendable form may include inventories, certain long-term contracts/ notes receivable, and prepaid items.



- B. Fund balance is reported as *Restricted* when the constraints placed on the use of resources are either: (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, the District's policy is to use restricted resources first and then unrestricted resources, as needed.

The local health jurisdiction has a restricted net position at year-end of \$525,668.

- C. Fund balance is reported as Committed when the Board of Health (the government's highest level of decision-making authority) adopts a resolution that places specific constraints on how the resources may be used. Once adopted, the commitment remains until it is modified or rescinded by the adoption of a new resolution by the Board.

Board of Health resolutions approved the commitment of funds for building capital.

- D. Amounts in the *Assigned* fund balance category do not meet the criteria to be classified as committed and are generally more temporary in nature. In other words, additional action does not need to be taken to remove the assignment. *Assigned* fund balance is reported when the intent to use funds for a specific purpose is formally expressed by the Board of Health or by the Board's designee.

- E. *Unrestricted* Net Position represent amounts not included in other categories.

The District's current policy only addresses restricted and unrestricted resources (as stated above). At this time the District's order of use complies with GASB Statement No. 54, which directs that committed amounts will be used first, followed by assigned amounts and then unassigned amounts.

## **NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

- A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds' balance sheet includes reconciliation between fund balance – total governmental fund and net position – governmental activities as reported in the government-wide statement of net position.

- B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Net Position and the Government-Wide Statement of Activities

The governmental fund's statement of revenues, expenditures, and changes in fund net position includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

## **NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

There have been no material violations of finance-related legal or contractual provisions and there have been no expenditures exceeding legal appropriations in any of the funds of the Yakima Health District.

#### NOTE 4 - DEPOSITS AND INVESTMENTS

As of December 31, 2023, the District cash, cash equivalents, and investments as reported on the Statement of Net Position are as follows:

Cash on hand	\$ 73,327
Restricted Temporary Investments	525,668
Yakima County Investment Pool	<u>12,325,715</u>
Total cash and investments	<u>\$ 12,924,710</u>

The District as of December 31, 2023, had investments of \$12,325,715 in the Yakima County Investment Pool, which are classified as cash equivalents and \$525,668 in restricted temporary investments. Additional cash & cash equivalents consist of \$73,327 held in interest bearing bank accounts, petty cash, and cash change drawers.

##### Deposits:

*Custodial credit risk (deposits).* Custodial risk for deposits is the risk that, in the event of a bank failure, the government's deposits may not be returned. The District has an adopted policy that addresses deposit custodial risk; however, the District's deposits and certificates of deposit are entirely covered by the Federal Deposit Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). In the event of a bank failure, claims for the District's deposits would be satisfied by the FDIC or from the sale of collateral held in the PDPC pool.

##### Investments

Statutes authorize the District to invest in obligations of the U.S. Treasury, U.S. Agencies, and instrumentality's, banker's acceptances, repurchase agreements, county investment pool and the state treasurer's investment pool. The District is also authorized to enter into reverse repurchase agreements but did not participate in these investments during 2023.

The District is voluntary invested in a public funds investment pool, Yakima County Investment Pool (YCIP), reported at fair value. Withdrawal notices, between \$1 to under \$5 million, must be submitted no later than 12:00 noon the day prior to the desired transaction date. For withdrawal notices of \$5 million or more, the District must notify the treasurer two weeks in advance of the withdrawal date.

The YCIP operates in accordance with appropriate state laws and regulations. Yakima County investment pool is not SEC-registered. Authority to manage the Pool is derived from the Revised Code of Washington (RCW) in RCW 36.29.022. The fair value of the position in the pool is the same as the value of the pool shares.

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Cash investments are not subject to interest rate risk or any market value reporting requirements. The investments are either fully insured or fully held by a third-party custody provider in the name of the YCIP. The YCIP is audited annually by the Washington State Auditor's Office and regulated by Washington RCWs.

### Investments Measured at Fair Value

The District measures and records its investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- Level 3: Unobservable inputs for an asset or liability, to the extent observable inputs are not available

As of December 31, 2023, the District had the following fair value measurements.

Fair Value Measurements Using				
Investments by fair value level	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Yakima County Treasurer's Investment Pool	12,325,715	-	12,325,715	-
<b>Total Investments by Fair Value Level</b>	<b>\$ 12,325,715</b>	<b>\$ -</b>	<b>\$ 12,325,715</b>	<b>\$ -</b>

### NOTE 5 – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023, was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets, not being depreciated:</b>				
Land	\$ 376,742	\$ -	\$ -	\$ 376,742
Total Capital Assets, not being depreciated	376,742	-	-	376,742
<b>Capital Assets, being depreciated/amortized:</b>				
Buildings	1,765,826	-	-	1,765,826
Improvements other than buildings	85,920	-	-	85,920
Machinery & Equipment	772,377	35,430	-	807,807
Right to Use Equipment	25,583	-	-	25,583
Total Capital Assets, being depreciated/amortized	2,649,706	35,430	-	2,685,136
<b>Less Accumulated Depreciation/Amortization for:</b>				
Buildings	433,804	29,262	-	463,066
Improvements other than buildings	11,157	6,634	-	17,791
Machinery & Equipment	347,045	79,674	-	426,719
Right to Use Equipment	8,066	8,697	-	16,763
Total accumulated depreciation/amortization	800,072	124,267	-	924,339
Total Capital Assets, being depreciated/amortized, Net	1,849,634	(88,837)	-	1,760,797
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 2,226,376</b>	<b>\$ (88,837)</b>	<b>\$ -</b>	<b>\$ 2,137,539</b>

## NOTE 6 – LEASES

As of December 31, 2023, the District has two copier leases accounting for the lease of four copier machines in which it is acting as the Lessee. These leases were initiated in 2019 and 2021 with Kelley Connect for 60-month terms each, without renewal options as follows:

<b>Leased Equipment</b>	<b>Lease End Date</b>	<b>Payments</b>
Copier - CFEH60661	1/1/2024	Monthly
Copier - CFEF34041	1/1/2024	Monthly
Copier - CNFL61696	9/1/2026	Monthly
Copier - SNCL86605	9/1/2026	Monthly

The District's schedule of future payments on these assets included in the measurement of the lease liability is as follows:

<b>Lease Payable</b>				
	<b>Principal</b>		<b>Interest</b>	<b>Total</b>
<b>2024</b>	\$ 3,413	\$	410	\$ 3,823
<b>2025</b>	3,261		183	3,444
<b>2026</b>	2,538		45	2,583
<b>Total</b>	<b>\$ 9,212</b>	<b>\$</b>	<b>638</b>	<b>\$ 9,850</b>

The District reduced its lease liability by \$6,372 in 2023 for payments made and recorded \$1,110 in interest expense associated with these lease payments.

Information can also be found in Note 5 Capital Assets, on the related Right to Use assets and annual amortization accounted for through these leases.

<b>Right to Use Equipment</b>	<b>Book Value 1/1/2023</b>	<b>Amortization</b>	<b>Book Value 12/31/2023</b>
2019 Copiers	\$ 3,528	\$ 3,256	\$ 272
2021 Copiers	13,989	5,441	8,548
<b>Total</b>	<b>\$ 17,517</b>	<b>\$ 8,697</b>	<b>\$ 8,820</b>

## NOTE 7 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2023.

<b>Aggregate OPEB Amounts – All Plans</b>	
OPEB liabilities	\$ 1,284,674
OPEB assets	-
Deferred outflows of resources	35,322
Deferred inflows of resources	-
OPEB expenses/expenditures	\$ (116,833)

## OPEB Plan Description

The District provides medical insurance from the state managed Public Employee Benefits Board (PEBB) the administrator of the plan is Washington State Health Care Authority (HCA) which is a single objective plan. The insurance provided through HCA gives all Health District employees the option of six different plans: Kaiser Permanente Classic, Kaiser Permanente Value, Kaiser Permanente CDHP, Uniform Classic, Uniform CDHP, and Uniform Plus. Those six plans range in cost/benefits, with four different options within those plans. The employee could choose to cover, employee only, employee and children, employee and spouse, or full family. The District contributed per employee up to \$1,001, employee/children \$1,301, employee/spouse \$1,451, full family \$1,601, per month. If the employee's choice plan is greater than the District's contribution, the employee is responsible for the remaining cost.

The organization does not contribute directly to retirees' medical insurance; however, retirees are grouped with current employees/members in PEBB's cost pool. This allows retirees to pay a lower premium, creating an implicit subsidy. This subsidy creates a liability because current contributions are used to fund medical costs for current retirees.

**Employees covered by benefit terms:** At December 31, 2023, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	-
Active employees	46
Total	66

The District funds the OPEB obligation on a pay as you go basis and there are no assets accumulated in a qualifying trust.

## Assumptions and other inputs

The Alternative Measurement Method (AMM) tool was used to measure the total OPEB liability because the District has less than 99 employees. The AMM tool used relied on the following actuary reports; 2020 PEBB OPEB Actuarial Valuation Report and OPEB Actuarial Valuation for the State's June 30, 2023, Fiscal Year-End.

The following presents the total OPEB liability of the District calculated using the current healthcare cost trend rate of 6.8%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower (5.8%) or 1% point higher (7.8%) than the current rate.

	1% Decrease (5.8%)	Current Healthcare Cost Trend Rate (6.8%)	1% Increase (7.8%)
Total OPEB Liability	\$1,129,462	\$1,284,674	\$1,483,419

The following presents the total OPEB liability of the District calculated using the discount rate of 3.5%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.5%) or 1% point higher (4.5%) than the current rate.

	<b>1% Decrease (2.5%)</b>	<b>Current Discount Rate (3.5%)</b>	<b>1% Increase (4.5%)</b>
Total OPEB Liability	\$1,460,049	\$1,284,674	\$1,483,419

#### Changes in the Total OPEB Liability

<b>Public Employee Benefits Board</b>	
<b>Total OPEB Liability at 01/01/2023</b>	<b>\$ 1,475,955</b>
Service cost	59,532
Interest	53,050
Changes in Experience Data and Assumptions	(229,415)
Changes of benefit terms	-
Benefit payments	(74,448)
Other changes	-
<b>Total OPEB Liability at 12/31/2023</b>	<b>\$ 1,284,674</b>

To calculate the total OPEB liability the alternative method was used with a measurement date of June 30, 2023. The District's reporting date is December 31, 2023. The estimated transactions subsequent to the measurement date are \$35,322. The total OPEB expense for the current year is (\$116,833).

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Payments subsequent to the measurement date	35,322	-
<b>Total</b>	<b>\$ 35,322</b>	<b>\$ -</b>

Deferred outflows of resources of \$35,322 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2023.

## NOTE 8 - PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2023:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ (418,356)
Pension assets	968,273
Deferred outflows of resources	813,226
Deferred inflows of resources	(624,503)
Pension expense/expenditures	\$ (35,692)

### State Sponsored Pension Plans

Substantially all District full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (ACFR) that includes financial statements and required supplementary information for each plan.

Or the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

### Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of District and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

**PERS Plan 1** provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

#### Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:



<b>PERS Plan 1</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
<b>January – June 2023</b>		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
<b>Total</b>	<b>10.39%</b>	<b>6.00%</b>
<b>July – August 2023</b>		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.85%	
Administrative Fee	0.18%	
<b>Total</b>	<b>9.39%</b>	<b>6.00%</b>
<b>September–December 2023:</b>		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	2.97%	
Administrative Fee	0.20%	
<b>Total</b>	<b>9.53%</b>	<b>6.00%</b>

**PERS Plan 2/3** provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

### Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The rates are adopted by the Pension Funding Council and are subject to change by the Legislature. The employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers.



Employers do not contribute to the defined contribution benefits.

The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2023 were as follows:

<b>PERS Plan 2/3</b>			
<b>Actual Contribution Rates:</b>	<b>Employer 2/3</b>	<b>Employee 2</b>	<b>Employee 3</b>
<b>January – June 2023</b>			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	3.85%		
Administrative Fee	0.18%		
<b>Total</b>	<b>10.39%</b>	<b>6.36%</b>	
<b>July – August 2023</b>			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.85%		
Administrative Fee	0.18%		
<b>Total</b>	<b>9.39%</b>	<b>6.36%</b>	
<b>September–December 2023:</b>			
PERS Plan 2/3	6.36%	6.36%	Varies
PERS Plan 1 UAAL	2.97%		
Administrative Fee	0.20%		
<b>Total</b>	<b>9.53%</b>	<b>6.36%</b>	

The District's actual PERS plan contributions were \$122,797 to PERS Plan 1 and \$231,149 to PERS Plan 2/3 for the year ended December 31, 2023.

### Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2023 with a valuation date of June 30, 2022. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2021 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2022 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2023. Plan liabilities were rolled forward from June 30, 2022, to June 30, 2023, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

Methods did not change from the prior contribution rate setting June 30, 2021, Actuarial Valuation Report (AVR). OSA did make an assumption change to adjust TRS Plan 1 assets, LEOFF Plan ½ assets, and LEOF participant data to reflect certain material changes occurring after the June 30, 2022, measurement date.

### Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0%.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0% was used to determine the total liability.

### Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.0% was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns over various future times.

### Estimated Rates of Return by Asset Class

The best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the table below. The inflation component used to create the table is 2.2% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.5%
Tangible Assets	7%	4.7%
Real Estate	18%	5.4%
Global Equity	32%	5.9%
Private Equity	23%	8.9%
	<b>100%</b>	

### Sensitivity of the Net Pension Liability/ (Asset)

The table below presents the District's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the 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%, or 1-percentage point higher, 8%, then the current rate.

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
PERS 1	\$ 584,475	\$ 418,356	\$ 273,373
PERS 2/3	1,053,113	(968,273)	(2,628,969)

## Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

## Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the District reported a total pension asset of \$418,356 and total pension liability of \$968,273 reported its proportionate share of the net pension liabilities or assets as follows:

Plan	Liability or (Asset)
PERS 1	\$ 418,356
PERS 2/3	(968,273)

At June 30, the District's proportionate share of the collective net pension liabilities or assets was as follows:

	Proportionate Share 6/30/22	Proportionate Share 6/30/23	Change in Proportion
PERS 1	0.01583%	0.01833%	0.00250%
PERS 2/3	0.02065%	0.02362%	0.00297%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2023, are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

## Pension Expense

For the year ended December 31, 2023, the District recognized pension expense as follows:

	Pension Expense
PERS 1	\$ 78,140
PERS 2/3	(113,832)
TOTAL	\$ (35,692)

## Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ 47,192
Contributions subsequent to the measurement date	54,487	-
TOTAL	\$ 54,487	\$ 47,192

<b>PERS 2/3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 197,236	\$ 10,819
Net difference between projected and actual investment earnings	-	364,904
Changes of assumptions	406,514	88,604
Changes in proportionate share	36,688	112,984
Contributions subsequent to the measurement date	118,301	-
<b>TOTAL</b>	<b>\$ 758,739</b>	<b>\$ 577,311</b>

<b>PERS 1 &amp; PERS 2/3 Net</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 197,236	\$ 10,819
Net difference between projected and actual investment earnings	-	412,096
Changes of assumptions	406,514	88,604
Changes in proportionate share	36,688	112,984
Contributions subsequent to the measurement date	172,788	-
<b>TOTAL</b>	<b>\$ 813,226</b>	<b>\$ 624,503</b>

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>PERS 1</b>	<b>PERS 2/3</b>
2024	\$ (32,108)	\$ (174,573)
2025	(40,379)	(221,120)
2026	24,897	289,296
2027	397	90,718
2028	-	87,371
Thereafter	-	(8,564)
<b>Total Net Deferred (Inflows)/Outflows</b>	<b>\$ (47,193)</b>	<b>\$ 63,128</b>

#### **NOTE 9 - DEFERRED COMPENSATION PLAN**

The Yakima Health District offers employees deferred compensation plans created in accordance with Internal Revenue code Section 457. These plans are with the Hartford Insurance Group, Nationwide Investment Services Corporation, and the State of Washington Deferred Compensation Program. The plans, available to all employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

#### **NOTE 10 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance. The District maintains insurance against most normal hazards for commercial automobiles, property loss and general liability.

Yakima Health District is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987, pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool's fiscal year ending August 31, 2023, there were 518 Enduris members representing a broad array of special purpose Districts throughout the state.

The Enduris program provides for various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes: General Liability, Automobile Liability, Public Officials' Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes: Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement policy. Pollution and Cyber coverage are provided on a claim made coverage form. Crime coverage is provided on a discovery form. All other coverage is provided on an occurrence coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that are applicable to them. In certain cases the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits and member deductibles/co-pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
<b>Liability:</b>				
Comprehensive General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability <sup>(2)</sup>	Per Occurrence Pool Aggregate	\$500,000 \$1 million	None	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay <sup>(3)</sup>

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
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(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible

(1) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.

(2) Members pay a 20% co-pay of costs. By meeting established guidelines, the co-pay may be waived.

**Property <sup>(2)</sup>:**

Buildings and Contents	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Boiler and Machinery <sup>(3)</sup>	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense (EE) <sup>(4)</sup>	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000

**Sublimit <sup>(5)</sup>:**

Flood	Per Occurrence	\$250,000	\$50 million  (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5% of indemnity, subject to \$250,000 minimum	\$10 million  (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence  Pool Aggregate	\$250,000	\$100 million per occurrence  \$200 million aggregate	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence  APIP Per Occurrence  APIP Aggregate	\$500,000	\$600 million/  Pool aggregate  \$1.1 billion/ per occurrence  APIP program  \$1.4 billion/ APIP program aggregate	\$0

<b>Automobile Physical Damage <sup>(6)</sup></b>		\$25,000;		
	Per Occurrence	\$100,000 for Emergency Vehicles; \$250,000 for Emergency	\$1 billion	\$250 - \$1,000

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays <sup>(1)</sup>
Vehicles valued >\$750,000				
<b>Crime Blanket</b> <sup>(7)</sup>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Named Position</b> <sup>(8)</sup>	Per Occurrence	\$50,000	\$1 million	\$1,000
<b>Cyber</b> <sup>(9)</sup>	Each Claim APIP Aggregate	\$100,000	\$2 million \$40 million	20% Copay
<b>Identity Fraud Expense Reimbursement</b> <sup>(10)</sup>	Member Aggregate	\$0	\$25,000	\$0

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.
- (2) Property coverage for each member is based on a detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$1 billion except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.
- (5) This sublimit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.
- (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$2 million.
- (8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.
- (9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/members property TIV with an 8 hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.
- (10) Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit per member.

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements in excess of the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year and must give notice 60 days before renewal in order to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and administers the claims.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets

quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.

#### NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities outstanding at December 31, 2023 are as follows:

<b>Governmental Activities:</b>	<b>Beginning Balance 01/01/2023</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/2023</b>	<b>Due Within One year</b>
Compensated Absences	\$ 282,170	\$ 41,073	\$ -	\$ 323,243	\$ 135,430
Net Pension Liability	440,793	-	22,437	418,356	-
Other Postemployment Benefits	1,475,955	-	191,281	1,284,674	70,643
Lease	15,584	-	6,372	9,212	3,413
<b>Governmental Activity Long-Term Liabilities</b>	<b>\$2,214,502</b>	<b>\$ 41,073</b>	<b>\$ 220,090</b>	<b>\$2,035,485</b>	<b>\$ 209,486</b>

#### NOTE 12 - CONTINGENCIES AND LITIGATIONS

The District has recorded in its financial statements all material liability, including an estimate for situations which are not yet resolved but where, based on available information, management believes it is probable that the District will have to make payment. In the opinion of management, the District's insurance policies are adequate to pay all known or pending claims.

The District participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The District's management believes that such disallowances, if any, will be immaterial.

#### NOTE 13 – DEFERRED INFLOWS OF RESOURCES

In addition to deferred inflows of resources related to pensions and other postemployment benefits, governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but have not yet been earned. At the end of the current fiscal year, the organization had deferred inflows of resources related to pension liabilities.



Required Supplementary Information  
**Yakima Health District**  
**Budgetary Comparison Schedule**  
**Governmental Fund**  
**For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actuals	Budget Variance Over (Under)
<b>Revenues:</b>				
Licenses and Permits	\$ 901,803	\$ 901,803	\$ 990,570	\$ 88,767
Federal Grants	2,266,307	2,266,307	1,732,573	(533,734)
State Grants	306,556	306,556	997,705	691,149
Local Funding	160,000	160,000	160,000	-
Public Health Assistance	3,568,482	3,568,482	4,232,477	663,995
Fees for Services and Miscellaneous	2,682,807	2,682,807	3,950,041	1,267,234 **
Total Revenues	9,885,955	9,885,955	12,063,366	2,177,411
<b>Expenses</b>				
General				
Personnel Services	5,535,925	5,535,925	4,916,050	(619,875)
Supplies	183,581	183,581	231,977	48,396
Other Services and Charges	4,403,585	4,403,585	4,471,307	67,722
Debt Service Principle	6,372	6,372	6,372	-
Debt Service Interest	1,110	1,110	1,110	-
Capital Outlay	-	-	35,430	35,430
Public Health Expenses	10,130,573	10,130,573	9,662,246	(468,327)
Revenues Over (Under) Expenses *	(244,618)	(244,618)	2,401,120	2,645,738
Fund Balance as of January 1, 2023	10,813,682	10,813,682	10,813,682	-
<b>Fund Balance as of December 31, 2023</b>	<b>\$ 10,569,064</b>	<b>\$ 10,569,064</b>	<b>\$ 13,214,802</b>	<b>\$ 2,645,738</b>

\* In 2023 the fund budget is at a loss. The District has approximately \$11M in cash and temporary investments. The organization is actively trying to spend that balance down.

\*\*Actual over budgeted Fees for Services and Miscellaneous has a \$1.3M difference due to a couple of factors. The District's Developmental Disability services had an increase in contract mid-year. That attributed a difference of \$800K. Investment interest was also a large contributor of actual over budget difference, \$500K.

**Yakima Health District**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
Public Employees Benefits Board  
Measurement date of 6/30

	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability - beginning</b>	<u>\$ 1,475,955</u>	<u>\$ 2,217,786</u>	<u>\$ 2,153,247</u>	<u>\$ 1,888,623</u>	<u>\$ 2,268,089</u>	<u>\$ 2,273,735</u>
Service cost	59,532	133,151	90,560	72,703	76,571	82,087
Interest	53,050	49,956	48,945	67,542	89,137	83,210
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(229,415)	(848,231)	(16,449)	188,059	(461,635)	(107,344)
Changes of assumptions	-	-	-	-	-	-
Benefit payments	(74,448)	(76,707)	(58,517)	(63,680)	(83,539)	(63,599)
Other changes	-	-	-	-	-	-
<b>Total OPEB liability - ending</b>	<u><u>1,284,674</u></u>	<u><u>1,475,955</u></u>	<u><u>2,217,786</u></u>	<u><u>2,153,247</u></u>	<u><u>1,888,623</u></u>	<u><u>2,268,089</u></u>
<b>Covered-employee payroll **</b>	4,916,051	3,995,766	3,399,278	2,896,223	2,601,763	2,421,764
<b>Total OPEB liability as a % of covered-employee payroll</b>	26.13%	36.94%	65.24%	74.35%	72.59%	93.65%

**Notes to Schedule:**

\* Until a full 10-year trend is compiled, only information for those years available is presented.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Health District OPEB was calculated using State Auditor Office's Alternative Measurement Method for PEBB.

Differences between expected and actual is the main driver in the change in OPEB liability for year-ending 2019.

\*\* Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan (GASB 75, par. 246).

**Yakima Health District**  
**REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans**  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
PERS 1  
As of June 30  
Last 10 Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Covered payroll**	Employer's proportionate share of the net pension liability (asset) as a percentage of covered	Plan fiduciary net position as a percentage of the total pension liability
2023	0.013727%	\$ 167,639	\$ 3,301,832	5.08%	80.16%
2022	0.015831%	440,793	2,514,923	17.53%	76.56%
2021	0.013727%	167,639	2,298,872	7.29%	88.74%
2020	0.013520%	477,329	1,885,805	25.31%	68.64%
2019	0.012794%	491,975	1,813,865	27.12%	67.12%
2018	0.012437%	555,441	1,663,683	33.39%	63.22%
2017	0.011793%	559,587	1,487,386	37.62%	61.24%
2016	0.012438%	667,979	1,456,123	45.87%	57.03%
2015	0.014620%	764,762	1,513,213	50.54%	59.10%
2014	0.016587%	835,578	1,516,463	55.10%	61.19%

**Yakima Health District**  
**REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans**  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
PERS 2/3  
As of June 30  
Last 10 Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Covered payroll**	Employer's proportionate share of the net pension liability (asset) as a percentage of covered	Plan fiduciary net position as a percentage of the total pension liability
2023	0.023624%	\$ (968,273)	\$ 3,301,832	-29.33%	107.02%
2022	0.020652%	(765,937)	2,514,923	-30.46%	106.73%
2021	0.017617%	(1,754,937)	2,298,872	-76.34%	120.29%
2020	0.017521%	224,084	1,885,805	11.88%	97.22%
2019	0.016527%	160,533	1,813,865	8.85%	97.77%
2018	0.015885%	271,222	1,663,683	16.30%	95.77%
2017	0.014951%	519,476	1,487,386	34.93%	90.97%
2016	0.015025%	756,497	1,413,404	53.52%	85.82%
2015	0.015591%	557,075	1,383,446	40.27%	89.20%
2014	0.014426%	291,602	1,247,528	23.37%	93.29%

Notes to Schedule: \*The District full and part-time employees participates in two Public Employees' Retirement Systems (PERS), one is considered PERS 1 and the other plan is PERS 2/3. The pension calculation was performed using figures from Department of Retirement Systems (DRS). DRS issues a Participating Employer Financial Information (PEFI) on their fiscal year-end June 30, 2023.

\*\* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)

**Yakima Health District**  
**REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans**  
Schedule of Employer Contributions  
PERS 1  
As of December 31  
Last 10 Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered employer payroll	Contributions as a percentage of covered payroll
2023	\$ 122,797	\$ (122,797)	-	\$ 3,634,333	3.38%
2022	108,541	(108,541)	-	2,886,412	3.76%
2021	100,784	(100,784)	-	2,367,319	4.26%
2020	98,671	(98,671)	-	2,055,511	4.80%
2019	91,584	(91,584)	-	1,851,459	4.95%
2018	87,256	(87,256)	-	1,722,970	5.06%
2017	78,697	(78,697)	-	1,605,081	4.90%
2016	69,624	(69,624)	-	1,427,504	4.88%
2015	70,235	(70,235)	-	1,497,120	4.69%
2014	72,359	(72,359)	-	1,516,777	4.77%

**Yakima Health District**  
**REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans**  
Schedule of Employer Contributions  
PERS 2/3  
As of December 31  
Last 10 Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered employer payroll	Contributions as a percentage of covered payroll
2023	\$ 231,149	\$ (231,149)	-	\$ 3,634,333	6.36%
2022	183,569	(183,569)	-	2,886,412	6.36%
2021	167,988	(167,988)	-	2,367,319	7.10%
2020	162,797	(162,797)	-	2,055,511	7.92%
2019	142,902	(142,902)	-	1,851,459	7.72%
2018	129,228	(129,228)	-	1,722,970	7.50%
2017	110,341	(110,341)	-	1,605,081	6.87%
2016	87,401	(87,401)	-	1,402,911	6.23%
2015	79,762	(79,762)	-	1,414,231	5.64%
2014	67,284	(67,284)	-	1,321,274	5.09%

Notes to Schedule: \*The District full and part-time employees participates in two Public Employees' Retirement Systems (PERS), one is considered PERS 1 and the other plan is PERS 2/3. The pension calculation was performed using figures from Department of Retirement Systems (DRS). DRS issues a Participating Employer Financial Information (PEFI) on their fiscal year-end June 30, 2023.

**Yakima Health District**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
<b>SNAP Cluster</b>								
FOOD AND NUTRITION SERVICE, AGRICULTURE, DEPARTMENT OF (via Department of Health)	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CLH31035	92,056	-	92,056	-	1, 2, 3
			<b>Total SNAP Cluster:</b>	<b>92,056</b>	<b>-</b>	<b>92,056</b>	<b>-</b>	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health)	Public Health Emergency Preparedness	93.069	CLH31035	177,888	-	177,888	-	1, 2, 3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health)	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	CLH31035	2,371	-	2,371	-	1, 2, 3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health)	Immunization Cooperative Agreements	93.268	CLH31035	1,281	-	1,281	-	1, 2, 3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health)	COVID 19 - Immunization Cooperative Agreements	93.268	CLH31035	54,590	-	54,590	-	1, 2, 3
			<b>Total ALN 93.268:</b>	<b>55,871</b>	<b>-</b>	<b>55,871</b>	<b>-</b>	

*The accompanying notes are an integral part of this schedule.*

**Yakima Health District**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2023**

Expenditures								
Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients	Note
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health)	COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CLH31035	224,988	-	224,988	-	1, 2, 3
				5,000	-	5,000	-	1, 2, 3
Total ALN 93.323:				229,988	-	229,988	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health)	COVID 19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	CLH31035	63,496	-	63,496	-	1, 2, 3
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health)	WELL-INTEGRATED SCREENING AND EVALUATION FOR WOMEN ACROSS THE NATION (WISEWOMAN)	93.436	CLH31035	13,093	-	13,093	-	1, 2, 3
Medicaid Cluster								

*The accompanying notes are an integral part of this schedule.*

**Yakima Health District**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2023**

	Expenditures					Passed through to Subrecipients	Note
	Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	From Pass-Through Awards	From Direct Awards	Total
	CENTERS FOR MEDICARE AND MEDICAID SERVICES, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via WA State Health Care Authority)	Medical Assistance Program	93.778	K4665	662,070	-	662,070
							1, 2
				<b>Total Medicaid Cluster:</b>	<b>662,070</b>	<b>-</b>	<b>662,070</b>
	CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health)	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	CLH31035	264,223	-	264,223
							1, 2, 3
	CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health)	Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	CLH31035	103,805	-	103,805
							1, 2, 3
				<b>Total Federal Awards Expended:</b>	<b>1,664,861</b>	<b>-</b>	<b>1,664,861</b>

The accompanying notes are an integral part of this schedule.

**YAKIMA COUNTY HEALTH DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 1 - BASIS OF ACCOUNTING**

The Schedule of Expenditures of Federal Awards is prepared on the basis of accounting of the District which is the modified accrual basis of accounting.

**Note 2 - PROGRAM COSTS**

The amounts shown as current year expenditures represent only the federal portion of the program costs. Entire program costs, including the Yakima Health District portion may be more than shown.

**Note 3 - INDIRECT COST RATE**

The amount expended includes \$88,607 claimed as an indirect cost recovery using an approved indirect cost rate of 26.8% for programs other than BCCHP and Wisewoman.

The amount expended includes \$19,969 claimed as an indirect cost recovery for BCCHP and Wisewoman programs using the 10% de minimis indirect cost allowed under the Uniform Guidance.



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