

HOOD RIVER COUNTY

HOOD RIVER, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020



**12700 SW 72nd Ave.
Tigard, OR 97223**

HOOD RIVER COUNTY

Financial Statements

June 30, 2020

HOOD RIVER COUNTY, OREGON
June 30, 2020

BOARD OF COMMISSIONERS

NAME	TERM EXPIRES
Mike Oates, Chair	December 31, 2020
Les Perkins	December 31, 2020
Karen Joplin	December 31, 2022
Rich McBride	December 31, 2020
Robert Benton	December 31, 2022

OTHER ELECTED OFFICIALS

Matthew English, Sheriff	December 31, 2020
John Harvey, Justice of the Peace	December 31, 2022
Debra Reed-Sharp, Justice of the Peace	June 1, 2020
John Sewell, District Attorney	December 31, 2020

All commissioners receive mail at the address listed below.

ADMINISTRATION

Jeff Hecksel, County Administrator
601 State Street
Hood River, Oregon 97031

HOOD RIVER COUNTY, OREGON
Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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July 11, 2022

To the Board of County Commissioners
Hood River County, Oregon
Hood River, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units of the 911 Communications District and Windmaster Urban Renewal Agency, each major fund, and the aggregate remaining fund information of Hood River County, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the 911 Communications District and Windmaster Urban Renewal Agency, were not audited in accordance with Government Auditing Standards

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Hood River County, Oregon, as of June 30, 2020, and the respective changes in financial position and budgetary comparisons for the General, Public Works, and Timber Projects funds, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

The County adopted the provisions of GASB Statement No. 84 – Fiduciary Activities for the year ended June 30, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The listing of commissioners located before the table of contents and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated July 11, 2022, on our consideration of the internal control over financial reporting and on our tests of 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated July 11, 2022 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive, flowing style.

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

HOOD RIVER COUNTY, OREGON Management's Discussion and Analysis

As management of Hood River County, Oregon, we offer readers of the Hood River County financial statements this narrative overview and analysis of the financial activities of Hood River County for the fiscal year ended June 30, 2020.

FINANCIAL HIGHLIGHTS

- The assets of Hood River County exceeded its liabilities at the close of the most recent fiscal year by \$115,010,123 on its government-wide Statement of Net Position. Of this amount, \$13,125,577 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position differs from total fund balances by \$78,520,247, primarily due to the capital assets of the General and Public Works funds, and the effects of net pension and OPEB liabilities and their related deferred inflows and outflows.
- As of the close of the fiscal year, the Hood River County governmental funds reported combined ending fund balances of \$36,489,876, an increase of \$3,739,103 from the prior year.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$2,399,935 or 19.7% of total General Fund expenditures for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Hood River County's basic financial statements. Hood River County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Hood River County and demonstrate compliance with state requirements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Hood River County's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all Hood River County assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position might serve as a useful indicator of whether the financial position of Hood River County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only affect resulting cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements show functions of Hood River County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The County has no functions that are intended to recover all, or a significant portion of their costs, through user fees and charges, called business-type activities. The governmental activities of Hood River County include general government, public safety, roads, health and human services, economic development, and culture and recreation.

The government-wide financial statements include not only Hood River County itself (known as the *primary government*), but also two legally separate *component units* for which Hood River County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The first is a 911 communication district and the second is an urban renewal district. Complete financial statements for the 911 Communications District and the

Windmaster Urban Renewal District can be obtained at Hood River County, Department of Budget & Finance, 601 State Street, Hood River, OR 97031.

The government-wide financial statements can be found on pages 4 and 5 of this report.

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. Hood River County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Hood River County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Hood River County maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, Public Works Fund and Timber Projects Fund, all of which are considered to be major funds. Data from the other twenty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Hood River County adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the funds to demonstrate compliance with this budget, as required by Oregon law.

The governmental fund financial statements can be found on pages 6-11 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County has several fiduciary funds that account for monies held by the County for other governmental agencies. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Hood River County's own programs.

The fiduciary fund financial statements can be found on pages 12 and 13 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-47 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Hood River County's infrastructure assets and the modified approach to maintaining those assets on pages 48-49. Also included is the Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions, along with the Schedule of Changes in OPEB Liability. Required supplementary information can be found on pages 50-52 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are reported immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 53-64 of this report.

Government-wide Financial Analysis

As noted earlier, net position might serve over time as a useful indicator of a government's financial position. In the case of Hood River County, assets exceeded liabilities by \$115,010,123 at the close of the fiscal year ended June 30, 2020.

By far the largest portion of Hood River County's net position (77.1%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Hood River County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Hood River County investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, primarily property taxes, since the capital assets themselves cannot be used to liquidate these liabilities.

Hood River County's Net Position

Assets	2019-2020	2018-2019	Difference	%
Current and Other Assets	\$ 42,423,744	\$ 40,171,430	\$ 2,252,314	5.61%
Capital Assets	88,668,115	88,211,677	456,438	0.52%
Total Assets	131,091,859	128,383,107	2,708,752	2.11%
Deferred Outflows				
Related to Pensions	3,479,213	3,386,005	93,208	2.75%
Related to OPEB	96,889	71,983	24,906	34.60%
Total Deferred Outflows	3,576,102	3,457,988	118,114	3.42%
Liabilities				
Current Liabilities	3,606,933	4,417,723	(810,790)	-18.35%
Non-current Liabilities	14,896,185	13,689,155	1,207,030	8.82%
Total Liabilities	18,503,118	18,106,878	396,240	2.19%
Deferred Inflows				
Related to Pensions	1,068,836	891,531	177,305	19.89%
Related to OPEB	85,883	100,066	(14,183)	-14.17%
Total Deferred Inflows	1,154,719	991,597	163,122	16.45%
Net Position				
Net investment in capital assets	88,668,115	88,198,661	469,454	0.53%
Restricted for:				
Debt Service	20,295	24,752	(4,457)	-18.01%
Capital Projects	965,556	1,301,362	(335,806)	-25.80%
Services	12,230,580	11,449,497	781,083	6.82%
Unrestricted	13,125,577	11,768,348	1,357,229	11.53%
Total Net Position	\$ 115,010,123	\$ 112,742,620	\$ 2,267,503	2.01%

11.5% of Hood River County's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of \$13,125,577 may be used to meet the County's ongoing obligations to citizens and creditors.

At June 30, 2020, Hood River County reported positive balances in all categories of net position, both for the County as a whole, as well as for its separate governmental activities. The same situation held true at the end of the prior fiscal year.

Governmental activities. Hood River County's net position increased by \$2,267,503. Key elements of this increase are as follows:

Hood River County's Changes in Net Position

Revenues	2019-2020	2018-2019	Difference	%
Program Revenues:				
Charges for Services	\$ 4,050,881	\$ 6,369,819	\$ (2,318,938)	-36.41%
Operating Grants & Contributions	5,307,950	4,323,293	984,657	22.78%
Capital Grants & Contributions	390,500	2,453,136	(2,062,636)	-84.08%
Total Program Revenues	9,749,331	13,146,248	(3,396,917)	-25.84%
General Revenues:				
Property Taxes	3,669,209	3,442,437	226,772	6.59%
Other Taxes	2,655,881	1,034,277	1,621,604	156.79%
Grants & Contributions, Not Restricted to Specific Programs	1,688,001	1,529,537	158,464	10.36%
Timber Sales	5,690,499	5,543,978	146,521	2.64%
Investment in Joint Venture	(584,144)	-256,813	(327,331)	127.46%
Total General Revenues	13,119,446	11,293,416	1,826,030	16.17%
Total Revenues	22,868,777	24,439,664	(1,570,887)	
Expenses				
General Government	4,548,217	4,256,704	291,513	6.85%
Public Safety	7,187,041	6,991,322	195,719	2.80%
Public Works	2,949,673	2,684,263	265,410	9.89%
Health & Sanitation	2,482,321	2,344,887	137,434	5.86%
Forestry	1,441,032	1,384,708	56,324	4.07%
Community Services	1,850,698	1,819,278	31,420	1.73%
Education	108,650	123,373	(14,723)	-11.93%
Total Expenses	20,567,632	19,604,535	963,097	4.91%
Change in Net Position	2,301,145	4,835,129	(2,533,984)	-52.41%
Beginning Net Position	112,742,620	107,907,491	4,835,129	4.48%
Prior Period Adjustment	(33,642)	-	(33,642)	
Ending Net Position	\$ 115,010,123	112,742,620	2,267,503	2.01%

Individual increases or decreases in overall activities were necessitated by County management's evaluation of needs and resources, as well as changes in the operating environment. Timber sales have increased as the County works to rebuild timber reserves for the future, while remaining compliant with the County's self-adopted Forest Management plan. Other revenue changes result from economic conditions that are not under our control. Grant revenues are affected by federal and state funding availability and the County's need for funding of programs.

Financial Analysis of the County's Funds

As noted earlier, Hood River County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. *Governmental funds.* The focus of Hood River County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Hood River County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2020, Hood River County's governmental funds reported combined ending fund balances of \$36,489,876, an increase of \$3,739,103 from the prior year. Approximately 62.9%, or \$22,944,821, of the total fund balances of constitutes committed, assigned and unassigned fund balance, which is available for spending at the County's discretion. The restricted portion of \$13,216,431 (36.2%) can only be spent on goods and services for which the resources are restricted. The remainder fund balance of \$328,624 is nonspendable to indicate that it is not available because it is held in Public Works inventory or prepaid items.

The General Fund is the primary operating fund of Hood River County. At June 30, 2020, unassigned fund balance of the General Fund was \$2,399,935. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures, which amounts to 19.7% for the year ended June 30, 2020.

The unassigned fund balance of the Hood River County General Fund increased by \$1,502,895 during the year ended June 30, 2020. The Fund's revenue was higher than expected with a favorable variance of \$967,568. Additionally, uncertainties surrounding many financial resources and management's efforts to control and reduce costs resulted in actual expenditures at a lower level than budgeted (\$1,616,998). Each budget category's results reflected under budget spending, except for special payments in the amount of \$2,237 spent over budget. Contingency was budgeted this year in the amount of \$200,000 to cover the unprecedented Covid pandemic but was not utilized during the fiscal year. Large savings occurred in the personnel services (\$724,972) and materials and services (\$560,031) categories due to several departments in the General Fund experiencing reductions in those two areas for a variety of reasons. Between fiscal years 2019 and 2020, actual revenues increased by \$894,568; and actual expenditures increased by \$428,471, spread across personnel services, materials & services, and special payments. Other sources and uses of funds increased between the 2019 and 2020 fiscal years in the amount of \$66,106 due in majority to proceeds from the sale of assets.

The Public Works fund is the operating fund that covers County Road repair and maintenance. At June 30, 2020, restricted fund balance of the Public Works fund was \$9,517,267, plus a nonspendable amount of \$214,466 for inventory and prepaid items. The fund balance increased \$460,224 (5.0%) over the prior year due in part to an increase in total revenues of \$385,648. This increase was driven by an intergovernmental revenue increase of \$744,611 year over year, offset by decreases in fines & fees, investment earnings, and other revenue of (\$311,647), (\$26,029), and (\$21,287), respectively. Expenditures increased by \$124,918 compared to the prior year. The County's share in federal secure rural schools funding (road maintenance funds) has been and continues to be very uncertain. In this 2020 fiscal year, the federal funding received was \$313,637, lower than the \$357,041 received in fiscal year 2019. The County has been taking an increasing conservative approach to current road expenditures in order to fund future years. The ongoing uncertainty regarding the continuation of federal funding has put the future of road maintenance for the County into a questionable position, one that the County government continues to attempt to resolve.

The Timber Projects Fund is the operating fund that reports timber activities which include revenues received plus the costs involved in managing the County's major revenue source. At June 30, 2020, the committed fund balance of the Timber Projects fund was \$16,969,516 with no amount being restricted. The fund balance increased \$2,123,482, or 14.3%, over the prior year due to increased timber sales. Timber sales revenue increased by \$146,521 compared to the prior fiscal year, and 61.1% of the revenue received was transferred to support operations and projects in the General Fund. Sale activity has seen consistent growth since last year's sales of \$5.5 million. Consistent sales volume has helped hold the balance in the fund at a fairly stable level. A rolling 10-year average is used to calculate the annual amount of funds available for General Fund transfer. Higher levels of sales since fiscal year 2018 have positively impacted transfer dollars available to the General Fund.

General Fund Budgetary Highlights

Differences between the original budget and the final amended appropriations budget are briefly summarized as follows:

- The budget for personnel services increased by \$104,521, while year over year actual spending in personnel services increased by \$211,042. This was principally due to a new SRCH Sustainable Relationship for Community Health Grant of \$120,000 partially used for personnel, and a State Operating Grant for outreach and enrollment assistance for Oregon Health Plan of \$25,000. Additional Covid-19 response grants were used to cover wages/benefits of Public Health personnel for contract tracing and other support services of the pandemic response.
- The materials and services budget increased by \$330,228 and year over year actual spending increased by \$148,743, primarily due to the same grants received and documented for personnel services above. The additional grant money was utilized for emergency special projects in the amount of \$124,710 and for contract and program supplies totaling \$92,858. An additional \$100,000 of unutilized beginning balance was spent to cover the rising cost of county-wide insurance.
- Capital outlay budget increased by \$4,250 and the additional year over year spending in the amount of \$5,403 was utilized for a new health inspection vehicle. This was paid for with revenue received that was higher than originally budgeted.
- Debt service budget was unchanged, and actual spending decreased by \$40,170 year over year from \$160,170 to \$120,000. The original budget was adjusted for greater than adopted appropriation expense for the principal and interest payments on the Toll Bridge Park Septic Project. Proceeds to cover this debt service originated from Transient Room Tax revenue and a greater than budgeted beginning General Fund Balance.

During the year, revenue projections were adjusted to accommodate resources that were not anticipated at the time of the original budget.

Capital Assets and Debt Administration

Capital assets

Hood River County investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$88,668,115 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, furniture and fixtures, vehicles, roads, and bridges. The total increase in capital assets for the current fiscal year was \$456,438 or .5%, primarily due to investments in infrastructure, building improvements, machinery, equipment, and vehicles during the year. The balance of activities within capital assets resulted from the surplus of vehicles and machinery that had reached the end of their useful lives for the County.

Hood River County's Capital Assets

(net of depreciation)

	2019-2020	2018-2019	Difference
Land	\$ 20,971,111	\$ 20,971,111	\$ -
Buildings and Improvements	6,999,104	7,149,923	(150,819)
Furniture and Fixtures	8,091	11,167	(3,076)
Vehicles	610,955	650,714	(39,759)
Machinery and Equipment	2,328,221	2,105,853	222,368
Infrastructure	57,731,526	57,076,531	654,995
Construction in Progress	19,107	246,378	(227,271)
Total	\$ 88,668,115	\$ 88,211,677	\$ 456,438

Hood River County has committed resources to the maintenance and preservation of the infrastructure system

(e.g., roads, bridges) as authorized by the governing body. The approved condition level commitment is based on historical records generated by the Public Works department whose records were used in the recommendation to the Board of Commissioners to adopt the modified approach to infrastructure assets.

The modified approach to infrastructure reporting permits Hood River County to expense the costs associated with the maintenance of those assets in the current reporting period versus depreciating the assets over a predetermined number of years. Hood River County maintains an inventory of these assets and performs annual condition assessments on rotating segments to ensure that the predetermined condition level is being maintained in accordance with the approved plan. Each budget year Hood River County, through the Public Works department, will include the costs to maintain the infrastructure system at the condition level adopted in the annual budget and will review the annual results for assurance that those requirements have been met.

In the year ended June 30, 2020, the results of the condition assessment was compared to the prior year condition assessment. All infrastructure assets are at or above the 70% level established by the County Board of Commissioners; the current year's level is 79% compared to the prior year's level of 78%. The expenditure estimate for infrastructure condition maintenance in the current year public works budget was \$851,400 with actual cost being \$817,315.

Additional information on Hood River County's capital assets and the modified approach can be found in note five on page 25, and in the Required Supplementary Information on pages 48 and 49.

Long-term debt

At June 30, 2020, Hood River County had total bonded debt outstanding of \$3,840,000. This entire amount is backed by the full faith and credit of the County.

The Public Employees Retirement System (PERS) is the state of Oregon's public pension system. In the system, the actuarial liability is the present value of the plan's current and expected benefits payments (plus administrative expenses). If a pension fund's actuarial liability exceeds its assets, then the fund has a shortfall that is known as an unfunded actuarial liability or "UAL." In May 2004, a UAL for Hood River County was calculated as \$5,355,000. PERS required member governments to pay (or "amortize") this UAL over a period of approximately twenty-six years at an interest rate of 8% per annum. During that fiscal year, the County took the action of issuing pension obligation bonds to reduce the long-term interest costs on the PERS provided financing of the UAL. The reduction in financing rate is expected to mitigate the effects of future increases to the County's UAL. As long as PERS' investment returns exceed the costs of servicing the bonds, the benefits of the program will exceed the costs. The County's UAL was substantially reduced, but not eliminated, by this borrowing. There are factors influencing the operation of PERS that could change at any time, thereby helping or reducing the benefit of participating in the bond program. At the end of the current fiscal year, Hood River County has pension obligation debt outstanding of \$3,840,000.

Hood River County's Outstanding Debt

	2019-2020	2018-2019	Difference
Pension Obligation Bonds	\$ 3,840,000	\$ 4,135,000	\$ (295,000)
Note Payable	13,016	13,016	-
Total	<u>3,853,016</u>	<u>4,148,016</u>	<u>-295,000</u>

Additional information on Hood River County's long-term debt can be found in note eight on pages 27 through 29 of this report. Additional component unit debt is also described in that note.

Economic Factors and Next Year's Budgets and Rates

At June 30, 2020, the unemployment rate for Hood River County was 9.9%, which was a 6.6% increase from the rate a year previous of 3.3%. However, this was an improvement over the peak unemployment rate of 13.3% in April of 2020. This rate is lower than both the State of Oregon and national average unemployment rate of 11.7% and 11.2%, respectively. The substantial increase in the unemployment rate of Hood River County can be attributed to the worldwide Covid Pandemic, as well as the corresponding shutdowns of restaurants and businesses. County leadership remains confident that the economic development work within the county has brought attention to the area and will, hopefully, garner new family wage jobs in the county bringing with them a fair standard of living to the residents in the County and surrounding area after the pandemic, and its restrictions, subside. Economic development efforts continue on with the goal of bringing additional successes to the county in the near future.

As of the State of Oregon Employment Department's release of April 18, 2022, the unemployment rate for Hood River County had fallen back to 3.2%, a rate consistent with prior years pre-pandemic rates. Therefore, efforts to reinvigorate and revive the local economy after the stresses of the Covid-19 pandemic have largely been viewed as successful. While tourism and the related commerce were impacted negatively by the pandemic safety measures, pent up demand and the unflagging natural beauty and attractions of the county should drive a rebound to this important county industry. As in the past, Hood River County will continue to strive to increase living wage jobs to the county, as this continues to be a top priority for the Board of Commissioners. Planned economic development work within the county has garnered new family wage jobs to the county and brought with them a fair standard of living to the residents in the County and surrounding area. Economic development efforts continue on with the goal of bringing additional successes to the county in the near future.

The County moved into 2019/2020 with a three-year public safety bargaining agreement that will carry through to June 30, 2022, plus two other nonpublic safety union contracts that had been renewed for the period of July 1, 2017 through June 30, 2020.

Health insurance costs continue to be a key concern for the County and its employees. The County has been able to continue to provide quality health insurance by being part of a larger consortium of municipal governments (Oregon Educators Benefit Board) and by having staff increase their portion of insurance costs. Contributions from employees toward their health coverage premium is 15% for all covered staff. These ongoing efforts to keep premium costs under control through management of particular plan benefits have contributed to the cost containment for the new 2020/2021 year as well. Plan revisions and alternative sources are researched, considered, and initiated to the extent that the majority of affected staff agreed to the changes.

The state public employees retirement system (PERS) covers a large majority of the public employees in Oregon and has experienced the same economic downturn issues within their program as the national economy has faced. Every two years, each employer's status in the PERS system is evaluated by an actuary; contribution rates for the next two budget years are then assigned. These rates are designed to cover the liabilities associated with the future retirement costs faced by the employers as the structure of their workforce changes. Shortfalls in the projections are unfunded liabilities and cause the assigned rates to increase accordingly. Rates for the 2017-2019 biennium climbed to an average of 7.62%. Rates for the 2019-2021 biennium have already been posted and average 11.65%. Recent healthy investment earnings triggered a positive revision to the actuarial estimated PERS unfunded liability to \$19.7 billion in February of 2022, down from \$28 billion as of December 31, 2020.

The State of Oregon has experienced a variety of revenue fluctuations during the last few years. The unprecedented demand for services was met in part by federal emergency Covid-19 grants during fiscal years 2019-2020 and 2020-2021. As the State attempts to balance its budget, funds provided to local governments have been somewhat unpredictable in the areas of health and human services (which includes mental health, juvenile programs, services to children and public health) and public safety (such as community corrections). The changes in program structures and fiscal projections by the State have created uncertainty for many of the County's program services. The State's governor has proposed a revenue package that balanced the state's 2018-2020 biennial budget, giving local governments their base for the next two-year period. However, the likelihood of changes to the projections by the state is always a pending factor affecting local governments and the same revenue questions remain for future legislative sessions.

All of these factors were considered in preparing Hood River County's budget for the 2021 fiscal year.

Requests for Information

The financial report is designed to provide a general overview of Hood River County's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Director of Budget & Finance
Hood River County
601 State Street
Hood River, Oregon 97031-1871

BASIC FINANCIAL STATEMENTS

HOOD RIVER COUNTY, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2020

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	911 COMMUNICATIONS COMPONENT	WINDMASTER URBAN RENEWAL COMPONENT
ASSETS			
CASH AND INVESTMENTS	\$ 35,896,379	\$ 2,991,878	\$ 328,832
TAXES RECEIVABLE	243,523	93,290	13,397
ACCOUNTS RECEIVABLE	1,420,537	110,605	-
CONTRACTS RECEIVABLE	1,837,951	-	-
INVENTORIES	214,466	-	-
PREPAID EXPENSES	114,158	-	-
RHIA OPEB ASSET	133,309	-	-
INVESTMENT IN JOINT VENTURE	2,563,421	-	-
CAPITAL ASSETS:			
LAND, INFRASTRUCTURE, AND CIP DEPRECIABLE BUILDINGS, IMPROVEMENTS PROPERTY AND EQUIPMENT, net	78,721,744	29,500	-
	9,946,371	720,297	-
TOTAL ASSETS	<u>131,091,859</u>	<u>3,945,570</u>	<u>342,229</u>
DEFERRED OUTFLOWS			
PENSION RELATED DEFERRAL	3,443,248	-	-
RHIA OPEB RELATED DEFERRAL	35,965	-	-
OPEB RELATED DEFERRAL	96,889	-	-
LIABILITIES			
ACCOUNTS PAYABLE	572,524	2,067	-
SALARIES AND FRINGE PAYABLE	567,204	56,802	-
BOND INTEREST PAYABLE	19,427	-	-
UNEARNED REVENUE	1,414,519	-	-
DEPOSITS	457,305	-	-
ACCRUED COMPENSATED ABSENCES	575,955	60,767	-
LONG-TERM DEBT DUE WITHIN ONE YEAR	353,016	-	-
LONG -TERM DEBT DUE IN MORE THAN ONE YEAR	3,500,000	-	-
TOTAL OPEB LIABILITY	769,424	-	-
PROPORTIONATE SHARE OF PENSION LIABILITY	10,273,745	-	-
TOTAL LIABILITIES	<u>18,503,119</u>	<u>119,636</u>	<u>-</u>
DEFERRED INFLOWS			
PENSION RELATED DEFERRAL	1,042,623	-	-
RHIA OPEB RELATED DEFERRAL	26,213	-	-
OPEB RELATED DEFERRAL	85,883	-	-
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS RESTRICTED FOR DEBT SERVICE	88,668,115	749,797	-
RESTRICTED FOR CAPITAL PROJECTS	20,295	-	-
RESTRICTED FOR SERVICES	965,556	-	-
UNRESTRICTED	12,230,580	-	-
	13,125,577	3,076,137	-
TOTAL NET POSITION	<u>\$ 115,010,123</u>	<u>\$ 3,825,934</u>	<u>\$ 342,229</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**HOOD RIVER COUNTY, OREGON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			PRIMARY GOVERNMENT		
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES	911 COMMUNICATIONS COMPONENT	WINDMASTER URBAN RENEWAL COMPONENT
PRIMARY GOVERNMENT:							
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	\$ 4,299,346	\$ 1,032,032	\$ 701,296	\$ -	\$ (2,566,018)		
SHERIFF	4,538,034	104,287	276,794	-	(4,156,953)		
PUBLIC SAFETY	1,229,348	376,310	734,924	-	(118,114)		
DISTRICT ATTORNEY	616,009	16,667	73,075	-	(526,267)		
PUBLIC WORKS	2,949,673	245,096	1,111,212	390,500	(1,202,865)		
HEALTH & SANITATION	2,482,321	703,991	1,084,058	-	(694,272)		
FORESTRY	1,441,032	160,379	614,982	-	(665,671)		
PARKS	457,892	354,797	38,829	-	(64,266)		
PLANNING	407,348	122,728	50,000	-	(234,620)		
VETERANS	98,816	-	71,000	-	(27,816)		
COUNTY FAIR	417,881	327,544	25,325	-	(65,012)		
ANIMAL, WEED & PEST CONTROL	59,467	26,350	22,211	-	(10,906)		
BUILDING INSPECTION	601,834	546,219	-	-	(55,615)		
EMERGENCY MANAGEMENT	142,349	-	79,574	-	(62,775)		
ECONOMIC DEVELOPMENT	73,661	-	-	-	(73,661)		
PREVENTION PROGRAM	395,100	34,481	285,692	-	(74,927)		
EDUCATION	108,650	-	138,978	-	30,328		
INTEREST EXPENSE	248,871				(248,871)		
	<u>\$ 20,567,632</u>	<u>\$ 4,050,881</u>	<u>\$ 5,307,950</u>	<u>\$ 390,500</u>	<u>(10,818,301)</u>		
TOTAL PRIMARY GOVERNMENT ACTIVITIES							
COMPONENT UNITS:							
911 COMMUNICATIONS	\$ 1,606,318	\$ 345,834	\$ -	\$ -		(1,260,484)	
WINDMASTER URBAN RENEWAL	11,231	-	-	-			(11,231)
	<u>\$ 1,617,550</u>	<u>\$ 345,834</u>	<u>\$ -</u>	<u>\$ -</u>			
GENERAL REVENUES:							
TAXES:							
					3,669,209	1,416,406	220,806
					2,655,881	-	-
					750,017	67,414	5,293
					(584,144)	-	-
					937,984	12,735	-
					5,690,499	-	-
					<u>13,119,446</u>	<u>1,496,555</u>	<u>226,099</u>
						2,301,145	214,868
						236,071	127,361
						112,742,620	3,583,623
						(33,642)	6,240
						<u>\$ 115,010,123</u>	<u>\$ 3,825,934</u>
						<u>\$ 115,010,123</u>	<u>\$ 3,825,934</u>
						<u>\$ 115,010,123</u>	<u>\$ 3,825,934</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**HOOD RIVER COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	GENERAL	PUBLIC WORKS	TIMBER PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
CURRENT ASSETS:					
CASH AND INVESTMENTS	\$ 4,441,986	\$ 9,252,406	\$ 15,722,239	\$ 6,479,748	\$ 35,896,379
TAXES RECEIVABLE	243,523	-	-	-	243,523
ACCOUNTS RECEIVABLE	400,334	152,027	705,580	162,596	1,420,537
CONTRACTS RECEIVABLE	-	-	1,668,263	169,688	1,837,951
INVENTORIES	-	214,466	-	-	214,466
INTERFUND LOAN RECEIVABLE	-	325,500	230,330	-	555,830
PREPAID ITEMS	110,509	-	-	3,649	114,158
TOTAL ASSETS	\$ 5,196,352	\$ 9,944,399	\$ 18,326,412	\$ 6,815,681	\$ 40,282,844
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE	\$ 174,028	\$ 148,602	\$ 87,041	\$ 162,853	\$ 572,524
ACCRUED SALARIES & FRINGE PAYABLE	427,491	60,414	-	79,299	567,204
UNEARNED REVENUE	-	-	1,269,855	144,664	1,414,519
INTERFUND LOAN PAYABLE	555,830	-	-	-	555,830
DEPOSITS	453,155	3,650	-	500	457,305
TOTAL LIABILITIES	1,610,504	212,666	1,356,896	387,316	3,567,382
DEFERRED INFLOWS OF RESOURCES					
UNAVAILABLE REVENUE - PROPERTY TAX	225,586	-	-	-	225,586
TOTAL DEFERRED INFLOWS OF RESOURCES	225,586	-	-	-	225,586
FUND BALANCES:					
NONSPENDABLE	110,509	214,466	-	3,649	328,624
RESTRICTED	-	9,517,267	-	3,699,164	13,216,431
COMMITTED	-	-	16,969,516	2,725,552	19,695,068
ASSIGNED	849,818	-	-	-	849,818
UNASSIGNED	2,399,935	-	-	-	2,399,935
TOTAL FUND BALANCES	3,360,262	9,731,733	16,969,516	6,428,365	36,489,876
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,196,352	\$ 9,944,399	\$ 18,326,412	\$ 6,815,681	

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:	
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN THE FUNDS.	88,668,115
INVESTMENT IN JOINT VENTURE - NOT AVAILABLE TO THE COUNTY	2,563,421
NET PENSION LIABILITY IS NOT RECORDED IN THE GOVERNMENTAL FUNDS	(10,273,745)
DEFERRED INFLOWS AND OUTFLOWS RELATED TO THE NET PENSION ASSET ARE NOT RECORDED IN THE GOVERNMENTAL FUNDS	(1,042,623) 3,443,248
TOTAL OPEB LIABILITY IS NOT RECORDED IN THE GOVERNMENTAL FUNDS	(769,424)
DEFERRED INFLOWS AND OUTFLOWS RELATED TO THE OPEB LIABILITY ARE NOT RECORDED IN THE GOVERNMENTAL FUNDS	(85,883) 96,889
TOTAL RHIA OPEB ASSET IS NOT RECORDED IN THE GOVERNMENTAL FUNDS	133,309
DEFERRED INFLOWS AND OUTFLOWS RELATED TO THE RHIA OPEB ASSET ARE NOT RECORDED IN THE GOVERNMENTAL FUNDS	(26,213) 35,965
PROPERTY TAXES EARNED BUT UNAVAILABLE	225,586
ACCRUED COMPENSATED ABSENCES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.	(575,955)
ACCRUED INTEREST IS NOT REPORTED IN THE GOVERNMENTAL FUNDS	(19,427)
LONG TERM DEBT PAYABLE	(3,853,016)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 115,010,123

NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HOOD RIVER COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	GENERAL	PUBLIC WORKS	TIMBER PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
PROPERTY TAXES	\$ 3,621,420	\$ -	\$ -	\$ -	\$ 3,621,420
OTHER TAXES	378,257	-	-	175,946	554,203
INTERGOVERNMENTAL	2,237,075	1,145,874	-	2,335,508	5,718,457
TIMBER SALES	-	-	5,690,499	-	5,690,499
FINES AND FEES	2,614,432	2,283,237	122,842	1,686,399	6,706,910
INVESTMENT EARNINGS	83,074	212,508	-	454,435	750,017
DONATIONS & CONTRIBUTIONS	119,638	-	-	29,961	149,599
PERS IN LIEU	-	-	-	440,995	440,995
OTHER REVENUE	1,447	8,083	(1)	100,503	110,032
TOTAL REVENUES	9,055,343	3,649,702	5,813,340	5,223,747	23,742,132
EXPENDITURES					
CURRENT OPERATING:					
GENERAL GOVERNMENT	3,678,931	-	-	110,341	3,789,272
SHERIFF	4,002,966	-	-	118,704	4,121,670
PUBLIC SAFETY	1,109,543	-	-	-	1,109,543
DISTRICT ATTORNEY	415,825	-	-	133,408	549,233
PUBLIC WORKS	31,186	2,549,624	-	-	2,580,810
HEALTH & SANITATION	909,427	-	-	1,379,510	2,288,937
FORESTRY	673,092	-	690,281	-	1,363,373
PARKS	437,929	-	-	-	437,929
PLANNING	361,886	-	-	-	361,886
VETERANS	95,596	-	-	-	95,596
COUNTY FAIR	-	-	-	417,881	417,881
BUILDING INSPECTION	-	-	-	544,376	544,376
EMERGENCY MANAGEMENT	132,464	-	-	-	132,464
PREVENTION PROGRAM	-	-	-	356,174	356,174
EDUCATION	-	-	-	108,650	108,650
CAPITAL OUTLAY	354,418	-	-	1,005,955	1,360,373
DEBT SERVICE:					
PRINCIPAL	-	-	-	295,000	295,000
INTEREST	-	-	-	250,452	250,452
TOTAL EXPENDITURES	12,203,263	2,549,624	690,281	4,720,451	20,163,619
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,147,920)	1,100,078	5,123,059	503,296	3,578,513
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN	4,374,676	-	732,900	575,401	5,682,977
TRANSFERS OUT	(42,267)	(706,438)	(3,554,000)	(1,380,272)	(5,682,977)
PROCEEDS FROM THE SALE OF ASSETS	40,693	66,584	-	-	107,277
TOTAL OTHER FINANCING SOURCES (USES)	4,373,102	(639,854)	(2,821,100)	(804,871)	107,277
NET CHANGE IN FUND BALANCES	1,225,182	460,224	2,301,959	(301,575)	3,685,790
FUND BALANCES - BEGINNING	1,903,290	9,271,509	14,846,034	6,729,940	32,750,773
PRIOR PERIOD ADJUSTMENT	231,790	-	(178,477)	-	53,313
FUND BALANCES - ENDING	\$ 3,360,262	\$ 9,731,733	\$ 16,969,516	\$ 6,428,365	\$ 36,489,876

NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**HOOD RIVER COUNTY, OREGON
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENT FUNDS	\$	3,685,790
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:		
GOVERNMENT FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES WHILE GOVERNMENTAL ACTIVITIES REPORT DEPRECIATION EXPENSE TO ALLOCATE THOSE EXPENDITURES OVER THE LIFE OF THE ASSETS. THIS IS THE AMOUNT BY WHICH CAPITAL OUTLAYS EXCEEDED DEPRECIATION IN THE CURRENT PERIOD.		
EXPENDITURES FOR CAPITAL ASSETS	\$ 1,302,338	
CAPITAL ASSETS RETIRED OR SOLD	(3,282)	
LESS CURRENT YEAR DEPRECIATION	(755,663)	543,393
REVENUES IN THE STATEMENT OF ACTIVITIES THAT DO NOT PROVIDE CURRENT FINANCIAL RESOURCES ARE NOT REPORTED AS REVENUES IN THE FUNDS.		
CHANGE IN UNAVAILABLE PROPERTY TAXES		47,789
SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES DO NOT REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED AS EXPENDITURES IN GOVERNMENTAL FUNDS.		
CHANGE IN COMPENSATED ABSENCES		(15,168)
PERS PENSION EXPENDITURES NOT RECOGNIZED IN GOVERNMENTAL FUNDS		(1,788,418)
OPEB LIABILITY EXPENDITURES NOT RECOGNIZED IN GOVERNMENTAL FUNDS		(27,739)
RHIA OPEB LIABILITY EXPENDITURES NOT RECOGNIZED IN GOVERNMENTAL FUNDS		143,061
THE ISSUANCE OF LONG-TERM DEBT PROVIDES CURRENT FINANCIAL RESOURCES TO GOVERNMENTAL FUNDS, WHILE THE REPAYMENT OF THE PRINCIPAL OF LONG-TERM DEBT CONSUMES THE CURRENT FINANCIAL RESOURCES OF GOVERNMENTAL FUNDS:		
PAYMENT OF PRINCIPAL ON LONG-TERM DEBT		295,000
CHANGE IN INTEREST ACCRUAL		1,581
CHANGE IN INVESTMENT IN JOINT VENTURE		(584,144)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	2,301,145

NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HOOD RIVER COUNTY, OREGON
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES	\$ 3,481,258	\$ 3,481,258	\$ 3,621,420	\$ 140,162
OTHER TAXES	277,521	277,521	378,257	100,736
INTERGOVERNMENTAL	1,842,764	1,991,069	2,237,075	246,006
FINES AND FEES	2,201,744	2,228,435	2,614,432	385,997
INVESTMENT EARNINGS	28,000	28,000	63,911	35,911
DONATIONS & CONTRIBUTIONS	21,736	61,029	119,638	58,609
OTHER REVENUE	1,300	1,300	1,447	147
TOTAL REVENUES	<u>7,854,323</u>	<u>8,068,612</u>	<u>9,036,180</u>	<u>967,568</u>
EXPENDITURES				
PERSONNEL SERVICES	8,244,492	8,349,013	7,624,041	(724,972)
MATERIALS & SERVICES	2,544,106	2,874,334	2,314,303	(560,031)
CAPITAL OUTLAY	484,400	488,650	354,418	(134,232)
SPECIAL PAYMENTS	1,903,227	1,903,227	1,905,464	2,237
DEBT SERVICE	63,000	120,000	120,000	-
CONTINGENCY	200,000	200,000	-	(200,000)
TOTAL EXPENDITURES	<u>13,439,225</u>	<u>13,935,224</u>	<u>12,318,226</u>	<u>(1,616,998)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,584,902)	(5,866,612)	(3,282,046)	(2,584,566)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	4,461,648	4,461,648	4,459,794	(1,854)
TRANSFERS OUT	(42,267)	(42,267)	(42,267)	-
SALE OF ASSETS	10,000	10,000	40,693	30,693
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,429,381</u>	<u>4,429,381</u>	<u>4,458,220</u>	<u>28,839</u>
NET CHANGE IN FUND BALANCE	(1,155,521)	(1,437,231)	1,176,174	2,613,405
FUND BALANCE - BEGINNING	1,159,657	1,441,367	1,836,787	395,420
PRIOR PERIOD ADJUSTMENT	-	-	53,313	53,313
FUND BALANCE - ENDING	<u>\$ 4,136</u>	<u>\$ 4,136</u>	3,066,274	<u>\$ 3,062,138</u>
RECONCILIATION TO GAAP ENDING FUND BALANCE				
RESERVES ENDING FUND BALANCE			849,818	
INTERFUND LOAN			(555,830)	
GENERAL FUND ENDING FUND BALANCE			<u>\$ 3,360,262</u>	

NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**HOOD RIVER COUNTY, OREGON
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC WORKS FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET OVER (UNDER)
REVENUES				
INTERGOVERNMENTAL	\$ 1,156,100	\$ 1,156,100	\$ 1,145,874	\$ (10,226)
FINES AND FEES	2,713,600	2,713,600	2,283,237	(430,363)
INVESTMENT EARNINGS	200,000	200,000	212,508	12,508
OTHER REVENUE	7,200	7,200	8,083	883
TOTAL REVENUES	4,076,900	4,076,900	3,649,702	(427,198)
EXPENDITURES				
PERSONNEL SERVICES	1,622,452	1,622,452	1,337,760	(284,692)
MATERIALS & SERVICES	1,619,900	1,729,400	1,026,696	(702,704)
CAPITAL OUTLAY	69,100	69,100	58,828	(10,272)
CONTINGENCY	114,010	109,510	-	(109,510)
TOTAL EXPENDITURES	3,425,462	3,530,462	2,423,284	(1,107,178)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	651,438	546,438	1,226,418	679,980
OTHER FINANCING SOURCES (USES)				
TRANSFERS OUT	(706,438)	(706,438)	(706,438)	-
PROCEEDS FROM THE SALE OF ASSETS	55,000	55,000	66,584	11,584
TOTAL OTHER FINANCING SOURCES (USES)	(651,438)	(651,438)	(639,854)	11,584
NET CHANGE IN FUND BALANCE	-	(105,000)	586,564	691,564
FUND BALANCE - BEGINNING	8,500,000	8,605,000	8,605,203	203
FUND BALANCE - ENDING	\$ 8,500,000	\$ 8,500,000	9,191,767	\$ 691,767
RECONCILIATION TO GAAP ENDING FUND BALANCE				
			INVENTORY	214,466
			INTERFUND LOAN	325,500
			PUBLIC WORKS FUND ENDING FUND BALANCE	\$ 9,731,733

NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**HOOD RIVER COUNTY, OREGON
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TIMBER PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET OVER (UNDER)
REVENUES				
TIMBER SALES	\$ 2,575,000	\$ 2,575,000	\$ 5,690,499	\$ 3,115,499
FINES AND FEES	20,500	111,007	122,842	11,835
DONATIONS AND CONTRIBUTIONS	100	100	-	(100)
OTHER REVENUE	85,000	85,000	114,992	29,992
TOTAL REVENUES	<u>2,680,600</u>	<u>2,771,107</u>	<u>5,928,333</u>	<u>3,157,226</u>
EXPENDITURES				
MATERIALS & SERVICES	1,987,089	2,005,187	689,896	(1,315,291)
CAPITAL OUTLAY	-	1,892,489	385	(1,892,104)
TOTAL EXPENDITURES	<u>1,987,089</u>	<u>3,897,676</u>	<u>690,281</u>	<u>(3,207,395)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	693,511	(1,126,569)	5,238,052	6,364,621
OTHER FINANCING (USES)				
TRANSFERS IN	732,900	732,900	732,900	-
TRANSFERS OUT	<u>(3,554,000)</u>	<u>(3,554,000)</u>	<u>(3,554,000)</u>	<u>-</u>
TOTAL OTHER FINANCING (USES)	<u>(2,821,100)</u>	<u>(2,821,100)</u>	<u>(2,821,100)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(2,127,589)	(3,947,669)	2,416,952	6,364,621
FUND BALANCE - BEGINNING	<u>14,437,381</u>	<u>14,440,876</u>	<u>14,322,234</u>	<u>(118,642)</u>
FUND BALANCE - ENDING	<u>\$ 12,309,792</u>	<u>\$ 10,493,207</u>	\$ 16,739,186	<u>\$ 6,245,979</u>
RECONCILIATION TO GAAP ENDING FUND BALANCE				
INTERFUND LOAN			230,330	
PUBLIC WORKS FUND ENDING FUND BALANCE			<u>\$ 16,969,516</u>	

NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**HOOD RIVER COUNTY, OREGON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS - CUSTODIAL
JUNE 30, 2020**

ASSETS

CASH AND INVESTMENTS	\$ 5,028,506
RECEIVABLES:	
PROPERTY TAXES	2,087,930
ACCOUNTS	11,172
TOTAL RECEIVABLES	2,099,102
TOTAL ASSETS	7,127,608

LIABILITIES

ACCOUNTS PAYABLE	287,276
TAXES PAID IN ADVANCE	18,109
TOTAL LIABILITIES	305,385

NET POSITION

Restricted for Individuals, Organizations and other Governments	6,822,223
TOTAL NET POSITION	\$ 6,822,223

NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**HOOD RIVER COUNTY, OREGON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL
FOR THE YEAR ENDED JUNE 30, 2020**

ADDITIONS	
TAXES COLLECTED	\$ 68,878,661
INTEREST	116,357
DEPOSITS HELD FOR DISTRICTS	1,007,204
	<u>70,002,222</u>
TOTAL ADDITIONS	
DEDUCTIONS	
DISTRIBUTIONS TO DISTRICTS	69,712,450
INTEREST DISTRIBUTIONS	14,493
TAX REFUNDS	<u>147,334</u>
	<u>69,874,277</u>
TOTAL DEDUCTIONS	
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	127,945
NET POSITION, BEGINNING	<u>6,694,278</u>
NET POSITION, ENDING	<u><u>\$ 6,822,223</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Hood River County is a municipal corporation governed by an elected board of commissioners consisting of a chairperson and four commissioners. The accompanying financial statements present the government and its component units, an entity for which the County is considered to be financially accountable. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize it is legally separate from the government. The component units have June 30 fiscal year-ends.

Discretely presented component units.

Hood River County 911 Communications District (911 Communications) was organized in 1995 as a special district providing emergency response dispatch service to all of Hood River County. The County Commissioners appoint the District's Board and the Commissioners have authority to impose its will on the District. Management believes that the nature and significance of the relationship is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Hood River County Windmaster Urban Renewal District (WMURD) was organized in 2008 by the Hood River County Board of County Commissioners as a financing element of the Windmaster Sewer project. The County Commissioners appoint the District's Board and the Commissioners have authority to impose its will on the District. Management believes that the nature and significance of the relationship is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Complete financial statements for the 911 Communications, and WMURD can be obtained at the Hood River County, Department of Budget & Finance, 601 State Street, Hood River, OR 97031.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities* are supported by taxes and intergovernmental revenues. The *primary government* is reported separately from the legally separate *component units* for which the primary government is financially accountable.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus, Basis of Accounting and Basis of Presentation, continued

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.

Program revenues includes 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 of a particular function or segment. Taxes and other items not properly included among programs revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 County 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, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, public services taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. Its primary sources of revenue are from property taxes, fines and fees and intergovernmental sources.

The *Public Works Fund* is the County's road fund. It accounts for all revenues and expenses related to the operation and maintenance of the infrastructure systems of the County. Its primary sources of revenue are from fines and fees.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus, Basis of Accounting and Basis of Presentation, continued

The *Timber Projects Fund* accounts for the County's timber sales activity. The timber sales and specific administrative expenses related to the forestland owned and operated by the County are reported in this fund. Its primary sources of revenue are from timber sales.

Additionally, the County reports the following fund types:

Special revenues funds are primarily operating funds that account for revenue derived from specific revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating fund authorized to make expenditures.

Capital projects funds account for expenditures on major construction projects or equipment acquisitions. The principal sources of revenues are transfers from operating funds for capital asset purchase or construction, and general obligation bonds.

Debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Fiduciary funds – custodial funds - account for assets held for other governments.

The effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources, as they are needed.

Assets, deferred outflows, liabilities, deferred inflows and net position

Cash and investments

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Assets, deferred outflows, liabilities, deferred inflows and net position, continued

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Receivables and payables

Activities between funds that would reflect lending/borrowing arrangements outstanding at the end of the fiscal year would be referred to as "due to/due from other funds". Any other outstanding balances between funds are reported as "interfund balances."

Property tax receivables are deemed to be substantially collectable or recoverable through foreclosure. Accordingly, no allowance for doubtful accounts is deemed necessary. For all other receivables management believes that no allowance for uncollectable is required.

Property taxes are levied and become a lien as of July 1. Property taxes are assessed in October and tax payments are due November 15. Under the partial payment schedule, the first one-third of taxes are due November 15, the second one-third on February 15 and the remaining one-third on May 15. A three percent discount is allowed if full payment is made by November 15 and a two percent discount is allowed if two-thirds payment is made by November 15. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of 1.33% per month. Property foreclosure proceedings are initiated four years after the tax due date.

Supply Inventories

Inventories are valued at lower of cost or market using the first-in/first-out (FIFO) method. Inventories of materials and supplies in governmental funds are recorded as expenditures when purchased.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. In the governmental funds, the consumption method is used.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Assets, deferred outflows, liabilities, deferred inflows and net position, continued

Capital Assets

The County has reported all capital assets, which include property, equipment and infrastructure assets (e.g., roads, bridges), governmental activities in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for land, buildings and improvements are capitalized as assets are purchased or constructed. Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	75
Building Improvements	50
Machinery & Equipment	10
Computer Equipment	7
Furniture & Fixtures	7
Standard Vehicles	7
Sheriff Vehicles	5

The County has elected to use the “modified approach” as defined by GASB No. 34 for infrastructure reporting for the systems of roads and bridges. As a result, no accumulated depreciation or depreciation expense has been reported for these systems. A more detailed discussion of the “modified approach” is presented in the Required Supplementary Information section of this report on as listed in the table of contents. All other capital assets were reported using the basic approach whereby accumulated depreciation and depreciation expense has been recorded. Accumulated depreciation is defined as the total depreciation from the date of construction or acquisition to the current date on a straight-line basis using the life expectancies noted above.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay and compensatory time is accrued in the government-wide financial statements as incurred. An expense for these amounts is reported in government funds only if they have matured, for example, as a result of employee resignations and retirements

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Assets, deferred outflows, liabilities, deferred inflows and net position, continued

Long-term obligations

In the government-wide financial statements long-term debt is reported as a liability in the County's statement of net position. Bond issuance costs are expensed in the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund balance

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaids.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. The Director of Budget and Finance has the authority to classify portions of ending fund balances as Assigned, as granted by resolution from the Board of Commissioners.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The following order of spending regarding fund balance categories is used: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Assets, deferred outflows, liabilities, deferred inflows and net position, continued

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The statement of net position reports deferred outflows related to the pension related deferral and OPEB related deferrals. These amounts are equal to differences between expected and actual experience, changes in proportionate share and contributions subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The statement of net position reports deferred inflows called pension related deferral and OPEB related deferrals. These amounts are equal to the difference between actuarially projected investment earnings and actual investment earnings.

Retirement Plans

Substantially all of the County's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. 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. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

NOTE 2 - BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law) for all governmental funds. All annual appropriations lapse at fiscal year- end.

Requests for appropriations are submitted by all agencies of the County to the director of budget and finance by February each year. The proposed budget is presented to the budget committee in April for public hearing. The budget committee consists of the five commissioners and five lay citizens of the County appointed by the commission. The budget committee reviews the proposed budget and approves a budget document for publication in a local newspaper of record. The Board of Commissioners holds a public hearing and adopts a final budget and levies taxes for that year no later than June 30.

The budget is prepared by category (i.e., personnel service, materials and services, capital outlay,

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 2 - BUDGETARY INFORMATION, continued

debt service and other requirements) within funds. The budget is appropriated by resolution at the department level. County departments may make transfers of appropriations within categories within a category. Adjustments to the budgetary appropriations require approval of the Board of Commissioners in a public hearing. Expenditure appropriations may not be over expended except in the case of grant funding or debt service on new bonded debt issued during the fiscal year. Department directors are permitted to transfer amounts between individual line items within a category group, but may not make adjustments to the categories themselves, which is the legal level of control, without the Board of Commissioner's approval.

Expenditures of the various funds were within authorized appropriation, except for the General Fund – Special Payments by \$2,237, Health Programs Fund – Special Payments by \$15,488, Federal Forest Title III Fund – Transfers out by \$34,433, Equipment Replacement Fund – Transfers out by \$90,813, and Hood River Prevention Program Fund – Special Payments by \$34,941.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits. Deposits with financial institutions are comprised of general and payroll demand-deposit accounts. The bank balances in these accounts at June 30, 2020 is \$1,179,167. Of these deposits, \$266,616 is covered for non-interest bearing accounts by federal depository insurance and the remaining is collateralized in accordance with Oregon Law.

Investments. Oregon Revised Statutes and the County's investment policy authorize the County to invest primarily in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade corporate indebtedness, and the State of Oregon Local Government Investment Pool.

As of June 30, 2020, the County had the following cash and investments:

	Fair Value
Investments	
State of Oregon Local Government Investment Pool	\$ 37,148,644
Corporate bonds	6,057,790
Total investments	43,206,434
Cash on hand in banks	1,039,161
Total cash and investments	\$ 44,245,595

Cash and investments are shown on the basic financial statements as:

Governmental	\$	35,896,379
911 Communications		2,991,878
Windmaster Urban Renewal		328,832
Fiduciary		5,028,506
Total cash and investments	\$	44,245,595

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the individual maturities in its investment portfolio to eighteen months or less. Average maturity of the County's investment portfolio at June 30, 2020 was eight months.

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations under ORS 294.035. At June 30, 2020, ratings of the County's holdings in federal government agencies were AAA and AA (S&P) and AA3 and AAA (Moody's). Commercial investments ranged from AA1 to AAA (S&P) and AA+ to AAA (Moody's).

Concentration of credit risk. The County's investment policy does not allow for an investment in any one issuer that is in excess of 50% of the County's total investments under ORS 294.035.

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned to it. Oregon Revised Statutes require deposits to be deposited at an approved depository so determined by the Oregon State Treasurer. As of June 30, 2020, all deposits were covered by the FDIC and deposited at an approved depository.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counter party, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

As of June 30, 2020 the County had the following investments:

Investment	S&P		Fair Value		Fair Value
	Rating	Maturities	Activity	Level	
State Treasurer's Investment Pool	No Rating	N/A	Quoted	market price, Level 1	\$ 36,955,406
State Treasurer's Investment Pool	No Rating	N/A	Quoted	market price, Level 1	193,238
Corporate Bond - UBS AG Stamford	A+	8/4/2020	Quoted	market price, Level 1	1,003,970
Corporate Bond - Bank of Montreal	A+	4/13/2021	Quoted	market price, Level 1	1,021,700
Corporate Bond – Royal Bank of Canada	AA-	4/30/2021	Quoted	market price, Level 1	1,023,970
Corporate Bond - Wells Fargo	A-	7/22/2020	Quoted	market price, Level 1	1,001,220
Corporate Bond – Toronto Dominion Bank	AA-	9/11/2020	Quoted	market price, Level 1	1,002,970
Corporate Bond - US Bancorp	AA-	10/23/2020	Quoted	market price, Level 1	1,003,960
Total Investments					<u>\$ 43,206,434</u>

NOTE 4 - RECEIVABLES

Receivables at year-end for the County's individual major funds and non-major funds in the aggregate, are as follows:

	General Fund	Public Works	Timber Projects	Other Gov Funds	Total
Taxes	\$ 243,523	\$ -	\$ -	\$ -	\$ 243,523
Accounts	400,334	152,027	705,580	162,596	1,420,537
Contracts	-	-	1,668,263	169,688	1,837,951
Total	<u>\$ 643,857</u>	<u>\$ 152,027</u>	<u>\$ 2,373,843</u>	<u>\$ 332,284</u>	<u>\$ 3,502,011</u>

Hood River County owns 34,358 acres of timberland and derives revenue from those lands via timber sales. As of June 30, 2020, there were nine contracts open covering sales over the next one to three years accounting for the \$1,668,263 of contracts receivable and related deferred revenue. Each sale is individually guaranteed by a performance bond that will pay the contractual revenue to the County should the contractor not be able to perform in accordance to the contract provisions. The County has had to exercise its rights in this type of situation only twice in the last fifteen years and has done so successfully without loss of revenue.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 4 – RECEIVABLES, continued

The County also operates a Farm Loan Program providing funds as needed to local agricultural entities for farm improvement projects. The County's position is secured by liens on the individual properties, assuring payment in the event of default. In the history of this program the County has not experienced a default on any contract. At June 30, 2020, the balance in contracts receivable and deferred revenue for this purpose was \$169,688 consisting of twelve contracts.

Governmental funds report unavailable revenue 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 not yet earned.

At the end of the current fiscal year, the various components of unavailable or unearned revenue reported in the governmental funds were as follows:

Delinquent property taxes receivable (General Fund)	\$	<u>225,586</u>
Total unavailable revenue	\$	<u><u>225,586</u></u>
Unearned Revenue:		
Unearned revenue - timber contracts receivable	\$	1,269,855
Unearned revenue - other governmental funds		<u>144,664</u>
Total unearned revenue	\$	<u><u>1,414,519</u></u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 5 - CAPITAL ASSETS

Activity and balances of the County's capital assets for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance
Capital assets not being depreciated					
Land	\$ 20,971,111	\$ -	\$ -	\$ -	\$ 20,971,111
Infrastructure	57,076,531	600,020	-	54,975	57,731,526
Construction in progress	246,378	19,107	(115,962)	(130,416)	19,107
Total capital assets, not being depreciated	<u>78,294,020</u>	<u>619,127</u>	<u>(115,962)</u>	<u>(75,441)</u>	<u>78,721,744</u>
Capital assets being depreciated					
Buildings and improvements	10,538,008	129,203	-	41,828	10,709,039
Furniture and fixtures	51,353	-	-	-	51,353
Vehicles	3,318,374	243,343	(423,064)	(10,402)	3,128,251
Machinery and equipment	8,219,928	426,627	(98,190)	141,719	8,690,084
Total capital assets being depreciated	<u>22,127,663</u>	<u>799,173</u>	<u>(521,254)</u>	<u>173,145</u>	<u>22,578,727</u>
Less accumulated depreciation for					
Buildings and improvements	(3,388,085)	(174,550)	-	(147,301)	(3,709,936)
Furniture and fixtures	(40,186)	(2,953)	-	(122)	(43,261)
Vehicles	(2,667,660)	(218,693)	421,849	(52,792)	(2,517,296)
Machinery and equipment	(6,114,075)	(359,467)	96,123	15,556	(6,361,863)
Total accumulated depreciation	<u>(12,210,006)</u>	<u>(755,663)</u>	<u>517,972</u>	<u>(184,659)</u>	<u>(12,632,356)</u>
Total capital assets being depreciated, net	<u>9,917,657</u>	<u>43,510</u>	<u>(3,282)</u>	<u>(11,514)</u>	<u>9,946,371</u>
Capital assets, net	<u>\$ 88,211,677</u>	<u>\$ 662,637</u>	<u>\$ (119,244)</u>	<u>\$ (86,955)</u>	<u>\$ 88,668,115</u>

Depreciation was charged to functions/programs of the primary government as follows:

General government	\$ 294,932
Sheriff	174,282
Public safety	4,199
Public works	208,589
Community service	<u>73,661</u>

Total depreciation expense - governmental activities \$ 755,663

Adjustments are a result of the County reviewing and reconciling their asset module during the fiscal year.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 5 - CAPITAL ASSETS, continued

Hood River County has committed resources to the maintenance and preservation of the infrastructure system (e.g., roads, bridges) as authorized by the governing body. The approved condition level commitment is based on historical records generated by the public works department whose records were used in the recommendation to the Board of Commissioners in adopting the modified approach to infrastructure assets.

The modified approach to infrastructure reporting permits Hood River County to expense the costs associated with the maintenance of those assets in the current reporting period versus depreciating the assets over a predetermined number of years. Hood River County maintains an inventory of these assets and performs annual condition assessments on rotating segments to ensure that the predetermined condition level is being maintained in accordance with the approved plan. Each budget year Hood River County, through the public works department, will include the costs to maintain the infrastructure system at the condition level adopted in the annual budget and will review the annual results for assurance that those requirements have been met.

NOTE 6 – INTERFUND TRANSFERS AND INTERFUND BALANCES

The composition of interfund transfers during the June 30, 2020 fiscal year is as follows:

<u>Transfers In</u>		<u>Transfers Out</u>	
General fund	\$ 4,374,676	General fund	\$ 42,267
Public works fund	-	Public works fund	706,438
Timber projects fund	732,900	Timber projects fund	3,554,000
Nonmajor funds	<u>575,401</u>	Nonmajor funds	<u>1,380,272</u>
Total transfers	<u>\$ 5,682,977</u>		<u>\$ 5,682,977</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various program funds in accordance with budgetary authorization.

The composition of interfund receivables and payables at June 30, 2020 are as follows:

<u>Interfund Receivables</u>		<u>Interfund Payables</u>	
General fund	\$ -	General fund	\$ 555,830
Public works fund	325,500	Public works fund	-
Timber projects fund	<u>230,330</u>	Timber projects fund	<u>-</u>
Total transfers	<u>\$ 555,830</u>		<u>\$ 555,830</u>

Interfund receivables and payables are used to fund current operations and long term projects.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 7 - LEASES

Operating Leases

The County leases office facilities on a month-to-month basis, and other equipment under non-cancelable operating leases. Total costs for such leases were \$78,032 for the year ended June 30, 2020. The future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ 74,327
2022	63,299
2023	60,772
2024	58,531
2025	56,409
Beyond	<u>154,596</u>
Total	<u>\$ 467,934</u>

NOTE 8 - LONG-TERM OBLIGATIONS

Changes in long-term liabilities.

Long-term liability activity for the year ended June 30, 2020, were as follows:

	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2020</u>	<u>Due within one year</u>
Governmental Activities					
Bond					
Pension obligation bonds	\$ 4,135,000	\$ -	\$ 295,000	\$ 3,840,000	\$ 340,000
Direct Borrowing					
Note payable	<u>13,016</u>	<u>-</u>	<u>-</u>	<u>13,016</u>	<u>13,016</u>
Total	<u>\$ 4,148,016</u>	<u>\$ -</u>	<u>\$ 295,000</u>	<u>\$ 3,853,016</u>	<u>\$ 353,016</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 8 - LONG-TERM OBLIGATIONS, continued

Pension Obligation Bonds

In May 2004 Hood River County participated as one of ten local governments in issuing limited tax pension bonds, the proceeds of which were used to finance a portion of the estimated unfunded actuarial liability of each participating local government with the Oregon Public Employees Retirement System (PERS). Except for the payment of its pension bond payments and additional charges when due, each participating local government has no obligation or liability to any other participating local government's pension bonds or liabilities to PERS. The County records the amount deposited with PERS as a prepayment on its actuarial obligation, and accounts for the payment of principal, interest and the amortization of the prepayment as pension expense over the life of the bonds. The County anticipates that the total costs of financing the County's actuarial obligation in this way will result in a significant savings to the County when compared to paying for such costs in additional contribution rates to PERS.

The Series 2004 Trustee may waive any pension bond default and its consequences, except a failure to pay principal, interest or premium when due. If an event of default occurs and is continuing, the Trustee may exercise any remedy available at law or in equity; however, the pension bond payments will not be subject to acceleration, and each series 2004 issuer is responsible solely for its pension bond payments and any fees and other charges of the Series 2004 Trustee reasonably allocated to it. The County's obligations under the 2004 pension bond issuance shall terminate if and when there shall occur either prepayment in full of the Series 2004 Pension Bonds, or legal defeasance of the Series 2004 obligations. The Series 2004 Pension Bonds are limited tax bonds and pension bond payments are not subject to acceleration.

The County issued \$5,355,000 Pension Bonds, Series 2004 (Federally Taxable), on May 27, 2004 which are payable annually through June 2028. Interest on the deferred interest bonds is accreted semiannually at yields ranging from 2.13% to 6.095%. The bonds are federally taxable and are not subject to optional prepayment prior to their stated maturities.

Annual debt service requirements to maturity:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 340,000	\$ 233,120
2022	385,000	212,669
2023	435,000	189,511
2024	490,000	163,346
2025	550,000	133,481
2025-28	1,640,000	182,850
Total	<u>\$ 3,840,000</u>	<u>\$ 1,114,977</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 8 - LONG-TERM OBLIGATIONS, continued

On February 7, 2011, the General Fund received a loan from the Public Works in the amount of \$60,000 for the completion of an energy efficiency project. Interest charged will be at the rate of 2.0% over the course of ten years.

Annual debt service requirements to maturity:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	13,016	390
Total	<u>\$ 13,016</u>	<u>\$ 390</u>

NOTE 9 – JOINTLY GOVERNED ORGANIZATION

In 1996 the County, in conjunction with three other county governments created the Northern Oregon Corrections (NORCOR) regional jail. NORCOR provides jail services to the four member counties. Its board is comprised of one member from each participating county governing body. Each member government is responsible for their respective share of NORCOR’s operation. Any operating deficit would cause an additional assessment on the member counties. The County contributed \$1,683,397 equivalent to 40% of all counties’ contributions, to the operation of the NORCOR facility for the fiscal year ended June 30, 2020. Financial information for this entity may be obtained from the Administrator, Northern Oregon Corrections, 201 Webber Road, The Dalles, Oregon 97058.

The County’s ownership position in the joint venture is 40% based on a census of beds used by each participating county. The County’s interest is included in the investment earnings in the general revenues section of the statement of activities.

NOTE 10 - Defined Benefit Pension Plan

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>
 If the link is expired please contact Oregon PERS for this information.

a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 10 - Defined Benefit Pension Plan, continued

years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60.

- ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 10 - Defined Benefit Pension Plan, continued

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2020 were \$864,112, excluding amounts to fund employer specific liabilities. In addition approximately \$425,522 in employee contributions were paid or picked up by the County in fiscal 2020. At June 30, 2020, the County reported a net pension liability of \$10,273,745 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2017. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2019 and 2018, the County's proportion was .059 percent and .057 percent, respectively. Pension expense for the year ended June 30, 2020 was \$1,788,418.

The rates in effect for the year ended June 30, 2020 were:

- (1) Tier 1/Tier 2 – 14.90%
- (2) OPSRP general services – 7.71%
- (3) OPSRP police and fire – 12.34%

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 10 - Defined Benefit Pension Plan, continued

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 566,567	\$ -
Changes in assumptions	1,393,751	-
Net difference between projected and actual earnings on pension plan investments	-	291,250
Net changes in proportionate share	618,818	-
Differences between County contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	2,579,136	1,042,623
County contributions subsequent to measuring date	864,112	-
Deferred outflow (inflow) of resources	\$ 3,443,248	\$ 1,042,623

The amounts of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2021.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2021	\$ 971,153
2022	67,823
2023	273,350
2024	213,222
2025	10,964
Thereafter	-
Total	\$ 1,536,512

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2020. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 10 - Defined Benefit Pension Plan, continued

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2017
Measurement date	June 30, 2019
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Health annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 10 - Defined Benefit Pension Plan, continued

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2019 PERS ACFR; p. 100)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2019 PERS ACFR; p. 74)

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 10 - Defined Benefit Pension Plan, continued

Discount Rate – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2019 and 2018 was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s 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 on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate – The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability	\$ 16,452,491	\$ 10,273,745	\$ 5,102,986

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the County for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the County.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 10 - Defined Benefit Pension Plan, continued

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the County are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

The County pays six (6) percent of their covered payroll on behalf of the employees. The County did not make any optional contributions to member IAP accounts for the year ended June 30, 2020.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

NOTE 11 – Other Post-Employment Benefits – RHIA

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after August 29, 2003. OPERS issues a publicly

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 11 – Other Post-Employment Benefits – RHIA, continued

available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating counties are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the County currently contributes 0.06% of annual covered OPERF payroll and 0.0% of OPSRP payroll under a contractual requirement in effect until June 30, 2020. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The County's contributions to RHIA for the years ended June 30, 2019 and 2020 were \$34,971 and \$34,192, respectively, which equaled the required contributions each year.

At June 30, 2020, the County reported a net OPEB liability/(asset) of (\$133,309) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2019, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2017. Consistent with GASB Statement No. 75, paragraph 59(a), the County's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2019 and 2018, the County's proportion was .069 percent and .072 percent, respectively. OPEB expense for the year ended June 30, 2020 was (\$143,061).

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 11 – Other Post-Employment Benefits – RHIA, continued

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (17,337)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	576
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (16,761)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 17,579
Changes in assumptions	-	138
Net difference between projected and actual earnings on pension plan investments	-	8,228
Net changes in proportionate share	1,773	268
Differences between County contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	1,773	26,213
County contributions subsequent to measuring date	34,192	-
Deferred outflow (inflow) of resources	\$ 35,965	\$ 26,213

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2021.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2021	\$ (12,722)
2022	(11,129)
2023	(1,438)
2024	848
2025	-
Thereafter	-
Total	\$ (24,441)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2019. That independently audited report was dated February 24, 2020 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%2006.30.19.pdf>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 11 – Other Post-Employment Benefits – RHIA, continued

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2017
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2019 and 2018 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's 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 on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 11 – Other Post-Employment Benefits – RHIA, continued

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2019 PERS ACFR; p. 74)

Sensitivity of the County's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the County's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net OPEB liability (asset)	\$ (103,349)	\$ (133,309)	\$ (158,837)

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 11 – Other Post-Employment Benefits – RHIA, continued

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

NOTE 12 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description: The County operates a single-employer retiree benefit plan that provides postemployment health, dental and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. All classes of employee are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage. Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

Benefits and eligibility for members are established through the collective bargaining agreements. The post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the County's implicit employer contribution. The County did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Funding Policy: The benefits from this program are paid by the County on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is not obligation on the part of the County to fund these benefits in advance.

Actuarial Methods and Assumptions: The County engaged an actuary to perform an evaluation as of June 30, 2018 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Discount Rate per year	3.50%
General Inflation Rate per year	2.50%
Salary Scale per year	3.50%

Health Care Cost Trends:

<u>Year</u>	<u>Trend</u>	<u>Year</u>	<u>Trend</u>
2018	6.75 %	2035	5.75 %
2019	7.00	2036-2038	6.00
2020	5.50	2039-2045	5.75
2021-25	5.00	2046-2050	5.50
2026-29	4.75	2051-2061	5.25
2030-2033	5.00	2062-2065	5.00
2034	5.25	2066+	4.75

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 12 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS, continued

Mortality rates were based on rates adopted by the Oregon Public Employees Retirement System (PERS) for its December 31, 2017 actuarial valuation of retirement benefits.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were not used.

Retirement rates were based on Oregon PERS assumptions. Annual rates are based on age, Tier / OPSRP, and duration of service.

The projection of benefits for financial reporting purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Changes in Medical Benefit OPEB Liability:

	2019	2020
Beginning of the year	\$ 746,879	\$ 702,596
Changes for the Year:		
Service Cost	39,403	46,280
Interest	26,744	28,389
Economic/Demographic gains or losses	(77,707)	-
Changes of Assumptions or Other Input	46,480	23,067
Benefit Payments	(79,203)	(30,908)
Net Changes for the Year	<u>(44,283)</u>	<u>66,828</u>
Total OPEB Liability at end of year	<u>\$ 702,596</u>	<u>\$ 769,424</u>

Sensitivity of the Total Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates: The following presents the net total post-employment benefit liability (NOL), calculated using the discount rate of 3.50 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 835,422	\$ 769,424	\$ 708,201

The following presents the total other post-employment benefit liability, calculated using trend rate of 6.5 percent graded down to 5.0 percent, as well as what the liability would be if it was calculated using a trend rate 1-percentage-point lower (5.5 percent graded down to 4.0 percent) or 1-percentage-point higher (7.5 percent graded down to 6.0 percent) than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 685,393	\$ 769,424	\$ 868,051

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 12 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS, continued

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (59,635)	\$ -
Changes in assumptions	(26,248)	56,055
Benefit Payments	-	40,834
Deferred outflow (inflow) of resources	\$ (85,883)	\$ 96,889

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2021	\$ (6,096)
2022	(6,096)
2023	(6,096)
2024	(6,096)
2025	(6,096)
Thereafter	652
Total	\$ (29,828)

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 13 – FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2020 are as follows:

Fund balances	<u>General Fund</u>	<u>Public Works</u>	<u>Timber Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable					
Inventory/Prepays	\$ 110,509	\$ 214,466	\$ -	\$ 3,649	\$ 328,624
Total	110,509	214,466	-	3,649	328,624
Restricted					
Public works	-	9,517,267	-	721,307	10,238,574
Sheriff programs	-	-	-	513,706	513,706
DA county programs	-	-	-	40,105	40,105
Clerk duties	-	-	-	46,257	46,257
Health programs	-	-	-	196,734	196,734
Building inspection	-	-	-	607,179	607,179
HRPP	-	-	-	199,932	199,932
Transient Room	-	-	-	54,632	54,632
Court assessment	-	-	-	262,223	262,223
County fair	-	-	-	71,238	71,238
Capital projects	-	-	-	965,556	965,556
Debt service	-	-	-	20,295	20,295
Total	-	9,517,267	-	3,699,164	13,216,431
Committed					
Timber projects	-	-	16,969,516	-	16,969,516
Timber interest	-	-	-	1,652,549	1,652,549
Farm loans	-	-	-	268,191	268,191
Animal shelter	-	-	-	203,083	203,083
Capital improvements	-	-	-	592,101	592,101
Employees	-	-	-	9,628	9,628
Total	-	-	16,969,516	2,725,552	19,695,068
Assigned					
Reserves	849,818	-	-	-	849,818
Total	849,818	-	-	-	849,818
Unassigned					
	2,399,935	-	-	-	2,399,935
Total fund balances	\$ 3,360,262	\$ 9,731,733	\$ 16,969,516	\$ 6,428,365	\$ 36,489,876

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 14 – ACCRUED COMPENSATED ABSENCES

The County’s compensated absences balances at June 30, 2020 and 2019 are \$560,787 and \$575,955 respectively. Changes are as follows:

Compensated Absences	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental	\$ 560,787	\$ 15,168	\$ -	\$ 575,955	\$ 575,955
	<u>\$ 560,787</u>			<u>\$ 575,955</u>	<u>\$ 575,955</u>

NOTE 15 – RISK MANAGEMENT

The County 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 County carries commercial insurance with nominal deductible levels.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability for claims and judgments is reported in the appropriate fund.

Amount of losses over the past 3 years have not exceeded insurance coverage less deductibles.

NOTE 16 – CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

At June 30, 2020 the County had no outstanding public works capital project commitments. The last capital project for the Evans Creek-Hutson Drive Culvert was contracted in February of 2019 and completed in November of 2019 at a cost of \$571,543.84. Retainage was paid out, and the contract was satisfied.

County Road Funds were used as planned to meet the capital project commitment of FY2019 paid in FY2020 out of the Public Works Special Projects Fund.

The County has had a few tort claims and court complaints filed against it that are being defended and covered through general liability and property insurance by the County’s insurance carrier, CIS. Travelers Insurance and Surety Company of America covers Commercial Crime, and additional Auto and Property insurance is covered by RSUI Indemnity. Because of the insurance coverage, these cases do not create a risk of direct financial loss, other than the extent of the County’s insurance deductible.

Various immaterial claims and lawsuits against the County are pending. These claims are either covered by insurance or are the types which are normal in view of the County’s operations. County management believes the total amount of liability, if any, which may arise from such claims and lawsuits beyond that which is covered by insurance would not have a material effect on the County’s financial condition or its ability to carry on its activities substantially as now conducted.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 17 – RELATED PARTY TRANSACTIONS

For fiscal year, ended June 30, 2020, Hood River County 911 Communications District reimbursed Hood River County, in the amount of \$48,096, for administrative services provided by Hood River County on behalf of Hood River County 911 Communications District.

For fiscal year, ended June 30, 2020, Hood River County Windmaster Urban Renewal Agency reimbursed Hood River County, in the amount of \$4,606, for administrative services provided by Hood River County on behalf of Hood River County 911 Windmaster Urban Renewal Agency.

NOTE 18 – PRIOR PERIOD ADJUSTMENTS

A prior period adjustment is presented for the General Fund in the amount of \$231,790. Of that amount \$53,313 is related to prior year transactions and \$178,477 is related to the interfund loan payments. A prior period adjustment is presented for the Timber Projects Fund in the amount of (\$178,477) which is related to the interfund loan payments. A prior period adjustment is presented in the statement of activities in the amount of (\$33,642). Of that amount \$53,313 is related to prior year transactions and (\$86,955) is related to capital asset adjustments.

NOTE 19 - COVID-19

On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a public health emergency. The County's results of operations could be adversely affected to the extent that the coronavirus or any other epidemic harms the economy. The County's management is monitoring the outbreak and potential financial impact, which are currently uncertain. Although the County does not expect the impact on its operations and financial results to be significant, the duration and intensity of the impact of the coronavirus and resulting disruption to the County's operations are uncertain and could adversely affect financial results.

NOTE 20 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT AND STANDARD

During the fiscal year ended June 30, 2020, the County implemented the following Governmental Accounting Standards Board (GASB) pronouncement: GASB Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments, with separate criteria to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement defines the reporting requirements for such activities. Criteria had to be met in order for funds to be reported as "custodial funds." The result of the application of these criteria was that all funds previously reported as "agency funds" met the criteria and will continue to be classified as a fiduciary activity and thereby now reported as "custodial funds." Beginning net position for these custodial funds has not been restated by the implementation of GASB 84. The effective date for GASB Statement No. 84 for the County was originally required for financial statements starting with the fiscal year that ends December 31, 2020. With the extension granted by GASB Statement No. 95, the new required implementation date for the County is for the fiscal year that ends December 31, 2021. The County chose to adopt this standard early and reported custodial fund activity in the new format in the Statement of Fiduciary Net Position at June 30, 2020 and in the Statement of Changes in Fiduciary Net Position for the fiscal year ending June 30, 2020.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2020

NOTE 21 – SUBSEQUENT EVENTS

Subsequent to the end of the fiscal year, Hood River County was ordered by the court to distribute backpay to a former employee in the amount of \$219,793, which represents total gross salary plus PERS retirement. Current civil litigation related to this matter is pending in the courts as Hood River County is seeking full or partial recovery of these funds and other damages.

In July of 2021, Hood River County was awarded \$4,535,000 from the Federal American Rescue Plan Act of 2021(ARPA). According to the bill, ARPA funds are intended to fund the pandemic response, mitigate the negative impacts of the pandemic and provide relief to local governments from lost revenue.

REQUIRED SUPPLEMENTARY INFORMATION

**HOOD RIVER COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS
MODIFIED APPROACH**

ROAD SYSTEM ESTIMATED HISTORICAL COST

The estimated historical cost for Hood River County’s roads is determined by multiplying the total lane mileage of each county road by the cost of construction per lane mile and multiplying the amount by the determined price index for the year the road was constructed. If the road was constructed during or before 1980, the price index for the year 1980 was used. For roads constructed after 1980, a price index for the year the road was actually constructed was used. The US Bureau of Labor Statistics CPI Calculator was used to determine the price index for each year. Using these methods and adding actual costs for roads constructed after July 1, 2003, the total estimated historical cost of the County’s road system is **\$46,743,827**.

ROAD SYSTEM CONDITION ASSESSMENT

The Pavement Condition Index (PCI) is a measure of the relative pavement condition on a scale between 0 and 100 with an index of 0 indicating the pavement surface is unusable and does not have a discernible lifespan, and an index of 100 indicating the pavement surface is new or in otherwise perfect condition. The PCI value is determined based on an initial index of 100 and then deducting value for each type of distress that is present in the pavement (i.e. cracking, rutting, potholes, etc.). Hood River County policy is to maintain a minimum PCI value of 70 for all county roads, therein indicating the county road system as a whole is in good condition with a low amount of distress.

The measured network PCI for the last five years are as follows:

<u>Year</u>	<u>PCI</u>
2016	74
2017	74
2018	79
2019	78
2020	79

ROAD SYSTEM MAINTENANCE AND PRESERVATION

Review of the Integrated Road Information System (IRIS) cost accounting software utilized by Hood River County Public Works during the previous five (5) fiscal years indicates the following amounts were expended for the purpose of pavement maintenance and/or rehabilitation:

<u>Year</u>	<u>Budgeted</u>	<u>Expended</u>
15-16	\$814,190	\$576,163
16-17	\$400,000	\$769,443
17-18	\$400,000	\$616,787
18-19	\$289,305	\$197,553
19-20	\$851,400	\$817,315

The estimated budget for maintenance and rehabilitation (M&R) over the next five (5) years is as follows:

<u>Year</u>	<u>M&R Budget</u>	<u>Projected PCI</u>
20-21	\$944,000	79
21-22	\$982,000	79
22-23	\$1,010,000	79
23-24	\$1,010,000	79
24-25	\$1,010,000	79

Analysis indicates that a pavement maintenance and rehabilitation program budget of \$944,000 for FY20-21 and increasing it to \$982,000 and then \$1,010,000 over the following four (4) years (FY21-22 thru FY24-25) should provide the resources needed to maintain the county road pavement system at a condition higher than the minimum PCI value of 70. However, as the county performs a majority of the pavement maintenance work on its road system by using its own personnel and equipment, a specific budget line item is not used and instead funding is allocated through a variety of budget line items.

BRIDGE SYSTEM ESTIMATED HISTORICAL COST

The estimated historical cost for Hood River County's bridges is determined by using actual construction costs for newer bridges (circa. 1979 and newer) when construction cost information is available. For bridges constructed prior to 1979 or when construction cost information is not available, the historical costs are estimated based on bridge replacement cost values available through the U.S. Department of Transportation Federal Highways Administration and the National Bridge Inventory System. Using these methods, the total estimated historical cost of the County's bridge system is **\$5,043,181**. This is the estimated amount spent to construct the bridges at the time they were built; it does not reflect the amount it would cost to build the same bridges today.

BRIDGE SYSTEM CONDITION ASSESSMENT

The Bridge Sufficiency Rating (BSR) is a measure of the relative sufficiency of a bridge on a scale between 0 and 100 with a rating of 0 indicating a bridge that is unusable and does not have a discernible lifespan, and a rating of 100 indicating a bridge that functions as intended and has no deficiencies in any of its structural elements. The BSR is calculated from a formula developed by The American Association of State Highway and Transportation Officials (AASHTO), a national organization of structural engineers that considers the overall condition and adequacy of a bridge based on the condition of its structural elements, as well as how the geometry of a bridge accommodates its traffic needs. Hood River County policy is to maintain a minimum BSR of 70 for all county bridges, therein indicating that while they may have some deficiencies in some of their elements, they are still considered to be in good condition and safe for use. Generally, bridges with deficiencies would be eligible for federal bridge rehabilitation funding.

The County's bridges are inspected every two years either by Oregon Department of Transportation personnel or the department's contracted bridge inspectors who then rate the relative condition of each element of the bridge. For each bridge, the BSR is calculated, based on the methodology described above, which also considers the bridge's structural adequacy, safety, functional obsolescence, and serviceability. Currently, the County's average bridge sufficiency rating is 85.

BRIDGE SYSTEM MAINTENANCE AND PRESERVATION

The majority of Hood River County's bridges are constructed of concrete. Historically, maintenance of the county's bridges has largely consisted of removing debris after high water conditions and placing materials to control channel alignments. The costs to maintain the concrete structures themselves have been minimal and most of the costs associated with a concrete bridge are incurred at the time the bridge is replaced.

The County maintains a total of 68,530 square feet of bridge area and the total replacement cost for the County's bridge system for 2020 is estimated at \$44,015,562. Due to the substantial investment to replace a bridge in its entirety and the infrequency of which it occurs, Hood River County has not established a Bridge Replacement Fund and instead utilizes a Special Projects Fund designated for capital improvements when allocating funds for specific bridge repairs or substantial maintenance needs. Full bridge replacement projects typically rely on federal funding support through bridge replacement programs.

HOOD RIVER COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY
AND RELATED RATIOS STIPEND BENEFITS
For the Year Ended June 30, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability Beginning of the year	\$ 792,993	\$ 746,879	\$ 702,596
Changes for the year:			
Service Cost	42,077	39,403	46,280
Interest	22,819	26,744	28,389
Changes of Benefit Terms	-	-	-
Economic/Demographic gains or losses	-	(77,707)	-
Changes of Assumptions or Other Input	(41,689)	46,480	23,067
Benefit Payments	<u>(69,321)</u>	<u>(79,203)</u>	<u>(30,908)</u>
Net Changes for the Year	<u>(46,114)</u>	<u>(44,283)</u>	<u>66,828</u>
Total OPEB Liability at End of Year	<u>\$ 746,879</u>	<u>\$ 702,596</u>	<u>\$ 769,424</u>
Covered Payroll	7,483,311	7,376,811	7,320,451
Total OPEB Plan as a Percentage of Covered Payroll	9.98%	9.52%	10.51%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The County implemented GASB 75 in the fiscal year ending June 30, 2018.

HOOD RIVER COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2020

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Entity's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.059 %	\$ 10,273,745	\$ 7,376,811	139.0 %	80.4 %
2019	0.057	8,579,176	7,483,311	115.0	82.1
2018	0.054	7,235,727	7,834,241	92.4	83.1
2017	0.052	7,791,691	7,298,830	106.8	80.5
2016	0.046	2,636,953	6,937,000	38.0	91.9
2015	0.041	(919,360)	6,820,000	(13.5)	103.6
2014	0.041	2,069,791	6,560,000	31.6	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2020	\$ 864,112	\$ 864,112	\$ -	\$ 7,320,451	11.8 %
2019	561,619	561,619	-	7,376,811	7.6
2018	478,702	478,702	-	7,483,311	6.4
2017	315,961	315,961	-	7,834,241	4.0
2016	321,473	321,473	-	7,298,830	4.4
2015	348,672	348,672	-	6,937,000	5.0
2014	337,753	337,753	-	6,820,000	5.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

HOOD RIVER COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)
For the Year Ended June 30, 2020

SCHEDULE OF CHANGES IN THE TOTAL OPEB - RHIA LIABILITY (ASSET)

Year Ended June 30,	Service Cost	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Employer Actual Contributions	Changes in Employer Proportion	Employer Total Expense
2020	\$ -	\$ (17,579)	\$ (138)	\$ (8,228)	\$ 34,192	\$ 1,505	\$ (16,761)
2019	-	(4,569)	(256)	(17,382)	34,971	(536)	-
2018	-	-	-	(13,579)	35,254	(363)	-

SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability Beginning (Asset)	Net Change in Total OPEB Liability (Asset)	Total OPEB Liability (Asset) Ending	Covered Payroll	Total OPEB Liability (Asset) as a Percentage of Covered Payroll	Discount Rate
2020	\$ (80,621)	\$ (52,688)	\$ (133,309)	\$ 7,376,811	-1.81%	7.20%
2019	(29,320)	(51,301)	(80,621)	7,483,311	-1.08%	7.20%
2018	19,575	(48,895)	(29,320)	7,834,241	-0.37%	7.20%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SUPPLEMENTARY INFORMATION

**HOOD RIVER COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	NONMAJOR DEBT SERVICE FUND	TOTAL COMBINED NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
CASH AND INVESTMENTS	\$ 5,493,897	\$ 965,556	\$ 20,295	\$ 6,479,748
RECEIVABLES:				
ACCOUNTS	162,596	-	-	162,596
CONTRACTS	169,688	-	-	169,688
PREPAID EXPENSE	3,649	-	-	3,649
TOTAL ASSETS	\$ 5,829,830	\$ 965,556	\$ 20,295	\$ 6,815,681
LIABILITIES				
ACCOUNTS PAYABLE	\$ 162,853	\$ -	\$ -	\$ 162,853
ACCRUED COMPENSATION	79,299	-	-	79,299
DEPOSITS	500	-	-	500
UNEARNED REVENUE	144,664	-	-	144,664
TOTAL LIABILITIES	387,316	-	-	387,316
FUND BALANCES				
NONSPENDABLE	3,649	-	-	3,649
RESTRICTED	2,713,313	965,556	20,295	3,699,164
COMMITTED	2,725,552	-	-	2,725,552
TOTAL FUND BALANCES	5,442,514	965,556	20,295	6,428,365
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,829,830	\$ 965,556	\$ 20,295	\$ 6,815,681

**HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	COMM GRANT PROJECTS	FARM LOANS	SHERIFF CO PROG	ANIMAL FACILITY	PW PROJECTS
ASSETS					
CASH AND INVESTMENTS	\$ -	\$ 241,986	\$ 508,826	\$ 211,216	\$ 718,406
RECEIVABLES:					
ACCOUNTS	-	-	13,193	-	2,901
CONTRACTS	-	169,688	-	-	-
PREPAID EXPENSE	-	-	3,649	-	-
TOTAL ASSETS	\$ -	\$ 411,674	\$ 525,668	\$ 211,216	\$ 721,307
LIABILITIES					
ACCOUNTS PAYABLE	\$ -	\$ -	\$ 5,388	\$ 7,633	\$ -
ACCRUED COMPENSATION	-	-	2,925	-	-
DEPOSITS	-	-	-	500	-
DUE TO OTHER FUNDS	-	-	-	-	-
UNEARNED REVENUE	-	143,483	-	-	-
TOTAL LIABILITIES	-	143,483	8,313	8,133	-
FUND BALANCES					
NONSPENDABLE	-	-	3,649	-	-
RESTRICTED	-	-	513,706	-	721,307
COMMITTED	-	268,191	-	203,083	-
TOTAL FUND BALANCES	-	268,191	517,355	203,083	721,307
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 411,674	\$ 525,668	\$ 211,216	\$ 721,307

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**HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	TIMBER INTEREST	DA CO PROG	CLERK'S FUND	FEDERAL FOREST FEES	HEALTH PROGRAMS	BLDG INSPEC	HRPP	TRANSIENT ROOM TAX
ASSETS								
CASH AND INVESTMENTS	\$ 1,652,549	\$ 48,126	\$ 45,606	\$ 104,546	\$ 174,541	\$ 627,521	\$ 184,702	\$ 42,234
RECEIVABLES:								
ACCOUNTS	-	-	651	-	73,940	5,277	39,538	12,398
CONTRACTS	-	-	-	-	-	-	-	-
PREPAID EXPENSE	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 1,652,549	\$ 48,126	\$ 46,257	\$ 104,546	\$ 248,481	\$ 632,798	\$ 224,240	\$ 54,632
LIABILITIES								
ACCOUNTS PAYABLE	\$ -	\$ 3,110	\$ -	\$ 104,546	\$ 16,688	\$ 2,531	\$ 10,992	\$ -
ACCRUED COMPENSATION	-	4,911	-	-	35,059	23,088	13,316	-
DEPOSITS	-	-	-	-	-	-	-	-
DUE TO OTHER FUNDS	-	-	-	-	-	-	-	-
UNEARNED REVENUE	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	8,021	-	104,546	51,747	25,619	24,308	-
FUND BALANCES								
NONSPENDABLE	-	-	-	-	-	-	-	-
RESTRICTED	-	40,105	46,257	-	196,734	607,179	199,932	54,632
COMMITTED	1,652,549	-	-	-	-	-	-	-
TOTAL FUND BALANCES	1,652,549	40,105	46,257	-	196,734	607,179	199,932	54,632
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,652,549	\$ 48,126	\$ 46,257	\$ 104,546	\$ 248,481	\$ 632,798	\$ 224,240	\$ 54,632

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**HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	CONST EXCISE TAX	COURT ASSMT	VIDEO LOTTERY	COUNTY FAIR	EMPLOYEE FUND	TOTAL NON-MAJOR SPECIAL REVENUE FUNDS
ASSETS						
CASH AND INVESTMENTS	\$ 587,475	\$ 263,984	\$ -	\$ 72,419	\$ 9,760	\$ 5,493,897
RECEIVABLES:						
ACCOUNTS	4,626	10,072	-	-	-	162,596
CONTRACTS	-	-	-	-	-	169,688
PREPAID EXPENSE	-	-	-	-	-	3,649
TOTAL ASSETS	\$ 592,101	\$ 274,056	\$ -	\$ 72,419	\$ 9,760	\$ 5,829,830
LIABILITIES						
ACCOUNTS PAYABLE	\$ -	\$ 11,833	\$ -	\$ -	\$ 132	\$ 162,853
ACCRUED COMPENSATION	-	-	-	-	-	79,299
DEPOSITS	-	-	-	-	-	500
DUE TO OTHER FUNDS	-	-	-	-	-	-
UNEARNED REVENUE	-	-	-	1,181	-	144,664
TOTAL LIABILITIES	-	11,833	-	1,181	132	387,316
FUND BALANCES						
NONSPENDABLE	-	-	-	-	-	3,649
RESTRICTED	-	262,223	-	71,238	-	2,713,313
COMMITTED	592,101	-	-	-	9,628	2,725,552
TOTAL FUND BALANCES	592,101	262,223	-	71,238	9,628	5,442,514
TOTAL LIABILITIES AND FUND BALANCES	\$ 592,101	\$ 274,056	\$ -	\$ 72,419	\$ 9,760	\$ 5,829,830

**HOOD RIVER COUNTY, OREGON
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	EQUIPMENT REPLCMT	PW EQUIP REPLCMT	CAPITAL PROJECTS	TOTAL NON-MAJOR CAPITAL PROJECTS FUNDS
ASSETS				
CASH AND INVESTMENTS	\$ 10,000	\$ 833,339	\$ 122,217	\$ 965,556
TOTAL ASSETS	<u>\$ 10,000</u>	<u>\$ 833,339</u>	<u>\$ 122,217</u>	<u>\$ 965,556</u>
LIABILITIES				
ACCOUNTS PAYABLE	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
RESTRICTED	10,000	833,339	122,217	965,556
TOTAL FUND BALANCES	<u>10,000</u>	<u>833,339</u>	<u>122,217</u>	<u>965,556</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,000</u>	<u>\$ 833,339</u>	<u>\$ 122,217</u>	<u>\$ 965,556</u>

**HOOD RIVER COUNTY, OREGON
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2020**

ASSETS	
CASH AND INVESTMENTS	\$ 20,295
TOTAL ASSETS	<u>\$ 20,295</u>
FUND BALANCES	
RESTRICTED	\$ 20,295
TOTAL FUND BALANCES	<u>20,295</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 20,295</u>

**HOOD RIVER COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	NONMAJOR DEBT SERVICE FUND	TOTAL COMBINED NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
OTHER TAXES	\$ 175,946	\$ -	\$ -	\$ 175,946
INTERGOVERNMENTAL	1,945,008	390,500	-	2,335,508
FINES AND FEES	1,686,399	-	-	1,686,399
INVESTMENT EARNINGS	454,435	-	-	454,435
DONATIONS & CONTRIBUTIONS	29,961	-	-	29,961
OTHER REVENUE	100,503	-	-	100,503
PERS IN LIEU	-	-	440,995	440,995
TOTAL REVENUES	4,392,252	390,500	440,995	5,223,747
EXPENDITURES				
CURRENT OPERATING:				
PERSONNEL SERVICES	2,027,998	-	-	2,027,998
MATERIALS & SERVICES	899,183	-	-	899,183
CAPITAL OUTLAY	54,362	951,593	-	1,005,955
OTHER	241,863	-	545,452	787,315
TOTAL EXPENDITURES	3,223,406	951,593	545,452	4,720,451
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,168,846	(561,093)	(104,457)	503,296
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	78,450	396,951	100,000	575,401
TRANSFERS OUT	(1,208,608)	(171,664)	-	(1,380,272)
TOTAL OTHER FINANCING SOURCES (USES)	(1,130,158)	225,287	100,000	(804,871)
NET CHANGE IN FUND BALANCE	38,688	(335,806)	(4,457)	(301,575)
FUND BALANCE - BEGINNING	5,403,826	1,301,362	24,752	6,729,940
FUND BALANCE - ENDING	\$ 5,442,514	\$ 965,556	\$ 20,295	\$ 6,428,365

**HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	COMM GRANT PROJECTS	FARM LOANS	SHERIFF CO PROG	ANIMAL FACILITY	PW PROJECTS	TIMBER INTEREST	DA ANC PROG
REVENUES							
OTHER TAXES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTERGOVERNMENTAL	-	-	46,356	-	-	-	73,075
FINES AND FEES	-	-	26,350	-	118,182	-	16,668
INVESTMENT EARNINGS	-	5,024	8,228	4,836	14,462	393,726	-
DONATIONS & CONTRIBUTIONS	-	-	2,250	-	-	-	-
OTHER REVENUE	-	65,398	-	-	-	-	-
PERS IN LIEU	-	-	-	-	-	-	-
TOTAL REVENUES	-	70,422	83,184	4,836	132,644	393,726	89,743
EXPENDITURES							
CURRENT OPERATING:							
PERSONNEL SERVICES	-	-	95,466	-	-	-	97,582
MATERIALS & SERVICES	12,989	-	23,238	15,326	-	-	35,826
CAPITAL OUTLAY	-	-	4,293	-	-	-	-
SPECIAL PAYMENTS	-	2,770	-	-	-	-	-
TOTAL EXPENDITURES	12,989	2,770	122,997	15,326	-	-	133,408
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,989)	67,652	(39,813)	(10,490)	132,644	393,726	(43,665)
OTHER FINANCING SOURCES (USES)							
TRANSFERS IN	-	-	44,433	-	-	-	32,267
TRANSFERS OUT	-	-	-	-	(1,750)	(750,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	44,433	-	(1,750)	(750,000)	32,267
NET CHANGE IN FUND BALANCE	(12,989)	67,652	4,620	(10,490)	130,894	(356,274)	(11,398)
FUND BALANCE - BEGINNING	12,989	200,539	512,735	213,573	590,413	2,008,823	51,503
FUND BALANCE - ENDING	\$ -	\$ 268,191	\$ 517,355	\$ 203,083	\$ 721,307	\$ 1,652,549	\$ 40,105

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**HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	CLERK'S FUND	FEDERAL FOREST	HEALTH PROGRAMS	BLDG INSPEC	HR PREV PROGRAM	TRANSIENT ROOM TAX
REVENUES						
OTHER TAXES	\$ -	\$ 4,105	\$ -	\$ -	\$ -	\$ 171,841
INTERGOVERNMENTAL	-	138,978	1,117,067	-	285,692	-
FINES AND FEES	8,623	-	397,574	546,216	34,481	306
INVESTMENT EARNINGS	1,015	-	-	15,959	3,457	-
DONATIONS & CONTRIBUTIONS	-	-	2,386	-	-	-
OTHER REVENUE	-	-	-	-	32,749	-
PERS IN LIEU	-	-	-	-	-	-
TOTAL REVENUES	9,638	143,083	1,517,027	562,175	356,379	172,147
EXPENDITURES						
CURRENT OPERATING:						
PERSONNEL SERVICES	-	-	970,884	489,744	269,447	-
MATERIALS & SERVICES	5,093	-	373,138	54,632	51,786	-
CAPITAL OUTLAY	2,964	-	-	-	-	-
SPECIAL PAYMENTS	-	108,650	35,488	-	34,941	16,557
TOTAL EXPENDITURES	8,057	108,650	1,379,510	544,376	356,174	16,557
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,581	34,433	137,517	17,799	205	155,590
OTHER FINANCING SOURCES (USES)						
TRANSFERS IN	1,750	-	-	-	-	-
TRANSFERS OUT	-	(34,433)	-	(59,179)	-	(120,000)
TOTAL OTHER FINANCING SOURCES (USES)	1,750	(34,433)	-	(59,179)	-	(120,000)
NET CHANGE IN FUND BALANCE	3,331	-	137,517	(41,380)	205	35,590
FUND BALANCE - BEGINNING	42,926	-	59,217	648,559	199,727	19,042
FUND BALANCE - ENDING	\$ 46,257	\$ -	\$ 196,734	\$ 607,179	\$ 199,932	\$ 54,632

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**HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	CONST EXCISE TAX	COURT ASSMT	VIDEO LOTTERY	COUNTY FAIR	EMPLOYEE FUND	TOTAL NON-MAJOR SPECIAL REVENUE FUNDS
REVENUES						
OTHER TAXES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,946
INTERGOVERNMENTAL	-	61,929	168,744	53,167	-	1,945,008
FINES AND FEES	144,743	65,712	-	327,544	-	1,686,399
INVESTMENT EARNINGS	-	5,638	-	1,869	221	454,435
DONATIONS & CONTRIBUTIONS	-	-	-	25,325	-	29,961
OTHER REVENUE	-	-	-	2,356	-	100,503
PERS IN LIEU	-	-	-	-	-	-
TOTAL REVENUES	144,743	133,279	168,744	410,261	221	4,392,252
EXPENDITURES						
CURRENT OPERATING:						
PERSONNEL SERVICES	-	-	-	104,875	-	2,027,998
MATERIALS & SERVICES	-	57,254	-	269,549	352	899,183
CAPITAL OUTLAY	-	-	-	47,105	-	54,362
SPECIAL PAYMENTS	-	-	-	43,457	-	241,863
TOTAL EXPENDITURES	-	57,254	-	464,986	352	3,223,406
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	144,743	76,025	168,744	(54,725)	(131)	1,168,846
OTHER FINANCING SOURCES (USES)						
TRANSFERS IN	-	-	-	-	-	78,450
TRANSFERS OUT	-	(60,000)	(183,246)	-	-	(1,208,608)
TOTAL OTHER FINANCING SOURCES (USES)	-	(60,000)	(183,246)	-	-	(1,130,158)
NET CHANGE IN FUND BALANCE	144,743	16,025	(14,502)	(54,725)	(131)	38,688
FUND BALANCE - BEGINNING	447,358	246,198	14,502	125,963	9,759	5,403,826
FUND BALANCE - ENDING	\$ 592,101	\$ 262,223	\$ -	\$ 71,238	\$ 9,628	\$ 5,442,514

**HOOD RIVER COUNTY, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	EQUIPMENT REPLCMT	PW EQUIP REPLCMT	CAPITAL PROJECTS	TOTAL NON-MAJOR CAPITAL PROJECTS FUNDS
REVENUES				
INTERGOVERNMENTAL	\$ -	\$ 390,500	\$ -	\$ 390,500
	-	390,500	-	390,500
TOTAL REVENUES				
EXPENDITURES				
CURRENT OPERATING:				
CAPITAL OUTLAY	-	951,593	-	951,593
TOTAL EXPENDITURES	-	951,593	-	951,593
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(561,093)	-	(561,093)
OTHER FINANCING SOURCES				
TRANSFERS IN	-	396,951	-	396,951
TRANSFERS OUT	(90,813)	(80,851)	-	(171,664)
TOTAL OTHER FINANCING SOURCES	(90,813)	316,100	-	225,287
NET CHANGE IN FUND BALANCE	(90,813)	(244,993)	-	(335,806)
FUND BALANCE - BEGINNING	100,813	1,078,332	122,217	1,301,362
FUND BALANCE - ENDING	\$ 10,000	\$ 833,339	\$ 122,217	\$ 965,556

**HOOD RIVER COUNTY, OREGON
NONMAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020**

REVENUES	
PERS IN LIEU	\$ 440,995
TOTAL REVENUES	<u>440,995</u>
EXPENDITURES	
DEBT SERVICE	545,452
TOTAL EXPENDITURES	<u>545,452</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(104,457)
OTHER FINANCING SOURCES (USES)	
TRANSFERS IN	100,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>
NET CHANGE IN FUND BALANCE	(4,457)
FUND BALANCE - BEGINNING	24,752
FUND BALANCE - ENDING	<u>\$ 20,295</u>

HOOD RIVER COUNTY, OREGON
COMMUNITY GRANT PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
MATERIALS & SERVICES	\$12,989	\$12,989	\$12,989	\$ -
TOTAL EXPENDITURES	<u>12,989</u>	<u>12,989</u>	<u>12,989</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(12,989)	(12,989)	(12,989)	-
FUND BALANCE - BEGINNING	<u>12,989</u>	<u>12,989</u>	<u>12,989</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HOOD RIVER COUNTY, OREGON
 FARM LOAN PROGRAM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET & ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET OVER (UNDER)
REVENUES				
INVESTMENT EARNINGS	\$ 3,000	\$ 3,000	\$ 5,024	\$ 2,024
OTHER REVENUE	50,000	50,000	65,398	15,398
TOTAL REVENUES	<u>53,000</u>	<u>53,000</u>	<u>70,422</u>	<u>17,422</u>
EXPENDITURES				
SPECIAL PAYMENTS	211,616	211,616	2,770	(208,846)
TOTAL EXPENDITURES	<u>211,616</u>	<u>211,616</u>	<u>2,770</u>	<u>(208,846)</u>
NET CHANGE IN FUND BALANCE	(158,616)	(158,616)	67,652	226,268
FUND BALANCE - BEGINNING	<u>158,616</u>	<u>158,616</u>	<u>200,539</u>	<u>41,923</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,191</u>	<u>\$ 268,191</u>

**HOOD RIVER COUNTY, OREGON
SHERIFF'S COUNTY PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 155,986	\$ 155,986	\$ 46,356	\$ (109,630)
FINES AND FEES	29,800	29,800	26,350	(3,450)
INVESTMENT EARNINGS	4,526	4,526	8,228	3,702
DONATIONS/CONTRIBUTIONS	-	-	2,250	2,250
TOTAL REVENUES	190,312	190,312	83,184	(107,128)
EXPENDITURES				
PERSONNEL SERVICES	176,846	176,846	95,466	(81,380)
MATERIALS & SERVICES	224,042	224,042	23,238	(200,804)
CAPITAL OUTLAY	59,676	59,676	4,293	(55,383)
CONTINGENCY	127,474	161,907	-	(161,907)
TOTAL EXPENDITURES	588,038	622,471	122,997	(499,474)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(397,726)	(432,159)	(39,813)	392,346
OTHER FINANCING SOURCES				
TRANSFERS IN	10,000	44,433	44,433	-
TOTAL OTHER FINANCING SOURCES	10,000	44,433	44,433	-
NET CHANGE IN FUND BALANCE	(387,726)	(387,726)	4,620	392,346
FUND BALANCE - BEGINNING	451,890	451,890	512,735	60,845
FUND BALANCE - ENDING	\$ 64,164	\$ 64,164	\$ 517,355	\$ 453,191

**HOOD RIVER COUNTY, OREGON
ANIMAL FACILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 4,000	\$ 4,000	\$ 4,836	\$ 836
TOTAL REVENUES	<u>4,000</u>	<u>4,000</u>	<u>4,836</u>	<u>836</u>
EXPENDITURES				
MATERIALS & SERVICES	15,550	15,550	15,326	(224)
CONTINGENCY	10,000	10,000	-	(10,000)
TOTAL EXPENDITURES	<u>25,550</u>	<u>25,550</u>	<u>15,326</u>	<u>(10,224)</u>
NET CHANGE IN FUND BALANCE	(21,550)	(21,550)	(10,490)	11,060
FUND BALANCE - BEGINNING	<u>218,799</u>	<u>218,799</u>	<u>213,573</u>	<u>(5,226)</u>
FUND BALANCE - ENDING	<u><u>\$ 197,249</u></u>	<u><u>\$ 197,249</u></u>	<u><u>\$ 203,083</u></u>	<u><u>\$ 5,834</u></u>

**HOOD RIVER COUNTY, OREGON
PUBLIC WORKS PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 108,000	\$ 108,000	\$ 118,182	\$ 10,182
INVESTMENT EARNINGS	8,000	8,000	14,462	6,462
TOTAL REVENUES	<u>116,000</u>	<u>116,000</u>	<u>132,644</u>	<u>16,644</u>
EXPENDITURES				
MATERIALS AND SERVICES	88,600	88,600	-	(88,600)
CAPITAL OUTLAY	234,577	234,577	-	(234,577)
TOTAL EXPENDITURES	<u>323,177</u>	<u>323,177</u>	<u>-</u>	<u>(323,177)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(207,177)	(207,177)	132,644	339,821
OTHER FINANCING USES				
TRANSFERS OUT	<u>(1,750)</u>	<u>(1,750)</u>	<u>(1,750)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(208,927)	(208,927)	130,894	339,821
FUND BALANCE - BEGINNING	<u>555,025</u>	<u>555,025</u>	<u>590,413</u>	<u>35,388</u>
FUND BALANCE - ENDING	<u>\$ 346,098</u>	<u>\$ 346,098</u>	<u>\$ 721,307</u>	<u>\$ 375,209</u>

**HOOD RIVER COUNTY, OREGON
TIMBER INTEREST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 200,000	\$ 200,000	\$ 393,726	\$ 193,726
TOTAL REVENUES	<u>200,000</u>	<u>200,000</u>	<u>393,726</u>	<u>193,726</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	200,000	200,000	393,726	193,726
OTHER FINANCING SOURCES				
TRANSFERS OUT	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(550,000)	(550,000)	(356,274)	193,726
FUND BALANCE - BEGINNING	<u>1,832,622</u>	<u>1,832,622</u>	<u>2,008,823</u>	<u>176,201</u>
FUND BALANCE - ENDING	<u><u>\$ 1,282,622</u></u>	<u><u>\$ 1,282,622</u></u>	<u><u>\$ 1,652,549</u></u>	<u><u>\$ 369,927</u></u>

**HOOD RIVER COUNTY, OREGON
DISTRICT ATTORNEY ANCILLIARY PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 67,527	\$ 110,055	\$ 73,075	\$ (36,980)
FINES AND FEES	16,824	16,824	16,668	(156)
DONATIONS/CONTRIBUTIONS	2,000	2,000	-	(2,000)
TOTAL REVENUES	<u>86,351</u>	<u>128,879</u>	<u>89,743</u>	<u>(39,136)</u>
EXPENDITURES				
PERSONNEL SERVICES	100,190	100,190	97,582	(2,608)
MATERIALS AND SERVICES	34,390	76,918	35,826	(41,092)
TOTAL EXPENDITURES	<u>134,580</u>	<u>177,108</u>	<u>133,408</u>	<u>(43,700)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(48,229)	(48,229)	(43,665)	4,564
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>32,267</u>	<u>32,267</u>	<u>32,267</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(15,962)	(15,962)	(11,398)	4,564
FUND BALANCE - BEGINNING	<u>15,962</u>	<u>15,962</u>	<u>51,503</u>	<u>35,541</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,105</u>	<u>\$ 40,105</u>

**HOOD RIVER COUNTY, OREGON
CLERKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 6,000	\$ 6,000	\$ 8,623	\$ 2,623
INVESTMENT EARNINGS	700	700	1,015	315
TOTAL REVENUES	<u>6,700</u>	<u>6,700</u>	<u>9,638</u>	<u>2,938</u>
EXPENDITURES				
MATERIALS AND SERVICES	39,053	39,053	5,093	(33,960)
CAPITAL OUTLAY	10,000	10,000	2,964	(7,036)
TOTAL EXPENDITURES	<u>49,053</u>	<u>49,053</u>	<u>8,057</u>	<u>(40,996)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(42,353)	(42,353)	1,581	43,934
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>1,750</u>	<u>1,750</u>	<u>1,750</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(40,603)	(40,603)	3,331	43,934
FUND BALANCE - BEGINNING	<u>40,603</u>	<u>40,603</u>	<u>42,926</u>	<u>2,323</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,257</u>	<u>\$ 46,257</u>

**HOOD RIVER COUNTY, OREGON
FEDERAL FOREST TITLE III FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ -	\$ 138,979	\$ 138,978	\$ (1)
OTHER TAXES	4,500	4,500	4,105	(395)
TOTAL REVENUES	<u>4,500</u>	<u>143,479</u>	<u>143,083</u>	<u>(396)</u>
EXPENDITURES				
SPECIAL PAYMENTS	4,500	143,479	108,650	(34,829)
TOTAL EXPENDITURES	<u>4,500</u>	<u>143,479</u>	<u>108,650</u>	<u>(34,829)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	34,433	34,433
OTHER FINANCING USES				
TRANSFERS OUT	-	-	(34,433)	34,433
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HOOD RIVER COUNTY, OREGON
HEALTH PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 887,631	\$ 1,355,619	\$ 1,117,067	\$ (238,552)
FINES AND FEES	487,857	421,806	397,574	(24,232)
DONATIONS/CONTRIBUTIONS	5,500	2,520	2,386	(134)
TOTAL REVENUES	<u>1,380,988</u>	<u>1,779,945</u>	<u>1,517,027</u>	<u>(262,918)</u>
EXPENDITURES				
PERSONNEL SERVICES	974,295	1,068,541	970,884	(97,657)
MATERIALS & SERVICES	425,681	725,913	373,138	(352,775)
SPECIAL PAYMENTS	-	20,000	35,488	15,488
TOTAL EXPENDITURES	<u>1,399,976</u>	<u>1,814,454</u>	<u>1,379,510</u>	<u>(434,944)</u>
NET CHANGE IN FUND BALANCE	(18,988)	(34,509)	137,517	172,026
FUND BALANCE - BEGINNING	<u>27,748</u>	<u>44,431</u>	<u>59,217</u>	<u>14,786</u>
FUND BALANCE - ENDING	<u>\$ 8,760</u>	<u>\$ 9,922</u>	<u>\$ 196,734</u>	<u>\$ 186,812</u>

**HOOD RIVER COUNTY, OREGON
BUILDING INSPECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 633,000	\$ 633,000	\$ 546,216	\$ (86,784)
INVESTMENT EARNINGS	3,000	3,000	15,959	12,959
TOTAL REVENUES	<u>636,000</u>	<u>636,000</u>	<u>562,175</u>	<u>(73,825)</u>
EXPENDITURES				
PERSONNEL SERVICES	537,165	537,165	489,744	(47,421)
MATERIALS & SERVICES	79,500	79,500	54,632	(24,868)
TOTAL EXPENDITURES	<u>616,665</u>	<u>616,665</u>	<u>544,376</u>	<u>(72,289)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	19,335	19,335	17,799	1,536
OTHER FINANCING SOURCES (USES)				
TRANSFERS OUT	(449,504)	(449,504)	(59,179)	(390,325)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(449,504)</u>	<u>(449,504)</u>	<u>(59,179)</u>	<u>(390,325)</u>
NET CHANGE IN FUND BALANCE	(430,169)	(430,169)	(41,380)	388,789
FUND BALANCE - BEGINNING	<u>430,169</u>	<u>430,169</u>	<u>648,559</u>	<u>218,390</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607,179</u>	<u>\$ 607,179</u>

**HOOD RIVER COUNTY, OREGON
HOOD RIVER PREVENTION PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 409,294	\$ 455,344	\$ 285,692	\$ (169,652)
INVESTMENT EARNINGS	2,500	2,500	3,457	957
FINES AND FEES	1,500	1,500	34,481	32,981
OTHER REVENUE	66,000	66,000	32,749	(33,251)
TOTAL REVENUES	479,294	525,344	356,379	(168,965)
EXPENDITURES				
PERSONNEL SERVICES	279,048	284,798	269,447	(15,351)
MATERIALS & SERVICES	279,975	322,275	51,786	(270,489)
SPECIAL PAYMENTS	-	-	34,941	34,941
CONTINGENCY	100,000	100,000	-	(100,000)
TOTAL EXPENDITURES	659,023	707,073	356,174	(350,899)
NET CHANGE IN FUND BALANCE	(179,729)	(181,729)	205	181,934
FUND BALANCE - BEGINNING	194,613	194,613	199,727	5,114
FUND BALANCE - ENDING	\$ 14,884	\$ 12,884	\$ 199,932	\$ 187,048

**HOOD RIVER COUNTY, OREGON
TRANSIENT ROOM TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET OVER (UNDER)
REVENUES				
OTHER TAXES	\$ 135,000	\$ 135,000	\$ 171,841	\$ 36,841
FINES AND FEES	1,200	1,200	306	(894)
TOTAL REVENUES	<u>136,200</u>	<u>136,200</u>	<u>172,147</u>	<u>35,947</u>
EXPENDITURES				
SPECIAL PAYMENTS	16,557	16,557	16,557	-
TOTAL EXPENDITURES	<u>16,557</u>	<u>16,557</u>	<u>16,557</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	119,643	119,643	155,590	35,947
OTHER FINANCING (USES)				
TRANSFERS OUT	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>
TOTAL OTHER FINANCING (USES)	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(357)	(357)	35,590	35,947
FUND BALANCE - BEGINNING	<u>357</u>	<u>357</u>	<u>19,042</u>	<u>18,685</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,632</u>	<u>\$ 54,632</u>

**HOOD RIVER COUNTY, OREGON
CONSTRUCTION EXCISE TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 145,000	\$ 145,000	\$ 144,743	\$ (257)
TOTAL REVENUES	<u>145,000</u>	<u>145,000</u>	<u>144,743</u>	<u>(257)</u>
EXPENDITURES				
MATERIALS & SERVICES	400,386	400,386	-	(400,386)
TOTAL EXPENDITURES	<u>400,386</u>	<u>400,386</u>	<u>-</u>	<u>(400,386)</u>
NET CHANGE IN FUND BALANCE	(255,386)	(255,386)	144,743	400,129
FUND BALANCE - BEGINNING	<u>325,386</u>	<u>325,386</u>	<u>447,358</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 592,101</u>	<u>\$ 400,129</u>

**HOOD RIVER COUNTY, OREGON
COURT ASSESSMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET OVER (UNDER)
REVENUES				
INTERGOVERNMENTAL	\$ 65,200	\$ 65,200	\$ 61,929	\$ (3,271)
FINES AND FEES	59,170	59,170	65,712	6,542
INVESTMENT EARNINGS	3,385	3,385	5,638	2,253
TOTAL REVENUES	127,755	127,755	133,279	5,524
EXPENDITURES				
MATERIALS & SERVICES	136,074	136,074	57,254	(78,820)
CAPITAL OUTLAY	50,000	50,000	-	(50,000)
CONTINGENCY	126,844	126,844	-	(126,844)
TOTAL EXPENDITURES	312,918	312,918	57,254	(255,664)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(185,163)	(185,163)	76,025	261,188
OTHER FINANCING (USES)				
TRANSFERS OUT	(60,000)	(60,000)	(60,000)	-
TOTAL OTHER FINANCING (USES)	(60,000)	(60,000)	(60,000)	-
NET CHANGE IN FUND BALANCE	(245,163)	(245,163)	16,025	261,188
FUND BALANCE - BEGINNING	245,163	245,163	246,198	1,035
FUND BALANCE - ENDING	\$ -	\$ -	\$ 262,223	\$ 262,223

**HOOD RIVER COUNTY, OREGON
VIDEO LOTTERY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 185,100	\$ 185,100	\$ 168,744	\$ (16,356)
TOTAL REVENUES	<u>185,100</u>	<u>185,100</u>	<u>168,744</u>	<u>(16,356)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	185,100	185,100	168,744	(16,356)
OTHER FINANCING (USES)				
TRANSFERS OUT	<u>(185,100)</u>	<u>(185,100)</u>	<u>(183,246)</u>	<u>(1,854)</u>
TOTAL OTHER FINANCING (USES)	<u>(185,100)</u>	<u>(185,100)</u>	<u>(183,246)</u>	<u>(1,854)</u>
NET CHANGE IN FUND BALANCE	-	-	(14,502)	(14,502)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>14,502</u>	<u>14,502</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HOOD RIVER COUNTY, OREGON
COUNTY FAIR FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 53,200	\$ 53,200	\$ 53,167	\$ (33)
FINES AND FEES	380,000	380,000	327,544	(52,456)
INVESTMENT EARNINGS	1,500	1,500	1,869	369
DONATIONS/CONTRIBUTIONS	40,000	40,000	25,325	(14,675)
OTHER REVENUE	28,000	28,000	2,356	(25,644)
TOTAL REVENUES	<u>502,700</u>	<u>502,700</u>	<u>410,261</u>	<u>(92,439)</u>
EXPENDITURES				
PERSONNEL SERVICES	156,500	156,500	104,875	(51,625)
MATERIALS & SERVICES	339,170	339,170	269,549	(69,621)
CAPITAL OUTLAY	67,000	67,000	47,105	(19,895)
SPECIAL PAYMENTS	7,000	65,932	43,457	(22,475)
TOTAL EXPENDITURES	<u>569,670</u>	<u>628,602</u>	<u>464,986</u>	<u>(163,616)</u>
 NET CHANGE IN FUND BALANCE	 (66,970)	 (125,902)	 (54,725)	 71,177
FUND BALANCE - BEGINNING	<u>67,031</u>	<u>125,963</u>	<u>125,963</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 61</u>	<u>\$ 61</u>	<u>\$ 71,238</u>	<u>\$ 71,177</u>

**HOOD RIVER COUNTY, OREGON
EMPLOYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 150	\$ 150	\$ 221	\$ 71
DONATIONS	800	800	-	(800)
TOTAL REVENUES	<u>950</u>	<u>950</u>	<u>221</u>	<u>(729)</u>
EXPENDITURES				
MATERIALS & SERVICES	10,743	10,743	352	(10,391)
TOTAL EXPENDITURES	<u>10,743</u>	<u>10,743</u>	<u>352</u>	<u>(10,391)</u>
NET CHANGE IN FUND BALANCE	(9,793)	(9,793)	(131)	9,662
FUND BALANCE - BEGINNING	<u>9,793</u>	<u>9,793</u>	<u>9,759</u>	<u>(34)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,628</u>	<u>\$ 9,628</u>

HOOD RIVER COUNTY, OREGON
COUNTY BANKRUPTCY COSTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PRIOR YEAR TAXES	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
EXPENDITURES				
MATERIALS & SERVICES	5,000	5,000	-	(5,000)
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HOOD RIVER COUNTY, OREGON
EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
CAPITAL OUTLAY	\$ 90,813	\$ 90,813	\$ -	\$ (90,813)
TOTAL EXPENDITURES	<u>90,813</u>	<u>90,813</u>	<u>-</u>	<u>(90,813)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(90,813)	(90,813)	-	90,813
OTHER FINANCING SOURCES				
TRANSFERS OUT	-	-	(90,813)	90,813
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>(90,813)</u>	<u>90,813</u>
NET CHANGE IN FUND BALANCE	(90,813)	(90,813)	(90,813)	-
FUND BALANCE - BEGINNING	<u>90,813</u>	<u>90,813</u>	<u>100,813</u>	<u>10,000</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

**HOOD RIVER COUNTY, OREGON
PUBLIC WORKS EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 390,500	\$ 390,500	\$ 390,500	\$ -
TOTAL REVENUES	<u>390,500</u>	<u>390,500</u>	<u>390,500</u>	<u>-</u>
EXPENDITURES				
CAPITAL OUTLAY	1,051,000	1,068,851	951,593	(117,258)
CONTINGENCY	156,000	156,000	-	(156,000)
TOTAL EXPENDITURES	<u>1,207,000</u>	<u>1,224,851</u>	<u>951,593</u>	<u>(273,258)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(816,500)	(834,351)	(561,093)	273,258
OTHER FINANCING SOURCES				
TRANSFERS IN	379,100	396,951	396,951	-
TRANSFERS OUT	<u>(63,000)</u>	<u>(80,851)</u>	<u>(80,851)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>316,100</u>	<u>316,100</u>	<u>316,100</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(500,400)	(518,251)	(244,993)	273,258
FUND BALANCE - BEGINNING	<u>1,139,911</u>	<u>1,157,762</u>	<u>1,078,332</u>	<u>(79,430)</u>
FUND BALANCE - ENDING	<u>\$ 639,511</u>	<u>\$ 639,511</u>	<u>\$ 833,339</u>	<u>\$ 193,828</u>

HOOD RIVER COUNTY, OREGON
CAPITAL PROJECTS MASTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
CAPITAL OUTLAY	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING	<u>132,895</u>	<u>132,895</u>	<u>122,217</u>	<u>(10,678)</u>
FUND BALANCE - ENDING	<u>\$ 132,895</u>	<u>\$ 132,895</u>	<u>\$ 122,217</u>	<u>\$ (10,678)</u>

**HOOD RIVER COUNTY, OREGON
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PERS IN LIEU	\$427,437	\$427,437	\$440,995	\$13,558
TOTAL REVENUES	<u>427,437</u>	<u>427,437</u>	<u>440,995</u>	<u>13,558</u>
EXPENDITURES				
CURRENT OPERATING:				
PRINCIPAL	295,000	295,000	295,000	-
INTEREST	250,865	250,865	250,452	(413)
TOTAL EXPENDITURES	<u>545,865</u>	<u>545,865</u>	<u>545,452</u>	<u>(413)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(118,428)	(118,428)	(104,457)	13,971
OTHER FINANCING SOURCES				
TRANSFERS IN	100,000	100,000	100,000	-
TOTAL OTHER FINANCING SOURCES	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(18,428)	(18,428)	(4,457)	13,971
FUND BALANCE - BEGINNING	<u>24,259</u>	<u>24,259</u>	<u>24,752</u>	<u>493</u>
FUND BALANCE - ENDING	<u>\$ 5,831</u>	<u>\$ 5,831</u>	<u>\$ 20,295</u>	<u>\$ 14,464</u>

**HOOD RIVER COUNTY, OREGON
RESERVES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 18,382	\$ 18,382	\$ 19,163	\$ 781
TOTAL REVENUES	<u>18,382</u>	<u>18,382</u>	<u>19,163</u>	<u>781</u>
EXPENDITURES				
CONTINGENCY	160,000	160,000	-	(160,000)
TOTAL EXPENDITURES	<u>160,000</u>	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(141,618)	(141,618)	19,163	160,781
OTHER FINANCING SOURCES				
TRANSFERS IN	405,207	405,207	14,882	(390,325)
TRANSFERS OUT	(100,000)	(100,000)	(100,000)	-
TOTAL OTHER FINANCING SOURCES	<u>305,207</u>	<u>305,207</u>	<u>(85,118)</u>	<u>(390,325)</u>
NET CHANGE IN FUND BALANCE	163,589	163,589	(65,955)	(229,544)
FUND BALANCE - BEGINNING	<u>913,358</u>	<u>913,358</u>	<u>915,773</u>	<u>2,415</u>
FUND BALANCE - ENDING	<u>\$ 1,076,947</u>	<u>\$ 1,076,947</u>	<u>\$ 849,818</u>	<u>\$ (227,129)</u>

**HOOD RIVER COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
FOR THE YEAR ENDED JUNE 30, 2020**

LEVY YEAR ENDED JUNE 30,	BALANCES BEGINNING OF YEAR	2019 TAX LEVY	DISCOUNTS & ADJUSTMENTS	TAXES COLLECTED	BALANCES END OF YEAR
2020	\$ -	\$ 3,755,534	\$ (104,786)	\$ 3,533,524	\$ 117,224
2019	88,584	-	(1,843)	35,439	51,302
2018	35,830	-	(943)	13,525	21,362
2017	28,138	-	(263)	10,731	17,144
2016	15,885	-	(277)	8,425	7,183
2015 AND PRIOR	36,084	-	(512)	6,264	29,308
	<u>\$ 204,521</u>	<u>\$ 3,755,534</u>	<u>\$ (108,624)</u>	3,607,908	<u>\$ 243,523</u>

OTHER TAXES, INTEREST ON TAXES, AND RELATED RECEIPTS COLLECTED 13,512

TOTAL TAX RECEIPTS \$ 3,621,420

HR County and HRC Library Bond

**HOOD RIVER COUNTY, OREGON
SCHEDULE OF ACCOUNTABILITY OF ELECTED OFFICIALS
YEAR ENDED JUNE 30, 2020**

	SHERIFF	JUSTICE OF THE PEACE
CASH & INVESTMENTS, BEGINNING BALANCE	\$ 16,607	\$ 88,725
RECEIPTS	-	824,406
TURNOVERS AND DISBURSEMENTS		
TURNOVERS AND DISBURSEMENTS		
Hood River County Finance Department	-	387,956
Court Assessments Fund	-	13,481
State of Oregon	-	439,297
DISBURSEMENTS		
Payments related to Sheriff activities	-	19,083
Bank charges and fees	-	-
TOTAL TURNOVERS & DISBURSEMENTS	-	859,818
CASH & INVESTMENTS, ENDING BALANCE	\$ 16,607	\$ 53,313

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



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July 11, 2022

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Hood River County, Oregon, as of and for the year ended June 30, 2020, and have issued our report thereon dated July 11, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Hood River County, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Schedule of Accountability of Elected Officials**

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

1. We noted budget overexpenditures as noted on page 21.
2. We noted 3 budget resolutions made during the fiscal year that increased the funds appropriations greater than 10% without a notice of a supplemental budget process followed.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered internal control over financial reporting as a basis for designing our auditing procedures 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 Hood River County, Oregon's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Hood River County, Oregon's internal control over financial reporting.

We noted matters involving the internal control structure and its operation that we consider to be material weaknesses and significant deficiencies under standards established by the American Institute of Certified Public Accountants, which we noted in the Schedule of Findings and Questioned Costs.

This report is intended solely for the information and use of the Board of Commissioners and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

GRANT COMPLIANCE REVIEW

HOOD RIVER COUNTY, OREGON

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020**

PROGRAM TITLE	PASS-THROUGH ORGANIZATION	FEDERAL AL NUMBER	SUB GRANT NUMBER	EXPENDITURES	PASS THROUGH EXPENDITURES
U.S. Department of Agriculture:					
WIC Special Supplemental Nutrition for Women, Infants and Children (1)	Oregon Department of Human Resources Health Division	10.557		\$ 136,722	\$ -
Total U.S. Department of Agriculture				136,722	-
U.S. Center for Disease Control					
Environmental Public Health and Emergency Response	Oregon Health Authority Public Health	93.070		15,313	-
Immunization Cooperative Agreements	Oregon Health Authority Public Health	93.268		595	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Oregon Health Authority Public Health	93.354		61,773	-
Total U.S. Center for Disease Control				77,681	-
U.S. Department of Health and Human Services					
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Direct Award	93.243		45,875	-
Family Planning Services	Oregon Department of Human Resources Health Division	93.217		931	-
Maternal and Child Health Services Block Grant	Oregon Department of Human Resources Health Division	93.994		26,009	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Oregon Department of Human Resources Health Division	93.116		74	-
Public Health Emergency Preparedness	Oregon Department of Human Resources Health Division	93.069		71,596	-
Improving Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	Oregon Department of Human Resources Health Division	93.426		25,827	-
Organized Approaches to Increase Colorectal Cancer Screening	Oregon Department of Human Resources Health Division	93.800		42,267	-
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	Oregon Department of Human Resources Health Division	93.817		815	-
HIV Care Formula Grants	Oregon Department of Human Resources Health Division	93.917		794	-
Block Grant for Prevention and Treatment of Substance Abuse	Oregon Department of Human Resources Health Division	93.959		49,022	-
Sexually Transmitted Diseases (STD) Prevention and Control Grant	Oregon Department of Human Resources Health Division	93.977		682	-
Medicaid Assistance Program	Oregon Department of Human Resources Health Division	93.778		243,528	-

HOOD RIVER COUNTY, OREGON

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020**

U.S. Department of Health and Human Services, continued					
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	Oregon Department of Human Resources Health Division	93.421	820		-
National Bioterrorism Hospital Preparedness Program	Oregon Department of Human Resources Health Division	93.889	19,326		-
Cancer Prevention & Control Programs for State, Territorial and Tribal Organizations	Oregon Department of Human Resources Health Division	93.898	1,001		-
Children Health Insurance Program	Oregon Department of Human Resources Health Division	93.767	<u>6,753</u>		<u>-</u>
Total U.S. Department of Health and Human Services			<u>535,320</u>		<u>-</u>
U.S. Environmental Protection Agency					
State Public Water System Supervision	Oregon Department of Human Resources Health Division	66.432	2,341		-
Capitalization Grants for Drinking Water State Revolving Funds	Oregon Department of Human Resources Health Division	66.468	<u>2,563</u>		<u>-</u>
Total U.S. Environmental Protection Agency			<u>4,904</u>		<u>-</u>
U.S. Department of Homeland Security - FEMA					
Emergency Management Performance Grant	Oregon Military Department Emergency Management	97.042	<u>79,574</u>		<u>-</u>
Total U.S. Department of Homeland Security - FEMA			<u>79,574</u>		<u>-</u>
U.S. Department of Justice					
Crime Prevention Assistance	Oregon Criminal Justice Commission	16.575	<u>43,377</u>		<u>-</u>
Total U.S. Department of Justice			<u>43,377</u>		<u>-</u>
U.S. Department of Treasury					
Coronavirus Relief Fund (1), (2)	Oregon Administrative Services	21.019	<u>492,378</u>		<u>-</u>
Total U.S. Department of Treasury			<u>492,378</u>		<u>-</u>
Total Federal Assistance			<u>\$ 1,369,956</u>		<u>\$ -</u>

(1) - Major Program

(2) COVID-19 funding



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July 11, 2022

**To the Board of County Commissioners
Hood River County, Oregon
Hood River, Oregon**

**INDEPENDENT AUDITOR'S 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***

We have audited, in accordance with the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hood River County, Oregon as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated July 11, 2022. The financial statements of the 911 Communications District and the Windmaster Urban Renewal Agency, were not audited in accordance with Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of 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 financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS-2020-01 and FS-2020-02 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS-2020-03, FS-2020-04 and FS-2020-05 to be significant deficiencies.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Finding

The County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tara M. Kamp, CPA
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July 11, 2022

**To the Board of County Commissioners
Hood River County, Oregon
Hood River, Oregon**

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

Report on Compliance for Each Major Federal Program

We have audited Hood River County, Oregon's compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2020. The major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

In our opinion, Hood River County, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item SA-2020-01. Our opinion on the major federal program is not modified with respect to this matter.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

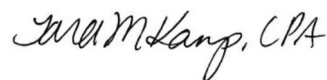
Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item SA-2020-01, that we consider to be a significant deficiency.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

HOOD RIVER COUNTY, OREGON
HOOD RIVER, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515(d)(2) of the Uniform Guidance? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance? yes no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER

NAME OF FEDERAL PROGRAM CLUSTER

21.019 Coronavirus Relief Fund
10.557 WIC Special Supplemental Nutrition for Women, Infants and Children

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

Auditee qualified as low-risk auditee? yes no

HOOD RIVER COUNTY, OREGON
HOOD RIVER, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

FS-2020-01 – Material Weakness

Condition: During the course of the audit we encountered significant delays in obtaining documentation required for completion of the audit in compliance with professional standards. The audited financial statements were due to the State Audits Division by December 31, 2020.

Criteria: Adequate resources and qualified employees should be available to complete the audit in accordance with the legal time frame or consultants hired to assist as soon as delays start occurring.

Effect: Without adequate resources and qualified staffing material misstatements to the financial statements could be made and audits will be filed late.

Cause: The County finance office experienced significant hardships due to the Covid-19 pandemic, employee turnover and other difficulties including a difficult software conversion.

Recommendation: We recommend the County adopt practices to ensure audits can be completed in a timely manner in accordance with professional standards.

County Management Response: Agree with finding. In 2021, the County hired two experienced and degreed accountants to serve on the Budget & Finance Department team to ensure that we are able to keep up with the demands of the department and be prepared for future audits. One accountant is filling an existing full-time position and the other is filling a new full-time position. Additionally, in 2021, the County contracted with a certified public accountant to work with the department to assist them with preparing for future audits. Lastly, the lengthy software conversion that was started in fiscal year 19-20 was completed in 2021 and therefore no longer adding additional work to the department.

FS-2020-02 – Material Weakness

Condition: During the course of the audit we received seven different working trial balances. The County made material adjustments throughout the audit process based on items the auditors' pointed out that needed correction. We do not believe that management would have caught the errors on their own. In addition, per our engagement letter the County is required to be fully prepared for the audit prior to the commencement of the audit with all adjustments made and accounts reconciled. The County was unable to fulfill that agreement.

Criteria: Management is solely responsible for producing accurate financial statement information for the audit. The finance office should be able to produce accurate financial information without relying on the independent auditors' assistance.

Effect: Without proper controls over the accuracy of the financial statement information and working trial balances, there exists the likelihood of material misstatements to the financial statements.

Cause: The County finance office experienced significant hardships due to the Covid-19 pandemic, employee turnover and other difficulties including a difficult software conversion.

Recommendation: We recommend the County adopt practices to ensure accurate financial information can be prepared.

County Management Response: Agree with finding. In 2021, the County hired two experienced and degreed accountants to serve on the Budget & Finance Department team to ensure that we are able to keep up with the demands of the department and ensure accurate financial information is being prepared timely. One accountant is filling an existing full-time position and the other is filling a new full-time position. Additionally, in 2021, the county contracted with a certified public accountant to work with the department to assist them with the preparation of financial information for future audits. Lastly, the lengthy software conversion that was started in fiscal year 19-20 was completed in 2021 and therefore no longer adding additional work to the department.

FS-2020-03 – Significant Deficiency

Condition: During the fiscal year we noted that staff had the ability to enter journal entries without the knowledge and approval of the Director of Budget and Finance.

Criteria: All journal entries should be reviewed and approved for accuracy as part of a sound internal control environment.

Effect: Without proper controls over journal entries, misstatements and unauthorized changes to financial information can occur.

Cause: The County's software during the fiscal year did not have controls in place to prohibit unauthorized journal entries.

Recommendation: We recommend the County ensure all journal entries are reviewed and approved for accuracy.

County Management Response: Agree with finding. In 2021, the County completed the implementation of a new County-wide accounting system that has the controls already built into the program to ensure that all journal entries are reviewed and approved for accuracy by the director of the department. In the new system, all journal entries created by staff are assigned pending status until the director, with the proper access controls, approves and posts each individually.

FS-2020-04 – Significant Deficiency

Condition: During our testing of revenues for both general County receipts and property taxes, we noted that adjustments, including changes and refunds, were being made without review and approval by management.

Criteria: All revenue adjustments for changes and refunds should be thoroughly reviewed and approved by management.

Effect: Without proper controls over revenue adjustments the financial statements could be misstated and fraud can occur.

Cause: Internal Controls that had been in place over this year ceased to operate during the year.

Recommendation: We recommend the County ensure all adjustments to revenue be reviewed and approved and documented with a signature and date.

County Management Response: Agree with finding. The year audited, fiscal year 2019-2020, experienced several events that caused the internal controls that had once been in place surrounding revenue receipting to relax. These events include the COVID-19 pandemic, a software conversion and significant staff turnover. The department has since reestablished the revenue internal controls, whereby the director thoroughly reviews and approves revenue changes and customer refunds. We are confident that the auditors will see significant improvement in future audits.

FS-2020-05 – Significant Deficiency

Condition: It was noted during our testing of the Schedule of Federal Expenditures (SEFA) the County was unable to fully reconcile all federal assistance received with what was recorded in the general ledger.

Criteria: The SEFA should correctly report all federal expenditures.

Effect: Without proper controls over amounts reported in the SEFA, misstatements to the SEFA can occur.

Cause: Internal controls that were not in place to ensure the accuracy of the SEFA.

Recommendation: We recommend the County implement controls to ensure the SEFA can be accurately presented and reconciled.

County Management Response: Agree with finding. In 2021, the County hired an experienced and degreed accountant whereby 50% of their time at work is dedicated to working with County departments to assist them with managing their federal grant awards, so that the annual SEFA can be accurately presented and reconciled each fiscal year. The accountant is filling a new full-time position to help keep up with the demands of the department.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA-2020-01 – Significant Deficiency

Federal Program: Coronavirus Relief Fund

Specific Requirement: Expenditures being reimbursed through major program were made in accordance within grant compliance.

Condition: It was noted during our testing of grant reimbursements that there was no evidence of review and approval of the reimbursement request.

Questioned Costs: None

Context: The finding is limited to this major program and the context noted in the condition.

Effect: Without adequate controls or procedures in place to review reimbursement claims for accuracy, the possibility exists that expenditures may be improperly charged to a federal grant program.

Cause: The County did not document the review of the grant reimbursements with a signature and date.

Recommendation: We recommend the County implement review policies and procedures for federal awards to ensure proper usage and ensure compliance with federal award provisions.

County Management Response: Agree with finding. The Director of Budget & Finance worked very closely with a designated Budget & Finance staff member to assemble the items that qualified for the Coronavirus Relief Fund grant reimbursements requests. The Director also signed the reimbursement request forms before submitting them to the State of Oregon. It was assumed that procedure was sufficient to prove review for the Coronavirus Relief Fund grant. In the future, the Director will provide a clearer trail of review for auditors.

SECTION IV – PRIOR YEAR FINDINGS

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with 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). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.