

# Hood River County

REPORT TO THE BOARD OF COMMISSIONERS

Year Ended June 30, 2024



**HOOD RIVER COUNTY**  
**Report to the Board of Commissioners**  
Year Ended June 30, 2024

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**Table of Contents**

	Page
Executive Summary	1
Communication with Those Charged with Governance	2
Communication of Internal Control Deficiencies	5
Corrected Misstatements	6
Uncorrected Misstatements	8
Trend Analysis	9
Management Representation Letter	12

To assist you in your responsibilities as a member of the Board of Commissioners, this section summarizes the most significant conclusions reached and issues addressed during our audit of Hood River County, and its component units, the Hood River County 911 Communications District and the Windmaster Urban Renewal Agency for the year ended June 30, 2024.

## SIGNIFICANT CONCLUSIONS AND ISSUES

We have completed our audit and issued our report, dated December 27, 2024. Based on our work performed:

- Our audit scope was in accordance with that communicated in our engagement letter for the year ended June 30, 2024.
- We rendered an unmodified opinion on the June 30, 2024, financial statements for Hood River County, Hood River County 911 Communications District and the Windmaster Urban Renewal Agency.
- We performed tests of compliance with Oregon State Regulations and four instances of noncompliance were reported:
  - The County expended funds in excess of appropriations in the General, 911 Communications and Federal Forest Fees Funds.
  - The historical information presented in the detail budget document for fiscal years ended June 30, 2022 and June 30, 2023 did not agree to the audited financial statements for those fiscal years.
  - The financial summary portion of the LB-1 did not agree to the detail budget sheets for fiscal years ended June 30, 2023 and June 30, 2024.
  - A contract was entered into during the year by the County Fair for procurement of goods or services in excess of \$250,000. The County Fair should have obtained formal bids for the purchase, but no documentation was present indicating they did.
- We conducted an audit in accordance with *Government Auditing Standards* and reported no instances of noncompliance. We did, however, identify a material weakness in internal controls.
- We conducted an audit in accordance with the Uniform Guidance and the Coronavirus State and Local Fiscal Recovery Funds Program was the major program selected for testing. We identified one instance of noncompliance and one material weakness as a result of our testing.

We received the full cooperation of management and staff throughout the audit and were kept informed as to developments and plans affecting our audit scope.

The following report includes required communications and additional information for the benefit of the Board of Commissioners

December 27, 2024

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hood River County (the County), and its component units the Hood River County 911 Communications District and the Windmaster Urban Renewal Agency, for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 28, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. As described in the notes to the financial statements, the County changed accounting policies related to accounting changes and error corrections by adopting Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections* in fiscal year 2024. We noted no transactions entered into by County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the County's financial statements were:

Management's estimate of the net pension liability and related deferred outflows and deferred inflows related to the County's participation in the Oregon Public Employees Retirement System is based on an actuarial valuation prepared by Milliman as of December 31, 2021, and rolled forward to June 30, 2023. We evaluated the key factors and assumptions used to develop the net pension liability and related deferred outflows and deferred inflows in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net OPEB asset and related deferred outflows and deferred inflows related to the County's participation in the Oregon Public Employees Retirement System is based on an actuarial valuation prepared by Milliman as of December 31, 2021, and rolled forward to June 30, 2023. We evaluated the key factors and assumptions used to develop the net pension liability and related deferred outflows and deferred inflows in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the OPEB liability and related deferred outflows and deferred inflows related to the County's implicit rate subsidy plan is based on an actuarial valuation prepared by Milliman as of July 1, 2022, and rolled forward to June 30, 2023. We evaluated the key factors and assumptions used to develop the net pension liability and related deferred outflows and deferred inflows in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of depreciation expense is based on the County's estimated useful lives of capital assets. We evaluated the key factors and assumptions used to develop the estimated useful lives and current year depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts related to the justice court receivables is determined by the County based on historical data and projected collections. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of cash, cash equivalents and investments in Note 3 to the basic financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule of corrected misstatements summarizes the misstatements detected as a result of audit procedures that were corrected by management. In addition, The attached schedule of uncorrected misstatements summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under. audit

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have received certain representations from management that are included in the management representation letter dated December 27, 2024.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis, schedule of modified approach to infrastructure, schedule of the proportionate share of the net pension liability, schedule of contributions, schedule of proportionate share of the net OPEB liability – RHIA, schedule of contributions – RHIA, schedule of changes in total OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We subjected the General and Major Special Revenue Fund budgetary comparison schedules, as listed in the table of contents under required supplementary information, to 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We were engaged to report on the combining statements, individual fund schedules, schedule of accountability of elected officials and schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of Hood River County, and its component units the Hood River County 911 Communications District and the Windmaster Urban Renewal Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*Aldrich CPAs + Advisors LLP*

December 27, 2024

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

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hood River County (the County) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the County's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in internal control to be a material weakness:

Year-end close procedures should include a timely reconciliation of all accounts to ensure the accuracy of the balances. Errors in ending account balances were identified during the course of the audit resulting in adjustments for the financial statements to be presented in accordance with generally accepted accounting principles.

This communication is intended solely for the information and use of management, the Board of Commissioners, and others within Hood River County, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*Aldrich CPAs + Advisors LLP*

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To adjust unavailable revenues in the HRPP fund for Opioid Settlement Payment received in July 2024.			
445-0000-230-10-00	DEFERRED REVENUE / DEFERRED RE	28,299.00	
445-2403-334-10-51	STATE GRANTS / MISC STATE GRAN		28,299.00
<b>Total</b>		<b>28,299.00</b>	<b>28,299.00</b>
<b>Adjusting Journal Entries JE # 2</b>			
To record ODOT fees from July 2024			
202-0000-114-10-01	Receivables/Accrued Revenue	235,052.00	
202-4201-335-10-08	INTERGOV - STATE / MOTOR VEHIC		235,052.00
<b>Total</b>		<b>235,052.00</b>	<b>235,052.00</b>
<b>Adjusting Journal Entries JE # 3</b>			
To adjust beginning fund balance in the DA Program Fund to prior year ending			
413-1503-335-10-28	INTERGOV - STATE / CFA GRANT	7,948.00	
413-1503-300-01-01	BEGINNING FUND BALANCE / BEGIN		7,948.00
<b>Total</b>		<b>7,948.00</b>	<b>7,948.00</b>
<b>Adjusting Journal Entries JE # 4</b>			
To adjust federal forest fee receipts and expenditures to actual at year end and to correct imbalance in transfer accounts			
402-4810-391-20-24	FROM SPECIAL REVENUE / TTL III	44,032.00	
418-0000-100-00-00	CURRENT ASSET / POOLED CASH	36,000.00	
418-9912-482-95-36	OTHER EXPENDITURES / TURNOVER	125,598.00	
418-9920-481-91-26	TRANS OUT TO SPECIAL REV / TL	8,032.00	
402-0000-100-00-00	CURRENT ASSET / POOLED CASH		36,000.00
402-4810-391-20-24	FROM SPECIAL REVENUE / TTL III		8,032.00
418-0000-202-00-00	ACCRUED EXPENSE/PAYABLE		125,598.00
418-9920-332-10-15	FEDERAL / FED FOREST RECEIPTS		44,032.00
<b>Total</b>		<b>213,662.00</b>	<b>213,662.00</b>

**Adjusting Journal Entries JE # 5**

To adjust accrued interest receivable to actual at year end

**MULTIPLE**	Interest Receivable	296,287.00	
**MULTIPLE**	INVESTMENT EARNINGS / FMV INV		296,287.00
<b>Total</b>		<u><u>296,287.00</u></u>	<u><u>296,287.00</u></u>

**Adjusting Journal Entries JE # 6**

To adjust court deferred revenues and allowance for bad debt to actual at year end June 30, 2024.

101-0000-117-10-02	A/R JOP ALLOW FOR BAD DEBT	34,875.00	
101-0000-237-10-00	DEFERRED REVENUE / JOP		21,079.00
101-2701-342-10-02	FINES RECEIVED / JOP		13,796.00
<b>Total</b>		<u><u>34,875.00</u></u>	<u><u>34,875.00</u></u>

**Adjusting Journal Entries JE # 7**

To adjust AR and deferred revenue to actual

101-0000-117-10-01	ACCOUNTS RECEIVABLE/ JOP	251,985.00	
101-0000-117-10-02	A/R JOP ALLOW FOR BAD DEBT		251,985.00
<b>Total</b>		<u><u>251,985.00</u></u>	<u><u>251,985.00</u></u>

**Adjusting Journal Entries JE # 8**

To adjust receivables, unavailable revenue and revenue in the HRPP fund to actual for opioid settlement receivables

445-0000-114-10-01	Receivables/Accrued Revenue	320,425.00	
445-0000-230-10-00	DEFERRED REVENUE / DEFERRED RE		296,938.00
445-2403-334-10-51	STATE GRANTS / MISC STATE GRAN		23,487.00
<b>Total</b>		<u><u>320,425.00</u></u>	<u><u>320,425.00</u></u>

**Adjusting Journal Entries JE # 9**

To reverse accounts receivable and revenue which were booked twice at June 30, 2024

406-1812-334-10-34	STATE GRANTS / FORESTRY GRANTS	66,275.00	
406-0000-114-10-01	Receivables/Accrued Revenue		66,275.00
<b>Total</b>		<u><u>66,275.00</u></u>	<u><u>66,275.00</u></u>

**Passed Journal Entries JE #5001**

To expense assets that were improperly capitalized.

999-ALD-51000	GENERAL GOVERNMENT EXPENSE	137,617.00	
999-ALD-17185	MACHINERY AND EQUIPMENT		<u>137,617.00</u>
<b>Total</b>		<b><u>137,617.00</u></b>	<b><u>137,617.00</u></b>

**Passed Journal Entries JE #5002**

To remove capital assets no longer in use.

999-ALD-17400	ACCUMULATED DEPRECIATION	269,983.00	
999-ALD-17185	MACHINERY AND EQUIPMENT		<u>269,983.00</u>
<b>Total</b>		<b><u>269,983.00</u></b>	<b><u>269,983.00</u></b>

The County's statement of net position as compared to the prior year is as follows:

Statement of Net Position				
	June 30, 2024	June 30, 2023	\$ Increase (Decrease)	% Increase (Decrease)
Current and other assets	\$ 64,142,074	\$ 65,296,727	\$ (1,154,653)	(1.77%)
Capital assets	94,434,240	92,132,359	2,301,881	2.50%
Total assets	<u>158,576,314</u>	<u>157,429,086</u>	<u>1,147,228</u>	<u>0.73%</u>
Deferred outflows of resources	<u>4,419,893</u>	<u>3,728,312</u>	<u>691,581</u>	<u>18.55%</u>
Long-term liabilities	16,209,534	13,482,549	2,726,985	20.23%
Other liabilities	<u>2,947,905</u>	<u>7,158,774</u>	<u>(4,210,869)</u>	<u>(58.82%)</u>
Total liabilities	<u>19,157,439</u>	<u>20,641,323</u>	<u>(1,483,884)</u>	<u>(7.19%)</u>
Deferred inflows of resources	<u>4,538,553</u>	<u>6,662,412</u>	<u>(2,123,859)</u>	<u>(31.88%)</u>
Net position:				
Net investment in capital assets	94,196,459	91,836,410	2,360,049	2.57%
Restricted	19,212,466	19,504,464	(291,998)	(1.50%)
Unrestricted	<u>25,891,290</u>	<u>22,512,789</u>	<u>3,378,501</u>	<u>15.01%</u>
Total net position	<u>\$ 139,300,215</u>	<u>\$ 133,853,663</u>	<u>\$ 5,446,552</u>	<u>4.07%</u>

In comparing the current year to prior year assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position, certain items of note are:

- Assets remained consistent with the prior year.
- Long-term liabilities increased \$2.7M due to increases in the net pension liability of \$3.1M offset by debt payments.
- Other liabilities decreased \$4.2M due to the recognition of unearned revenues in the current year.
- Net position increased \$5.4M due to additional investments in capital assets during the year and increases in revenues due to the recognition of ARPA funds.

The County's statement of activities as compared to the prior year is as follows:

Statement of Activities				
	June 30, 2024	June 30, 2023	\$ Increase (Decrease)	% Increase (Decrease)
Revenues				
Program revenues	\$ 19,042,212	\$ 13,047,769	\$ 5,994,443	45.94%
General revenues	16,281,755	21,049,733	(4,767,978)	(22.65%)
Total revenues	<u>35,323,967</u>	<u>34,097,502</u>	<u>1,226,465</u>	<u>3.60%</u>
Expenses	<u>29,877,415</u>	<u>27,408,947</u>	<u>2,468,468</u>	<u>9.01%</u>
Change in net position	5,446,552	6,688,555	(1,242,003)	(18.57%)
Net position, beginning	<u>133,853,663</u>	<u>127,165,108</u>	<u>6,688,555</u>	<u>5.26%</u>
Net position, ending	<u>\$ 139,300,215</u>	<u>\$ 133,853,663</u>	<u>\$ 5,446,552</u>	<u>4.07%</u>

In comparing the current year to prior year revenues, expenses and overall change in net position, certain items of note are:

- Program revenues increased \$6M due primarily to the recognition of ARPA funds received in previous years as revenues in the current year.
- General revenues decreased \$4.8M due to the decrease in timber sales revenue \$(6.2M) in the current year offset by increases in interest earnings \$(1.3M).
- Expenses increased \$2.5M due primarily to the filling of vacant positions at the County, cost of living adjustments for personnel and overall inflation.

The County's main operating fund is the General Fund. Its actual results for the year ended June 30, 2024 as compared to budget are as follows:

General Fund Budget to Actual				
	Actual	Budget	\$ Variance	% Variance
<b>Revenues</b>				
Property taxes	\$ 7,034,370	\$ 6,792,687	\$ 241,683	3.56%
Other	9,572,592	4,886,103	4,686,489	95.91%
Total revenues	<u>16,606,962</u>	<u>11,678,790</u>	<u>4,928,172</u>	<u>42.20%</u>
<b>Expenditures</b>				
Personnel services	10,276,848	11,210,164	(933,316)	(8.33%)
Materials and services	3,723,352	7,114,998	(3,391,646)	(47.67%)
Capital outlay	561,907	1,026,339	(464,432)	(45.25%)
Special payments	2,237,101	2,242,219	(5,118)	(0.23%)
Debt service	345,418	343,510	1,908	0.56%
Contingency	-	900,000	(900,000)	(100.00%)
Total expenditures	<u>17,144,626</u>	<u>22,837,230</u>	<u>(5,692,604)</u>	<u>(24.93%)</u>
Revenues over (under) expenditures	(537,664)	(11,158,440)	10,620,776	95.18%
Other financing sources (uses)	4,313,789	4,285,516	28,273	(0.66%)
Net change in fund balance	\$ <u>3,776,125</u>	\$ <u>(6,872,924)</u>	\$ <u>10,649,049</u>	<u>154.94%</u>

As shown above, key variances in revenues and expenditures in the General Fund were as follows:

- Actual revenues exceeded budgeted revenues by \$4.9M. The variance was primarily caused by the recognition of ARPA funds received in previous years but recognized in the current year as revenues.
- Actual expenditures were less than budgeted expenditures by \$5.7M. This was primarily caused by the decrease in materials and services which was primarily the result of incurring less expenditures for contract and professional services than budgeted.
- Overall, expenditures exceeded revenues by \$538K which was offset by transfers in from other funds to end up with a net change in fund balance of \$3.8M.



# Hood River County Administration

Allison Williams, County Administrator

601 State Street · Hood River, OR 97031 · (541) 386-3970 · FAX (541) 386-9392

## BOARD OF COMMISSIONERS

Jennifer Euwer – Chair  
Leti V. Moretti – District No. 1  
Arthur Babitz – District No. 2  
Ed Weathers – District No. 3  
Chad Muenzer – District No. 4

Aldrich CPAs + Advisors LLP  
5665 SW Meadows Road, #200  
Lake Oswego, OR 97035

This representation letter is provided in connection with your audits of the financial statements of Hood River County, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2024, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors. We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits.

### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 28, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to this representation letter.

- 9) Guarantees, whether written or oral, under which the County is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

- 10) We have provided you with:
- 1) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - 2) Additional information that you have requested from us for the purpose of the audit.
  - 3) Unrestricted access to persons within the County from whom you determined it necessary to obtain audit evidence.
  - 4) Minutes of the meetings of the Board of Commissioners or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the County and involves—
- Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the County's financial statements communicated by employees, former employees, regulators, or others.
- 15) Except as made known to you, we have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the names of the County's related parties and all the related party relationships and transactions, including any side agreements.

**Government-specific**

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The County has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have appropriately identified, recorded and disclosed all leases in accordance with GASB No. 87.
- 27) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASB No. 96.
- 28) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered

for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

- 30) As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards.
- 31) The County has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 32) The County has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 33) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 34) The financial statements include all fiduciary activities required by GASBS No. 84, as amended.
- 35) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 36) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 37) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 38) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 39) Provisions for uncollectible receivables have been properly identified and recorded.
- 40) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 41) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 42) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 43) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 44) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 45) The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
- 46) We have appropriately disclosed the County's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 47) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 48) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 49) With respect to the combining financial statements, individual fund schedules, schedule of accountability of elected officials and schedule of expenditures of federal awards:
  - a. We acknowledge our responsibility for presenting the combining financial statements, individual fund schedules, schedule of accountability of elected officials and schedule of expenditures of federal awards in accordance with accounting principles generally accepted in the United States of America, and we believe the combining financial statements, individual fund schedules,

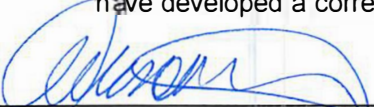
schedule of accountability of elected officials and schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining financial statements, individual fund schedules, schedule of accountability of elected officials and schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.


- b. If the combining financial statements, individual fund schedules, schedule of accountability of elected officials and schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

50) With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
- b. We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* (including any addenda), relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.
- j. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. Except as made known to you, we have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u. Except as made known to you, we have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- v. Except as made known to you, we have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- w. We have charged costs to federal awards in accordance with applicable cost principles.
- x. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- y. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- z. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- aa. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

  
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 County Administrator  
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 Title  
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 12/27/24  
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 Date

  
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 Signature  
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 Budget & Finance Director  
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 Title  
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 12/27/24  
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 Date