

Any item or issue not on the agenda you have a question, comment or statement about please bring up under Items from the General Public.

SWEARING IN CEREMONY & FAREWELL PARTY

3:30pm, CBAB, 601 State Street, 1st Floor Conf. Room, Hood River, Oregon

Oaths of Office

Sheriff - Matt English
Justice of the Peace - John Harvey
Commissioner - Rich McBride
Commissioner - Les Perkins
Commission Chair - Ron Rivers

Farewell

Justice of the Peace - Cindy Mitchell
Commissioner - Maui Meyer

BOARD OF COMMISSIONERS WORK SESSION AGENDA

4:15pm, CBAB, 601 State Street, 1st Floor Conf. Room, Hood River, Oregon

4:15pm FY 2015-2016 Audit Report – Pauly Rogers & Co and Sandi Borowy, Budget & Finance Director
4:30pm NORCOR Tax Measure Discussion – Molly Rogers, Wasco County Youth Serv. Director
5:00pm Construction Excise Tax-Ad Hoc Comm. Recommendations – Joel Madsen, MCHA and John Roberts, HRC
5:30pm HRC Interactive Webmap; New Viewer – John Roberts, Comm. Deve. Director

EXECUTIVE SESSION

5:45pm, CBAB, 601 State Street, 1st Floor Conf. Room, Hood River, Oregon

EXECUTIVE SESSION per ORS 192.660

If necessary, Executive Session will be held in accordance with but not limited to:

ORS 192.660 (1) (d) Labor Negotiations, ORS 192.660 (1) (e) Property, ORS 192.660 (1)(f) Records exempt from public inspection, ORS 192.660 (1) (a) Personnel, ORS 192.660 (1) (h) Legal Counsel

BOARD OF COMMISSIONERS REGULAR MEETING AGENDA

6:00pm, CBAB, 601 State Street, 1st Floor Conf. Room, Hood River, Oregon

I. CONFLICTS OR POTENTIAL CONFLICTS OF INTEREST –

II. ADDITIONS OR DELETIONS FROM THE AGENDA –

III. UNSCHEDULED ITEMS FROM THE GENERAL PUBLIC (limit 5 minutes per person per subject)

IV. PUBLIC HEARINGS – 6pm

1. Garbage Rate Increase

RECOMMENDATION: Conduct the public hearing and consider the request from Hood River Garbage to apply a 0.85% increase to county garbage rates effective January 1, 2017.

2. Hood River County Zoning Ordinance amendments to Home Occupation article regarding Marijuana Time Place and Manner and Short Term Rental regulations Second Reading and Possible Ordinance Adoption.

RECOMMENDATION: Consider a motion to allow the second reading of the proposed Ordinance by title only and then conduct the public hearing and determine the best action for the County.

3. Apollo Land Holdings LLC appeal on the record

RECOMMENDATION: Conduct the public hearing and either *uphold* the Planning Commission decision, *remand* the issue back to the Planning Commission with instructions, or *overturn* the Planning Commission decision.

V. REPORTS

- *County Administrator
- *Legal Counsel
- *Commissioner Joplin
- *Commissioner Meyer
- *Commissioner Benton
- *Commissioner Perkins
- *Chair Rivers

VI. CONSENT AGENDA

- *Approve minutes from the following Board of Commissioner Meetings: November 21, 2016
- *Declare miscellaneous computers, printers and other office supplies as surplus and authorize staff to dispose of the property as allowed in the administrative code.
- *Approve tax refunds over \$2,000 for the following accounts: 7074, 3202, 8234, 11477, 12852, 14377, 1369, 13190, 13477, 14389, 19670, 7765, and 6628.
- *Award the Hart timber sale #17-5 to the highest bidder to High Cascade, Inc.
- *Authorize the Forestry department to submit a grant application to Oregon Parks & Recreation Department for operations and maintenance of the County's off-highway vehicle trail system.
- *Approve the closure of the Westside Salvage-2016 timber sale #16-10 and return appropriate bond(s).
- *Approve the closure of the Guyline timber sale #16-2 and return appropriate bond(s).
- *Approve the closure of the Gum Tree timber sale #16-5 and return appropriate bond(s).
- *Authorize the OSU Extension to construct a greenhouse on the premises they lease from the County subject to planning approval and issuance of proper building permits.
- *Approve out of state travel for Commissioner Joplin to attend the NACo Legislative Conference in Washington DC February 25- March 1, 2017.

VII. ITEMS FROM THE WORK SESSION

- i. Accept the Audit Reports for FY 15/16 as presented
- ii. Construction Excise Tax
- iii. NORCOR Tax Measure

VIII. CURRENT BUSINESS

Administration

- 1. 2017 Fee Schedule Adoption
RECOMMENDATION: Approve and sign a Resolution adopting the 2017 Hood River County Fee Schedule

IX. ADJOURNMENT –

CALENDAR OF UPCOMING PUBLIC MEETINGS/EVENTS (note all dates and time subject to change with or without notice as required)

Nov 21	4:00 & 6:00pm	Board of Commissioners work session & business meeting, CBAB, 601 State Street, Conf Room 1 st Floor (3 rd Mon. ea. Mo, time subject to change)
Nov 23	3:00pm	Department Head Meeting – CBAB, 601 State Street, 1 st Floor Conf Room (subject to change)
Nov 24-25		THANKSGIVING HOLIDAY – COUNTY OFFICES CLOSED
Dec 5	1:00pm	Tri-County Mental Health Board, Mid Col. Center for Living-TD (1 st Mon. ea. mo.-generally)
Dec 7	2:00pm	HRC Water Planning Group, 601 State St, 1 st floor conf. room (1 st Wed. ea.mo. – generally)
Dec 14	5:30pm	County Planning Commission Meeting, CBAB, 601 State St Conf Rm. 1 st Fl, (2 nd & 4 th Wed. ea. mo generally)
Dec 19	4:00 & 6:00pm	Board of Commissioners work session & business meeting, CBAB, 601 State Street, Conf Room 1 st Floor (3 rd Mon. ea. Mo, time subject to change)
Dec 20	7:00pm	Library District Board meeting, Library, 502 State St., Conf. Room (3 rd Tues ea. mo. - subject to change)
Dec 21	3:00pm	Department Head Meeting – CBAB, 601 State Street, 1 st Floor Conf Room (subject to change)
Dec 25-26		CHRISTMAS HOLIDAY –COUNTY OFFICES CLOSED
Dec 27	2:00pm	Safety Committee Meeting, Courthouse, 309 State Street, 1 st Floor (4 th Tues. ea. mo.)
Dec 28	5:30pm	County Planning Commission Meeting, CBAB, 601 State St Conf Rm. 1 st Floor (2 nd & 4 th Wed. ea. mo generally)
Jan 1-2		NEW YEARS HOLIDAY – COUNTY OFFICES CLOSED

WORK SESSION

AGENDA REQUEST FORM

DATE: 12/19/16 **DEPARTMENT:** Budget & Finance **DEPT. HEAD SIGNATURE:** Sandi Borowy

SUBJECT: Audit reports for the year ended June 30, 2016
HOOD RIVER COUNTY, 911 COMMUNICATIONS, WINDMASTER SEWER DISTRICT
& WINDMASTER URBAN RENEWAL

AUTHORITY: _____ OAR _____ County Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The County's audit report, Comprehensive Annual Financial Report (CAFR), was completed in December and will be filed with the State and submitted to GFOA by December 31st in compliance with their requirements.

The 911 Communications, Windmaster Sewer District and Windmaster Urban Renewal audit reports were also completed in December and will be filed with the State by December 31st.

Those audits are being presented to the Board of Commissioners by the County's audit firm, Pauly Rogers & Co., and Director of Budget & Finance, Sandi Borowy. After a brief report any questions will be addressed.

FISCAL IMPACT/PROJECT ANALYSIS:

Budget Line Item _____ Account Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: Sandi Borowy

Comments:

Final operating results for the most recent fiscal year end for all four entities – June 30, 2016.

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES: (IF APPLICABLE)

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD:

Accept the audit reports for June 30, 2016 as presented for Hood River County, 911 Communications, Windmaster Sewer District and Windmaster Urban Renewal.

ADMINISTRATIVE COMMENTS/APPROVAL:

Accept the audit reports for Hood River County, 911, Windmaster Sewer District and Windmaster Urban Renewal District as presented.

County Administrator _____ Dept. Head/Staff Attendance to Meeting (circle one) Yes No

ACTION OF THE BOARD:

Date _____

County Administrator _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: to R & A *Additional/Exceptional Originals to: _____

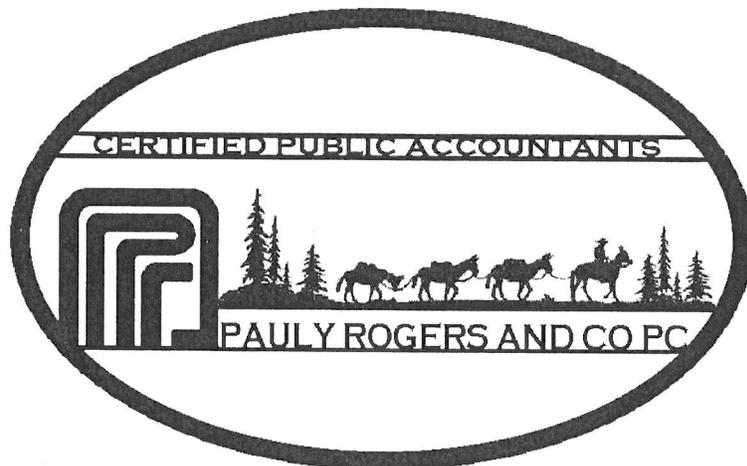
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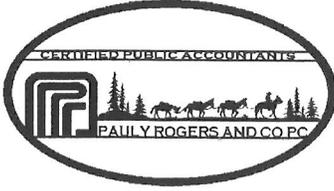
HOOD RIVER COUNTY
HOOD RIVER COUNTY, OREGON

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2016



12700 SW 72nd Ave.
Tigard, OR 97223



PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 7, 2016

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

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hood River County for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules
- federal, state and other agency rules and regulations related to expenditures of federal awards

Our Responsibility under U.S. Generally Accepted Auditing Standards and the Uniform Guidance

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about compliance with the types of compliance requirements described in the OMB's Compliance Supplement applicable to each of the major federal programs for the purpose of expressing an opinion on compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on compliance with those requirements.

Pauly, Rogers and Co., P.C.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the County and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the County or to acts by management or employees acting on behalf of the County. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment, except as noted on page A-1 of the audit report.
3. Federal Awards - We found no issues of non-compliance and no questioned costs. We have responsibility to review these programs and give our opinion on the schedule of expenditures of federal awards, and tests of the internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016, except for the implementation of GASB 72 – *Fair Value Measurement and Application*. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic 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 basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the basic financial statements were Management’s estimate of Accounts Receivable and Capital Asset Depreciation, which are based on estimated collectability of receivables and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the basic financial statements are neutral, consistent, and clear.

Pauly, Rogers and Co., P.C.

Difficulties Encountered in Performing the Audit

We encountered no difficulties 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. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

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 basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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 basic financial statements or a determination of the type of auditors' 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 our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Supplementary Information

With respect to the supplementary information accompanying the basic financial statements, 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 basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Pauly, Rogers and Co., P.C.

Other Information

With respect to the other information accompanying the basic financial statements, we read the information to identify if any material inconsistencies or misstatement of facts existed with the audited basic financial statements. Our results noted no material inconsistencies or misstatement of facts.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accounts and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

IMPLICIT RATE SUBSIDY FOR OPEBs

In Oregon, an implicit rate subsidy is required for almost all entities, due to the fact that Oregon law requires that any retiree be allowed to buy-back into their former employer's health insurance plan. In the past, relatively small employers participating in a large, pooled health plan were sometimes exempt from having to account for an implicit rate subsidy due to a "community-rating" exception. In general, this exception applied when the claims experience of an individual employer would have virtually no impact on the premium being charged to that employer. The accounting standards that apply to OPEBs refer to the Actuarial Standards of Practice (ASOPs) in determining whether a community-rated situation applied. However, the newly revised ASOP 6 virtually eliminated the concept of the community-rating exception. As a result, agencies participating in community-rated plans that had previously been exempt from reporting liabilities due to an implicit rate subsidy may now be required to do so. We recommend that Management contact an actuary to determine if an actuarial study is required.

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



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

HOOD RIVER COUNTY, OREGON

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016



PREPARED BY THE HOOD RIVER COUNTY
DEPARTMENT OF BUDGET & FINANCE

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HOOD RIVER COUNTY, OREGON
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2016

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INTRODUCTORY
SECTION



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SANDRA A. BOROWY
DIRECTOR
TREASURER/TAX COLLECTOR



HOOD RIVER COUNTY
DEPARTMENT OF BUDGET & FINANCE

601 STATE STREET
HOOD RIVER, OREGON 97031-1871

PHONE (541) 386-1301
FAX (541) 387-6864

December 7, 2016

To the Honorable Members of the Board of County Commissioners
and the Citizens of Hood River County, Oregon

We are pleased to submit the Comprehensive Annual Financial Report of Hood River County, Oregon (the County), for the fiscal year ended June 30, 2016, together with the unqualified ("clean") opinion thereon of our independent certified public accountants, Pauly Rogers and Co., PC. Oregon State law under Oregon Revised Statutes 297.425 requires that every local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is prepared by the Hood River County Department of Budget & Finance to satisfy that requirement. Also included, starting on page A-1, are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, and the provisions of *Government Auditing Standards* promulgated by the US Comptroller General as they pertain to financial and compliance audits. A report on the County's compliance with applicable Federal laws and regulations related to the Single Audit Act Amendments is included with this report beginning on page S-1.

This report is prepared in conformity with the guidelines for financial reporting developed by the Government Financial Officers Association of the United States and Canada and the principles established by the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the County at June 30, 2016, and the results of operations of such funds for the year then ended in conformity with accounting principles generally accepted in the United States of America (US GAAP). The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with that section.

Profile of Hood River County, Oregon

Hood River County, incorporated June 23, 1908, is located in the Columbia River Gorge at the northern base of Mount Hood. The County covers 533 square miles, and serves a population of 22,885 citizens. The cities of Hood River and Cascade Locks are the incorporated cities in the County. Hood River County adopted a home rule charter in 1964, which has been modified four times since adoption. The County has four elected part-time commissioners who serve four-year terms and one elected part-time commission chairperson who serves a two-year term. The Commission is responsible for, among other things, conducting the legislative business of the County and hiring the County Administrator, who in turn appoints the directors of the various departments. The County Administrator is responsible for carrying out policies and ordinances of the Board of Commissioners and overseeing the day-to-day operations of the County. Hood River County also has an elected sheriff, district attorney, and justice of the peace.

Hood River County provides a full range of services, including public safety; construction and maintenance of roads, bridges and other infrastructure; parks and cultural sites; health and human services; forestry management; veterans services; county fair; and administrative functions including tax assessment, elections, tax collection, budgeting, finance, human resources, planning, building inspection and economic development. The Hood River County Health Authority is a legally separate unit, for which the County is accountable. Therefore the financial information is reported on the face of the County's government-wide statements; further information on revenue bonds is disclosed in note 45 of the notes to the basic financial statements for this "discretely presented" component unit.

The annual budget serves as the foundation for Hood River County's financial planning and control. In accordance with State statutes, the County budgets all funds except agency funds. Departments submit their budget requests to the Department of Budget & Finance for initial review and discussion. The Director of Budget & Finance passes recommendations through to the County Administrator for review; from this process the recommended budget is submitted to the Budget Committee with the Board of Commissioners serving as the ultimate authority for the adopted version of the budget. Additional resources and corresponding appropriations, as well as transfer adjustments between categories may modify the original budget during the fiscal year through a supplemental budget process. These budget adjustments require approval by the Board of Commissioners in public meetings. Expenditure appropriations lapse at the end of the fiscal year. Budget to actual comparisons are provided in this report for each budgeted fund. Comparatives for the General, Public Works, and Timber Projects funds may be found on pages 27 to 29; the balance of the comparative information for all other funds begins on page 74 ending on page 98.

Local economy

The Hood River valley is heavily dependent on agriculture, technology, tourism and the forest products industries. International agricultural trade disparities have created a depressed market for local fruit growers and the declines in the timber industry combined with the overall national and state economic picture of the recent years have created a challenging economic environment for the County. Yet, local and national economic activity upswings have benefitted Hood River County, reporting an unemployment rate of 4.6% at June 30, 2016, decreasing from the prior year 5.3%. Comparing the County's 3.9% to the state of Oregon's unemployment rate of 4.8% and the national rate of 4.9%, the County has posted much more favorable results than the state of Oregon or the nation. Hood River County continues to allocate General Fund resources to economic development efforts. That support in combination with near border-to-border enterprise zone status allows the County to offer incentives to businesses looking to potentially locate in Hood River County. Efforts by the Board of County Commissioners and Administration continue with the hope that successes will be found and the economics of the community will be enhanced.

The County is fortunate to own a total of 34,145 acres of forestland that provide timber revenues to supplement its property taxes and other revenue sources in the General Fund. A forest management plan has been in place since 1971 that directs the County's work in harvesting and maintaining this valuable natural and financial resource. Further information on the timber activity of the County can be found on pages 16, 17, 32 and 39.

Long-term financial planning and major initiatives

The Board of County Commissioners holds a goal setting/planning session once a year. Out of this session come project priorities by desired year of accomplishment and assignment to the departments involved in the respective activities. This list is a part of the budget discussions that begin in February of each year, creating a focal point for administration and finance as the budget allocations are determined. Projects of greatest priority are allocated resources in the next budget cycle and "lesser" priorities are reviewed in the subsequent years for continued inclusion on, upgrade of status within, or potential removal from the list.

The Commission is also engaged in formal long term financial planning, with results of discussion sessions held during 2016 generating forward movement. The process will never really be completed, there will always be more work to be done before, during and after a plan is put into action. Through this process there will be annual reviews and revisions designed to integrate the Commission's ongoing strategic plans with the financial realities of today and the future.

An ongoing priority for the Commission is locating alternative revenue sources to assist in the financial support of County functions. As previously mentioned, timber revenues have historically contributed a significant amount of General Fund operational dollars. This alternative revenue source has proven to be invaluable in cushioning the impacts of revenue reductions in combination with expense increases facing local government. Due to the supplemental nature of these timber revenues, the property tax rate for the County has been mitigated over the years, benefiting the taxpayers. In 1998 Oregon voters approved constitutional amendment, Measure 50, which established permanent tax rates for all local districts with existing tax bases at the 1998 tax rates level. Hood River County's permanent rate of \$1.4171 per thousand dollars of assessed value is, on average, 89% lower than other Oregon counties due to the effects of supplemental timber revenues at the time of the freeze. The need to access new, sustainable alternative revenue sources and lessen the dependence on timber is increasingly important to the future of the County. Hood River County Commissioners and Administration continue the process of exploring options that fit within the statutory, economic and environmental constraints of county government in Oregon.

The County is one of four governments that formed an adult and juvenile regional jail in 1996, Northern Oregon Corrections (NORCOR). After bond levy voting and facility construction occurred, operations began in 1999. The member counties are the primary source for operational funding. Over the years as costs have increased that funding obligation has put increased pressure on the General Funds of the member governments. Other NORCOR funding sources have been unreliable, with some not providing enough revenue value for the services provided. Many levels of discussion have occurred attempting to stabilize and increase facility revenue while reducing the demands on the member governments. Local operating levies, programs designed specifically to attempt to reduce recidivism, and alternative treatment are on the current list of options. Efforts to resolve this growing concern will continue into the future.

The County has outgrown its 1950's construction courthouse facility, designed and constructed in part as a fallout shelter. The building has been rated as the number one court replacement project in the state, but very little funding currently accompanies that rating. The County has done preliminary architectural research into the cost of replacing the building; the resulting cost estimates range from \$25 to \$45 million. The State of Oregon has proposed \$4.9 million to help fund a new courthouse, but this still leaves a large local funding gap to be resolved.

Economic stresses and financial condition

The majority of government units today are faced with intense financial pressures as result of the global economic situation. Timber revenue is a major source of operating revenue for the Hood River County General Fund at a historical rate of \$2 to \$4 million annually (approximately 40% of total revenue) being transferred on a rolling average allocation from the Timber Projects fund. In contrast, property taxes are about 28% of the General Fund's total resources. Hood River County weathered several years of the failing economy better than many other Oregon governmental units because of those timber revenues. The national economic losses of the past several years resulted in the County's timber sale bid prices falling from a high in 2003/2004 of \$448 per 1,000 board feet, to lows of \$179 per 1,000 board feet during the recent recession period. Sale price average for the 2015/2016 fiscal year timber sales was \$347 per 1,000 board feet, a modest improvement over the prior year's \$324 average. In spite of the sell price increasing, the impacts of the low price years to the Timber Projects fund revenue have moved the reserve from five to six years down to two years or less in the midst of conditions beyond the County's control. It is evident that the economic situation has improved, but not as rapidly as hoped and other areas of economic endeavors for the County have also not progressed as hoped. During the recession period, actions were taken to preserve future operations. Self imposed General Fund spending cutbacks began initially with spending reductions in the last five months of 2009/2010 and carried through 2011/2012. These reductions totaled \$4.4 million in timber revenue transfer savings. The County had already been on a cost reduction trajectory for several fiscal years prior to these actions: personnel had been reduced via attrition and programs/materials had been reviewed and reduced as able. In 2012/2013 the County returned to a full formula allocation transfer from the timber funds to the General Fund to allow County operations to begin a much needed, albeit slow, recovery. We know that the County is not clear of potential financial issues, but we feel that actions taken preserved current and future operations to the best of our ability. The County forest management plan has been modified with an eye toward providing essential future financial resources, as well as protection of the greatest asset of the County. In 2013/2014, action was taken to consolidate forestland resource locations to only Hood River County, ending the long distance management of eastern Oregon forestland. Those 18,749 County owned acres were sold in the second half of that fiscal year for a total of \$8 million. Those proceeds are being reinvested in high quality local forest acreage that will enhance the future revenue producing options for the County. A portion of the proceeds from the sale of the eastern Oregon property will be made available for focus on value-added practices and opportunities that will hopefully mitigate the commodity-based cycle of current operations. In 2015/2016, the County acquired, via purchase and trade deals with local private landowners, 3,081 acres of forest production land. Continued reviews of opportunities to make additional investments possible for the long term future are underway.

Prior to the start of the 2015/2016 year, the County renewed a three-year public safety bargaining agreement that began July 1, 2016 and will carry through to June 30, 2019. Negotiations were productive and settled amicably for both management and the membership. Two other non public safety union contracts will expire on June 30, 2017; these will be opening for renegotiation during fiscal 2016/2017. These contracts will cover the years beginning July 1, 2017 through June 30, 2020.

Most County employees participate in the State of Oregon Public Employees Retirement System (PERS). Due to events and circumstances ranging from stock market losses to decisions made that left assets in the plan unprotected, the PERS program has placed member governments in a

continuing situation of owing large unfunded liabilities, with resulting increases in retirement costs. As rates increased and protests of the existing system from member employers became greater, the State legislature has now "overhauled" PERS twice. In a legislative session that ended in August 2003, massive changes to the structure of PERS were dictated which reduced the initially projected employer cost rates. The revisions to the existing plan generated various lawsuits, which have since been resolved with some of the results favoring government employers and some favoring affected employees. In the 2013 spring session revisions additional plan adjustments were acted upon, but the State's governor did not feel enough action was taken and reconvened the legislature in a special 2013 summer session. The County retained a portion of PERS expenditures from both rounds of revisions in a reserve fund as 'backup' should any legal actions create a payback situation. A recommendation was made to the Board of County Commissioners to continue to hold these funds for future PERS increases and/or offsets to the increasing debt service related to pension bonds issued. The Commissioners unanimously approved that recommendation. The County did utilize \$250,000 of this reserve in fiscal 2011/2012 and \$157,500 in 2014/2015 to cover increased costs. Although budgeted to be used if needed, none of the reserves were used in fiscal 2012/2013, 2013/2014, or 2015/2016.

PERS rates that more than tripled the cost factor to the County for the 2011/2012 and 2012/2013 fiscal years were common elements across member governments that spurred legislators to the above mentioned second round of revisions to the Oregon PERS system. The impacts of those changes generated much speculation at the time regarding what rates would look like for the 2013/2014 and 2014/2015 periods; the average County rate fell 4.37%, from 9.28% to 4.91%. The rates for the 2015/2016 and 2016/2017 fiscal years were again more favorable to the County than expected with an overall average rate of 4.24%, an additional decrease of .67%. Some decision making since 2013 had been designed, in part, to defer loss coverage to future periods, keeping rates artificially low with the hope that overall investment earning rates would recover at a more rapid pace. The PERS rates for the next cycle 2017/2018 and 2018/2019 years were issued in the fall of 2016 and the news was far less positive. The County will be facing an average rate of 7.62%, which is a 3.38% increase over the current average rate of 4.24% and is approaching the 9.28% high average from just two cycles ago. Any future litigation actions stand to impact current and future rates. Additional discussion of PERS affect may be found in the MD&A on pages 13 through 21.

In June 2004, the County participated in a pooled sale of pension bonds designed to pay off 100% of the County's portion of the PERS unfunded liability at the date of sale, and to lower the employer portion of retirement cost burden for the future. In conjunction with nine other Oregon local governments, the 2004 series of \$126,260,000 twenty-four year pension obligation bonds were sold at a financing rate of 6.15% versus the 8% financing rate projected by Oregon PERS; Hood River County's share of that pool was \$5.35 million. This action was taken with a recognized level of risk in future market conditions being not predictable, as well as other factors being involved over which the County has little to no control. Those factors will ultimately determine the success level of this investment; to-date it does appear that this financing option has progressed in the County's favor. The issuance of these retirement bonds created a reduction in the County's employer paid retirement percentage, and a portion of this reduction will serve as the funding source for the payment of the twenty-four year debt service. More information on these retirement bond obligations will be found beginning on page 45.

The authorized maturities of County investments range from one to seventeen months. The 2016 yields on authorized investment instruments began to stabilize and then increase through the fiscal year's economic conditions. The 2015/2016 year-end average investment yield of .80% increased over the prior year's .64%. Replacing maturities with equal or better earnings rates has begun to be more manageable, but the Oregon State Treasury's Local Government Investment Pool earning rate will continue to be the benchmark for decision making on investment purchases. Changes in the LGIP's investment strategies impact County investment earnings. Increases or declines in earnings rates affect not only the County, but all funds or tax districts for which the County invests surplus funds.

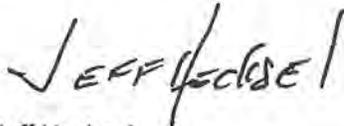
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hood River County for its comprehensive annual financial report (CAFR) for the year ended June 30, 2015. This was the thirteenth consecutive year the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In closing, we thank the Hood River County Board of Commissioners for their continued support and leadership. Special appreciation is extended to the staff of the Budget & Finance department for their daily efforts in maintaining the integrity of the financial records. We wish to thank all of the various departmental staff members for their assistance and support in planning and conducting the financial operations of the County.

Respectfully submitted,



Jeff Hecksel
County Administrator



Sandra A. Borowy
Director of Budget & Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Hood River County
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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HOOD RIVER COUNTY, OREGON

June 30, 2016

LEGAL ADDRESS

Administration Building
601 State Street
Hood River, Oregon 97031-1871

BOARD OF COMMISSIONERS

CHAIR Ron Rivers
Term January 1, 2015 – December 31, 2016
**Re-elected term January 1, 2017 – December 31, 2018*

VICE CHAIR Maui Meyer
District 2
Term January 1, 2013 – December 31, 2016

**COMMISSIONER-ELECT* Rich McBride
District 2
Term January 1, 2017 – December 31, 2020

COMMISSIONER Karen Joplin
District 1
Term January 1, 2015 – December 31, 2018

COMMISSIONER Robert Benton
District 3
Term January 1, 2015 – December 31, 2018

COMMISSIONER Les Perkins
District 4
Term January 1, 2013 – December 31, 2016
**Re-elected term January 1, 2017 – December 31, 2020*

OTHER ELECTED OFFICIALS

Matthew T. English Sheriff
Term January 1, 2013 – December 31, 2016
**Re-elected term January 1, 2017 – December 31, 2020*

Cynthia E. Mitchell Justice of the Peace
Term January 1, 2011 – December 31, 2016

John A. Harvey Justice of the Peace-Elect
Term January 1, 2017 – December 31, 2022

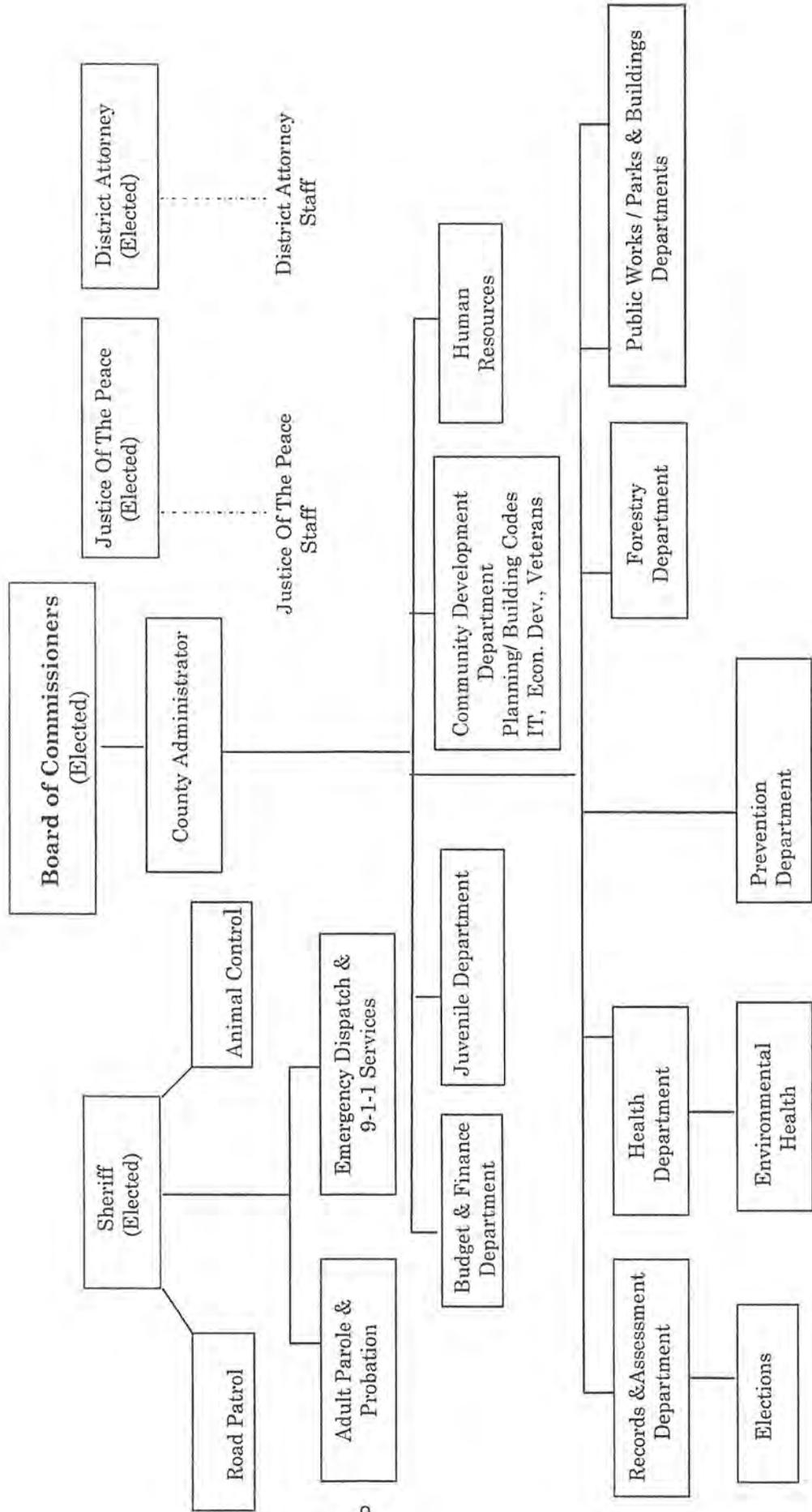
John T. Sewell District Attorney
Term January 1, 2013 – December 31, 2016
**Re-elected term January 1, 2017 – December 31, 2020*

APPOINTED OFFICIALS

David R. Meriwether County Administrator

Sandra A. Borowy Director of Budget
& Finance

ORGANIZATIONAL CHART



FINANCIAL
SECTION



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December 7, 2016

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, Windmaster Sewer 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, 2016, 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 did not audit the financial statements of Hood River County Health Facilities Authority. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Hood River County Health Facilities Authority, is based solely on the report of the other auditors. 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, Windmaster Sewer District and the 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, 2016, and the respective changes in financial position and budgetary comparisons for the General, Public Works, and Timber Projects, 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 72 – Fair Value Measurement and Application, for the year ended June 30, 2016. 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.

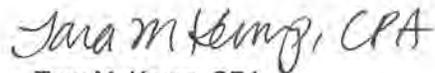
The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information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

The introductory, statistical sections 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 report dated December 7, 2016 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 Auditing 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 December 7, 2016 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.



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

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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, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 6 of this report.

FINANCIAL HIGHLIGHTS

- The assets of Hood River County exceeded its liabilities at the close of the most recent fiscal year by \$110,172,156 on its government-wide Statement of Net Position. Of this amount, \$11,829,153 (*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 \$78,840,353, primarily due to the capital assets of the General and Public Works funds.
- As of the close of the fiscal year, the Hood River County governmental funds reported combined ending fund balances of \$31,331,803 a decrease of \$3,876,577 from the prior year. Approximately 52.3% of the ending fund balances, or \$16,502,494, is available for spending at the County's discretion (*committed, assigned and unassigned balances*).
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$714,450 or 6.6% 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 four 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 health authority, complete financial statements for the Authority can be obtained at Providence Hood River Memorial Hospital, Finance Department, 13th and May Streets, Hood River, Oregon 97031. The second is a 911 communication district, the third is an urban renewal district and the fourth is a sewer district, complete financial statements for the 911 Communications District, Windmaster Urban Renewal District and the Windmaster Sewer 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 22 and 23 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-eight 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, Timber Projects Fund and Timber Interest Fund, all of which are considered to be major funds. Data from the other twenty-four 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 24 and 25 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 agency 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 agency fund financial statements can be found on pages 30 and 99 through 101 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 31 to 57 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. Also included is a schedule of funding progress addressing other post employment benefits and the Schedule of Proportionate Share of Net Pension Liability & Contributions. Required supplementary information can be found on pages 58 to 61 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 62 to 73 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 \$110,172,156 at the close of the fiscal year ended June 30, 2016.

By far the largest portion of Hood River County's net position (76.3%) 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

	2016	2015	Change
Current and other assets	\$ 39,586,136	\$ 43,715,706	\$ (4,129,570)
Capital assets	84,062,236	79,043,121	5,019,115
Total assets	<u>123,648,372</u>	<u>122,758,827</u>	<u>889,545</u>
Net pension related deferral	<u>555,855</u>	<u>-</u>	<u>555,855</u>
Long-term liabilities	8,765,202	6,510,441	2,254,761
Other liabilities	4,532,428	3,210,231	1,322,197
Total liabilities	<u>13,297,630</u>	<u>9,720,672</u>	<u>3,576,958</u>
Net pension related deferral	<u>734,441</u>	<u>1,467,211</u>	<u>(732,770)</u>
Net investment in capital assets	83,837,958	78,652,912	5,185,046
Restricted	14,505,045	14,074,634	430,411
Unrestricted	<u>11,829,153</u>	<u>18,843,398</u>	<u>(7,014,245)</u>
Total net position	<u>\$ 110,172,156</u>	<u>\$ 111,570,944</u>	<u>\$ (1,398,788)</u>

13.2% 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 \$11,829,153 may be used to meet the County's ongoing obligations to citizens and creditors.

At June 30, 2016, 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 net position decreased by \$1,398,788. Key elements of this decrease are as follows:

	Hood River County's Changes in Net Position		Change Incl/(Dec)
	Fiscal year ended		
	2016	2015	
Revenues:			
Program revenues:			
Charges for services	\$ 5,677,767	\$ 3,556,126	\$ 2,121,641
Operating grants and contributions	4,458,282	5,240,215	(781,933)
Capital grants and contribution	515,230	107,697	407,533
General revenues:			
Property taxes	2,995,840	3,315,940	(320,100)
Other taxes	405,254	618,047	(212,793)
Grants and contributions not restricted to specific programs	267,797	262,790	5,007
Timber Sales	3,910,966	3,449,493	461,473
Investment in joint venture	(587,632)	24,103	(611,735)
Total revenues	<u>17,643,504</u>	<u>16,574,411</u>	<u>1,069,093</u>
Expense:			
General government	3,971,463	3,499,809	471,654
Public safety	6,603,109	5,071,330	1,531,779
Public works	2,955,374	2,580,071	375,303
Health & Sanitation	2,338,645	1,764,084	574,561
Forestry	1,117,487	973,083	144,404
Community services	1,863,488	1,806,084	57,404
Education	192,726	203,803	(11,077)
Total expenses	<u>19,042,292</u>	<u>15,898,264</u>	<u>3,144,028</u>
Decrease in net position	(1,398,788)	676,147	(2,074,935)
Net position July 1	111,570,944	110,894,797	676,147
Net position June 30	<u>\$ 110,172,156</u>	<u>\$ 111,570,944</u>	<u>\$ (1,398,788)</u>

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, 2016, Hood River County's governmental funds reported combined ending fund balances of \$31,331,803, a decrease of \$3,876,577 from the prior year. Approximately 99.0% of this total amount (\$31,007,539) constitutes restricted, assigned and unassigned fund balance, which is available for

spending at the County's discretion. The remainder of fund balance is nonspendable to indicate that it is not available because it is held in Public Works inventory (\$292,944) and prepaid expenses (\$21,441).

The General Fund is the primary operating fund of Hood River County. At June 30, 2016, unassigned fund balance of the General Fund was \$714,450. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned General Fund balance represents 66.9% of total General Fund expenditures for the year ended June 30, 2016.

The unassigned fund balance of the Hood River County General Fund decreased by \$188,679 during the year ended June 30, 2016. The Fund's revenue was modestly higher than expected with a favorable variance of \$326,531. Additionally, uncertainties surrounding many financial resources and management's efforts to control and reduce costs, plus not requiring use of the budgeted contingency (\$200,000), resulted in actual expenditures at a lower level than budgeted (\$1,207,396). Each budget category's results reflected under budget spending, including that unspent contingency, with large savings occurring in the materials and services (\$481,496) and personal services (\$307,547) categories. Several departments in the General Fund experienced reductions in those two areas for a variety of reasons. Between fiscal 2014/2015 and 2015/2016, actual revenues increased by \$451,983, actual expenditures increased by \$419,314 due to personal services costs increasing with a cost of living increase for staff varying between 1% and 2%. Other sources and uses of funds decreased between the 2014/2015 and 2015/2016 fiscal years (\$53,369) due in majority to fluctuation in transfer amounts between the years.

The Public Works fund is the operating fund that covers County road repair and maintenance. At June 30, 2016, restricted fund balance of the Public Works fund was \$11,209,209, plus a small nonspendable amount of \$292,944 for inventory. The fund balance increased \$178,637 (1.6%) over the prior year due in to a \$378,196 (13.7%) increase in general 2015/2016 revenues, with expenditure decreases totaling \$124,874 (4.7%) compared to prior year levels. The County's share in federal secure rural schools funding (road maintenance funds) has been and continues to be very uncertain. The 2015/2016 year was, again, slated to be the last year for receipt of these funds, but another extension was received for 2015/2016 again at a reduced level. In this 2016 fiscal year the federal funding received was \$509,787. 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, 2016, the committed fund balance of the Timber Projects fund was \$11,663,693, with no amount being restricted. The fund balance decreased \$3,996,943, or 25.5%, over the prior year due to the purchase of additional forest land as planned. The economic downturn of the past years has put increasing pressure on the timber activities for the County. A relatively small volume of timber was sold in the 2007/2008 through 2010/2011 fiscal years which reduces the amount of funds available for transfer to the General Fund. Sale activity began picking up in the 2011/2012 through 2014/2015 years which 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. The years of decreased sale volumes, as well as the dollars received from those sales will impact transfer dollars in future fiscal years. In the 2009/2010 through 2011/2012 years, the County elected to reduce the transfer to the General Fund by \$4,400,000 in order to reserve timber funds for future periods. In fiscal years 2012/2013 through 2015/2016 the transfer amount was at a 'normal' level with the standard 10 year rolling average formula (2015/2016 \$3,025,590), which continues to reflect those prior years of sales volume losses.

General Fund Budgetary Highlights

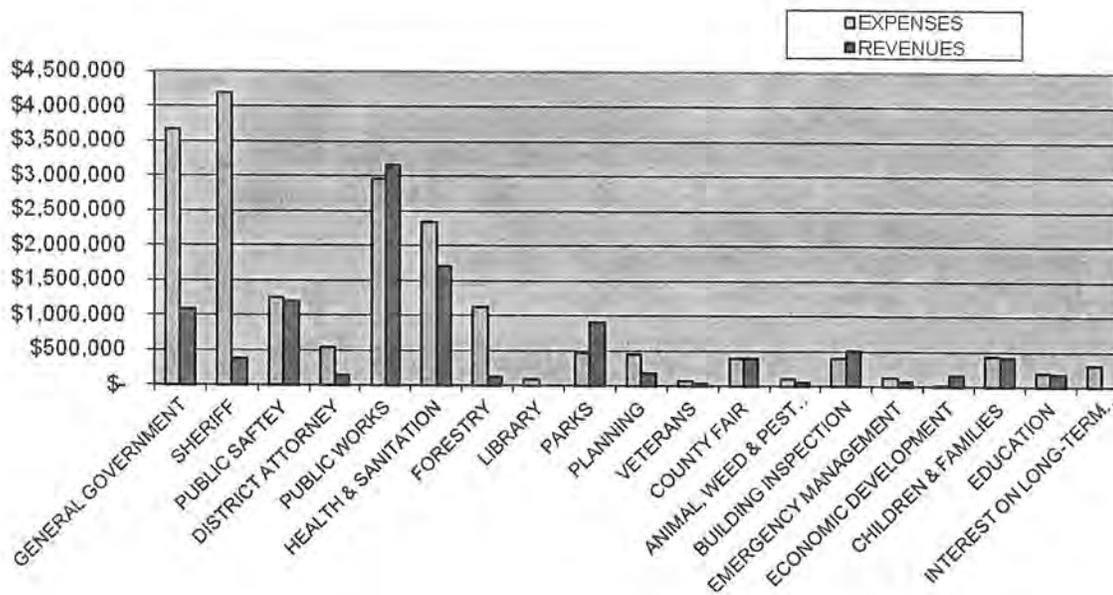
Differences between the original budget and the final amended appropriations budget totaled \$376,635 and are briefly summarized as follows:

- Personal services increased \$97,855 due to increased forestry trails grant funding (\$45,800); increased state health project funding (\$36,950); increased marine patrol funds (\$5,200); additional state funding for veterans services program (\$9,905).

- Materials and services increased \$154,480 due to increased state corrections funding for client services (\$58,660); forest trail project supplies (\$29,690); health department state funding for program supplies (\$38,030); increased planning fee revenue allowed materials purchases (\$10,000); increased sheriff fine revenue allowed equipment purchases (\$12,100); increased marine patrol funding for equipment purchases (\$3,600); additional state funding provided for emergency management for computer equipment (\$2,400).
- Capital outlay increased \$124,300 due to federal grant funding received for an emergency management communications project.

During the year, revenue projections were adjusted to accommodate resources that were not anticipated at the time of the original budget. Actual expenditures were less than budgetary estimates, thus eliminating the need to draw upon contingency.

HOOD RIVER COUNTY EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016



Capital Assets and Debt Administration

Capital assets. Hood River County investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$84,062,236 (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 \$5,019,115 or 6.3% resulting in the majority from the acquisition of additional forest property for timber production; the balance of activities within capital assets resulted from the surplus of vehicles and machinery that has reached the end of their useful lives for the County or addition of new equipment to replaced those disposed units.

Major capital asset events during the current fiscal year included the following:

- Replacement vehicles for the Sheriff functions; equipment purchases for public works; various building improvement projects.

**Hood River County's Capital Assets
(net of depreciation)**

	June 30,	
	2016	2015
Land	\$ 19,667,472	\$ 14,545,813
Buildings and improvement	9,147,091	9,301,047
Furniture and fixtures	7,329	6,745
Vehicles	670,067	520,053
Machinery and equipment	1,416,318	1,629,440
Infrastructure	53,037,997	53,032,497
Construction in progress	115,962	7,526
Total	\$ 84,062,236	\$ 79,043,121

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, 2016 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 prior year's 76% is higher than the current year 74%. The expenditure estimate for infrastructure condition maintenance in the current year public works budget was \$814,190 with actual cost being \$576,163. This is a \$150,079 or 21% decrease from the prior year expense and resulted from changes with road paving locations and acquisition of materials.

Additional information on Hood River County's capital assets and the modified approach can be found in note 5 on page 42, and in the Required Supplementary Information on pages 58 and 59.

Long-term debt. At June 30, 2016, Hood River County had total bonded debt outstanding of \$5,019,278. 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". As of May 2004 a UAL for Hood River County was calculated as \$5,355,000. PERS requires member governments to pay (or "amortize") this UAL over a period of approximately twenty-six years at an interest rate of 8% per annum. In this 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. This reduction in the rate of financing should 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 \$4,795,000.

**Hood River County's Outstanding Debt
General Obligation and Pension Bonds**

	June 30,	
	2016	2015
Pension obligation bonds	\$ 4,795,000	\$ 4,950,000
Note Payable	224,278	433,599
Total	\$ 5,019,278	\$ 5,383,599

Additional information on Hood River County's long-term debt can be found in note 8 on pages 45 through 47 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, 2016, the unemployment rate for Hood River County was 3.9%, which is a .70% decrease from the rate a year ago of 4.6%. This rate is much lower than the State of Oregon June 30, 2016 average unemployment rate of 4.8% and than the national rate of 4.9%. Efforts to stimulate the local economy and bring family wage jobs to the county continue to be a high priority for the Board of Commissioners. 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. Economic development efforts continue on with the goal of bringing additional successes to the county in the near future.

At June 30, 2016, the County moved into 2016/2017 with a renewed three-year public safety bargaining agreement that will carry through to June 30, 2019. Two other non public safety union contracts with expiration dates of June 30, 2017 will be opening for negotiation in 2016/2017. Those two contracts will cover the years beginning July 1, 2017 through June 30, 2020.

Health insurance costs continue to be a key concern for the County and its employees. Costs increased steadily for several years at the rate of 10%-25% per year, but held reasonably steady for 2012/2013 through 2015/2016 years due to several plan changes made to lower the premium costs to both the County and the covered staff members. Contribution from employees toward their health coverage premium is at 15% for all covered staff. Efforts by management and staff to keep premium costs under control through management of particular plan benefits are ongoing and have contributed to the cost containment. Plan revisions and alternative sources have been 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. In the fiscal periods of 2009/2010 and 2010/2011, the County's average PERS rate was 2.13%, in the fiscal periods of 2011/2012 and 2012/2013 the County's rates increased to an average of 6.56%. Employers across the state received *initial* projected rates for fiscal 2013/2014 and 2014/2015, the County's rate was 9.28%. Legislative changes in the past had limited success in remedying the situation due to organized labor challenges in the court system, but the 2013 legislative session again took on the issues associated with the increasing cost of PERS retirement benefits. After changes were passed in the spring session, the state's Governor reconvened the legislature for an additional summer session to specifically address further PERS reforms. Between the two 2013 sessions, significant changes to the calculation of the rates had been made, but with no guarantee that legal actions would not disrupt these new rules. The County's contribution rate decreased from that original 9.28% average to 4.91% and stayed at that level. Subsequently, rate increase "deferral" actions were put into place at the state level with hopes of increased economic recovery. This resulted in 2015/2016 and 2016/2017 PERS rates again being favorable at an average of 4.24%, but that favorability ended with our economy recovering at a

slower level than hoped for and rates for the 2017/2018 and 2018/2019 years climbing to a new average of 7.62% as that deferral snapped back.

The State of Oregon has experienced a variety of revenue fluctuations during the last few years. The 2015/2016 revenue forecast was predicted to be stable at this time, with a chance of increased revenues in greatest part from increases in personal and corporate income tax receipts. 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, 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.

The County is one of several local governments nationwide that have received federal timber funds since 1997. These funds were dedicated to local governments affected by the loss of funding from cutbacks in federal timber harvests and, in Hood River County, were directed to Public Works road issues. In the last few years the discussion at the federal level has been to cut these funds from the federal budget which, in turn, has created a cycle of great uncertainty for those affected governments. Through an unexpected series of events resulting from the nation's economic crisis, this funding was made part of the economic bailout legislation for a four year term. The funding formula included declining percentages over the four years with very low expectation of renewal after 2011/2012. The 2013, 2014 and 2015 years were extension years, as was 2016. Amounts for these years were an uncertainty until actually received; the 2013 amount provided to the Public Works fund was \$651,525, 2014 was \$613,096, 2015 was \$579,119, with 2016 further reduced to \$509,787. The federal government has been unable to reach agreement on stable continued funding, but the County has been advised that at least another one year extension for 2016/2017 funding is under discussion. A continuing federal level effort by congressional representatives is underway to establish this revenue allocation as a long term program.

In order to remove some of the financial strain on the County General Fund, the Hood River County Library was closed on June 30, 2010. The County worked with the community to form a local resident's steering committee charged with the task of developing a plan for a new Library District. The committee came together twice, putting a tax district measure forward in May 2010 and November 2010. The November measure attempt was successful. During fiscal 2010/2011, the new Hood River County Library District was under formation with the district re-opening the Library doors on July 1, 2011. The County continues to support the new district via building occupancy allowances and maintenance support. As of July 1, 2016, the County turned the building and park assets over to the District, with a caveat that the County retains revision rights should the District cease operations or desire to relocate library services.

All of these factors were considered in preparing Hood River County's budget for the 2017 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

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BASIC FINANCIAL STATEMENTS

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HOOD RIVER COUNTY, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2016

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	HEALTH AUTHORITY COMPONENT	911 COMMUNICATIONS COMPONENT	WINDMASTER URBAN RENEWAL COMPONENT	WINDMASTER SEWER DISTRICT COMPONENT
ASSETS					
CASH AND INVESTMENTS	\$ 30,090,016	\$ 639,015	\$ 2,757,048	\$ 38,371	\$ 5,525
TAXES RECEIVABLE	149,415	-	54,174	6,257	-
ACCOUNTS RECEIVABLE	1,939,459	-	73,985	-	3,902
CONTRACTS RECEIVABLE	2,982,504	-	-	-	-
INVENTORIES	292,944	-	-	-	-
PREPAID EXPENSES	31,320	-	365	-	-
INVESTMENT IN JOINT VENTURE	4,100,478	-	-	-	-
CAPITAL ASSETS:					
LAND AND INFRASTRUCTURE	72,821,431	-	155,890	-	2,453,136
DEPRECIABLE BUILDINGS, IMPROVEMENTS PROPERTY AND EQUIPMENT, net	11,240,805	-	115,204	-	-
TOTAL ASSETS	123,648,372	639,015	3,156,667	44,628	2,462,563
DEFERRED OUTFLOWS					
PENSION RELATED DEFERRAL	555,855	-	-	-	-
LIABILITIES					
ACCOUNTS PAYABLE	326,672	-	13,403	3,470	245
SALARIES AND FRINGE PAYABLE	431,569	-	46,478	-	-
BOND INTEREST PAYABLE	25,168	15,600	-	-	-
UNEARNED REVENUE	3,017,955	-	-	-	-
DEPOSITS	246,656	143,414	62,014	-	-
ACCRUED COMPENSATED ABSENCES	484,408	-	-	-	-
LONG-TERM DEBT DUE WITHIN ONE YEAR	216,285	480,000	-	-	-
LONG-TERM DEBT DUE IN MORE THAN ONE YEAR	5,911,964	-	-	-	-
PROPORTIONATE SHARE OF PENSION LIABILITY	2,636,953	-	-	-	-
TOTAL LIABILITIES	13,297,630	639,014	121,895	3,470	245
DEFERRED INFLOWS					
PENSION RELATED DEFERRAL	734,441	-	-	-	-
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	83,837,958	-	271,094	-	2,453,136
RESTRICTED FOR DEBT SERVICE	22,865	1	-	-	-
RESTRICTED FOR CAPITAL PROJECTS	1,441,718	-	-	-	-
RESTRICTED FOR SERVICES	13,040,462	-	-	-	-
UNRESTRICTED	11,829,153	-	2,763,678	41,158	9,182
TOTAL NET POSITION	\$ 110,172,156	\$ 1	\$ 3,034,772	\$ 41,158	\$ 2,462,318

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, 2016

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION							
	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	PRIMARY GOVERNMENT TOTAL GOVERNMENTAL ACTIVITIES	HEALTH AUTHORITY COMMUNICATIONS COMPONENT	WINDMASTER URBAN RENEWAL COMPONENT	WINDMASTER SEWER DISTRICT COMPONENT
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES:								
GENERAL GOVERNMENT	\$ 3,674,127	\$ 692,716	\$ 395,264	\$ 3,900	(2,582,247)			
SHERIFF	4,205,216	152,818	214,752	-	(3,837,646)			
PUBLIC SAFETY	1,249,455	446,336	742,716	-	(60,403)			
DISTRICT ATTORNEY	530,622	33,574	109,980	-	(387,058)			
PUBLIC WORKS	2,855,374	2,247,935	920,923	-	213,484			
HEALTH & SANITATION	2,338,045	698,943	966,655	-	(642,947)			
FORESTRY	1,117,487	30,381	92,611	-	(994,495)			
LIBRARY	75,858	-	-	-	(75,858)			
PARKS	460,166	402,556	-	468,500	440,850			
PLANNING	448,406	134,204	40,000	-	(274,202)			
VETERANS	62,721	-	38,382	-	(24,339)			
COUNTY FAIR	388,574	307,805	87,416	-	6,647			
ANIMAL, WEED & PEST CONTROL	101,600	18,204	22,211	-	(61,185)			
BUILDING INSPECTION	399,628	511,541	-	-	11,913			
EMERGENCY MANAGEMENT	116,688	-	53,160	12,830	(50,598)			
ECONOMIC DEVELOPMENT	5,224	-	165,135	-	159,911			
PREVENTION PROGRAM	422,509	855	408,948	-	(12,706)			
EDUCATION	192,726	-	169,929	-	(22,797)			
INTEREST EXPENSE	297,336	-	-	-	(297,336)			
TOTAL PRIMARY GOVERNMENT ACTIVITIES	\$ 19,042,293	\$ 5,677,768	\$ 4,458,282	\$ 515,230	(8,351,013)			
COMPONENT UNITS:								
HEALTH AUTHORITY	\$ 75,262	\$ -	\$ -	\$ -		(75,262)		
911 COMMUNICATIONS	1,243,668	287,661	-	-		(966,007)		
WINDMASTER URBAN RENEWAL	194,266	-	24,600	-			(169,666)	
WINDMASTER SEWER DISTRICT	30,958	26,460	-	-			(4,498)	
GENERAL REVENUES:								
TAXES:								
PROPERTY TAXES, LEVIED FOR GENERAL PURPOSES					2,995,840		152,574	-
PUBLIC SERVICE TAXES					405,254		-	-
INVESTMENT EARNINGS					267,797		307	60
INVESTMENT IN JOINT VENTURE INCOME					(587,632)		-	-
MISCELLANEOUS					-		-	-
TIMBER SALES					3,910,966		-	-
TOTAL GENERAL REVENUES					6,992,225		1,202,720	152,881
CHANGE IN NET POSITION					(1,398,788)		(16,785)	(4,438)
NET POSITION, BEGINNING OF YEAR					111,570,944		2,788,059	2,466,756
NET POSITION, END OF YEAR					\$ 110,172,156		\$ 3,034,772	\$ 41,156

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

HOOD RIVER COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	GENERAL	PUBLIC WORKS	TIMBER PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
CURRENT ASSETS:					
CASH AND INVESTMENTS	\$ 2,289,068	\$ 10,833,913	\$ 10,610,985	\$ 6,356,050	\$ 30,090,016
TAXES RECEIVABLE	149,415	-	-	-	149,415
ACCOUNTS RECEIVABLE	378,612	180,971	1,054,271	325,605	1,939,459
CONTRACTS RECEIVABLE	-	-	2,602,305	380,199	2,982,504
INVENTORIES	-	292,944	-	-	292,944
DUE FROM OTHER FUNDS	21,817	-	-	-	21,817
INTERFUND RECEIVABLE	-	325,470	-	-	325,470
PREPAID ITEMS	21,441	-	-	9,879	31,320
TOTAL ASSETS	\$ 2,860,353	\$ 11,633,298	\$ 14,267,561	\$ 7,071,733	\$ 35,832,945
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE	\$ 171,112	\$ 69,584	\$ 1,563	\$ 84,413	\$ 326,672
ACCRUED SALARIES & FRINGE PAYABLE	290,032	61,561	-	79,978	431,569
UNEARNED REVENUE	34,328	-	2,602,305	381,324	3,017,955
DUE TO OTHER FUNDS	-	-	-	21,817	21,817
INTERFUND PAYABLE	325,470	-	-	-	325,470
DEPOSITS	246,656	-	-	-	246,656
TOTAL LIABILITIES	1,067,596	131,145	2,603,868	567,530	4,370,139
DEFERRED INFLOWS OF RESOURCES					
UNAVAILABLE REVENUE - PROPERTY TAX	131,003	-	-	-	131,003
TOTAL DEFERRED INFLOWS OF RESOURCES	131,003	-	-	-	131,003
FUND BALANCES:					
NONSPENDABLE	21,441	292,944	-	9,879	324,264
RESTRICTED	-	11,209,209	-	3,295,836	14,505,045
COMMITTED	-	-	11,663,693	3,198,488	14,862,181
ASSIGNED	925,863	-	-	-	925,863
UNASSIGNED	714,450	-	-	-	714,450
TOTAL FUND BALANCES	1,661,754	11,502,153	11,663,693	6,504,203	31,331,803
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,860,353	\$ 11,633,298	\$ 14,267,561	\$ 7,071,733	

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.	84,062,236
INVESTMENT IN JOINT VENTURE - NOT AVAILABLE TO THE COUNTY	4,100,478
NET PENSION LIABILITY IS NOT RECORDED IN THE GOVERNMENTAL FUND DEFERRED INFLOWS AND OUTFLOWS RELATED TO THE NET PENSION ARE NOT RECORDED IN THE GOVERNMENTAL FUNDS	(2,636,953) (734,441) 555,855
OTHER LONG TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND THEREFORE ARE NOT RECOGNIZED IN THE FUNDS: PROPERTY TAXES EARNED BUT UNAVAILABLE	131,003
ACCRUED COMPENSATED ABSENCES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS	(484,408)
ACCRUED INTEREST IS NOT REPORTED IN THE GOVERNMENTAL FUNDS	(25,168)
LONG-TERM DEBT PAYABLE AND OTHER POST EMPLOYMENT BENEFITS, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.	(6,128,249)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 110,172,156

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, 2016

	GENERAL	PUBLIC WORKS	TIMBER PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
PROPERTY TAXES	\$ 3,040,974	\$ -	\$ -	\$ 1,160	\$ 3,042,134
OTHER TAXES	254,934	-	-	150,320	405,254
INTERGOVERNMENTAL	1,428,835	920,923	-	2,420,165	4,769,923
TIMBER SALES	-	-	3,910,966	-	3,910,966
FINES AND FEES	2,058,221	2,117,888	15,759	1,497,934	5,689,802
INVESTMENT EARNINGS	23,838	84,567	-	159,392	267,797
DONATIONS & CONTRIBUTIONS	2,271	-	-	74,115	76,386
PERS IN LIEU	-	-	-	461,459	461,459
OTHER REVENUE	2,000	7,055	-	106,114	115,169
TOTAL REVENUES	6,811,073	3,130,433	3,926,725	4,870,659	18,738,890
EXPENDITURES					
CURRENT OPERATING:					
GENERAL GOVERNMENT	3,120,373	-	-	491,596	3,611,969
SHERIFF	3,610,465	-	-	56,688	3,667,153
PUBLIC SAFETY	1,074,312	-	-	-	1,074,312
DISTRICT ATTORNEY	239,003	-	-	214,728	453,731
PUBLIC WORKS	23,731	2,496,261	-	-	2,519,992
HEALTH & SANITATION	752,033	-	-	1,347,253	2,099,286
FORESTRY	715,275	-	317,956	-	1,033,231
PARKS	359,644	-	-	-	359,644
PLANNING	384,870	-	-	-	384,870
VETERANS	60,764	-	-	-	60,764
COUNTY FAIR	-	-	-	388,574	388,574
ANIMAL, WEED & PEST CONTROL	12,592	-	-	73,672	86,264
BUILDING INSPECTION	-	-	-	361,283	361,283
EMERGENCY MANAGEMENT	106,336	-	-	-	106,336
ECONOMIC DEVELOPMENT	-	-	-	5,224	5,224
PREVENTION PROGRAM	-	-	-	385,092	385,092
EDUCATION	-	-	-	192,726	192,726
CAPITAL OUTLAY	331,913	29,795	4,669,564	696,110	5,727,382
DEBT SERVICE:					
PRINCIPAL	-	-	-	155,000	155,000
INTEREST	-	-	-	299,078	299,078
TOTAL EXPENDITURES	10,791,311	2,526,056	4,987,520	4,667,024	22,971,911
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,980,238)	604,377	(1,060,795)	203,635	(4,233,021)
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN	3,931,308	172,800	267,400	431,971	4,803,479
TRANSFERS OUT	(134,800)	(604,000)	(3,505,990)	(558,689)	(4,803,479)
PROCEEDS FROM THE SALE OF ASSETS	15,092	5,461	302,442	33,449	356,444
TOTAL OTHER FINANCING SOURCES (USES)	3,811,600	(425,739)	(2,936,148)	(93,269)	356,444
NET CHANGE IN FUND BALANCES	(168,638)	178,638	(3,996,943)	110,366	(3,876,577)
FUND BALANCES - BEGINNING	1,830,392	11,323,515	15,660,636	6,393,837	35,208,380
FUND BALANCES - ENDING	\$ 1,661,754	\$ 11,502,153	\$ 11,663,693	\$ 6,504,203	\$ 31,331,803

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, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENT FUNDS	\$	(3,876,577)
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	\$ 6,472,545	
CAPITAL ASSETS RETIRED OR SOLD	(805,755)	
LESS CURRENT YEAR DEPRECIATION	(647,675)	5,019,115
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		(46,294)
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		(23,646)
PERS PENSION EXPENDITURES NOT RECOGNIZED IN GOVERNMENTAL FUNDS		(2,267,688)
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		364,281
CHANGE IN INTEREST ACCRUAL		1,742
IN THE STATEMENT OF ACTIVITIES, THE CONTRIBUTIONS TO THE POST RETIREMENT HEALTH BENEFITS PROGRAM IN EXCESS OF THE ACTUARIALLY DETERMINED CONTRIBUTION AMOUNT INCREASED THE NET OPEB LIABILITY. THE LIABILITY IS NOT RECOGNIZED IN THE GOVERNMENTAL FUNDS BALANCE SHEET		
		17,911
CHANGE IN INVESTMENT IN JOINT VENTURE		(587,632)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	(1,398,788)

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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES	\$ 2,866,000	\$ 2,866,000	\$ 3,040,974	\$ 174,974
OTHER TAXES	133,300	225,300	254,934	29,634
INTERGOVERNMENTAL	1,520,560	1,636,755	1,428,835	(207,920)
FINES AND FEES	1,563,580	1,737,680	2,058,221	320,541
INVESTMENT EARNINGS	10,000	10,000	17,331	7,331
DONATIONS & CONTRIBUTIONS	300	300	2,271	1,971
OTHER REVENUE	2,000	2,000	2,000	-
TOTAL REVENUES	6,095,740	6,478,035	6,804,566	326,531
EXPENDITURES				
PERSONAL SERVICES	6,867,150	6,965,005	6,656,520	(308,485)
MATERIALS & SERVICES	2,421,360	2,575,840	2,094,344	(481,496)
CAPITAL OUTLAY	420,900	545,200	331,913	(213,287)
SPECIAL PAYMENTS	1,713,600	1,713,600	1,708,534	(5,066)
CONTINGENCY	200,000	200,000	-	(200,000)
TOTAL EXPENDITURES	11,623,010	11,999,645	10,791,311	(1,208,334)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,527,270)	(5,521,610)	(3,986,745)	(1,534,865)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	4,450,410	4,450,410	3,931,308	(519,102)
TRANSFERS OUT	(136,140)	(141,800)	(134,800)	(7,000)
SALE OF ASSETS	13,000	13,000	15,092	2,092
TOTAL OTHER FINANCING SOURCES (USES)	4,327,270	4,321,610	3,811,600	(524,010)
NET CHANGE IN FUND BALANCE	(1,200,000)	(1,200,000)	(175,145)	1,024,855
FUND BALANCE - BEGINNING	1,200,000	1,200,000	1,246,506	46,506
FUND BALANCE - ENDING	\$ -	\$ -	1,071,361	\$ 1,071,361
RECONCILIATION TO GAAP ENDING FUND BALANCE				
RESERVES ENDING FUND BALANCE			915,863	
INTERFUND LOAN			(325,470)	
GENERAL FUND ENDING FUND BALANCE			\$ 1,661,754	

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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 1,175,500	\$ 1,589,690	\$ 920,923	\$ (668,767)
FINES AND FEES	2,105,500	2,115,500	2,117,888	2,388
INVESTMENT EARNINGS	50,000	50,000	84,567	34,567
OTHER REVENUE	6,500	6,500	7,054	554
TOTAL REVENUES	<u>3,337,500</u>	<u>3,761,690</u>	<u>3,130,432</u>	<u>(631,258)</u>
EXPENDITURES				
PERSONAL SERVICES	1,472,620	1,472,620	1,306,000	(166,620)
MATERIALS & SERVICES	1,988,900	2,408,090	1,190,261	(1,217,829)
CAPITAL OUTLAY	1,846,700	1,851,700	29,795	(1,821,905)
CONTINGENCY	200,000	200,000	-	(200,000)
TOTAL EXPENDITURES	<u>5,508,220</u>	<u>5,932,410</u>	<u>2,526,056</u>	<u>(3,406,354)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,170,720)	(2,170,720)	604,376	2,775,096
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	172,800	172,800	172,800	-
TRANSFERS OUT	(604,000)	(604,000)	(604,000)	-
PROCEEDS FOR THE SALE OF ASSETS	5,000	5,000	5,461	461
TOTAL OTHER FINANCING SOURCES (USES)	<u>(426,200)</u>	<u>(426,200)</u>	<u>(425,739)</u>	<u>461</u>
NET CHANGE IN FUND BALANCE	<u>(2,596,920)</u>	<u>(2,596,920)</u>	<u>178,637</u>	<u>2,775,557</u>
FUND BALANCE - BEGINNING	<u>9,700,000</u>	<u>9,700,000</u>	<u>10,998,046</u>	<u>1,298,046</u>
FUND BALANCE - ENDING	<u>\$ 7,103,080</u>	<u>\$ 7,103,080</u>	<u>11,176,683</u>	<u>\$ 4,073,603</u>
RECONCILIATION TO GAAP ENDING FUND BALANCE				
INTERFUND LOAN			325,470	
PUBLIC WORKS FUND ENDING FUND BALANCE			<u>\$ 11,502,153</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
TIMBER PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
TIMBER SALES	\$ 1,575,000	\$ 1,575,000	\$ 3,910,966	\$ 2,335,966
FINES AND FEES	7,800	11,400	15,759	4,359
TOTAL REVENUES	<u>1,582,800</u>	<u>1,586,400</u>	<u>3,926,725</u>	<u>2,340,325</u>
EXPENDITURES				
MATERIALS & SERVICES	1,754,700	1,758,300	317,956	(1,440,344)
CAPITAL OUTLAY	7,787,000	7,787,000	4,669,564	(3,117,436)
TOTAL EXPENDITURES	<u>9,541,700</u>	<u>9,545,300</u>	<u>4,987,520</u>	<u>(4,557,780)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,958,900)	(7,958,900)	(1,060,795)	6,898,105
OTHER FINANCING (USES)				
TRANSFERS IN	267,400	267,400	267,400	-
TRANSFERS OUT	(3,505,990)	(3,505,990)	(3,505,990)	-
SALE OF ASSETS	-	-	302,442	302,442
TOTAL OTHER FINANCING (USES)	<u>(3,238,590)</u>	<u>(3,238,590)</u>	<u>(2,936,148)</u>	<u>302,442</u>
NET CHANGE IN FUND BALANCE	(11,197,490)	(11,197,490)	(3,996,943)	7,200,547
FUND BALANCE - BEGINNING	16,904,600	16,904,600	15,660,636	(1,243,964)
FUND BALANCE - ENDING	<u>\$ 5,707,110</u>	<u>\$ 5,707,110</u>	<u>\$ 11,663,693</u>	<u>\$ 5,956,583</u>

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

HOOD RIVER COUNTY, OREGON
STATEMENT OF FIDUCIARY ASSETS & LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2016

ASSETS	
CASH AND INVESTMENTS	\$ 12,818,023
RECEIVABLES:	
PROPERTY TAXES	1,220,509
ACCOUNTS	49,750
TOTAL RECEIVABLES	<u>1,270,259</u>
TOTAL ASSETS	<u>\$ 14,088,282</u>
LIABILITIES	
HELD ON BEHALF OF OTHER LOCAL GOVERNMENTS	<u>\$ 14,088,282</u>

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

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HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

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 Health Facilities Authority (the Authority), an Oregon Municipal Corporation, was created by the County to facilitate issuance of bonded indebtedness for the purpose of financing the construction of a healthcare facility. Directors for the Authority are appointed by the County and 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 Authority can be obtained at Providence Hood River Memorial Hospital, Finance Department, 13th and May Streets, Hood River, Oregon 97031.

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.

Windmaster Sewer District (WMSD) was organized in 2007 by the Hood River County Board of County Commissioners as the management/ownership entity for the sewer line installed in the Windmaster Corner area of the 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, WSD, 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, 2016

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, 2016

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 (specifically agency 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, 2016

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.

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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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 pages 57 and 58. 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

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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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.
- 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. Other governmental funds would report any negative residual fund balance as unassigned.

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.

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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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 a deferred inflow called pension related deferral. This amount is equal to the difference between actuarially projected investment earnings and actual investment earnings. The statement of net position also reports a deferred outflow called pension related deferral. This amount is equal to differences between expected and actual experience, changes in proportionate share and contributions subsequent to the measurement date.

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., personal service, materials and services, capital outlay, 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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 2 - BUDGETARY INFORMATION, continued

Expenditures of the various funds were within authorized appropriation, except for the Economic Development Project Fund – materials and services – by \$224.

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, 2016 is \$331,210. Of these deposits, all is covered for non-interest bearing accounts by federal depository insurance or 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, 2016, the County had the following cash and investments:

	Fair value
Investments	
Municipal bonds	\$ 1,029,990
State of Oregon Local Government Investment Pool	23,357,224
Corporate bonds	11,302,404
US Agency Securities	10,007,344
Total investments	45,696,962
Cash on hand and in banks	12,020
Total cash and investments	\$ 45,708,982

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

Governmental	\$ 30,090,015
911 Communications	2,757,048
Windmaster Sewer District	38,371
Windmaster Urban Renewal	5,525
Fiduciary	12,818,023
Total cash and investments	\$ 45,708,982

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, 2016 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, 2016, 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).

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

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, 2016, 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 appears to be in compliance with all portfolio guidelines at June 30, 2016. 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. As of June 30, 2016, the fair value of the position in the LGIP is 100.6% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

As of June 30, 2016 the County had the following investments:

Investment	Rating	Maturities	Fair Value Activity Level	Fair Value
State Treasurer's Investment Pool	No rating	N/A	Quoted market price, Level 1	\$ 23,357,224
Municipal bond –Washington Power	AA-	7/1/2016	Quoted market price, Level 1	1,029,990
Corporate bond –GE Capital	AA+	7/12/2016	Quoted market price, Level 1	1,007,160
Corporate bond –Canadian Imperial Bank	A+	7/18/2016	Quoted market price, Level 1	1,000,262
Corporate Bond –Berkshire Hathaway	AA	8/15/2016	Quoted market price, Level 1	769,704
US Agency –FFCB 0.55	AA+	8/16/2016	Quoted market price, Level 1	1,002,357
US Agency –FFCB 0.52	AA+	9/6/2016	Quoted market price, Level 1	1,001,837
US Agency –FFCB 0.51	AA+	10/20/2016	Quoted market price, Level 1	1,001,032
Corporate Bond –Bank of America Corporation	A-	11/21/2016	Quoted market price, Level 1	1,001,390
Corporate Bond –Key Bank	A-	11/25/2016	Quoted market price, Level 1	1,001,649
Corporate Bond –Bank of Nova Scotia	A+	12/13/2016	Quoted market price, Level 1	1,001,056
US Agency –FHLB 0.625	AA+	12/28/2016	Quoted market price, Level 1	1,000,815
US Agency –FFCB 1.00	AA+	3/1/2017	Quoted market price, Level 1	1,006,286
US Agency –FFCB 0.65	AA+	3/14/2017	Quoted market price, Level 1	1,002,534
US Agency –FNMA 0.00	AA+	6/1/2017	Quoted market price, Level 1	994,380
US Agency –FNMA 0.00	AA+	6/1/2017	Quoted market price, Level 1	994,380
Corporate Bond –Wells Fargo & Company	A	6/2/2017	Quoted market price, Level 1	2,000,762
US Agency –FHLB 1.00	AA+	6/9/2017	Quoted market price, Level 1	1,002,483
Corporate bond –Royal Bank of Canada	AA-	6/16/2017	Quoted market price, Level 1	1,001,285
Corporate Bond –Bank of Montreal	A+	7/14/2017	Quoted market price, Level 1	1,512,982
Corporate bond –Chevron	AA-	11/9/2017	Quoted market price, Level 1	1,006,154
US Agency –FHLMC 0.875	AA+	11/17/2017	Quoted market price, Level 1	1,001,240
Total Investments				<u>\$ 45,696,962</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

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 Governmental Funds	Total
Taxes	\$ 149,415	\$ -	\$ -	\$ -	\$ 149,415
Accounts	378,612	180,971	1,054,271	325,605	1,939,459
Contracts	-	-	2,602,305	380,199	2,982,504
Total	\$ 528,027	\$ 180,971	\$ 3,656,576	\$ 705,804	\$ 5,071,378

Hood River County owns 34,145 acres of timberland and derives revenue from those lands via timber sales. As of June 30, 2016, there were seven contracts open covering sales over the next one to three years accounting for the \$2,602,305 of contracts receivable and related unearned 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 ten years and has done so successfully without loss of revenue.

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, 2016, the balance in contracts receivable and unavailable revenue for this purpose was \$380,199 consisting of seventeen 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)	\$ 131,003
Total unavailable revenue	<u>\$ 131,003</u>
Unearned Revenue	
Unearned revenue - other (General Fund)	\$ 34,326
Unearned revenue - timber contracts receivable	2,602,305
Unearned revenue - prepaid rents	1,125
Unearned revenue - farm loan agreements	380,199
Total unearned revenue	<u>\$ 3,017,955</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 5 - CAPITAL ASSETS

Activity and balances of the County's capital assets for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance
Capital assets not being depreciated:					
Land	\$ 14,545,813	\$ 5,828,940	\$ (707,281)	\$ -	\$ 19,667,472
Infrastructure	53,032,497	5,500	-	-	53,037,997
Construction in progress	7,526	115,962	-	(7,526)	115,962
Total capital assets, not being depreciated	67,585,836	5,950,402	(707,281)	(7,526)	72,821,431
Capital assets being depreciated:					
Buildings & improvements	13,234,182	61,320	-	-	13,295,502
Furniture & fixtures	39,398	1,970	-	-	41,368
Vehicles	2,751,771	334,809	(198,837)	-	2,887,743
Machinery & equipment	7,454,360	127,832	(105,296)	-	7,476,896
Total capital assets being depreciated	23,479,711	525,931	(304,133)	-	23,701,509
Less accumulated depreciation for:					
Buildings & improvements	(3,933,135)	(219,014)	-	3,738	(4,148,411)
Furniture & fixtures	(32,653)	(1,386)	-	-	(34,039)
Vehicles	(2,231,718)	(166,045)	180,087	-	(2,217,676)
Machinery & equipment	(5,824,920)	(261,230)	25,572	-	(6,060,578)
Total accumulated depreciation	(12,022,426)	(647,675)	205,659	3,738	(12,460,704)
Total capital assets, being depreciated, net	11,457,285	(121,744)	(98,474)	3,738	11,240,805
Capital assets, net	\$ 79,043,121	\$ 5,828,658	\$ (805,755)	\$ (3,788)	\$ 84,062,236

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

General government	\$ 137,437
Sheriff	164,314
Public Safety	3,959
Public Works	196,659
Library	75,858
Community Services	<u>69,448</u>
Total depreciation expense – governmental activities	<u>\$ 647,675</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

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

The composition of interfund transfers during the June 30, 2016 fiscal year is as follows:

<u>Transfers from:</u>		<u>Transfers to:</u>	
General Fund	\$134,800	Nonmajor funds	\$134,800
Public Works Fund	604,000	General Fund	436,000
		Nonmajor funds	168,000
Timber Projects Fund	3,505,990	General Fund	3,238,590
		Timber Projects	267,400
Nonmajor funds	558,689	General Fund	256,718
		Public Works	
		Fund	172,800
		Nonmajor funds	129,171
Total transfers	\$4,803,479		\$4,803,479

All transfer activities occur within the fund financial statements.

The amount transferred from the General Fund to nonmajor funds consists of \$35,000 to the Animal Control fund to fund a portion of program operations; \$79,100 to the District Attorney's Auxiliary Programs fund to supplement grant funding on personnel costs; \$5,000 from the Central Services department, \$5,000 from the Sheriff Forest Patrol department transferred to the Capital Asset Replacement fund for planned future vehicle purchases and \$10,700 from the Forestry department transferred to the Capital Asset Replacement fund for a future Forestry office remodel.

The amount transferred from the Public Works fund to the General Fund \$436,000 offsets costs related to the administration of the public works activities; \$168,000 from the Public Works fund to the Capital Asset Replacement fund for planned future equipment purchases.

The amount transferred from the Timber Projects fund to the General Fund \$3,025,590 contributes to the general operations of the County; \$213,000 transferred from Timber Salvage to the General Fund contributes to the general operations of the County; \$267,400 transfers internally within the Timber Projects fund for forest maintenance and fire protection expenses.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 6 – INTERFUND TRANSFERS, continued

The amounts transferred from the nonmajor funds to the General Fund, Public Works and various non-major funds consist of \$155,000 from the Video Lottery fund for General Fund economic development activities; \$26,500 from the Building Inspection fund to the General Fund to offset the costs related to the administration of building inspection program activities; \$5,145 from the Capital Asset fund vehicle replacement department, to the Capital Asset fund equipment replacement department to allow utilization of the available funds for the appropriate function; \$67,000 for the Court Assessment fund to offset costs in the Sheriff and Juvenile departments related to court activities; \$2,000 and \$2,500 from the Public Lands Cornerstone Preservation fund for General Fund Records & Assessments and the Clerk’s fund respectively for departmental services on recordings for PLCP functions; \$35,000 from the Public Lands Cornerstone Preservation fund for Public Works survey and GIS services; \$114,000 from the Public Works Service Development Charges fund and \$23,800 from the Public Works Bike Path fund to Public Works Special Projects for a bridge construction project; \$121,526 from the Federal Forest Title III fund to the Sheriff County Programs fund for search and rescue funding.

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 \$58,818 for the year ended June 30, 2016. The future minimum lease payments are as follows:

Year Ending June 30	Amount
2017	\$ 49,392
2018	47,752
2019	43,269
2020	37,588
2021	31,068
Beyond	169,003
Total	\$ 378,072

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 8 - LONG-TERM DEBT

Changes in long-term liabilities.

Long-term liability activity for the year ended June 30, 2016, were as follows:

	Balance 7/1/15	Additions	Reductions	Balance 6/30/16	Due Within One Year
Governmental activities:					
Pension obligation bonds	\$ 4,950,000	\$ -	\$ 155,000	\$ 4,795,000	\$ 185,000
Note Payable	433,559	-	209,281	224,278	31,285
OPEB	1,126,882	-	17,911	1,108,971	-
Compensated absences	460,762	23,646	-	484,408	-
Total	\$ 6,971,203	\$ 23,646	\$ 382,192	\$ 6,612,657	\$ 216,285

Compensated absences will be liquidated by all funds with payroll activity.

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 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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 9 - LONG-TERM DEBT, continued

Annual debt service requirements to maturity:

Year Ending June 30	Principal	Interest
2017	\$ 185,000	\$ 290,134
2018	220,000	279,273
2019	255,000	266,203
2020	295,000	250,864
2021	340,000	233,120
2022-26	2,475,000	798,965
2027-31	1,025,000	82,892
Total	<u>\$ 4,795,000</u>	<u>\$ 2,201,451</u>

Notes Payable

On June 30, 2009 the County received a loan from the Oregon Economic & Community Development Department on behalf of the Windmaster Sewer District in the amount of \$500,000. The loan will be used to address the health hazard declaration from Oregon's DEQ regarding the construction of a sewer line. The loan is payable over 25 years at an interest rate of 4.62% and total payments per year including interest of \$34,137. The County paid \$100,000 toward the principal balance in the current year.

Annual debt service requirements to maturity:

Year Ending June 30	Principal	Interest
2017	\$ 25,235	\$ 8,902
2018	26,401	7,736
2019	27,621	6,517
2020	28,897	5,241
2021	30,232	3,906
2022-26	54,361	3,557
Total	<u>\$ 192,747</u>	<u>\$ 35,859</u>

On February 7, 2011, the General Fund received a loan from the Public Works Fund 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:

Year Ending June 30	Principal	Interest
2017	\$ 6,050	\$ 630
2018	6,171	509
2019	6,294	385
2020	6,420	259
2021	6,596	131
Total	<u>\$ 31,531</u>	<u>\$ 1,914</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 9 - LONG-TERM DEBT, continued

On June 19, 2012, the County received a loan from the Northern Oregon Corrections Facilities in the amount of \$173,406. The loan is payable over three years at an interest rate of 0.60% and total payments per year including interest of \$44,005. The loan was paid off in the current year.

NOTE 10 – 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 \$1,460,400 equivalent to 40% of all counties' contributions, to the operation of the NORCOR facility for the fiscal year ended June 30, 2016. 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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEM AND 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: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

- 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.
- 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 on 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 disable 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 a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- 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.

June 30, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

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.

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.
- 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.
- iv) Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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, 2013 actuarial valuation, which became effective July 1, 2015. 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, 2016 were \$321,473 excluding amounts to fund employer specific liabilities. Approximately \$461,459 was charged for the year ended June 30, 2016 as PERS benefits expenditures to be used for bond payments as they become due. In addition approximately \$407,358 in employee contributions were paid or picked up by the County in fiscal 2016.

At June 30, 2016, the County reported a net pension liability of \$2,636,953 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2013, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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. At December 31, 2013, the County's proportion was .046 percent.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 142,198	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	552,765
Changes in proportionate share	92,184	-
Difference in proportion and differences between County contributions and proportionate share of contributions	-	181,676
Total	<u>234,382</u>	<u>734,441</u>
County contributions subsequent to measurement date	<u>321,473</u>	-
Total	<u>\$ 555,855</u>	<u>\$ 734,441</u>

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

Year ending June 30,	
2017	\$ (253,420)
2018	(253,420)
2019	(253,420)
2020	252,430
2021	7,773
Therafter	-
Total	<u>\$ (500,057)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated May 23, 2016. Oregon PERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx.

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, 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.

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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

Actuarial Methods and Assumptions:

Valuation date	December 31, 2013 rolled forward to June 30, 2016
Experience Study Report	2014, Published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service. For COLA, a blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

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 2014 Experience Study which is reviewed for the four-year period ending December 31, 2013.

Discount Rate – The discount rate used to measure the total pension liability was 7.75 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 7.75 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 6,364,189	\$ 2,636,953	\$ (504,127)

Since the December 31, 2013 actuarial valuation, the system-wide actuarial accrued liability has increased primarily due to the Moro decision and assumption changes, along with interest on the liability as current active members get closer to retirement. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future system Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the benefits projected to be paid by Employers compared to those developed in the prior actuarial valuation, and consequently increased plan liabilities. The employers' projected long-term contribution effort has been adjusted for the estimated impact of the Moro Decision. In accordance with statute, a biennial review of actuarial methods and assumptions was completed in 2015 to be used for the December 31, 2014 actuarial valuation. After completion of this review and subsequent to the measurement date, the PERS Board adopted several assumption changes, including lowering the investment return assumption to 7.50%, which will be effective January 1, 2016 and will be included in the next update.

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 death, disability, resignation, or retirement. 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.

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The County makes this contribution on behalf of its employees.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 11 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

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.

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

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

NOTE 12 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The County provides a single employer retiree benefit plan for retirees and their spouses to purchase healthcare insurance at the same group rates as the County pays for its active employees'. The County has not established a formal plan to account for this activity. Since the former employees' service to the County has caused this benefit to be available, generally accepted accounting principles requires that the costs of these services be calculated and shown as a cost of operations and/or as a liability for providing a future benefit in the financial statements. Disclosure of the liability is mandatory.

Funding Policy. The County does not fund a plan to fund these benefits, but an actuary has calculated that the implied subsidy included in healthcare costs for the year ended June 30, 2016, was approximately \$25,260. There is no contribution from retirees receiving benefits.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 10 years. The amortization method is the level percentage of projected payroll and the amortization period is open. The following table shows the components of the County's annual OPEB cost for the year, the amount implicitly contributed to the "plan" through the normal payments to healthcare insurance providers and changes to the County's OPEB obligation.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 12 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS, continued

	2014	2015	2016
Annual Required Contribution (ARC)	\$ 164,533	\$ 177,564	\$ 127,773
Interest on prior year Net OPEB obligation	36,100	37,880	39,441
Adjustment to ARC	(124,020)	(130,135)	(135,498)
Annual OPEB cost	76,613	85,309	31,716
Implicit benefit payments	(25,760)	(40,709)	(49,627)
Increase in net OPEB obligation	50,853	44,600	(17,911)
Net OPEB obligation - beginning of year	1,031,429	1,082,282	1,126,882
Net OPEB obligation - end of year	\$ 1,082,282	\$ 1,126,882	\$ 1,108,971

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2016, along with the two preceding fiscal years, were as follows:

Year Ended	OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
6/30/2014	\$ 76,613	34.00%	\$ 1,082,282
6/30/2015	85,309	48.00%	1,126,882
6/30/2016	31,716	156.00%	1,108,971

Funding status and funding progress. As of August 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$697,841 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$6,560,092, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 20%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the plan and the annual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and assumptions. The actuarial cost method used is the projected unit cost method. The amortization period is 10 years and the amortization period is open. Projections of benefits for financial reporting purposes are based on the substitutive plan (the plan as understood by the County and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of the benefit costs, if any, to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 12 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS, continued

The following simplifying assumptions were made:

- Discount rate: 3.5% for unfunded liabilities.
- Inflation rate: 2.75%
- Health Cost Trend (inflation rate assumption): 2014 = 5.75%, 2015-2024 = 5.50%, 2025 = 5.75%, 2026 = 6.00%, 2027 = 6.5%, 2028-2029 = 6.75%, 2030-2036 = 6.50%, 2037-2039 = 6.25%, 2040-2045 = 6.00%, 2046-2058 = 5.75%, 2059-2062 = 5.50%, 2063-2065 = 5.25%, 2066-2068 = 5.00%, 2069+ = 4.75%. Medical is further increased 0.5% per year for the first 10 years to reflect expectations for increases in high deductible medical plan premiums, Dental 4.50% per year
- Annual Payroll Increase: 3.75% compounded annually, plus a merit component based on duration of service and employment classification.
- Disability: Not used.
- Retirement: Based on the Oregon PERS assumptions.
- Withdrawal: Based on the Oregon PERS assumptions.
- Mortality: Generally, the RP-2000 healthy combined male and female mortality tables set back one year. Mortality is projected on a generational basis using Scale AA for males and females.
- Excluded employees: Temporary and part-time employees, elected officials and volunteers.
- PERS service: Estimated based on elapsed time from date of hire to the most recent valuation.
- Future retiree coverage: 55% of active members are assumed to elect coverage upon retirement.
- Spousal age: Females spouses are assumed to be two years younger than male spouses.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 13 – FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2016 are as follows:

Fund Balances:	GENERAL FUND	PUBLIC WORKS	TIMBER PROJECTS	NON MAJOR FUNDS	TOTAL
<u>Nonspendable:</u>					
Inventory / Prepays	\$ 21,441	\$ 292,944	\$ -	\$ 9,879	\$ 324,264
Total	21,441	292,944	-	9,879	324,264
<u>Restricted</u>					
Public Works	-	11,209,209	-	440,653	11,649,862
Sheriff Programs	-	-	-	516,486	516,486
DA County Program	-	-	-	18,276	18,276
Community Grants	-	-	-	17,332	17,332
Clerk Duties	-	-	-	45,281	45,281
Health Programs	-	-	-	120,163	120,163
Federal Forest	-	-	-	16,225	16,225
Building Inspection	-	-	-	262,882	262,882
HRPP	-	-	-	224,911	224,911
Video Lottery	-	-	-	13,529	13,529
County Fair	-	-	-	39,958	39,958
Capital Projects	-	-	-	1,556,112	1,556,112
Debt Service	-	-	-	24,028	24,028
Total	-	11,209,209	-	3,295,836	14,505,045
<u>Committed</u>					
Timber Projects	-	-	11,663,693	-	11,663,693
Timber Interest	-	-	-	2,674,005	2,674,005
Renewable Energy	-	-	-	68,514	68,514
Farm Loans	-	-	-	2,538	2,538
Animal Shelter	-	-	-	243,475	243,475
Court Assessment	-	-	-	205,901	205,901
Employee	-	-	-	4,055	4,055
Total	-	-	11,663,693	3,198,488	14,862,181
<u>Assigned</u>					
Reserves	925,863	-	-	-	925,863
Total	925,863	-	-	-	925,863
<u>Unassigned:</u>					
Total	714,450	-	-	-	714,450
Total Fund Balances	\$ 1,661,754	\$ 11,502,153	\$ 11,663,693	\$ 6,504,203	\$ 31,331,803

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2016

NOTE 14 – 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 15 – 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.

The County is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

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REQUIRED SUPPLEMENTARY INFORMATION

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**HOOD RIVER COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION**

**INFRASTRUCTURE ASSETS
MODIFIED APPROACH**

ROAD SYSTEM INVENTORY AND ESTIMATED HISTORICAL COST

The County estimated historical cost for each road by multiplying the lane mileage by the cost per lane mile by the price index for the year constructed or 1980. For roads constructed since 1980 a price index was determined for the known year of construction. The US Bureau of Labor Statistics CPI Calculator was used to determine the price index.

Using the above method, and adding actual cost after July 1, 2003, the total estimated historical cost of the County's road system is \$48,352,911.

ROAD SYSTEM CONDITION ASSESSMENT

The Pavement Condition Index (PCI) is a measure of the relative pavement condition on a scale of 0 to 100 with 100 being pavement in perfect condition and 0 being pavement in terrible condition. PCI is determined by deducting value for each type of distress (cracking, rutting, potholes, etc.) present in the pavement. The County policy is to achieve a minimum rating of 70 for all roads. This indicates that the pavement 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>
2012	77
2013	76
2014	76
2015	76
2016	74

ROAD SYSTEM MAINTENANCE AND PRESERVATION

Review of the County cost accounting for the last five fiscal years indicates the following amounts were expensed for pavement maintenance and rehabilitation:

<u>Year</u>	<u>Amount Budgeted</u>	<u>Amount Expensed</u>
11-12	\$500,000	\$418,627
12-13	\$1,050,000	\$945,555
13-14	\$1,210,800	\$759,717
14-15	\$400,000	\$726,242
15-16	\$814,190	\$576,163

Estimated budget for maintenance and rehabilitation (M&R):

<u>Year</u>	<u>M&R Budget</u>	<u>Projected PCI</u>
16-17	\$660,000	76
17-18	\$660,000	75
18-19	\$660,000	75
19-20	\$660,000	74
20-21	\$660,000	74

Program analysis indicates that an average annual pavement maintenance and rehabilitation budget of \$660,000 will maintain the pavement at a condition higher than the minimum level. *The County performs much of this work with its own personnel and equipment therefore a specific budget line item is not spelled out.

BRIDGE SYSTEM ESTIMATED HISTORICAL COST

Actual construction costs were used in the analysis on newer bridges where cost information is available. Construction costs were estimated on other bridges where actual cost information is not available based on the National Bridge Inventory System.

Using the above method, the total estimated historical cost of the County's bridge system is \$3,423,934.

BRIDGE SYSTEM CONDITION ASSESSMENT

The Bridge Sufficiency Rating (BSR) is a measure of the relative sufficiency of a bridge on a scale of 0 to 100 with 100 being a bridge that functions perfectly and 0 being a bridge that is unusable. The BSR is calculated from a formula developed by AASHTO, a national organization of structural engineers that considers the condition and adequacy of structural elements of a bridge. The formula also considers how well the geometry of a bridge accommodates traffic. The condition level approved by the County's governing body for the network of bridges is 70. This indicates that the bridges may have some deficiencies and are eligible for federal bridge rehabilitation funds, but overall are in good operating condition.

The County's bridges are inspected every two years by the Oregon Department of Transportation contracted bridge inspectors. Inspectors rate the relative condition of all elements of each bridge. For each bridge a "sufficiency rating" is calculated from a formula that is a function of the structural adequacy and safety, functional obsolescence, and serviceability of a bridge. Currently the County's average bridge sufficiency rating is 83.

BRIDGE SYSTEM MAINTENANCE AND PRESERVATION

With few exceptions the County's bridges are of concrete construction. Historic maintenance related to these bridges has largely consisted of removing debris after high water conditions and placing materials to control channel alignment. The costs to maintain the concrete structures themselves have been minimal. Most of the costs associated with a concrete bridge are incurred at the time the bridge is replaced.

The County maintains a total of 65,950 square feet of bridge area. The total 2016 replacement cost for the County's bridge system amounts to \$30,864,600; bridge replacements have typically been funded with Federal funds therefore the County has not developed a special fund for replacement.

**HOOD RIVER COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION**

**OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2016**

Actuarial Valuation Date	Actuarial Value of Assets	AAL Unit Credit	UAAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
8/1/2006	\$ -	\$ 1,635,893	\$ 1,635,893	0.00%	\$ 6,400,000	25.56%
8/1/2008	\$ -	\$ 1,509,591	\$ 1,509,591	0.00%	\$ 6,444,000	23.43%
8/1/2010	\$ -	\$ 1,260,392	\$ 1,260,392	0.00%	\$ 6,533,000	19.29%
8/1/2012	\$ -	\$ 814,542	\$ 814,542	0.00%	\$ 6,560,000	12.42%
8/1/2014	\$ -	\$ 697,841	\$ 697,841	0.00%	\$ 6,820,000	10.23%

The above table presents the most recent actuarial valuations for the County's post-retirement health and welfare benefits plan, and it provides information that approximates the funding progress of the plan.

HOOD RIVER COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2016

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) COUNTY covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	0.05 %	\$ 2,636,953	\$ 6,937,000	38% %	91.9 %
2015	0.04	(919,360)	6,820,000	-13%	103.6
2014	0.04	2,069,791	6,560,000	32%	92.0

The amounts presented for each fiscal year were actuarial 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

	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
2016	\$ 321,473	\$ 321,473	\$ -	\$ 6,937,000	4.63%
2015	348,672	348,672	-	6,820,000	5.11%
2014	337,753	337,753	-	6,560,000	5.15%

The amounts presented for each fiscal year were actuarial 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.

SUPPLEMENTARY INFORMATION

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HOOD RIVER COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	NONMAJOR DEBT SERVICE FUND	TOTAL COMBINED NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
CASH AND INVESTMENTS	\$ 4,775,910	\$ 1,556,112	\$ 24,028	\$ 6,356,050
RECEIVABLES:				
ACCOUNTS	325,605	-	-	325,605
CONTRACTS	380,199	-	-	380,199
PREPAID ITEMS	9,879	-	-	9,879
TOTAL ASSETS	\$ 5,491,593	\$ 1,556,112	\$ 24,028	\$ 7,071,733
LIABILITIES				
ACCOUNTS PAYABLE	\$ 84,413	\$ -	\$ -	\$ 84,413
ACCRUED COMPENSATION	79,976	-	-	79,976
DEFERRED REVENUE	381,324	-	-	381,324
DUE TO	21,817	-	-	21,817
TOTAL LIABILITIES	567,530	-	-	567,530
FUND BALANCES				
NONSPENDABLE	9,879	-	-	9,879
RESTRICTED	1,715,696	1,556,112	24,028	3,295,836
COMMITTED	3,198,488	-	-	3,198,488
TOTAL FUND BALANCES	4,924,063	1,556,112	24,028	6,504,203
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,491,593	\$ 1,556,112	\$ 24,028	\$ 7,071,733

HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	RENEWABLE ENERGY PROJECTS	COMM GRANT PROJECTS	FARM LOANS	SHERIFF CO PROG	ANIMAL FACILITY	PW PROJECTS
ASSETS						
CASH AND INVESTMENTS	\$ 68,514	\$ 17,802	\$ 2,538	\$ 513,367	\$ 244,273	\$ 437,276
RECEIVABLES:						
ACCOUNTS	-	-	-	8,236	-	3,377
CONTRACTS	-	-	380,199	-	-	-
PREPAID ITEMS	-	-	-	3,268	-	-
TOTAL ASSETS	\$ 68,514	\$ 17,802	\$ 382,737	\$ 524,871	\$ 244,273	\$ 440,653
LIABILITIES						
ACCOUNTS PAYABLE	\$ -	\$ 470	\$ -	\$ 780	\$ 177	\$ -
ACCRUED COMPENSATION	-	-	-	4,337	621	-
DEFERRED REVENUE	-	-	380,199	-	-	-
DUE TO	-	-	-	-	-	-
TOTAL LIABILITIES	-	470	380,199	5,117	798	-
FUND BALANCES						
NONSPENDABLE	-	-	-	3,268	-	-
RESTRICTED	-	17,332	-	516,486	-	440,653
COMMITTED	68,514	-	2,538	-	243,475	-
TOTAL FUND BALANCES	68,514	17,332	2,538	519,754	243,475	440,653
TOTAL LIABILITIES AND FUND BALANCES	\$ 68,514	\$ 17,802	\$ 382,737	\$ 524,871	\$ 244,273	\$ 440,653

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HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	TIMBER INTEREST	DA CO PROG	CLERK'S FUND	FEDERAL FOREST	HEALTH PROGRAMS	BLDG INSPEC	HRPP
ASSETS							
CASH AND INVESTMENTS	\$ 2,674,005	\$ -	\$ 44,608	\$ 16,225	\$ 6,341	\$ 277,767	\$ 214,086
RECEIVABLES:							
ACCOUNTS	-	58,486	673	-	166,348	8,126	38,034
CONTRACTS	-	-	-	-	-	-	-
PREPAID EXPENSE	-	-	-	-	-	-	6,611
TOTAL ASSETS	\$ 2,674,005	\$ 58,486	\$ 45,281	\$ 16,225	\$ 172,689	\$ 285,893	\$ 258,731
LIABILITIES							
ACCOUNTS PAYABLE	\$ -	\$ 9,335	\$ -	\$ -	\$ 11,316	\$ 6,204	\$ 19,266
ACCRUED COMPENSATION	-	9,058	-	-	41,210	16,807	7,943
DEFERRED REVENUE	-	-	-	-	-	-	-
DUE TO	-	21,817	-	-	-	-	-
TOTAL LIABILITIES	-	40,210	-	-	52,526	23,011	27,209
FUND BALANCES							
NONSPENDABLE	-	-	-	-	-	-	6,611
RESTRICTED	-	18,276	45,281	16,225	120,163	262,882	224,911
COMMITTED	2,674,005	-	-	-	-	-	-
TOTAL FUND BALANCES	2,674,005	18,276	45,281	16,225	120,163	262,882	231,522
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,674,005	\$ 58,486	\$ 45,281	\$ 16,225	\$ 172,689	\$ 285,893	\$ 258,731

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HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	TRANSIENT ROOM TAX	COURT ASSMT	VIDEO LOTTERY	COUNTY FAIR	EMPLOYEE FUND	TOTAL NON-MAJOR SPECIAL REVENUE FUNDS
ASSETS						
CASH AND INVESTMENTS	\$ 143	\$ 200,298	\$ 13,529	\$ 41,083	\$ 4,055	\$ 4,775,910
RECEIVABLES:						
ACCOUNTS	33,965	8,360	-	-	-	325,605
CONTRACTS	-	-	-	-	-	380,199
PREPAID EXPENSE	-	-	-	-	-	9,879
TOTAL ASSETS	\$ 34,108	\$ 208,658	\$ 13,529	\$ 41,083	\$ 4,055	\$ 5,491,593
LIABILITIES						
ACCOUNTS PAYABLE	\$ 34,108	\$ 2,757	\$ -	\$ -	\$ -	\$ 84,413
ACCRUED COMPENSATION	-	-	-	-	-	79,976
DEFERRED REVENUE	-	-	-	1,125	-	381,324
DUE TO	-	-	-	-	-	21,817
TOTAL LIABILITIES	34,108	2,757	-	1,125	-	567,530
FUND BALANCES						
NONSPENDABLE	-	-	-	-	-	9,879
RESTRICTED	-	-	13,529	39,958	-	1,715,696
COMMITTED	-	205,901	-	-	4,055	3,198,488
TOTAL FUND BALANCES	-	205,901	13,529	39,958	4,055	4,924,063
TOTAL LIABILITIES AND FUND BALANCE	\$ 34,108	\$ 208,658	\$ 13,529	\$ 41,083	\$ 4,055	\$ 5,491,593

HOOD RIVER COUNTY, OREGON
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	EQUIPMENT REPLCMT	PW EQUIP REPLCMT	CAPITAL PROJECTS	TOTAL NON-MAJOR CAPITAL PROJECTS FUNDS
ASSETS				
CASH AND INVESTMENTS	\$ 92,898	\$ 1,321,139	\$ 142,075	\$ 1,556,112
RECEIVABLES:				
ACCOUNTS	-	-	-	-
TOTAL ASSETS	<u>\$ 92,898</u>	<u>\$ 1,321,139</u>	<u>\$ 142,075</u>	<u>\$ 1,556,112</u>
LIABILITIES				
ACCOUNTS PAYABLE	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
RESTRICTED	92,898	1,321,139	142,075	1,556,112
TOTAL FUND BALANCES	<u>92,898</u>	<u>1,321,139</u>	<u>142,075</u>	<u>1,556,112</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 92,898</u>	<u>\$ 1,321,139</u>	<u>\$ 142,075</u>	<u>\$ 1,556,112</u>

**HOOD RIVER COUNTY, OREGON
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2016**

ASSETS	
CASH AND INVESTMENTS	\$ 24,028
TOTAL ASSETS	<u>\$ 24,028</u>
FUND BALANCES	
RESTRICTED	24,028
TOTAL FUND BALANCES	<u>24,028</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24,028</u>

HOOD RIVER COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	NONMAJOR DEBT SERVICE FUND	TOTAL COMBINED NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
PROPERTY TAXES	\$ 1,160	\$ -	\$ -	\$ 1,160
OTHER TAXES	150,320	-	-	150,320
INTERGOVERNMENTAL	1,980,865	439,300	-	2,420,165
FINES AND FEES	1,483,434	14,500	-	1,497,934
INVESTMENT EARNINGS	114,327	45,065	-	159,392
DONATIONS & CONTRIBUTIONS	74,115	-	-	74,115
OTHER REVENUE	106,114	-	-	106,114
PERS IN LIEU	-	-	461,459	461,459
TOTAL REVENUES	3,910,335	498,865	461,459	4,870,659
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	1,782,181	-	-	1,782,181
MATERIALS & SERVICES	973,944	-	-	973,944
CAPITAL OUTLAY	89,490	606,620	-	696,110
OTHER	760,711	-	454,078	1,214,789
TOTAL EXPENDITURES	3,606,326	606,620	454,078	4,667,024
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	304,009	(107,755)	7,381	203,635
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	238,126	193,845	-	431,971
TRANSFERS OUT	(547,326)	(5,145)	(6,218)	(558,689)
PROCEEDS FROM THE SALE OF ASSETS	-	33,449	-	33,449
TOTAL OTHER FINANCING SOURCES (USES)	(309,200)	222,149	(6,218)	(93,269)
NET CHANGE IN FUND BALANCE	(5,191)	114,394	1,163	110,366
FUND BALANCE - BEGINNING	4,929,254	1,441,718	22,865	6,393,837
FUND BALANCE - ENDING	\$ 4,924,063	\$ 1,556,112	\$ 24,028	\$ 6,504,203

HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016

	RENEWABLE ENERGY PROJECTS	COMM GRANT PROJECTS	FARM LOANS	SHERIFF CO PROG	ANIMAL FACILITY	PW PROJECTS	TIMBER INTEREST
REVENUES							
PROPERTY TAXES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER TAXES	-	-	-	-	-	-	-
INTERGOVERNMENTAL	-	-	-	38,304	-	-	-
FINES AND FEES	-	-	-	18,203	-	131,774	-
INVESTMENT EARNINGS	-	-	725	3,436	1,820	3,158	100,439
DONATIONS & CONTRIBUTIONS	-	-	-	500	-	-	-
OTHER REVENUE	-	-	32,014	-	-	-	-
PERS IN LIEU	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	32,739	60,443	1,820	134,932	100,439
EXPENDITURES							
CURRENT OPERATING:							
PERSONAL SERVICES	-	-	-	95,281	13,574	-	-
MATERIALS & SERVICES	4,170	1,873	-	35,079	7,035	-	-
CAPITAL OUTLAY	-	-	-	36,641	-	-	-
SPECIAL PAYMENTS	-	-	223,930	-	-	-	-
TOTAL EXPENDITURES	4,170	1,873	223,930	167,001	20,609	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,170)	(1,873)	(191,191)	(106,558)	(18,789)	134,932	100,439
OTHER FINANCING SOURCES (USES)							
TRANSFERS IN	-	-	-	156,526	-	-	-
TRANSFERS OUT	-	-	-	-	-	(177,300)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	156,526	-	(177,300)	-
NET CHANGE IN FUND BALANCE	(4,170)	(1,873)	(191,191)	49,968	(18,789)	(42,368)	100,439
FUND BALANCE - BEGINNING	72,684	19,205	193,729	469,786	262,264	483,021	2,573,566
FUND BALANCE - ENDING	\$ 68,514	\$ 17,332	\$ 2,538	\$ 519,754	\$ 243,475	\$ 440,653	\$ 2,674,005

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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, 2016

	DA ANC PROG	CLERK'S FUND	FEDERAL FOREST	HEALTH PROGRAMS	BLDG INSPEC	HR PREV PROGRAM	COUNTY BK COSTS	TRANSIENT ROOM TAX
REVENUES								
PROPERTY TAXES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 612	\$ -
OTHER TAXES	-	-	4,823	-	-	-	-	145,497
INTERGOVERNMENTAL	102,579	-	225,896	903,783	-	334,848	-	-
FINES AND FEES	33,495	4,853	-	474,763	511,541	855	-	-
INVESTMENT EARNINGS	-	302	-	-	-	1,506	-	1,178
DONATIONS & CONTRIBUTIONS	500	-	-	36,365	-	-	-	-
OTHER REVENUE	-	-	-	-	-	74,100	-	-
	-	-	-	-	-	-	-	-
TOTAL REVENUES	136,574	5,155	230,719	1,414,911	511,541	411,309	612	146,675
EXPENDITURES								
CURRENT OPERATING:								
PERSONAL SERVICES	193,699	-	-	856,564	302,176	180,669	-	-
MATERIALS & SERVICES	21,029	973	-	444,352	59,097	53,612	612	-
CAPITAL OUTLAY	-	-	-	-	47,332	-	-	-
SPECIAL PAYMENTS	-	-	192,726	46,337	-	150,811	-	146,907
TOTAL EXPENDITURES	214,728	973	192,726	1,347,253	408,605	385,092	612	146,907
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(78,154)	4,182	37,993	67,658	102,936	26,217	-	(232)
OTHER FINANCING SOURCES (USES)								
TRANSFERS IN	79,100	2,500	-	-	-	-	-	-
TRANSFERS OUT	-	-	(121,526)	-	(26,500)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	79,100	2,500	(121,526)	-	(26,500)	-	-	-
NET CHANGE IN FUND BALANCE	946	6,682	(83,533)	67,658	76,436	26,217	-	(232)
FUND BALANCE - BEGINNING	17,330	38,599	99,758	52,505	186,446	205,305	-	232
FUND BALANCE - ENDING	\$ 18,276	\$ 45,281	\$ 16,225	\$ 120,163	\$ 262,882	\$ 231,522	\$ -	\$ -

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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, 2016

	COURT ASSMT	VIDEO LOTTERY	ECONOMIC DEVELP	COUNTY FAIR	EMPLOYEE FUND	TOTAL NON-MAJOR SPECIAL REVENUE FUNDS
REVENUES						
PROPERTY TAXES	\$ -	\$ -	\$ 548	\$ -	\$ -	\$ 1,160
OTHER TAXES	-	-	-	-	-	150,320
INTERGOVERNMENTAL	156,654	165,135	-	53,666	-	1,980,865
FINES AND FEES	-	-	-	307,805	145	1,483,434
INVESTMENT EARNINGS	1,667	-	-	72	24	114,327
DONATIONS & CONTRIBUTIONS	-	-	-	33,750	3,000	74,115
OTHER REVENUE	-	-	-	-	-	106,114
TOTAL REVENUES	158,321	165,135	548	395,293	3,169	3,910,335
EXPENDITURES						
CURRENT OPERATING:						
PERSONAL SERVICES	-	-	-	140,218	-	1,782,181
MATERIALS & SERVICES	90,271	-	5,224	248,356	2,261	973,944
CAPITAL OUTLAY	-	-	-	5,517	-	89,490
SPECIAL PAYMENTS	-	-	-	-	-	760,711
TOTAL EXPENDITURES	90,271	-	5,224	394,091	2,261	3,606,326
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	68,050	165,135	(4,676)	1,202	908	304,009
OTHER FINANCING SOURCES (USES)						
TRANSFERS IN	-	-	-	-	-	238,126
TRANSFERS OUT	(67,000)	(155,000)	-	-	-	(547,326)
TOTAL OTHER FINANCING SOURCES (USES)	(67,000)	(155,000)	-	-	-	(309,200)
NET CHANGE IN FUND BALANCE	1,050	10,135	(4,676)	1,202	908	(5,191)
FUND BALANCE - BEGINNING	204,851	3,394	4,676	38,756	3,147	4,929,254
FUND BALANCE - ENDING	\$ 205,901	\$ 13,529	\$ -	\$ 39,958	\$ 4,055	\$ 4,924,063

HOOD RIVER COUNTY, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016

	EQUIPMENT REPLCMT	PW EQUIP REPLCMT	CAPITAL PROJECTS	TOTAL NON-MAJOR CAPITAL PROJECTS FUNDS
REVENUES				
INTERGOVERNMENTAL	\$ -	\$ -	\$ 439,300	\$ 439,300
FINES AND FEES	-	-	14,500	14,500
DONATIONS/CONTRIBUTIONS	-	-	45,065	45,065
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>498,865</u>	<u>498,865</u>
EXPENDITURES				
CURRENT OPERATING:				
CAPITAL OUTLAY	31,496	54,389	520,735	606,620
TOTAL EXPENDITURES	<u>31,496</u>	<u>54,389</u>	<u>520,735</u>	<u>606,620</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(31,496)	(54,389)	(21,870)	(107,755)
OTHER FINANCING SOURCES				
TRANSFERS IN	25,845	168,000	-	193,845
TRANSFERS OUT	(5,145)	-	-	(5,145)
PROCEEDS FROM THE SALE OF ASSETS	33,449	-	-	33,449
TOTAL OTHER FINANCING SOURCES	<u>54,149</u>	<u>168,000</u>	<u>-</u>	<u>222,149</u>
NET CHANGE IN FUND BALANCE	22,653	113,611	(21,870)	114,394
FUND BALANCE - BEGINNING	70,245	1,207,528	163,945	1,441,718
FUND BALANCE - ENDING	<u>\$ 92,898</u>	<u>\$ 1,321,139</u>	<u>\$ 142,075</u>	<u>\$ 1,556,112</u>

HOOD RIVER COUNTY, OREGON
NONMAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2016

REVENUES	
PERS IN LIEU	\$ 461,459
TOTAL REVENUES	<u>461,459</u>
EXPENDITURES	
CURRENT OPERATING:	
DEBT SERVICE	454,078
TOTAL EXPENDITURES	<u>454,078</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,381</u>
OTHER FINANCING SOURCES	
TRANSFERS OUT	<u>(6,218)</u>
NET CHANGE IN FUND BALANCE	1,163
FUND BALANCE - BEGINNING	22,865
FUND BALANCE - ENDING	<u>\$ 24,028</u>

HOOD RIVER COUNTY, OREGON
RENEWABLE ENERGY PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
MATERIALS & SERVICES	\$ 76,000	\$ 76,000	\$ 4,170	\$ (71,830)
TOTAL EXPENDITURES	<u>76,000</u>	<u>76,000</u>	<u>4,170</u>	<u>(71,830)</u>
NET CHANGE IN FUND BALANCE	(76,000)	(76,000)	(4,170)	71,830
FUND BALANCE - BEGINNING	<u>76,000</u>	<u>76,000</u>	<u>72,684</u>	<u>(3,316)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,514</u>	<u>\$ 68,514</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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
MATERIALS & SERVICES	\$19,300	\$19,300	\$1,873	(\$17,427)
TOTAL EXPENDITURES	<u>19,300</u>	<u>19,300</u>	<u>1,873</u>	<u>(17,427)</u>
NET CHANGE IN FUND BALANCE	(19,300)	(19,300)	(1,873)	17,427
FUND BALANCE - BEGINNING	<u>19,300</u>	<u>19,300</u>	<u>19,205</u>	<u>(95)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,332</u>	<u>\$ 17,332</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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 5,500	\$ 5,500	\$ 725	\$ (4,775)
OTHER REVENUE	30,000	30,000	32,014	2,014
TOTAL REVENUES	<u>35,500</u>	<u>35,500</u>	<u>32,739</u>	<u>(2,761)</u>
EXPENDITURES				
SPECIAL PAYMENTS	235,500	235,500	223,930	(11,570)
TOTAL EXPENDITURES	<u>235,500</u>	<u>235,500</u>	<u>223,930</u>	<u>(11,570)</u>
NET CHANGE IN FUND BALANCE	(200,000)	(200,000)	(191,191)	8,809
FUND BALANCE - BEGINNING	<u>200,000</u>	<u>200,000</u>	<u>193,729</u>	<u>(6,271)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,538</u>	<u>\$ 2,538</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, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 61,850	\$ 61,850	\$ 38,304	\$ (23,546)
FINES AND FEES	17,000	17,000	18,203	1,203
INVESTMENT EARNINGS	3,200	3,200	3,436	236
DONATIONS/CONTRIBUTIONS	-	-	500	
TOTAL REVENUES	<u>82,050</u>	<u>82,050</u>	<u>60,443</u>	<u>(22,107)</u>
EXPENDITURES				
PERSONAL SERVICES	158,340	158,340	95,281	(63,059)
MATERIALS & SERVICES	322,510	282,510	35,079	(247,431)
CAPITAL OUTLAY	-	40,000	36,641	(3,359)
CONTINGENCY	97,300	218,830	-	(218,830)
TOTAL EXPENDITURES	<u>578,150</u>	<u>699,680</u>	<u>167,001</u>	<u>(532,679)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(496,100)	(617,630)	(106,558)	510,572
OTHER FINANCING SOURCES				
TRANSFERS IN	35,000	156,530	156,526	(4)
TOTAL OTHER FINANCING SOURCES	<u>35,000</u>	<u>156,530</u>	<u>156,526</u>	<u>(4)</u>
NET CHANGE IN FUND BALANCE	(461,100)	(461,100)	49,968	510,568
FUND BALANCE - BEGINNING	461,100	461,100	469,786	8,686
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 519,754</u>	<u>\$ 519,754</u>

**HOOD RIVER COUNTY, OREGON
ANIMAL FACILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 1,000	\$ 1,000	\$ 1,820	\$ 820
TOTAL REVENUES	<u>1,000</u>	<u>1,000</u>	<u>1,820</u>	<u>820</u>
EXPENDITURES				
PERSONAL SERVICES	17,780	17,780	13,574	(4,206)
MATERIALS & SERVICES	16,500	16,500	7,035	(9,465)
CONTINGENCY	50,000	50,000	-	(50,000)
TOTAL EXPENDITURES	<u>84,280</u>	<u>84,280</u>	<u>20,609</u>	<u>(63,671)</u>
NET CHANGE IN FUND BALANCE	(83,280)	(83,280)	(18,789)	64,491
FUND BALANCE - BEGINNING	<u>252,000</u>	<u>252,000</u>	<u>262,264</u>	<u>10,264</u>
FUND BALANCE - ENDING	<u>\$ 168,720</u>	<u>\$ 168,720</u>	<u>\$ 243,475</u>	<u>\$ 74,755</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, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 17,000	\$ 17,000	\$ -	\$ (17,000)
FINES AND FEES	80,000	80,000	131,774	51,774
INVESTMENT EARNINGS	3,000	3,000	3,158	158
TOTAL REVENUES	<u>100,000</u>	<u>100,000</u>	<u>134,932</u>	<u>34,932</u>
EXPENDITURES				
MATERIALS AND SERVICES	13,000	13,000	-	(13,000)
CAPITAL OUTLAY	10,000	10,000	-	(10,000)
TOTAL EXPENDITURES	<u>23,000</u>	<u>23,000</u>	<u>-</u>	<u>(23,000)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	77,000	77,000	134,932	57,932
OTHER FINANCING USES				
TRANSFERS OUT	<u>(177,300)</u>	<u>(177,300)</u>	<u>(177,300)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(100,300)	(100,300)	(42,368)	57,932
FUND BALANCE - BEGINNING	<u>469,000</u>	<u>469,000</u>	<u>483,021</u>	<u>14,021</u>
FUND BALANCE - ENDING	<u>\$ 368,700</u>	<u>\$ 368,700</u>	<u>\$ 440,653</u>	<u>\$ 71,953</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, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 80,000	\$ 80,000	\$ 100,439	\$ 20,439
TOTAL REVENUES	<u>80,000</u>	<u>80,000</u>	<u>100,439</u>	<u>20,439</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	80,000	80,000	100,439	20,439
OTHER FINANCING SOURCES				
TRANSFERS OUT	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>(500,000)</u>
TOTAL OTHER FINANCING SOURCES	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>(500,000)</u>
NET CHANGE IN FUND BALANCE	(420,000)	(420,000)	100,439	520,439
FUND BALANCE - BEGINNING	<u>2,570,000</u>	<u>2,570,000</u>	<u>2,573,566</u>	<u>3,566</u>
FUND BALANCE - ENDING	<u><u>\$ 2,150,000</u></u>	<u><u>\$ 2,150,000</u></u>	<u><u>\$ 2,674,005</u></u>	<u><u>\$ 524,005</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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 101,270	\$ 103,180	\$ 102,579	\$ (601)
FINES AND FEES	15,900	34,070	33,495	(575)
INVESTMENT EARNINGS	370	-	-	-
DONATIONS/CONTRIBUTIONS	3,000	3,000	500	(2,500)
TOTAL REVENUES	<u>120,540</u>	<u>140,250</u>	<u>136,574</u>	<u>(3,676)</u>
EXPENDITURES				
PERSONAL SERVICES	197,710	197,720	193,699	(4,021)
MATERIALS AND SERVICES	21,370	36,030	21,029	(15,001)
TOTAL EXPENDITURES	<u>219,080</u>	<u>233,750</u>	<u>214,728</u>	<u>(19,022)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(98,540)	(93,500)	(78,154)	15,346
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>91,140</u>	<u>86,100</u>	<u>79,100</u>	<u>(7,000)</u>
NET CHANGE IN FUND BALANCE	(7,400)	(7,400)	946	8,346
FUND BALANCE - BEGINNING	<u>7,400</u>	<u>7,400</u>	<u>17,330</u>	<u>9,930</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,276</u>	<u>\$ 18,276</u>

**HOOD RIVER COUNTY, OREGON
CLERKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 4,000	\$ 4,000	\$ 4,853	\$ 853
INVESTMENT EARNINGS	200	200	302	102
TOTAL REVENUES	<u>4,200</u>	<u>4,200</u>	<u>5,155</u>	<u>955</u>
EXPENDITURES				
MATERIALS AND SERVICES	50,900	50,900	973	(49,927)
TOTAL EXPENDITURES	<u>50,900</u>	<u>50,900</u>	<u>973</u>	<u>(49,927)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(46,700)	(46,700)	4,182	50,882
OTHER FINANCING SOURCES				
TRANSFERS IN	2,500	2,500	2,500	-
NET CHANGE IN FUND BALANCE	(44,200)	(44,200)	6,682	50,882
FUND BALANCE - BEGINNING	44,200	44,200	38,599	(5,601)
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,281</u>	<u>\$ 45,281</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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ -	\$ 225,900	\$ 225,896	\$ (4)
OTHER TAXES	6,000	6,000	4,823	(1,177)
TOTAL REVENUES	<u>6,000</u>	<u>231,900</u>	<u>230,719</u>	<u>(1,181)</u>
EXPENDITURES				
SPECIAL PAYMENTS	31,000	210,130	192,726	(17,404)
TOTAL EXPENDITURES	<u>31,000</u>	<u>210,130</u>	<u>192,726</u>	<u>(17,404)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(25,000)	21,770	37,993	16,223
OTHER FINANCING USES				
TRANSFERS OUT	-	(121,530)	(121,526)	(4)
NET CHANGE IN FUND BALANCE	(25,000)	(99,760)	(83,533)	16,227
FUND BALANCE - BEGINNING	25,000	99,760	99,758	(2)
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,225</u>	<u>\$ 16,225</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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 783,190	\$ 886,050	\$ 903,783	\$ 17,733
FINES AND FEES	428,420	457,710	474,763	17,053
DONATIONS/CONTRIBUTIONS	5,250	36,560	36,365	(195)
TOTAL REVENUES	<u>1,216,860</u>	<u>1,380,320</u>	<u>1,414,911</u>	<u>34,591</u>
EXPENDITURES				
PERSONAL SERVICES	850,425	867,435	856,564	(10,871)
MATERIALS & SERVICES	341,375	517,385	444,352	(73,033)
SPECIAL PAYMENTS	54,090	48,000	46,337	(1,663)
TOTAL EXPENDITURES	<u>1,245,890</u>	<u>1,432,820</u>	<u>1,347,253</u>	<u>(85,567)</u>
NET CHANGE IN FUND BALANCE	(29,030)	(52,500)	67,658	120,158
FUND BALANCE - BEGINNING	<u>29,030</u>	<u>52,500</u>	<u>52,505</u>	<u>5</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,163</u>	<u>\$ 120,163</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, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 285,500	\$ 310,500	\$ 511,541	\$ 201,041
TOTAL REVENUES	<u>285,500</u>	<u>310,500</u>	<u>511,541</u>	<u>201,041</u>
EXPENDITURES				
PERSONAL SERVICES	307,910	341,701	302,176	(39,525)
MATERIALS & SERVICES	29,090	81,530	59,097	(22,433)
CAPITAL OUTLAY	-	50,000	47,332	(2,668)
CONTINGENCY	-	10,220	-	(10,220)
TOTAL EXPENDITURES	<u>337,000</u>	<u>483,451</u>	<u>408,605</u>	<u>(74,846)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(51,500)	(172,951)	102,936	(275,887)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	13,000	13,000	-	(13,000)
TRANSFERS OUT	(26,500)	(26,500)	(26,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(13,500)</u>	<u>(13,500)</u>	<u>(26,500)</u>	<u>(13,000)</u>
NET CHANGE IN FUND BALANCE	(65,000)	(186,451)	76,436	262,887
FUND BALANCE - BEGINNING	<u>65,000</u>	<u>186,451</u>	<u>186,446</u>	<u>(5)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262,882</u>	<u>\$ 262,882</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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 400,930	\$ 400,930	\$ 334,848	\$ (66,082)
FINES AND FEES	6,000	6,000	855	(5,145)
INVESTMENT EARNINGS	2,000	2,000	1,506	(494)
OTHER REVENUE	31,000	79,000	74,100	(4,900)
TOTAL REVENUES	<u>439,930</u>	<u>487,930</u>	<u>411,309</u>	<u>(76,621)</u>
EXPENDITURES				
PERSONAL SERVICES	255,770	255,770	180,669	(75,101)
MATERIALS & SERVICES	64,430	69,430	53,612	(15,818)
SPECIAL PAYMENTS	250,710	293,710	150,811	(142,899)
CONTINGENCY	91,360	91,360	-	(91,360)
TOTAL EXPENDITURES	<u>662,270</u>	<u>710,270</u>	<u>385,092</u>	<u>(325,178)</u>
NET CHANGE IN FUND BALANCE	(222,340)	(222,340)	26,217	248,557
FUND BALANCE - BEGINNING	<u>222,340</u>	<u>222,340</u>	<u>205,305</u>	<u>(17,035)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,522</u>	<u>\$ 231,522</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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PRIOR YEAR TAXES	\$ 5,000	\$ 5,000	\$ 612	\$ (4,388)
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>	<u>612</u>	<u>(4,388)</u>
EXPENDITURES				
MATERIALS & SERVICES	5,000	5,000	612	(4,388)
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>612</u>	<u>(4,388)</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
TRANSIENT ROOM TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
OTHER TAXES	\$ 150,000	\$ 150,000	\$ 145,497	\$ (4,503)
INVESTMENT EARNINGS	500	500	1,178	678
TOTAL REVENUES	<u>150,500</u>	<u>150,500</u>	<u>146,675</u>	<u>(3,825)</u>
EXPENDITURES				
SPECIAL PAYMENTS	150,500	150,500	146,907	(3,593)
TOTAL EXPENDITURES	<u>150,500</u>	<u>150,500</u>	<u>146,907</u>	<u>(3,593)</u>
NET CHANGE IN FUND BALANCE	-	-	(232)	(232)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>232</u>	<u>232</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 136,600	\$ 136,600	\$ 156,654	\$ 20,054
INVESTMENT EARNINGS	850	850	1,667	817
TOTAL REVENUES	<u>137,450</u>	<u>137,450</u>	<u>158,321</u>	<u>20,871</u>
EXPENDITURES				
MATERIALS & SERVICES	162,350	162,350	90,271	(72,079)
CAPITAL OUTLAY	50,000	50,000	-	(50,000)
CONTINGENCY	35,600	35,600	-	(35,600)
TOTAL EXPENDITURES	<u>247,950</u>	<u>247,950</u>	<u>90,271</u>	<u>(157,679)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(110,500)	(110,500)	68,050	178,550
OTHER FINANCING (USES)				
TRANSFERS OUT	<u>(67,000)</u>	<u>(67,000)</u>	<u>(67,000)</u>	<u>-</u>
TOTAL OTHER FINANCING (USES)	<u>(67,000)</u>	<u>(67,000)</u>	<u>(67,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(177,500)	(177,500)	1,050	178,550
FUND BALANCE - BEGINNING	<u>177,500</u>	<u>177,500</u>	<u>204,851</u>	<u>27,351</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,901</u>	<u>\$ 205,901</u>

HOOD RIVER COUNTY, OREGON
VIDEO LOTTERY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 150,000	\$ 150,000	\$ 165,135	\$ 15,135
TOTAL REVENUES	<u>150,000</u>	<u>150,000</u>	<u>165,135</u>	<u>15,135</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	150,000	150,000	165,135	15,135
OTHER FINANCING (USES)				
TRANSFERS OUT	<u>(155,000)</u>	<u>(155,000)</u>	<u>(155,000)</u>	<u>-</u>
TOTAL OTHER FINANCING (USES)	<u>(155,000)</u>	<u>(155,000)</u>	<u>(155,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	10,135	15,135
FUND BALANCE - BEGINNING	<u>5,000</u>	<u>5,000</u>	<u>3,394</u>	<u>(1,606)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,529</u>	<u>\$ 13,529</u>

HOOD RIVER COUNTY, OREGON
ECONOMIC DEVELOPMENT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES	\$ -	\$ -	\$ 548	\$ 548
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>548</u>	<u>548</u>
EXPENDITURES				
MATERIALS & SERVICES	5,000	5,000	5,224	224
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>5,224</u>	<u>224</u>
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	(4,676)	324
FUND BALANCE - BEGINNING	<u>5,000</u>	<u>5,000</u>	<u>4,676</u>	<u>(324)</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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 51,000	\$ 51,000	\$ 53,666	\$ 2,666
FINES AND FEES	330,200	330,200	307,805	(22,395)
INVESTMENT EARNINGS	100	100	72	(28)
DONATIONS/CONTRIBUTIONS	20,000	22,000	33,750	11,750
TOTAL REVENUES	<u>401,300</u>	<u>403,300</u>	<u>395,293</u>	<u>(8,007)</u>
EXPENDITURES				
PERSONAL SERVICES	157,600	157,600	140,218	(17,382)
MATERIALS & SERVICES	269,150	269,150	248,356	(20,794)
CAPITAL OUTLAY	8,000	10,000	5,517	(4,483)
SPECIAL PAYMENTS	8,500	8,500	-	(8,500)
TOTAL EXPENDITURES	<u>443,250</u>	<u>445,250</u>	<u>394,091</u>	<u>(51,159)</u>
NET CHANGE IN FUND BALANCE	(41,950)	(41,950)	1,202	43,152
FUND BALANCE - BEGINNING	<u>41,950</u>	<u>41,950</u>	<u>38,756</u>	<u>(3,194)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,958</u>	<u>\$ 39,958</u>

HOOD RIVER COUNTY, OREGON
EMPLOYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 130	\$ 130	\$ 145	\$ 15
INVESTMENT EARNINGS	20	20	24	4
DONATIONS/CONTRIBUTIONS	-	3,000	3,000	-
TOTAL REVENUES	<u>150</u>	<u>3,150</u>	<u>3,169</u>	<u>19</u>
EXPENDITURES				
MATERIALS & SERVICES	3,650	6,650	2,261	(4,389)
TOTAL EXPENDITURES	<u>3,650</u>	<u>6,650</u>	<u>2,261</u>	<u>(4,389)</u>
NET CHANGE IN FUND BALANCE	(3,500)	(3,500)	908	4,408
FUND BALANCE - BEGINNING	<u>3,500</u>	<u>3,500</u>	<u>3,147</u>	<u>(353)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,055</u>	<u>\$ 4,055</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, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
CAPITAL OUTLAY	84,650	95,350	31,496	(63,854)
TOTAL EXPENDITURES	<u>84,650</u>	<u>95,350</u>	<u>31,496</u>	<u>(63,854)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(84,650)	(95,350)	(31,496)	63,854
OTHER FINANCING SOURCES				
TRANSFERS IN	10,000	25,845	25,845	-
TRANSFERS OUT	-	(5,145)	(5,145)	-
PROCEEDS FROM THE SALE OF ASSETS	-	-	33,449	33,449
TOTAL OTHER FINANCING SOURCES	<u>10,000</u>	<u>20,700</u>	<u>54,149</u>	<u>33,449</u>
NET CHANGE IN FUND BALANCE	(74,650)	(74,650)	22,653	97,303
FUND BALANCE - BEGINNING	<u>74,650</u>	<u>74,650</u>	<u>70,245</u>	<u>(4,405)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,898</u>	<u>\$ 92,898</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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
CAPITAL OUTLAY	\$ 210,000	\$ 210,000	\$ 54,389	\$ (155,611)
TOTAL EXPENDITURES	<u>210,000</u>	<u>210,000</u>	<u>54,389</u>	<u>(155,611)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(210,000)	(210,000)	(54,389)	155,611
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>168,000</u>	<u>168,000</u>	<u>168,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>168,000</u>	<u>168,000</u>	<u>168,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(42,000)	(42,000)	113,611	155,611
FUND BALANCE - BEGINNING	<u>1,207,000</u>	<u>1,207,000</u>	<u>1,207,528</u>	<u>528</u>
FUND BALANCE - ENDING	<u>\$ 1,165,000</u>	<u>\$ 1,165,000</u>	<u>\$ 1,321,139</u>	<u>\$ 156,139</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, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ -	\$ 475,000	\$ 439,300	\$ (35,700)
INVESTMENT EARNINGS	450	450	-	(450)
FINES FEES REIMBURSEMENTS	-	-	14,500	14,500
DONATIONS/CONTRIBUTIONS	-	45,100	45,065	(35)
TOTAL REVENUES	<u>450</u>	<u>520,550</u>	<u>498,865</u>	<u>(21,685)</u>
EXPENDITURES				
CAPITAL OUTLAY	221,450	741,550	520,735	(220,815)
TOTAL EXPENDITURES	<u>221,450</u>	<u>741,550</u>	<u>520,735</u>	<u>(220,815)</u>
NET CHANGE IN FUND BALANCE	(221,000)	(221,000)	(21,870)	199,130
FUND BALANCE - BEGINNING	<u>221,000</u>	<u>221,000</u>	<u>163,945</u>	<u>(57,055)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,075</u>	<u>\$ 142,075</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, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PERS IN LIEU	\$457,960	\$457,960	\$461,459	\$3,499
TOTAL REVENUES	<u>457,960</u>	<u>457,960</u>	<u>461,459</u>	<u>3,499</u>
EXPENDITURES				
CURRENT OPERATING:				
PRINCIPAL	155,000	155,000	155,000	-
INTEREST	300,000	300,000	299,078	(922)
TOTAL EXPENDITURES	<u>455,000</u>	<u>455,000</u>	<u>454,078</u>	<u>(922)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,960	2,960	7,381	4,421
OTHER FINANCING SOURCES				
TRANSFER OUT *	-	-	(6,218)	6,218
NET CHANGE IN FUND BALANCE	2,960	2,960	1,163	(1,797)
FUND BALANCE - BEGINNING	<u>16,500</u>	<u>16,500</u>	<u>22,865</u>	<u>6,365</u>
FUND BALANCE - ENDING	<u>\$ 19,460</u>	<u>\$ 19,460</u>	<u>\$ 24,028</u>	<u>\$ 4,568</u>

* Transfer out is to report the closing of part of the funds activities and transferring remaining balance to the general fund. Therefore not an appropriation violation.

**HOOD RIVER COUNTY, OREGON
RESERVES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 5,500	\$ 5,500	\$ 6,507	\$ 1,007
TOTAL REVENUES	<u>5,500</u>	<u>5,500</u>	<u>6,507</u>	<u>1,007</u>
EXPENDITURES				
OTHER EXPENDITURES	50,000	50,000	-	(50,000)
CONTINGENCY	119,200	119,200	-	(119,200)
TOTAL EXPENDITURES	<u>169,200</u>	<u>169,200</u>	<u>-</u>	<u>(169,200)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(163,700)	(163,700)	6,507	170,207
OTHER FINANCING SOURCES				
TRANSFERS OUT	(38,320)	(38,320)	-	(38,320)
TOTAL OTHER FINANCING SOURCES	<u>(38,320)</u>	<u>(38,320)</u>	<u>-</u>	<u>(38,320)</u>
NET CHANGE IN FUND BALANCE	(202,020)	(202,020)	6,507	208,527
FUND BALANCE - BEGINNING	<u>1,066,700</u>	<u>1,066,700</u>	<u>909,356</u>	<u>(157,344)</u>
FUND BALANCE - ENDING	<u>\$ 864,680</u>	<u>\$ 864,680</u>	<u>\$ 915,863</u>	<u>\$ 51,183</u>

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HOOD RIVER COUNTY, OREGON
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	CASH	PROPERTY TAXES RECEIVABLE	ACCOUNTS RECEIVABLE	TOTAL ASSETS AND AMOUNTS HELD IN TRUST
CITIES				
CITY OF HOOD RIVER	\$ 8,489,787	\$ 183,889	\$ -	\$ 8,673,676
CITY OF CASCADE LOCKS	1,306	10,146	-	11,452
TOTAL CITIES	<u>8,491,093</u>	<u>194,035</u>	<u>-</u>	<u>8,685,128</u>
PORT DISTRICTS				
PORT OF HOOD RIVER	386	2,994	-	3,380
PORT OF CASCADE LOCKS	20	154	-	174
TOTAL PORT DISTRICTS	<u>406</u>	<u>3,148</u>	<u>-</u>	<u>3,554</u>
SCHOOL DISTRICTS				
MT. HOOD COMMUNITY COLLEGE	362	2,778	-	3,140
HOOD RIVER COUNTY SCHOOL DISTRICT	153,921	727,710	-	881,631
REGION 9 EDUCATIONAL SCHOOL DISTRICT	5,859	44,338	-	50,197
COLUMBIA GORGE COMMUNITY COLLEGE	7,547	57,447	-	64,994
TOTAL SCHOOL DISTRICTS	<u>167,689</u>	<u>832,273</u>	<u>-</u>	<u>999,962</u>
FIRE DISTRICTS				
STATE FIRE PATROL	1,471	11,151	-	12,622
DEE RURAL FIRE DISTRICT	-	11	-	11
ODELL RURAL FIRE DISTRICT	2,503	18,999	-	21,502
PARKDALE RURAL FIRE DISTRICT	2,435	18,908	-	21,343
PINE GROVE RURAL FIRE DISTRICT	-	397	-	397
WESTSIDE RURAL FIRE DISTRICT	343,856	23,175	-	367,031
TOTAL FIRE DISTRICTS	<u>350,265</u>	<u>72,641</u>	<u>-</u>	<u>422,906</u>
IRRIGATION DISTRICTS				
EAST FORK IRRIGATION DISTRICT	601,428	-	-	601,428
MT. HOOD IRRIGATION DISTRICT	-	-	-	-
TOTAL IRRIGATION DISTRICTS	<u>601,428</u>	<u>-</u>	<u>-</u>	<u>601,428</u>
SANITARY DISTRICTS				
ODELL SANITARY DISTRICT	327,214	11,899	-	339,113
PARKDALE SANITARY DISTRICT	79,675	-	-	79,675
TOTAL SANITARY DISTRICTS	<u>406,889</u>	<u>11,899</u>	<u>-</u>	<u>418,788</u>
LIBRARY DISTRICT				
HOOD RIVER COUNTY LIBRARY	704,855	34,416	-	739,271
PARKS AND RECREATION DISTRICT				
PARKS & RECREATION DISTRICT	681,820	40,616	-	722,436
PARKS & RECREATION SDC COLLECTIONS	265,519	-	-	265,519
TOTAL PARKS & RECREATION DISTRICT	<u>947,339</u>	<u>40,616</u>	<u>-</u>	<u>987,955</u>
TRANSPORTATION DISTRICT				
HOOD RIVER TRANSPORTATION DISTRICT	1,020,275	6,948	-	1,027,223
REGIONAL JAIL				
NORTHERN OREGON CORRECTIONS	3,088	24,361	-	27,449
PROPERTY TAX MISCELLANEOUS				
UNSEGREGATED TAXES	-	-	-	-
ADVANCE PREPAYMENT ON TAXES	38,197	-	-	38,197
COUNTY ASSESSMENT & TAX FUNDING ASSISTANCE	55,308	-	49,062	104,370
MOBILE HOME OMBUDSMAN	22	172	-	194
TOTAL PROPERTY TAX MISCELLANEOUS	<u>93,527</u>	<u>172</u>	<u>49,062</u>	<u>142,761</u>
MISCELLANEOUS AGENCY FUNDS				
MISCELLANEOUS REVOLVING	5,319	-	-	5,319
STATE MARRIAGE LICENSES	1,000	-	75	1,075
DEQ SURCHARGES	1,800	-	-	1,800
BUILDING INSPECTION SURCHARGES	17,052	-	394	17,446
DCBS MANUFACTURED STRUCTURES FEES	165	-	-	165
EVIDENCE	2,941	-	-	2,941
RESTITUTION	1,890	-	195	1,885
COURT ORDERED LAB FEES	1,115	-	-	1,115
UNCLAIMED PROPERTY	28	-	-	28
DELINQUENT SEWER CHARGES	59	-	24	83
TOTAL MISCELLANEOUS AGENCY FUNDS	<u>31,169</u>	<u>-</u>	<u>688</u>	<u>31,857</u>
TOTAL FUNDS HELD IN TRUST	<u>\$ 12,818,023</u>	<u>\$ 1,220,509</u>	<u>\$ 49,750</u>	<u>\$ 14,088,282</u>

HOOD RIVER COUNTY, OREGON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BALANCE</u> <u>JUNE 30, 2015</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2016</u>
CITIES				
Cash and investments	\$ 9,905,972	\$ 4,453,178	\$ 5,868,057	\$ 8,491,093
Receivables:				
Property taxes	<u>218,202</u>	<u>194,035</u>	<u>218,202</u>	<u>194,035</u>
Total Assets	<u>\$ 10,124,174</u>	<u>\$ 4,647,213</u>	<u>\$ 6,086,259</u>	<u>\$ 8,685,128</u>
Due to Districts	<u>\$ 10,124,174</u>	<u>\$ 4,647,213</u>	<u>\$ 6,086,259</u>	<u>\$ 8,685,128</u>
Total Liabilities	<u>\$ 10,124,174</u>	<u>\$ 4,647,213</u>	<u>\$ 6,086,259</u>	<u>\$ 8,685,128</u>
PORT DISTRICTS				
Cash and investments	\$ 649	\$ 68,300	\$ 68,543	\$ 406
Receivables:				
Property taxes	<u>3,650</u>	<u>3,148</u>	<u>3,650</u>	<u>3,148</u>
Total Assets	<u>\$ 4,299</u>	<u>\$ 71,448</u>	<u>\$ 72,193</u>	<u>\$ 3,554</u>
Due to Districts	<u>\$ 4,299</u>	<u>\$ 71,448</u>	<u>\$ 72,193</u>	<u>\$ 3,554</u>
Total Liabilities	<u>\$ 4,299</u>	<u>\$ 71,448</u>	<u>\$ 72,193</u>	<u>\$ 3,554</u>
SCHOOL DISTRICTS				
Cash and investments	\$ 206,102	\$ 18,203,765	\$ 18,242,178	\$ 167,689
Receivables:				
Property taxes	<u>969,128</u>	<u>832,273</u>	<u>969,128</u>	<u>832,273</u>
Total Assets	<u>\$ 1,175,230</u>	<u>\$ 19,036,038</u>	<u>\$ 19,211,306</u>	<u>\$ 999,962</u>
Due to Districts	<u>\$ 1,175,230</u>	<u>\$ 19,036,038</u>	<u>\$ 19,211,306</u>	<u>\$ 999,962</u>
Total Liabilities	<u>\$ 1,175,230</u>	<u>\$ 19,036,038</u>	<u>\$ 19,211,306</u>	<u>\$ 999,962</u>
FIRE DISTRICTS				
Cash and investments	\$ 392,274	\$ 1,729,309	\$ 1,771,318	\$ 350,265
Receivables:				
Property taxes	<u>78,187</u>	<u>72,641</u>	<u>78,187</u>	<u>72,641</u>
Total Assets	<u>\$ 470,461</u>	<u>\$ 1,801,950</u>	<u>\$ 1,849,505</u>	<u>\$ 422,906</u>
Due to Districts	<u>\$ 470,461</u>	<u>\$ 1,801,950</u>	<u>\$ 1,849,505</u>	<u>\$ 422,906</u>
Total Liabilities	<u>\$ 470,461</u>	<u>\$ 1,801,950</u>	<u>\$ 1,849,505</u>	<u>\$ 422,906</u>
IRRIGATION DISTRICTS				
Cash and investments	\$ 508,424	\$ 503,266	\$ 410,262	\$ 601,428
Receivables:				
Property taxes	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total Assets	<u>\$ 508,425</u>	<u>\$ 503,266</u>	<u>\$ 410,263</u>	<u>\$ 601,428</u>
Due to Districts	<u>\$ 508,425</u>	<u>\$ 503,266</u>	<u>\$ 410,263</u>	<u>\$ 601,428</u>
Total Liabilities	<u>\$ 508,425</u>	<u>\$ 503,266</u>	<u>\$ 410,263</u>	<u>\$ 601,428</u>
SANITARY DISTRICTS				
Cash and investments	\$ 378,851	\$ 265,424	\$ 237,386	\$ 406,889
Receivables:				
Property taxes	<u>14,202</u>	<u>11,899</u>	<u>14,202</u>	<u>11,899</u>
Total Assets	<u>\$ 393,053</u>	<u>\$ 277,323</u>	<u>\$ 251,588</u>	<u>\$ 418,788</u>
Due to Districts	<u>\$ 393,053</u>	<u>\$ 277,323</u>	<u>\$ 251,588</u>	<u>\$ 418,788</u>
Total Liabilities	<u>\$ 393,053</u>	<u>\$ 277,323</u>	<u>\$ 251,588</u>	<u>\$ 418,788</u>
LIBRARY DISTRICT				
Cash and investments	\$ 687,936	\$ 816,919	\$ 800,000	\$ 704,855
Receivables:				
Property taxes	<u>40,043</u>	<u>34,416</u>	<u>40,043</u>	<u>34,416</u>
Total Assets	<u>\$ 727,979</u>	<u>\$ 851,335</u>	<u>\$ 840,043</u>	<u>\$ 739,271</u>
Due to District	<u>\$ 727,979</u>	<u>\$ 851,335</u>	<u>\$ 840,043</u>	<u>\$ 739,271</u>
Total Liabilities	<u>\$ 727,979</u>	<u>\$ 851,335</u>	<u>\$ 840,043</u>	<u>\$ 739,271</u>

HOOD RIVER COUNTY, OREGON
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BALANCE JUNE 30, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
PARKS AND RECREATION				
Cash and investments	\$ 919,626	\$ 935,093	\$ 907,380	\$ 947,339
Receivables:				
Property taxes	48,691	40,616	48,691	40,616
Total Assets	<u>\$ 968,317</u>	<u>\$ 975,709</u>	<u>\$ 956,071</u>	<u>\$ 987,955</u>
Due to District	<u>\$ 968,317</u>	<u>\$ 975,709</u>	<u>\$ 956,071</u>	<u>\$ 987,955</u>
Total Liabilities	<u>\$ 968,317</u>	<u>\$ 975,709</u>	<u>\$ 956,071</u>	<u>\$ 987,955</u>
TRANSPORTATION DISTRICT				
Cash and investments	\$ 950,948	\$ 174,327	\$ 105,000	\$ 1,020,275
Receivables:				
Property taxes	8,061	6,948	8,061	6,948
Total Assets	<u>\$ 959,009</u>	<u>\$ 181,275</u>	<u>\$ 113,061</u>	<u>\$ 1,027,223</u>
Due to District	<u>\$ 959,009</u>	<u>\$ 181,275</u>	<u>\$ 113,061</u>	<u>\$ 1,027,223</u>
Total Liabilities	<u>\$ 959,009</u>	<u>\$ 181,275</u>	<u>\$ 113,061</u>	<u>\$ 1,027,223</u>
REGIONAL JAIL				
Cash and investments	\$ 4,919	\$ 517,985	\$ 519,816	\$ 3,088
Receivables:				
Property taxes	28,398	24,361	28,398	24,361
Total Assets	<u>\$ 33,317</u>	<u>\$ 542,346</u>	<u>\$ 548,214</u>	<u>\$ 27,449</u>
Due to District	<u>\$ 33,317</u>	<u>\$ 542,346</u>	<u>\$ 548,214</u>	<u>\$ 27,449</u>
Total Liabilities	<u>\$ 33,317</u>	<u>\$ 542,346</u>	<u>\$ 548,214</u>	<u>\$ 27,449</u>
PROPERTY TAX MISCELLANEOUS				
Cash and investments	\$ 125,073	\$ 31,637,930	\$ 31,669,476	\$ 93,527
Receivables:				
Property taxes	204	172	204	172
Accounts	52,344	49,062	52,344	49,062
Total Assets	<u>\$ 177,621</u>	<u>\$ 31,687,164</u>	<u>\$ 31,722,024</u>	<u>\$ 142,761</u>
Due to Districts	<u>\$ 177,621</u>	<u>\$ 31,687,164</u>	<u>\$ 31,722,024</u>	<u>\$ 142,761</u>
Total Liabilities	<u>\$ 177,621</u>	<u>\$ 31,687,164</u>	<u>\$ 31,722,024</u>	<u>\$ 142,761</u>
MISCELLANEOUS AGENCY FUNDS				
Cash and investments	\$ 19,152	\$ 88,175	\$ 76,158	\$ 31,169
Receivables:				
Accounts	154	688	154	688
Total Assets	<u>\$ 19,306</u>	<u>\$ 88,863</u>	<u>\$ 76,312</u>	<u>\$ 31,857</u>
Due to Others	<u>\$ 19,306</u>	<u>\$ 88,863</u>	<u>\$ 76,312</u>	<u>\$ 31,857</u>
Total Liabilities	<u>\$ 19,306</u>	<u>\$ 88,863</u>	<u>\$ 76,312</u>	<u>\$ 31,857</u>
TOTAL ALL AGENCY FUNDS				
Cash and investments	\$ 14,099,926	\$ 59,393,671	\$ 60,675,574	\$ 12,818,023
Receivables:				
Property taxes	1,408,767	1,220,509	1,408,767	1,220,509
Accounts	52,498	49,750	52,498	49,750
Total Assets	<u>\$ 15,561,191</u>	<u>\$ 60,663,930</u>	<u>\$ 62,136,839</u>	<u>\$ 14,088,282</u>
Due to Others	<u>\$ 15,561,191</u>	<u>\$ 60,663,930</u>	<u>\$ 62,136,839</u>	<u>\$ 14,088,282</u>
Total Liabilities	<u>\$ 15,561,191</u>	<u>\$ 60,663,930</u>	<u>\$ 62,136,839</u>	<u>\$ 14,088,282</u>

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HOOD RIVER COUNTY, OREGON
 SCHEDULE OF PROPERTY TAX TRANSACTIONS
 FOR THE YEAR ENDED JUNE 30, 2016

LEVY YEAR ENDED JUNE 30,	BALANCES BEGINNING OF YEAR	2015 TAX LEVY	DISCOUNTS & ADJUSTMENTS	TAXES COLLECTED	BALANCES END OF YEAR
2016	\$ -	\$ 3,081,227	\$ (92,912)	\$ 2,929,914	\$ 58,401
2015	76,971		(599)	39,890	36,482
2014	42,046		(183)	20,385	21,478
2013	31,541		(234)	17,889	13,418
2012	16,620		(1,529)	7,805	7,286
2011 AND PRIOR	13,850		(1,434)	66	12,350
	<u>\$ 181,028</u>	<u>\$ 3,081,227</u>	<u>\$ (96,891)</u>	3,015,949	<u>\$ 149,415</u>
OTHER TAXES, INTEREST ON TAXES, AND RELATED RECEIPTS COLLECTED				<u>25,025</u>	
TOTAL TAX RECEIPTS				<u><u>\$ 3,040,974</u></u>	

HR County and HRC Library Bond

HOOD RIVER COUNTY, OREGON
 SCHEDULE OF ACCOUNTABILITY OF ELECTED OFFICIALS
 YEAR ENDED JUNE 30, 2016

	SHERIFF	JUSTICE OF THE PEACE
CASH & INVESTMENTS, BEGINNING BALANCE	\$ 16,659	\$ 66,982
RECEIPTS	10	902,684
TURNOVERS AND DISBURSEMENTS		
TURNOVERS		
Hood River County Finance Department	-	428,328
Court Assessments Fund	-	15,013
State of Oregon	-	442,859
DISBURSEMENTS		
Payments related to Sheriff activities	62	15,232
Bank charges and fees	-	249
TOTAL TURNOVERS & DISBURSEMENTS	62	901,681
CASH & INVESTMENTS, ENDING BALANCE	\$ 16,607	\$ 67,985



STATISTICAL SECTION
(UNAUDITED)

This part of Hood River County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being has changed over time.	104
Revenue Capacity These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.	109
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	113
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	117
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	118

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years. Hood River County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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HOOD RIVER COUNTY, OREGON
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Primary government										
Net investment in capital assets	\$ 83,837,958	\$ 78,652,912	\$ 80,386,333	\$ 85,151,035	\$ 82,988,715	\$ 81,651,715	\$ 83,961,324	\$ 83,731,998	\$ 81,806,547	\$ 81,325,927
Restricted	14,505,045	14,074,634	14,443,036	13,044,980	14,826,711	18,250,787	3,237,036	308,165	247,083	278,162
Unrestricted	11,829,153	18,843,398	21,555,635	15,195,034	13,965,467	11,289,732	28,674,760	33,627,813	34,554,855	33,834,233
Total governmental activities net position	\$ 110,172,156	\$ 111,570,944	\$ 116,385,004	\$ 113,391,049	\$ 111,778,893	\$ 111,192,234	\$ 115,873,140	\$ 117,667,976	\$ 116,608,465	\$ 115,538,322

Source: Current and prior year financial statements

HOOD RIVER COUNTY, OREGON
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EXPENSES										
Governmental activities:										
General government	\$ 3,674,127	\$ 3,499,809	\$ 3,088,211	\$ 3,703,274	\$ 3,791,415	\$ 5,730,939	\$ 2,977,085	\$ 2,897,561	\$ 2,656,587	\$ 2,234,513
Sheriff	4,205,216	3,302,204	3,596,809	3,801,044	3,415,074	1,933,537	2,053,328	2,127,033	2,059,671	2,104,069
Public safety	1,249,456	896,083	984,686	960,512	986,027	2,289,355	2,492,275	2,512,637	3,432,871	3,407,649
District attorney	530,622	380,408	402,820	439,366	422,761	417,446	424,903	392,514	333,762	306,928
Public works	2,955,374	2,580,071	2,916,029	3,417,067	3,121,504	2,932,892	3,697,042	3,609,542	3,464,275	3,425,520
Health and sanitation	2,338,646	1,764,084	1,864,130	1,971,822	1,863,294	1,911,387	2,000,041	2,039,461	1,852,841	1,752,381
Forestry	1,117,487	973,083	1,049,648	1,079,446	891,664	912,046	894,404	1,015,630	779,349	775,818
Library	75,858	75,847	75,847	74,589	79,885	264,251	670,134	899,091	764,761	823,760
Parks	460,196	394,055	503,200	539,305	444,200	359,106	364,849	421,641	672,199	633,940
Planning	448,406	342,463	364,783	367,437	344,554	330,550	406,171	521,926	475,039	469,834
Veterans	62,721	54,552	52,759	41,867	32,059	31,869	43,650	89,127	75,372	73,363
County fair	388,574	345,843	354,600	338,195	375,840	354,181	306,314	286,249	274,726	263,360
Animal, weed and pest control	101,600	96,274	138,255	154,774	151,692	141,376	146,927	150,690	139,735	344,800
Building inspection	399,628	300,628	273,414	252,224	260,974	353,194	445,324	456,788	399,467	474,310
Emergency management	116,588	95,733	175,938	73,082	104,688	105,265	232,261	145,746	164,496	98,635
Economic development	5,224	7,387	11,806	15,979	5,844	-	147,977	161,210	199,563	144,004
Prevention program	422,509	585,937	574,076	713,982	612,621	595,486	680,516	876,844	732,525	696,618
Education	192,726	203,803	234,004	216,393	231,801	467,194	516,976	542,233	629,977	629,786
Other	-	-	-	-	-	-	-	-	569,174	458,885
Interest on long-term debt	297,336	-	-	-	-	29,934	72,970	98,970	109,220	118,720
Total primary government revenues	\$ 19,042,293	\$ 15,898,264	\$ 16,661,025	\$ 18,160,358	\$ 17,135,897	\$ 19,160,008	\$ 18,573,147	\$ 19,244,893	\$ 19,785,610	\$ 19,236,893
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 692,716	\$ 679,449	\$ 579,894	\$ 701,987	\$ 614,219	\$ 673,727	\$ 547,099	\$ 573,884	\$ 481,393	\$ 433,375
Sheriff	152,818	94,556	114,396	214,284	222,056	190,985	97,807	100,246	108,489	155,129
Public safety	446,336	459,056	436,336	396,719	472,304	513,143	537,397	472,164	82,023	852,212
District attorney	33,574	33,490	34,653	22,110	6,864	21,881	23,500	19,047	18,595	25,993
Public works	2,247,935	541,659	572,527	553,964	547,097	276,994	459,089	447,748	460,779	497,069
Health and sanitation	698,843	562,153	571,932	502,396	483,314	418,750	615,778	518,869	985,788	541,265
Forestry	30,381	50,371	154,455	80,007	122,787	123,142	89,625	84,971	68,372	65,301
Library	-	-	-	-	-	-	36,907	70,724	81,417	25,022
Parks	402,556	332,761	302,239	326,539	348,914	254,133	257,612	254,637	262,695	274,705
Planning	134,204	71,456	77,358	82,865	57,003	6,663	91,537	67,805	60,405	119,963
Veterans	-	-	-	-	-	-	-	25	-	25,000
County fair	307,806	314,873	312,155	323,916	334,127	294,407	258,907	248,018	233,116	213,557
Animal, weed and pest control	18,204	38,615	32,341	51,220	76,376	84,636	32,365	49,664	43,567	80,225
Building inspection	511,541	373,460	341,845	302,823	232,139	252,706	373,386	328,815	482,751	589,045
Emergency management	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	15,300	30,901	3,345	-
Prevention program	855	4,227	4,696	3,904	4,260	5,181	8,334	11,240	4,860	3,801
Education	-	-	-	-	-	106	-	-	-	-
Other	-	-	-	-	-	-	-	-	1,158	164,437
Total charges for services	5,677,768	3,556,126	3,534,827	3,562,734	3,521,460	3,153,361	3,476,460	3,289,451	3,412,741	4,066,099
Operating grants and contributions	4,458,282	5,240,215	5,234,040	6,215,824	5,851,244	6,355,463	6,647,678	9,362,659	8,236,011	6,653,516
Capital grants and contributions	515,230	107,697	1,399,854	140,031	147,966	169,629	100,949	1,242,016	433,960	93,846
Total primary government expenses	\$ 10,651,280	\$ 8,904,038	\$ 10,168,721	\$ 9,918,589	\$ 9,520,670	\$ 9,678,453	\$ 10,225,087	\$ 13,894,126	\$ 12,082,712	\$ 10,813,461
Total primary government net expense	\$ (8,391,013)	\$ (6,994,228)	\$ (6,492,304)	\$ (8,241,769)	\$ (7,615,227)	\$ (9,481,555)	\$ (8,348,060)	\$ (5,350,767)	\$ (7,702,898)	\$ (8,423,432)
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities:										
Property taxes	\$ 2,995,840	\$ 3,315,940	\$ 3,071,038	\$ 3,035,367	\$ 2,949,136	\$ 2,839,052	\$ 2,734,364	\$ 2,582,051	\$ 3,291,146	\$ 3,103,782
Public service taxes	405,254	618,047	620,674	467,093	703,563	449,453	400,741	428,144	524,802	463,049
Gain on sale of assets	-	(311,568)	1,154,874	(579,960)	-	-	(111,257)	351,814	-	-
Investment earnings	267,797	335,671	544,657	14,253	281,752	629,551	1,024,070	1,161,994	2,472,122	1,487,474
Miscellaneous	(587,632)	262,790	243,370	78,305	69,277	305,668	229,332	190,150	206,820	54,091
Timber sales	3,910,966	3,449,493	3,851,646	3,700,709	3,795,678	257,425	2,430,100	3,989,449	2,278,151	4,848,476
Capital Contributions not restricted to specific program	-	-	-	378,332	361,896	-	(154,126)	3,989,449	2,278,151	4,848,476
Total primary government	\$ 6,992,225	\$ 7,670,373	\$ 9,486,259	\$ 7,094,100	\$ 8,161,302	\$ 4,481,149	\$ 6,553,224	\$ 12,693,051	\$ 11,051,192	\$ 14,805,348
CHANGE IN NET POSITION	\$ (1,398,788)	\$ 676,147	\$ 2,993,955	\$ (1,147,669)	\$ 546,075	\$ (5,000,406)	\$ (1,794,836)	\$ 7,342,284	\$ 3,346,294	\$ 6,381,916

Source: Current and prior year financial statements

HOOD RIVER COUNTY, OREGON
GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

FISCAL YEAR	PROPERTY TAX	FEDERAL (1) PAYMENT IN LIEU OF TAX	HOOD RIVER ELECTRIC CO-OP IN LIEU	WESTERN OREGON SEVERANCE TAX	PRIVATE RAILCAR TAX	ALCOHOLIC BEVERAGE TAX	AMUSEMENT TAX	CIGARETTE TAX	TRANSIENT ROOM TAX	TOTAL
2016	\$2,994,840	\$80,765	\$0	\$542	\$4,823	\$119,651	\$5,594	\$21,902	\$145,497	\$3,373,614
2015	3,315,940	68,329	0	390	4,816	117,717	5,387	21,744	114,258	3,648,581
2014	3,071,038	74,125	0	319	4,690	112,331	5,255	21,544	109,409	3,398,711
2013	3,035,367	68,328	0	236	4,079	106,442	5,292	22,465	237,304	3,479,513
2012	2,949,136	69,938	0	163	4,703	100,227	5,214	22,888	234,051	3,386,320
2011	2,839,052	67,878	0	70	5,717	89,227	4,874	23,457	224,377	3,254,652
2010	2,734,364	67,883	0	102	5,056	85,464	5,379	22,149	180,192	3,100,589
2009	2,582,051	92,850	0	271	3,999	90,657	5,297	23,641	175,741	2,974,507
2008	3,291,146	41,797	62,582	1,000	4,000	84,838	5,428	24,485	235,634	3,750,910
2007	3,103,782	42,092	57,311	1,065	4,257	84,524	5,264	26,772	224,410	3,549,477

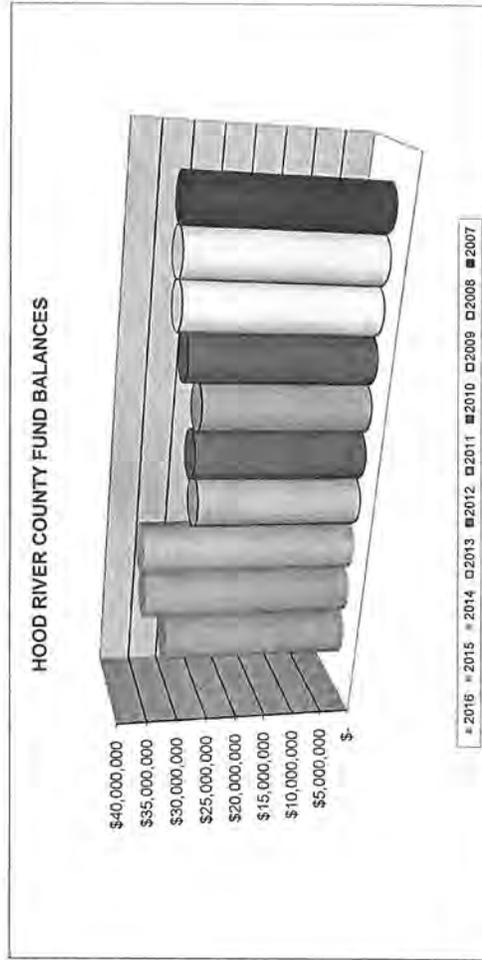
(1) Federal sources - Bureau of Land Management

Source: Current and prior year financial statements

HOOD RIVER COUNTY, OREGON
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund, Unreserved	\$ 31,331,803	\$ 35,208,360	\$ 36,064,649	\$ 27,846,712	\$ 28,956,881	\$ 28,443,925	\$ 31,217,590	\$ 32,807,091	\$ 33,253,696	\$ 33,317,151
All other governmental funds	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	324,264	345,476	320,576	404,666	330,462	351,988	433,320	715,118	645,948	763,251
Capital projects funds	14,505,045	14,074,634	14,443,036	14,098,851	14,826,711	14,825,745	1,734,598	30,019,908	29,341,577	29,467,433
Nonspendable	14,862,181	18,975,785	19,176,483	-	-	-	-	1,083,318	2,229,838	2,342,708
Restricted	925,863	909,356	1,062,060	11,990,980	12,482,460	12,347,645	-	-	-	-
Committed	714,450	903,129	1,062,494	1,352,215	1,317,248	888,547	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 31,331,803	\$ 35,208,360	\$ 36,064,649	\$ 27,846,712	\$ 28,956,881	\$ 28,443,925	\$ 31,217,590	\$ 32,807,091	\$ 33,253,696	\$ 33,317,151

Source: Current and prior year financial statements
Fund balances for the fiscal year 2010 and previous years are reported prior to GASB 54



HOOD RIVER COUNTY, OREGON
CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUES										
Taxes	\$ 3,447,388	\$ 3,911,143	\$ 3,686,731	\$ 3,519,960	\$ 3,637,672	\$ 3,260,188	\$ 3,127,800	\$ 2,980,640	\$ 3,799,890	\$ 3,554,211
Intergovernmental	4,789,923	5,329,920	6,751,797	6,580,705	6,109,378	6,447,436	6,748,627	10,631,377	8,340,611	7,193,842
Timber sales	3,910,966	3,449,493	3,851,846	3,700,709	3,795,678	377,268	2,430,100	3,989,449	2,278,151	4,848,476
Investment earnings	267,797	165,984	191,504	14,253	281,752	289,681	813,933	850,568	1,654,680	1,487,330
Fines and fees	5,689,802	3,595,946	3,534,828	3,240,778	3,173,630	3,116,539	3,476,460	3,262,749	3,413,531	3,494,238
Miscellaneous	191,555	262,780	243,370	291,958	328,595	335,520	174,332	190,150	535,980	179,470
Total revenues	18,277,431	16,715,276	18,259,876	17,348,353	17,326,705	13,826,632	16,771,252	21,904,933	20,022,253	20,757,567
EXPENDITURES										
General government	3,611,969	3,250,532	3,212,426	3,252,866	3,893,252	3,390,768	3,430,750	4,488,967	2,855,897	2,790,614
Sheriff	3,687,153	3,573,925	3,425,215	3,679,888	3,217,255	1,817,233	2,023,831	2,186,957	1,967,994	2,027,984
Public safety	1,528,043	1,429,803	1,387,369	1,359,913	955,147	2,284,698	2,824,480	2,852,265	3,777,115	3,708,400
Public works	2,519,992	2,659,680	2,701,867	3,136,634	2,784,361	2,563,437	3,353,267	3,595,184	3,463,470	3,382,928
Health and sanitation	2,099,286	1,917,418	1,867,973	1,931,641	1,815,108	1,859,009	1,894,076	1,946,949	1,831,380	1,736,774
Forestry	1,033,231	1,115,603	1,051,319	1,159,860	879,024	899,594	874,565	992,002	769,452	762,792
Library	-	-	-	-	-	170,466	548,855	774,734	775,793	742,240
Parks	359,644	351,100	426,647	590,890	413,322	316,498	336,781	738,409	648,533	620,639
Planning	384,870	388,891	365,798	357,334	334,731	317,597	380,508	496,767	467,184	463,470
Veterans	60,764	58,237	52,839	41,184	32,059	31,869	43,043	81,795	69,362	67,689
County fair	388,574	370,271	354,600	338,195	353,739	310,689	301,226	299,443	305,596	272,001
Animal, weed and pest control	86,264	108,779	138,616	150,879	147,950	134,282	139,139	143,833	138,092	343,852
Building inspection	361,283	321,408	273,835	248,065	256,905	331,298	412,229	434,344	469,884	464,264
Emergency management	106,336	98,710	175,980	83,623	82,143	77,317	232,261	145,746	164,496	98,526
Economic development	5,224	7,387	11,806	15,979	5,844	-	140,493	155,498	197,511	142,485
Prevention program	385,092	627,037	574,975	690,396	590,933	584,364	664,675	865,408	727,172	693,332
Education	192,726	203,803	234,004	230,713	244,691	467,194	516,976	542,233	629,977	629,786
Other	-	-	-	-	-	-	-	-	569,174	458,866
Capital projects	5,727,382	778,233	1,601,466	880,706	827,977	781,041	-	-	-	-
Debt service:										
Principal	155,000	480,000	430,000	380,000	340,000	295,000	255,000	220,000	205,000	190,000
Interest	299,078	324,366	346,437	366,348	382,252	396,416	409,148	419,924	429,385	437,854
Total expenditures	22,971,911	18,065,183	18,633,192	18,895,114	17,556,693	17,027,770	18,781,303	21,380,456	20,462,467	20,034,516
Excess of revenues over (under) expenditures	(4,694,480)	(1,349,907)	(373,316)	(1,546,751)	(229,988)	(3,201,138)	(2,010,051)	524,477	(440,214)	723,051
Other financing sources (uses)										
Transfers in	4,803,479	4,929,325	5,007,655	5,190,581	4,494,527	5,532,452	6,875,566	6,934,057	7,318,700	7,145,830
Transfers out	(4,803,479)	(4,929,325)	(5,007,655)	(5,190,581)	(4,494,527)	(5,532,452)	(6,875,566)	(6,934,057)	(7,318,700)	(7,145,830)
PERS in lieu	461,459	434,129	637,626	401,985	384,255	361,508	-	395,369	273,463	356,133
Sale of assets	356,444	59,509	7,953,627	34,597	318,105	5,965	420,550	234,587	103,301	288,666
Issuance of Debt	-	-	-	-	-	60,000	-	500,000	-	55,000
Total other financing sources (uses)	817,903	493,638	8,591,253	436,582	702,360	427,473	420,550	1,129,956	376,764	699,799
Net change in fund balances	\$ (3,876,577)	\$ (856,269)	\$ 8,217,937	\$ (1,110,169)	\$ 472,372	\$ (2,773,665)	\$ (1,569,501)	\$ 1,654,433	\$ (63,450)	\$ 1,422,850
Debt service as a percentage of non-capital expenditures	2.83%	4.83%	4.78%	4.32%	4.51%	4.44%	3.67%	3.09%	3.20%	3.24%

Source: Current and prior year financial statements

HOOD RIVER COUNTY, OREGON
 ASSESSED VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY	LESS: TAX EXEMPT REAL PROPERTY	TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE	ESTIMATED MARKET* ASSESSED VALUE	ASSESSED VALUE AS A PERCENTAGE OF MARKET VALUE
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	OTHER					
2016	\$1,564,731,960	\$503,917,166	\$177,119,012	\$144,366,428	\$2,101,401,710	0.001417	\$3,655,671,344	61.43%
2015	1,497,758,881	471,060,824	175,995,087	121,295,051	2,023,519,741	0.001603	3,527,326,594	60.81%
2014	1,436,089,895	452,220,014	160,587,346	103,743,276	1,945,153,979	0.001593	3,365,439,384	60.88%
2013	1,389,506,990	436,130,917	158,321,588	89,946,352	1,894,013,143	0.001602	3,497,686,474	56.72%
2012	1,402,919,092	351,221,349	155,637,150	79,110,486	1,830,667,105	0.001603	3,293,619,089	57.98%
2011	1,350,827,775	331,257,211	135,869,225	63,458,819	1,754,495,392	0.001611	3,626,288,410	50.13%
2010	1,304,304,713	320,577,194	134,523,862	60,136,370	1,699,269,399	0.001611	3,475,925,360	50.62%
2009	1,180,165,699	347,209,562	122,000,238	50,191,762	1,599,183,737	0.001635	3,540,430,707	46.59%
2008	1,098,220,674	342,145,871	132,610,487	43,662,138	1,529,314,874	0.001635	3,403,320,580	46.22%
2007	1,060,239,430	301,318,600	127,124,064	41,821,466	1,446,860,628	0.001612	2,809,278,893	52.99%

*Market value includes tax exempt property

Source: Hood River County Department of Records & Assessments and Summaries of Property Tax Valuations, Levies and Rates

**HOOD RIVER COUNTY, OREGON
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

FISCAL YEAR	HOOD RIVER COUNTY				OVERLAPPING RATES										TOTAL DIRECT & OVERLAPPING RATES
	OPERATING MILLAGE	SERVICE MILLAGE	TOTAL MILLAGE	DEBT	CITIES			SCHOOL DISTRICT			SCHOOL MILLAGE	TOTAL	SPECIAL DISTRICTS		
					OPERATING MILLAGE	SERVICE MILLAGE	TOTAL MILLAGE	OPERATING MILLAGE	DEBT SERVICE MILLAGE	DEBT					
2016 (7)	1.4171	0.0000	1.4171	0.0000	5.5162	0.7003	6.2165	7.2917	2.1233	9.4150	6.4971	23.5457			
2015	1.4171	0.1855	1.6026	0.6410	5.5162	0.6410	6.1572	7.2917	2.1296	8.4213	6.4934	23.6745			
2014	1.4171	0.1755	1.5926	0.7859	5.5162	0.7859	6.3021	7.2917	2.1862	9.4779	6.5884	23.9610			
2013 (6)	1.4171	0.1847	1.6018	0.2941	5.5162	0.7779	6.2941	7.2917	2.2540	9.5457	6.6954	24.1370			
2012 (5)	1.4171	0.1959	1.6130	0.3136	5.5162	0.7974	6.3136	7.2917	2.2056	9.4973	6.7978	24.2217			
2011 (4)	1.4171	0.2029	1.6200	0.8404	6.3943	0.8404	7.2347	7.2917	2.1814	9.4731	7.4599	25.7877			
2010 (3)	1.4171	0.1871	1.6142	0.2556	6.3842	0.2556	6.6398	7.2917	2.2953	9.5870	5.8456	23.6866			
2009 (2)	1.4171	0.1936	1.6107	0.0000	6.3701	0.0000	6.3701	6.6117	2.2263	8.8380	6.5954	23.4142			
2008 (1)	1.4171	0.1635	1.5806	0.0000	6.2780	0.0000	6.2780	7.2917	2.2820	9.5737	5.8800	23.3123			
2007	1.4171	0.1958	1.6129	0.0000	6.2114	0.0000	6.2114	6.7917	2.2099	9.0016	7.3955	24.2224			

Overlapping rates do not include special assessments.
Cities include urban renewal levies.

- (1) School local option increase and new school district bond
- (2) First year of sewer district urban renewal
- (3) First year of waterfront urban renewal and city fire bond
- (4) Sanitary district bond reinstated
- (5) First year of HRC Library district levy
- (6) First year of new city urban renewal
- (7) First year without County GO bond levy for Library renovation

Source: Hood River County Summaries of Property Tax Valuations, Levies and Rates

HOOD RIVER COUNTY, OREGON
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2016

TAXPAYER	2016			2007		
	TAXABLE ASSESSED	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED	TAXABLE ASSESSED	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED
	VALUE		VALUE	VALUE		VALUE
Cardinal IG Company	\$ 34,624,250	1	1.65%	-	-	-
Mt. Hood Meadows, Oreg, LTD	22,105,770	2	1.05%	24,033,894	2	1.77%
Union Pacific Railroad Co	17,492,800	3	0.83%	11,438,300	5	0.84%
Diamond Fruit Growers Inc	14,998,450	4	0.71%	26,592,098	1	1.96%
CenturyLink/UTS	13,184,000	5	0.63%	20,523,800	4	1.51%
Port of Hood River	12,729,994	6	0.61%	-	-	-
Duckwall-Pooley Fruit Co, Inc	12,713,600	7	0.61%	10,580,686	6	0.78%
Cascade Commons, LLC	10,381,800	8	0.49%	8,886,048	7	0.66%
DMS Ranch, LLC	10,286,740	9	0.49%	6,523,047	9	0.48%
Merganser, LLC	9,900,610	10	0.47%	-	-	-
Pacificcorp	-	-	-	23,260,000	3	1.71%
Longview Fibre Co.	-	-	-	5,252,007	10	0.39%
Northwest Natural Gas Co	-	-	-	8,586,000	8	0.63%
Totals	\$158,418,014		7.54%	\$145,675,880		10.73%

Source: Hood River County Department of Records & Assessments

**HOOD RIVER COUNTY, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR	TOTAL TAX LEVY FOR FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO-DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2016 (7)	\$3,065,768	\$3,007,692	98.11%	\$0	\$3,007,692	98.11%
2015	3,323,463	3,253,918	97.91%	368,540	3,293,806	99.11%
2014	3,113,064	3,039,880	97.65%	497,132	3,092,307	99.33%
2013 (6)	3,073,260	2,995,617	97.47%	577,175	3,063,372	99.68%
2012 (5)	3,028,262	2,928,908	96.72%	802,193	3,006,626	99.29%
2011 (4)	2,872,257	2,779,376	96.77%	643,343	2,855,666	99.42%
2010 (3)	2,773,577	2,682,418	96.71%	668,077	2,757,563	99.42%
2009 (2)	2,608,599	2,514,555	96.39%	745,902	2,590,385	99.30%
2008 (1)	2,515,437	2,443,265	97.13%	253,474	2,512,031	99.86%
2007	2,357,841	2,301,620	97.62%	114,176	2,352,497	99.77%

- (1) School local option increase and new school district bond
- (2) First year of sewer district urban renewal
- (3) First year of waterfront urban renewal and city fire bond
- (4) Sanitary district bond reinstated
- (5) First year of HRC Library district levy
- (6) First year of new city urban renewal
- (7) First year without County GO bond levy for Library renovation

Total tax levies are those at 6/30/16 (causes some distortion in first year collections because of subsequent changes to original levies).
Total tax levies are not equal to the direct tax rate times taxable assessed value (TAV) due to special assessments and changes to TAV.

Source: Hood River County Department of Records & Assessments and Department of Budget & Finance

HOOD RIVER COUNTY, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	PENSION OBLIGATION BONDS	NOTE PAYABLE			
2016	\$ -	\$ 4,795,000	\$ 549,278	\$ 5,344,278	N/A	N/A
2015	-	4,950,000	715,238	5,665,238	533.97%	245
2014	355,000	5,075,000	539,921	5,969,921	605.51%	281
2013	685,000	5,175,000	595,782	6,455,782	699.56%	285
2012	990,000	5,250,000	705,387	6,945,387	760.59%	309
2011	1,275,000	5,305,000	548,963	7,128,963	850.03%	322
2010	1,535,000	5,340,000	500,000	7,375,000	944.61%	338
2009	1,775,000	5,355,000	500,000	7,630,000	974.44%	351
2008	1,995,000	5,355,000	-	7,350,000	908.28%	340
2007	2,200,000	5,355,000	-	7,555,000	1016.94%	352

N/A = Data is not available at this time.

Note: Details regarding Hood River County's outstanding debt can be found in the notes to the financial statements.

Source: Current and prior year financial statements

HOOD RIVER COUNTY, OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL OBLIGATION BONDS	PENSION OBLIGATION BONDS	LESS; AMOUNTS AVAILABLE IN DEBT SERVICE FUND	NET	PERCENTAGE OF ESTIMATED TAXABLE VALUE OF PROPERTY (1)	PER CAPITA (2)
2016	\$ -	\$ 4,795,000	\$ 24,028	\$ 4,770,972	0.23%	N/A
2015	-	4,950,000	22,865	4,927,135	0.24%	213
2014	355,000	5,075,000	25,344	5,404,656	0.28%	236
2013	685,000	5,157,000	66,671	5,775,329	0.30%	255
2012	990,000	5,250,000	62,780	6,177,220	0.34%	275
2011	1,275,000	5,305,000	69,271	6,510,729	0.37%	294
2010	1,535,000	5,340,000	50,575	6,824,425	0.40%	312
2009	1,775,000	5,355,000	49,641	7,080,359	0.44%	326
2008	1,995,000	5,355,000	62,953	7,287,047	0.48%	337
2007	2,200,000	5,355,000	47,349	7,507,651	0.52%	350

Note: Details regarding Hood River County's outstanding debt can be found in the notes to the financial statements.

Source: Current and prior year financial statements

HOOD RIVER COUNTY, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2016

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt repaid with property taxes: Hood River County	\$ 5,147,696	100.00%	\$ 5,147,696
Total direct debt	<u>5,147,696</u>		<u>5,147,696</u>
City of Hood River	5,545,000	100.00%	5,545,000
Hood River Urban Renewal Agency	932,338	100.00%	932,338
Columbia Gorge Community College	8,410,917	51.94%	4,368,630
Hood River County School District	35,218,026	100.00%	35,218,026
Hood River Valley Parks & Rec District	355,000	100.00%	355,000
Mt. Hood Community College	299,195	0.48%	1,436
Northern Oregon Regional Corrections	573,483	43.12%	247,286
Odell Sanitary District	7,583,324	100.00%	7,583,324
Ice Fountain Water District	305,000	100.00%	305,000
Port of Cascade Locks	953,572	100.00%	953,572
Port of Hood River	830,000	100.00%	830,000
Total overlapping debt	<u>61,005,855</u>		<u>56,339,612</u>
Total direct and overlapping debt	<u>\$ 66,153,551</u>		<u>\$ 61,487,308</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of Hood River County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Hood River County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Source: Municipal Debt Advisory Commission, Oregon State Treasury

HOOD RIVER COUNTY, OREGON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

ORS 287.054 provides a debt limit on general obligation bonds of 2% of the real market value of all taxable property within the County's boundaries.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Estimated market value	\$3,655,671,344	\$3,527,326,594	\$3,365,439,384	\$3,497,686,474	\$3,293,619,089	\$3,626,288,410	\$3,475,925,360	\$3,540,430,707	\$3,403,320,580	\$2,809,278,893
Debt limit rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Debt limit	73,113,427	70,546,532	67,308,788	69,953,729	65,872,382	72,525,768	69,518,507	70,808,614	68,066,412	56,185,576
Less bonded debt at June 30	-	-	(355,000)	(685,000)	(990,000)	(1,275,000)	(1,535,000)	(1,775,000)	(1,995,000)	(2,200,000)
Legal debt margin	\$ 73,113,427	\$ 70,546,532	\$ 66,953,788	\$ 69,268,729	\$ 64,882,382	\$ 71,250,768	\$ 67,983,507	\$ 69,033,614	\$ 66,071,412	\$ 53,985,576

Total net debt applicable to the limit as a percentage of the debt limit

ORS 287.053 provides a debt limit on full faith and credit bonds of 1% of the real market value of all properties within the County's boundaries.

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Estimated market value	\$ 3,655,671,344	\$ 3,527,326,594	\$ 3,365,439,384	\$ 3,497,686,474	\$ 3,293,619,089	\$ 3,626,288,410	\$ 3,475,925,360	\$ 3,540,430,707	\$ 3,403,320,580	\$ 2,809,278,893
Debt limit rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Debt limit	36,556,713	35,273,266	33,654,394	34,976,865	32,936,191	36,262,884	34,759,254	35,404,307	34,033,206	28,092,789
Less bonded debt at June 30	-	-	(355,000)	(685,000)	(990,000)	(1,275,000)	(1,535,000)	(1,775,000)	(1,995,000)	(2,200,000)
Legal debt margin	\$ 36,556,713	\$ 35,273,266	\$ 33,299,394	\$ 34,291,865	\$ 31,946,191	\$ 34,987,884	\$ 33,224,254	\$ 33,629,307	\$ 32,036,206	\$ 25,892,789

Total net debt applicable to the limit as a percentage of the debt limit

Source: Current and prior year financial statements

**HOOD RIVER COUNTY, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION	PERSONAL INCOME	PER CAPITA INCOME	MEDIAN AGE	EDUCATION LEVEL IN YEARS OF FORMAL SCHOOLING	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
2016	N/A	N/A	N/A	N/A	N/A	N/A	3.9%
2015	23,137	1,060,966	45,856	39	12	4,063	4.6%
2014	22,885	985,937	43,141	39	12	3,981	5.5%
2013	22,675	922,841	40,650	39	12	4,160	6.9%
2012	22,460	913,161	40,371	38	12	4,008	7.8%
2011	22,155	838,672	37,389	36	12	3,983	8.5%
2010	21,850	780,743	34,789	34	12	4,078	8.9%
2009	21,725	783,010	35,567	34	12	3,928	8.5%
2008	21,625	809,226	37,483	35	12	3,866	5.7%
2007	21,470	742,916	34,918	37	12	3,888	4.9%

N/A = Data is not available at this time.

Source: Bureau of Economic Analysis; Hood River County School District

HOOD RIVER COUNTY, OREGON
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government	22	22	23	23	22	23	25	26	26	26
Sheriff	21	22	20	19	18	19	19	19	19	19
Public safety and justice	19	19	20	19	18	23	25	25	25	25
Public works/parks	21	22	22	22	22	22	22	22	22	25
Health services	21	21	21	21	21	22	23	23	23	22
Forestry	6	6	5	5	5	5	6	6	6	6
Community services	11	10	11	10	9	8	9	10	9	10
Library (1)	0	0	0	0	0	0	3	3	4	4
Total full-time equivalents	121	122	122	119	115	122	132	134	134	137
COUNTY EMPLOYEES										
Non-bargaining	47	45	48	48	48	47	48	50	51	50
Bargaining units										
AFSME General	34	32	32	33	33	36	40	44	42	37
AFSME Deputy DA (2)	2	2	2	2	2	-	-	-	-	-
AFSME Public Works/Forestry	17	17	17	17	17	17	17	19	19	23
HRC LEA law enforcement	16	17	17	15	14	14	15	16	17	18
FOPPO Parole and Probation (3)	4	4	-	-	-	-	-	-	-	-
Total bargaining units	73	72	68	67	66	67	72	79	78	78
Temporary employees	7	8	8	8	6	5	6	6	6	9
Total actual County employees	127	125	124	123	120	119	126	135	135	137

- (1) Library service as part of County operations ended after 2010
- (2) Deputy District Attorney's separated out to an independent AFSME unit 2012
- (3) Parole and Probation separated out to an independent FOPPO unit 2015

Source: Hood River County Department of Budget & Finance

**HOOD RIVER COUNTY, OREGON
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

FUNCTION	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government										
Number of registered voters	13,621	11,441	11,658	11,643	11,658	11,127	11,161	10,781	11,355	10,109
Percentage turnout in most recent general election	86%	86%	86%	86%	86%	87%	87%	87%	87%	86%
Number of tax accounts	12,643	12,427	12,364	12,636	12,149	12,270	12,075	12,902	12,902	13,898
Number of acres of County owned forest land	34,145	31,064	31,064	49,849	49,849	49,849	49,849	49,849	49,849	49,849
Sheriff										
Number of employees (sworn and civilian)	21	22	20	19	18	19	19	19	19	19
Number of arrests	402	404	454	331	406	371	378	442	451	434
Number of patrol units	22	22	22	22	22	22	22	20	19	19
Number of 911 dispatch calls	10,781	11,157	9,869	9,256	8,976	9,989	10,193	11,217	10,558	10,919
Jail facilities	Member - Northern Oregon Corrections four county jail consortium as of 1999									
Community justice										
Adult - number of supervised adults	334	250	784	589	268	185	400	221	201	232
Adult - work crew hours completed	3,066	3,786	4,569	5,619	4,300	3,134	4,941	7,155	5,158	6,066
Juvenile - number of unduplicated youth	241	277	96	216	142	155	172	184	218	217
Juvenile - number of law enforcement referrals	165	164	206	141	169	190	233	257	309	287
Juvenile - work crew hours completed	924	1,092	1,152	990	1,296	1,172	2,310	2,428	2,269	2,084
District Attorney										
Number of adult crime cases prosecuted	847	787	816	891	609	582	752	631	566	654
Number of juvenile delinquency cases prosecuted	71	69	89	67	70	67	72	87	88	83
Justice Court										
Number of traffic citations processed	3,242	3,333	3,072	2,901	4,230	4,958	7,083	4,888	4,761	4,780
Number of snow park violations processed	938	880	938	965	981	1,239	1,927	1,373	2,374	2,917
Public works/parks & buildings										
Miles of streets (unincorporated area)	210	210	210	210	210	210	210	210	210	210
Parks & playgrounds	12	12	12	12	12	12	12	12	12	12
Park acreage	156	156	156	156	156	156	156	156	156	156
Number of County buildings maintained (all types)	49	50	50	50	50	50	50	50	50	50
Health services										
Number of public health clients - all programs	5,266	5,640	5,473	5,179	6,022	5,634	7,685	5,673	5,378	5,353
Number of immunizations - all programs	3,028	3,034	5,832	4,019	3,068	3,893	3,889	4,449	3,798	5,018
Number of environmental health inspections	929	862	718	671	565	750	744	509	664	796
Number of WIC women, infants and children served	873	984	1,002	962	1,049	1,006	1,021	1,093	1,098	1,001
Community services										
Number of building permits issued	751	459	463	413	384	397	531	506	506	388
Number of planning/zoning fee filings	337	272	243	224	188	215	343	251	455	551
Library (1)										
Number of library cards issued annually	-	-	-	-	-	-	1,458	1,643	1,583	2,971
Number of books circulated	-	-	-	-	-	-	96,261	170,908	153,377	169,656
Number of branch locations	-	-	-	-	-	-	3	3	3	3

(1) Library service as part of County operations ended after 2010

Source: Various Hood River County Departments

HOOD RIVER COUNTY, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government										
Buildings (administrative and courthouse)	4	4	4	4	4	4	4	4	4	4
Vehicles	7	9	9	10	11	13	13	13	13	13
Sheriff										
Patrol vehicles	22	22	22	22	22	22	22	20	19	19
Search and rescue vehicles	5	3	3	2	5	5	5	4	4	4
Investigation and other services vehicles	17	18	18	15	15	15	15	14	14	13
Aircraft	1	1	1	3	3	3	3	3	3	3
Boats	1	1	2	2	3	3	3	3	3	3
Public safety										
Vehicles	9	7	7	6	7	9	9	9	9	10
Public works/parks & buildings										
Buildings - Parks (includes park facilities)	21	21	21	21	21	21	21	21	21	21
Park acreage	157	157	157	157	157	157	157	157	157	157
Parks	12	12	12	12	12	12	12	12	12	12
Tennis Courts	1	1	1	1	1	1	1	1	1	1
Buildings - Public Works (includes garages and storage)	12	12	12	12	12	12	12	12	12	12
Paved roads (miles in unincorporated areas)	210	210	210	210	210	210	210	210	210	210
Bridges	15	15	15	15	15	15	15	15	15	15
Vehicles (auto and trucks)	15	17	17	18	20	21	23	25	25	25
Heavy equipment (road maintenance)	62	67	67	71	68	68	66	66	66	62
Health services										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	5	5	5	6	5	5	5	5	6	6
Forestry										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	12	10	8	7	7	7	7	7	7	7
County Fair										
Buildings (all facilities included)	9	9	9	9	9	9	9	9	9	9
Vehicles	1	1	1	1	1	1	1	1	1	1

Source: Hood River County Department of Budget & Finance

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STATE REQUIREMENTS



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December 7, 2016

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, 2016, and have issued our report thereon dated December 7, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

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. In our testing of the budget, we noted that the supplemental budget process was not used when adding an appropriation level to the funds as is required by Oregon Budget Law.
2. There was one budget overexpenditure as noted on page 37.

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.

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

FEDERAL PROGRAMS AND
SINGLE AUDIT REQUIREMENTS



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**HOOD RIVER COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Entity Number	Expenditures
U.S. Department of Agriculture				
Environmental Quality Incentives Program - Soil Conservation and Domestic Allotment Act		10.912	n/a	\$ 1,950
Schools to Roads - Grants to States	State of Oregon Department of Administrative Services	10.665	93-1116396	735,684
Special Supplemental Nutrition Program for Women, Infants, and Children	State of Oregon Department of Human Resources Health Division	10.557	148012	160,997
Child and Adult Care Food Program - Breastfeeding Performance Bonus	Department of Human Resources Health Division	10.578	148012	391
Total U.S. Department of Agriculture				<u>899,022</u>
U.S. Department of Health and Human Services				
Drug Free Communities Support Program		93.276	n/a	130,177
Promoting Safe and Stable Families - Title XX, Social Services Block Grant - Healthy Start	State of Oregon Department of Education	93.556	93-6001954	8,397
Title IV-E Foster Care	State of Oregon Department of Human Resources Health Division	93.658	148012	14,621
Family Planning Services	Department of Human Resources Health Division	93.217	148012	45,303
Maternal and Child Health Services Block Grant to States	Department of Human Resources Health Division	93.994	148012	27,524
Project Grants and Cooperative Agreements For Tuberculosis Control Programs	Department of Human Resources Health Division	93.116	148012	149
Public Health Emergency Preparedness - Bioterrorism Preparedness & Response	Department of Human Resources Health Division	93.069	142012	67,580
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements	Health Division Department of Human Resources	93.074	148012	9,312
Block Grants for Prevention and Treatment of Substance Abuse	Health Division Department of Human Resources	93.959	148367	53,379
HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)	Health Division Department of Human Resources	93.917	148012	18,697
Medical Assistance Program (Medicaid; Title XIX)	Health Division	93.778	148012	239,399
Total U.S. Department of Health and Human Services				<u>614,538</u>
U.S. Environmental Protection Agency				
State Public Water System Supervision	State of Oregon Department of Human Resources Health Division	66.432	148012	2,432
Total U.S. Environmental Protection Agency				<u>2,432</u>
U.S. National Highway Traffic Safety Administration				
National Priority Safety Program - Seabelt Enforcement Grant	Oregon State Sheriff's Association	20.616	M1HVE-15-46-08	2,482
National Priority Safety Programs - DUII Enforcement Grant	Oregon State Sheriff's Association	20.616	M15HVE-15-12-21	1,455
Total U.S. National Highway Traffic Safety Administration				<u>3,937</u>

HOOD RIVER COUNTY, OREGON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2016

		Federal CFDA	Pass Through	
U.S. Department of Homeland Security - FEMA				
Emergency Management Performance Grant	State of Oregon Military Department Emergency Management State of Oregon Military Department	97.042	35038	46,910
Homeland Security Grant Program - County LE Communications Upgrade	Emergency Management State of Oregon Military Department	97.067	15-220	12,630
Birth Defects and Developmental Disabilities - Prevention and Surveillance - Development & Implementation of County COOP	Emergency Management	97.073	37420	6,250
Boating Safety Financial Assistance (Law Enforcement)	State of Oregon Marine Board	97.012	3312FAS12014	16,052
Total U.S. Department of Homeland Security - FEMA				82,042
U.S. Department of Justice				
Crime Victim Assistance	State of Oregon Criminal Justice Commission	16.575	166751	31,361
Total U.S. Department of Justice				31,361
Total Federal Assistance				\$ 1,633,332



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December 7, 2016

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, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 7, 2016. The financial statements of the 911 Communications District, Windmaster Sewer 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.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

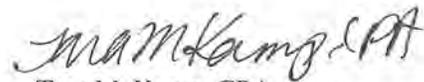
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

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
PAULY, ROGERS AND CO., P.C.



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December 7, 2016

**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, 2016. The major federal programs are 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, 2016.

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.

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, 2016

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) indentified 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) indentified 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

10.665

Schools and Roads – Grants to States

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, 2016

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

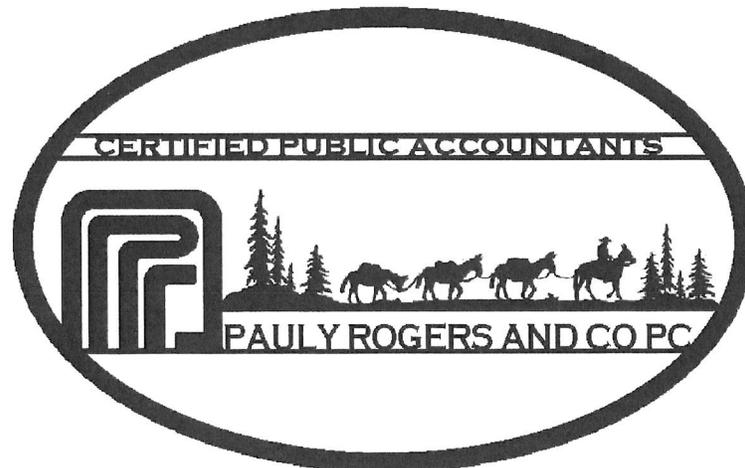
Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts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

**HOOD RIVER COUNTY 911
COMMUNICATIONS DISTRICT
(A component unit of Hood River County, OR)**

HOOD RIVER COUNTY, OREGON

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2016



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November 22, 2016

To the Board of Directors
Hood River County 911 Communications District
Hood River County, Oregon

We have audited the financial statements of the governmental activities and major fund of the Hood River County 911 Communications District for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment, except as noted on page 24 of the report.
3. No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016, except for the implementation of GASB 72 – *Fair Value Measurement and Application*. We noted no transactions entered into 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 estimates affecting the financial statements were Management’s estimate of Accounts Receivable and Capital Asset Depreciation, which are based on estimated collectability of receivables and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are 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 disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties 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. Management has corrected all such misstatements or determined that their effects are immaterial. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

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 auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Pauly, Rogers and Co., P.C.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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 financial statements or a determination of the type of auditors’ 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 our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Supplementary Information

With respect to the supplementary information accompanying the financial statements, 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.

Other Information

With respect to the other information accompanying the financial statements, we read the information to identify if any material inconsistencies or misstatement of facts existed with the audited financial statements. Our results noted no material inconsistencies or misstatement of facts.

This information is intended solely for the use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.



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

**HOOD RIVER COUNTY 911
COMMUNICATIONS DISTRICT
(A component unit of Hood River County, OR)**

HOOD RIVER COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016



12700 SW 72nd Ave.
Tigard, OR 97223

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
(A Component Unit of Hood River County, Oregon)
HOOD RIVER COUNTY, OREGON

FINANCIAL REPORT

For the Year Ended June 30, 2016

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HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

2015-2016

BOARD OF DIRECTORS

TERM EXPIRES:

Ron Rivers, Chair	December 31, 2018
Maui Meyer, Vice Chair	December 31, 2016
Rich McBride, Elect	December 31, 2020
Les Perkins	December 31, 2020
Karen Joplin	December 31, 2018
Robert Benton	December 31, 2018

Board members receive mail at the District address listed below.

ADMINISTRATION

Jeff Hecksel, County Administrator
Sandra A. Borowy, Director of Budget and Finance
601 State Street
Hood River, OR 97031

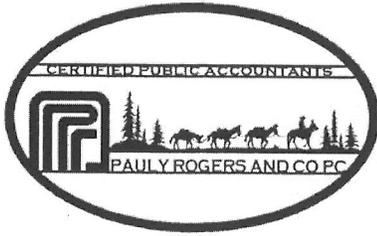
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HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

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November 22, 2016

**To the Board of Directors
Hood River County 911 Communications District
Hood River County, Hood River**

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Hood River County 911 Communications District, a component unit of Hood River County, as of and for the year ended June 30, 2016, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 and major fund of the Hood River County 911 Communications District, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 72 – Fair Value Measurement and Application for the year ended June 30, 2016. 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 supplementary 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 Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 board members containing their term expiration dates, located before the table of contents, has 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 it.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 22, 2016, 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.



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

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**HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

As management of Hood River County 911 Communications District (the District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2016. The analysis focuses on significant financial issues, major financial activities, and variances from the budget. We encourage readers to consider the information presented here in conjunction with the District's Financial Statements and Notes to Financial Statements, which follow this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

- ∇ The District has \$271,094 invested in capital assets. This is an increase of \$157,936 or 139.57% compared to \$113,158 in fiscal year 2015.
- ∇ The District has no long term debt.
- ∇ At June 30, 2016, the District's governmental funds reported combined ending fund balances of \$2,777,853. This is an increase of \$100,927 over last fiscal year or a 3.77% increase.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements.

The government - wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* - The statement of net position presents information on all of the assets and liabilities of the District at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position serves as a useful indicator of whether the financial position of the District is improving or deteriorating. It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The *Statement of Activities* – The statement of activities presents information showing how the net position of the District changed over the year tracking revenues, expenses and other transactions that increase or reduce net assets. All changes in net assets 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 result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements the District’s activities are shown in one category:

- ∇ *Governmental activities* – The District’s basic functions are 911 call taking, dispatching of public safety personnel, administration and maintenance of assets. These activities are primarily financed through property taxes, Oregon State 911 Excise tax and lesser communication services revenues.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds, focusing on its major fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 911 Communications District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund is a governmental fund.

Governmental Funds

The governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements; however, unlike the government-wide financial statements, governmental fund 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 governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are reconciled to the government-wide Statements of Net Position and Statement of Activities.

The District maintains 2 individual governmental funds:

- 911 Communications Fund
- 911 Capital Asset Replacement Fund

Notes to the Basic Financial Statements

The notes provide additional disclosures required by governmental accounting standards and provide required information that is essential to a full understanding of the data provided in the District's financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the District's net position may serve over time as a useful indicator of the District's financial position. In the Hood River County 911 Communications District's case, assets exceeded liabilities by \$3,034,772 at the close of the fiscal year, an increase of \$246,713 or 8.85%.

The District does not have debt related to capital assets. The District capitalizes and depreciates assets with purchased values of \$5,000 or over.

Cash and cash equivalents represent about 87.34% of total assets. The remaining assets consist of taxes and accounts receivable and capital assets.

Condensed Statement of Net Position

	2015-2016	2014-2015	Difference	%
Assets				
Current and Other Assets	\$ 2,885,573	\$ 2,779,348	\$ 106,225	3.82%
Net Capital Assets	271,094	113,158	157,936	139.57%
Total Assets	3,156,667	2,892,506	264,161	9.13%
Liabilities				
Current Liabilities	121,895	104,447	17,448	16.70%
Total Liabilities	121,895	104,447	17,448	16.70%
Net Assets				
Invested in Capital Assets	271,094	83,658	187,433	224.05%
Unrestricted	2,763,678	2,704,401	59,277	2.19%
Total Net Assets	\$ 3,034,772	\$ 2,788,059	\$ 246,713	8.85%

The District's largest liability is accrued compensated absences payable \$62,014 (50.9%). Other liabilities consist of accounts payable and accrued payroll, taxes and employee withholdings payable.

Capital assets are used by the District to provide services to the citizens of Hood River County and all public safety agencies based in Hood River County. Consequently, these assets are not available for future spending.

The revenue and expenses shown below explain the changes in net position for the fiscal year 2015-2016 for Total Governmental Activities.

Changes in Net Position				
	2015-2016	2014-2015	Difference	%
Revenues				
Property Taxes	\$ 1,165,975	\$ 1,134,336	\$ 31,639	2.79%
Charges for Services	287,661	274,261	13,400	4.88%
Miscellaneous and Other	36,745	18,628	18,117	97.26%
Total Revenue	1,490,381	1,427,225	63,156	4.42%
Expenses:				
Emergency Operations	1,243,668	1,341,947	(98,279)	(7.32)%
Change in Net Assets	246,713	85,278	161,435	189.30%
Beginning Net Assets	2,788,059	2,702,781	85,278	3.16%
Ending Net Assets	\$ 3,034,772	\$ 2,788,059	\$ 246,713	8.85%

Financial Analysis of the Government's Fund

The focus of the governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for appropriation in the next fiscal year.

As of June 30, 2016, the District's governmental funds reported combined ending fund balance of \$2,777,853, an increase of \$100,927 from the prior year. This increase can be attributed in majority to an increase in property tax revenues. Personal services expenditures decreased from \$1,027,572 to \$958,309, approximately 6.7% compared to the prior year as result of staffing vacancies. Materials and services increased from \$283,606 to \$293,647, or 3.54%. Capital outlay of \$144,820 in the current year was for the continuation of an emergency services communications project.

During the year all Governmental fund expenditures were within the appropriated budget.

Capital Assets

As of June 30, 2016 the District had \$271,094 invested in capital assets, which was primarily comprised of equipment. The following is a breakdown of the District's capital assets compared to the prior year.

Capital Assets at Year End:		
	2015-2016	2014-2015
Furniture and Fixtures	\$ 9,860	\$ 9,860
Vehicles	48,035	48,035
Machinery & Equipment	<u>872,442</u>	<u>685,101</u>
Total Capital Assets	930,337	742,996
Less: Accumulated Depreciation	<u>(659,243)</u>	<u>(629,838)</u>
Total Capital Assets, Net	<u>\$ 271,094</u>	<u>\$ 113,158</u>

Debt Administration

As of June 30, 2016, the District had no long-term liabilities.

Requests for Information

Our financial report is designed to provide our taxpayers, Hood River County residents, investors and creditors with an overview of the District's finances and to demonstrate District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Budget & Finance, Hood River County 911 Communications District, 601 State Street, Hood River, Oregon 97031.

Sandra A. Borowy, Director of Budget and Finance

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HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

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HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF NET POSITION

June 30, 2016

ASSETS

Cash and Cash Equivalents	\$ 2,757,048
Receivables	
Property Taxes	54,174
Accounts	73,986
Prepays	365
Capital Assets, Not Being Depreciated	155,890
Capital Assets, Net of Depreciation	<u>115,204</u>
 Total Assets	 <u>3,156,667</u>

LIABILITIES

Accounts Payable	13,403
Accrued Payroll, Taxes, and Employee Withholdings	46,478
Accrued Compensated Absences Payable	<u>62,014</u>
Total Liabilities	<u>121,895</u>

NET POSITION:

Net Investment in Capital Assets	271,094
Unrestricted	<u>2,763,678</u>
 Total Net Position	 <u>\$ 3,034,772</u>

See accompanying notes to the basic financial statements.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Emergency Operations	\$ 1,243,668	\$ 287,661	\$ -	\$ (956,007)
Total Governmental Activities	<u>\$ 1,243,668</u>	<u>\$ 287,661</u>	<u>\$ -</u>	<u>(956,007)</u>

General Revenues:

Taxes	1,165,975
Earnings on Investments	20,277
Miscellaneous	<u>16,468</u>

Total General Revenues 1,202,720

Change in Net Position 246,713

Net Position - Beginning 2,788,059

Net Position - Ending \$ 3,034,772

See accompanying notes to the basic financial statements.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2016

	<u>GENERAL FUND</u>
ASSETS:	
Cash and Investments	\$ 2,757,048
Accounts Receivable	73,986
Property Taxes Receivable	54,174
Prepays	365
	<hr/>
Total Assets	\$ <u>2,885,573</u>
LIABILITIES:	
Accounts Payable	\$ 13,403
Payroll Liabilities	46,478
	<hr/>
Total Liabilities	<u>59,881</u>
DEFERRED INFLOWS:	
Unavailable Revenue - Property Taxes	47,839
	<hr/>
Total Deferred Inflows	<u>47,839</u>
FUND BALANCE:	
Assigned:	
Capital Projects	602,254
Unassigned	2,175,599
	<hr/>
Total Fund Balance	<u>2,777,853</u>
Total Liabilities, Deferred Inflows, and Fund Balance	\$ <u>2,885,573</u>

See accompanying notes to the basic financial statements.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION

June 30, 2016

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

Total fund balances - governmental funds \$ 2,777,853

The cost of capital assets (land, buildings, furniture, and equipment) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.

Net capital assets 271,094

Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.

Accrued compensated absences payable (62,014)

Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.

Unavailable revenue - property taxes 47,839

Total net position \$ 3,034,772

See accompanying notes to the basic financial statements.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES
GOVERNMENTAL FUND

For the Year Ended June 30, 2016

	<u>GENERAL FUND</u>
REVENUES	
Property Taxes	\$ 1,173,297
Intergovernmental	287,661
Investment Earnings	20,277
Miscellaneous	16,468
	<hr/>
Total Revenues	1,497,703
	<hr/>
EXPENDITURES	
Current:	
Personal Services	958,309
Materials and Services	293,647
Capital Outlay	144,820
	<hr/>
Total Expenditures	1,396,776
	<hr/>
Net Change in Fund Balance	100,927
FUND BALANCE, BEGINNING	2,676,926
	<hr/>
FUND BALANCE, ENDING	\$ 2,777,853
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - GOVERNMENTAL FUND TO STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2016

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the agency-wide statement of activities

Total net changes in fund balances - governmental funds	\$	100,927
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Fixed asset additions are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives as a depreciation expense. This is the amount of fixed assets additions and depreciation.

Additions to capital assets	\$	187,341	
Depreciation expense		<u>(29,405)</u>	157,936

Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expense when earned.		(4,828)
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Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received, however, in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued		<u>(7,322)</u>
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Changes in net position of governmental activities	\$	<u><u>246,713</u></u>
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See accompanying notes to the basic financial statements.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The District is governed by an elected five member board. Generally accepted accounting principles require that these financial statements include the District (the primary government) and all component units, if any. Component units, as established by the Government Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the reporting entity because of the significance of their operational or financial relationships. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

The District is a component unit of Hood River County due to the fact that the Board of County Commissioners are the governing body and as such, are able to impose their will on the District. Therefore, the District is included in the financial statements of Hood River County as a discretely presented component unit for the year ended June 30, 2016.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues included in the Statement of Activities derive directly from the program itself or from parties outside the taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the general revenues.

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

There is the following major governmental fund:

General Fund

This fund accounts for all financial resources and expenditures except those required to be accounted for in another fund. The principal revenue sources are property taxes and 911 excise fees from other municipalities within the County.

SPECIAL REVENUE FUNDS ROLLED INTO THE GENERAL FUND FOR GASB 54 PURPOSES

As discussed at Note 1, financial statements for periods beginning after June 15, 2010 must report as Special Revenue funds only those which have a substantial portion of revenue inflows from restricted or committed revenue sources. The following fund is combined into the General Fund because the primary revenue source is transfers from the General Fund.

911 Communications Asset Replacement Fund

The Asset Replacement Fund was established for future equipment purchases. It is funded by earnings on investments and operating transfers from the General Fund.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

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)

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.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

Uncollected real and personal property taxes are reflected on the statement of net position and the balance sheet as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens. All property taxes receivable are due from property owners within the District.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

GRANTS

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and statement of net position.

CAPITAL ASSETS

Capital assets, which include buildings and equipment, are reported in the government wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Capital assets are recorded at historical cost or estimated historical cost. Donated Capital assets are recorded at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives: Buildings—50 years and Equipment—5 to 20 years.

COMPENSATED ABSENCES/ PAYROLL LIABILITIES

It is the policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service. All vacation pay is accrued in the government-wide statements. All of the employees are employees of the County and a portion of the time is charged to the 911 Communications Agency for administrative and management. The 911 Communications Agency pays for all related costs, benefits, and accruals for County employee charged to the Agency.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories.

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are no restricted assets.

Unrestricted net position – consists of all other assets that are not included in the other categories previously mentioned.

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.
- 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. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The Director of Budget & Finance and County Administrator for the Hood River County have been given that authority for the District
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE (CONTINUED)

There are no nonspendable, restricted or committed fund balances.

The governing body has approved the following order of spending regarding fund balance categories: 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.

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 government has no items that qualify for reporting in this category.

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 only 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 revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

A budget is prepared and legally adopted for each fund in accordance with Oregon Local Budget Law. The budget was prepared using the modified accrual basis of accounting. The budgetary basis of accounting is substantially the same as generally accepted accounting principles in the United States of America with the exception that capital outlay expenditures are expensed when purchased, depreciation is not recorded, prepaid expenses are expensed rather than capitalized, supply inventory is expensed when purchased, compensated absences are expensed when paid rather than when incurred, and taxes receivable are not recorded as revenue until collected. The budgeting process begins prior to each fiscal year. Public notices of the budget hearing are generally published in early spring with a public hearing approximately three weeks later. The budget is approved and adopted by the Board, appropriations made and the tax rate declared no later than June 30th. Expenditure appropriations may not legally be over expended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

BUDGETARY INFORMATION (CONTINUED)

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board.

The expenditure budget is appropriated at the following levels:

LEVEL OF CONTROL

Personal Services
Materials and Services
Capital Outlay
Debt Service
Operating Contingency

Budget amounts shown in the fund financial statements include the original budget amounts. Appropriations lapse at the end of each fiscal year. Expenditures of the various funds were within authorized appropriation.

3. CASH AND INVESTMENTS

The cash is pooled with the Hood River County. Please refer to the County's basic financial statements, issued under separate cover, for additional information pertaining to the nature and collateralization of the County's cash and investments.

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Cash and Investments at June 30, 2016, (recorded at fair value) consisted of:

	<u>2016</u>
Cash and Cash Equivalents	
Pooled Cash	\$ <u>2,757,048</u>
Total	\$ <u>2,757,048</u>

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

3. CASH AND INVESTMENTS (CONTINUED)

CUSTODIAL CREDIT RISK

In the case of deposits, this is the risk that in the event of bank failure, the deposits may not be returned. There is no deposit policy for custodial risk. As of June 30, 2016, none of the bank balance was exposed to custodial credit risk because it was either insured or collateralized.

INVESTMENTS

Investments in the Hood River County pooled cash and investments include 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 appears to be in compliance with all portfolio guidelines at June 30, 2016. 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. As of June 30, 2016, the fair value of the position in the LGIP is 100.6% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. Other investments held by the County include municipal bonds, high level corporate bonds and US Agency securities in line with the State and County's investment policies. These investments are reported at fair value.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no maturity dates beyond 18 months.

Credit Risk

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2016, 100% of total investments were pooled with the Hood River County. Please refer to the County's basic financial statements, issued under separate cover, for additional information pertaining to the nature concentration of the Investments.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

4. CAPITAL ASSETS

The changes in Capital Assets for the fiscal year ended June 30, 2016 are as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Capital Assets Not Being Depreciated:				
Construction in Process	\$ 29,500	\$ 126,390	\$ -	\$ 155,890
Total	<u>29,500</u>	<u>126,390</u>	<u>-</u>	<u>155,890</u>
Capital Assets Being Depreciated:				
Buildings & Improvements	9,860	-	-	9,860
Vehicles	48,035	-	-	48,035
Machinery & Equipment	655,601	60,951	-	716,552
Total	<u>713,496</u>	<u>60,951</u>	<u>-</u>	<u>774,447</u>
Accumulated Depreciation				
Buildings & Improvements	(9,860)	-	-	(9,860)
Vehicles	(28,240)	(3,894)	-	(32,134)
Machinery & Equipment	(591,738)	(25,511)	-	(617,249)
Total Accumulated Depreciation	<u>(629,838)</u>	<u>(29,405)</u>	<u>-</u>	<u>(659,243)</u>
Capital Assets, Net	<u>\$ 113,158</u>	<u>\$ 31,546</u>	<u>\$ -</u>	<u>\$ 271,094</u>

Depreciation expense of \$29,405 was charged to Emergency Operations.

5. LONG-TERM DEBT

There was no long term debt for the year ended June 30, 2016.

**HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

6. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage.

7. OPERATING LEASES

In January 2013 a lease for a photocopier was entered into. This lease had a 48 month term and required monthly payments of \$174, with the last payment made December 2016. In January of 2009 a lease agreement was entered into for a tower site. This lease is a 36 month lease and requires monthly payments of \$250. Total lease payments for the 2015-2016 fiscal year were \$5,088.

Future minimum payments are as follows:

Year ending		
June 30,		
2017	\$	2,544
Total	\$	<u>2,544</u>

8. PROPERTY TAX LIMITATIONS

The State of Oregon has a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

An additional limit reduces the amount of operating property tax revenues available to the District. This reduction was accomplished by rolling property values for 1997-98 back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

9. COMPENSATED ABSENCES

Changes in governmental compensated absences are as follows:

	June 30, 2015	Additions	Deletions	June 30, 2016
Accrued Compensated Absences	\$ 57,186	\$ 4,828	\$ -	\$ 62,014

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

10. ACCOUNTS RECEIVABLE

Accounts Receivable as of June 30, 2016 consisted of the following:

Accounts Receivable	<u>\$ 73,986</u>
Total Receivables	<u><u>\$ 73,986</u></u>

No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible.

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HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GOVERNMENTAL FUND

For the Year Ended June 30, 2016

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES:				
Property Taxes	\$ 1,147,500	\$ 1,147,500	\$ 1,173,297	\$ 25,797
Intergovernmental	298,000	298,000	287,661	(10,339)
Investment Earnings	15,000	15,000	20,277	5,277
Miscellaneous	4,000	4,000	16,468	12,468
	<u>1,464,500</u>	<u>1,464,500</u>	<u>1,497,703</u>	<u>33,203</u>
Total Revenues				
EXPENDITURES:				
Personal Services	1,083,310	1,083,310 (1)	958,309	125,001
Materials and Service	399,100	391,700 (1)	293,647	98,053
Capital Outlay	-	7,400 (1)	7,357	43
Contingency	150,000	150,000 (1)	-	150,000
	<u>1,632,410</u>	<u>1,632,410</u>	<u>1,259,313</u>	<u>373,097</u>
Total Expenditures				
Net Change in Fund Balance	(167,910)	(167,910)	238,390	406,300
FUND BALANCES, BEGINNING	<u>1,815,000</u>	<u>1,815,000</u>	<u>1,937,209</u>	<u>122,209</u>
FUND BALANCES, ENDING	<u>\$ 1,647,090</u>	<u>\$ 1,647,090</u>	<u>\$ 2,175,599</u>	<u>\$ 528,509</u>

Reconciliation to GAAP General Fund as Required by GASB 54

Asset Replacement Fund Ending Fund Balance 602,254

Total GAAP Fund Balance \$ 2,777,853

(1) Appropriation Level

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HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GOVERNMENTAL FUND

For the Year Ended June 30, 2016

911 COMMUNICATIONS ASSET REPLACEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
EXPENDITURES:				
Capital Outlay	\$ 300,000	\$ 300,000 (1)	\$ 137,463	\$ 162,537
Contingency	400,000	400,000 (1)	-	400,000
Total Expenditures	700,000	700,000	137,463	562,537
Net Change in Fund Balance	(700,000)	(700,000)	(137,463)	562,537
FUND BALANCES, BEGINNING	807,700	807,700	739,717	(67,983)
FUND BALANCES, ENDING	\$ 107,700	\$ 107,700	\$ 602,254	\$ 494,554

(1) Appropriation Level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 due to its financing resources being derived primarily from General Fund transfers.

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
 OF TAXES UNCOLLECTED
 For the Year Ended June 30, 2016

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/15	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/16
Current:					
2015-2016	\$ 1,194,802	\$ 30,160	\$ (5,994)	\$ 1,136,128	\$ 22,520
Prior Years:					
2014-2015	26,447	(1)	(205)	13,706	12,537
2013-2014	14,123	(1)	(64)	7,207	6,853
2012-2013	10,449	-	(81)	6,219	4,149
2011-2012	5,307	-	(521)	2,658	2,128
2010-2011 & Prior	6,509	-	(499)	23	5,987
Total Prior	62,835	(2)	(1,370)	29,813	31,654
Total	\$ 1,257,637	\$ 30,158	\$ (7,364)	\$ 1,165,941	\$ 54,174

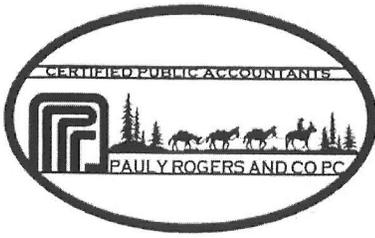
RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 1,165,941
Accrual of Receivables:	
June 30, 2015	(5,220)
June 30, 2016	3,420
Taxes in Lieu	9,156
Total Revenue	\$ 1,173,297

HOOD RIVER COUNTY 911 COMMUNICATIONS DISTRICT
HOOD RIVER COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATION

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www.paulyrogersandcocpas.com

November 22, 2016

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Hood River County 911 Communications District, Hood River County, Oregon, as of and for the year ended June 30, 2016, and have issued our report thereon dated November 22, 2016. 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 financial statements are free of material misstatement, we performed tests of 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)**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the Hood River County 911 Communications District, 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.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls 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 internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting, except for the following:

1. In our testing of the budget, we noted that an appropriation level was added during the year without using the supplemental budget process, as is required by Oregon Budget Law.

This report is intended solely for the information and use of the Board of Directors 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.

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive style with a large, stylized initial 'T'.

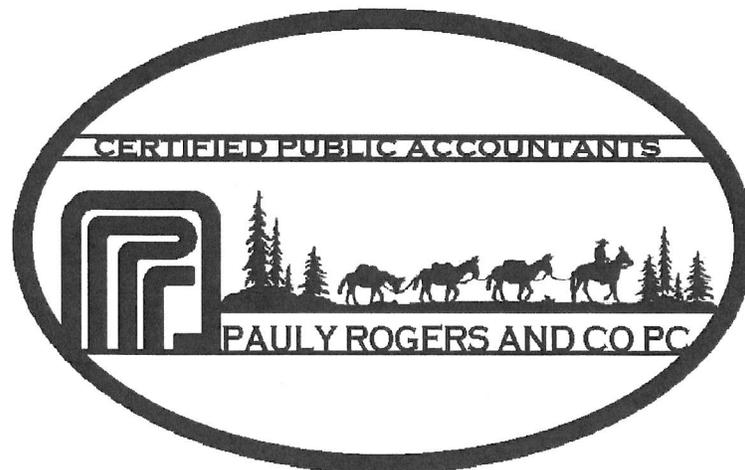
Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

**HOOD RIVER COUNTY WINDMASTER
SEWER DISTRICT**
(A Component Unit of Hood River County, Oregon)

HOOD RIVER COUNTY, OREGON

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2016



12700 SW 72nd Ave.
Tigard, OR 97223



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November 22, 2016

To the Board of Directors
Hood River County Windmaster Sewer District
Hood River County, Oregon

We have audited the financial statements of the governmental activities and major fund of the Hood River County Windmaster Sewer District for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016, except for the implementation of GASB Statement No. 72 – *Fair Value Measurement and Application*. We noted no transactions entered into 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 estimates affecting the financial statements were Management’s estimate of Accounts Receivable and Capital Asset Depreciation, which are based on estimated collectability of receivables and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are 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 disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties 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. Management has corrected all such misstatements or determined that their effects are immaterial. There were no misstatements detected as a result of audit procedures and corrected by management.

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 auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Pauly, Rogers and Co., P.C.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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 financial statements or a determination of the type of auditors' 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 our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information

With respect to the other information accompanying the financial statements, we read the information to identify if any material inconsistencies or misstatement of facts existed with the audited financial statements. Our results noted no material inconsistencies or misstatement of facts.

This information is intended solely for the use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.



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

**HOOD RIVER COUNTY WINDMASTER SEWER
DISTRICT**
(A Component Unit of Hood River County, Oregon)

HOOD RIVER COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016



12700 SW 72nd Ave.
Tigard, OR 97223

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
(A Component Unit of Hood River County, Oregon)
HOOD RIVER, OREGON

For the Year Ended June 30, 2016

ANNUAL FINANCIAL REPORT

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HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT

HOOD RIVER, OREGON

DISTRICT OFFICIALS	TERM EXPIRES
Ron Rivers, Chair	December 31, 2018
Maui Meyer, Vice Chair	December 31, 2016
Rich McBride, Elect	December 31, 2020
Karen Joplin	December 31, 2018
Robert Benton	December 31, 2018
Les Perkins	December 31, 2020

All directors receive mail at the address listed below.

ADMINISTRATION
Jeff Hecksel, County Administrator
Sandra A. Borowy, Director of Budget and Finance

Hood River County Windmaster Sewer District
601 State Street
Hood River, Oregon 97031

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HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT

HOOD RIVER, OREGON

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November 22, 2016

To the Board of Directors
Hood River County Windmaster Sewer District
Hood River, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Hood River County Windmaster Sewer District, a component unit of Hood River County as of and for the year ended June 30, 2016, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 and major fund of the Hood River County Windmaster Sewer District, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 72 – Fair Value Measurement and Application for the year ended June 30, 2016. 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 supplementary 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 Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

The listing of board members containing their term expiration dates, located before 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 22, 2016, 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.



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

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**WINDMASTER SEWER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

As management of Windmaster Sewer District (the District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2016. The analysis focuses on significant financial issues, major financial activities, and variances from the budget. We encourage readers to consider the information presented here in conjunction with the District's Financial Statements and Notes to Financial Statements, which follow this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

- ∇ The District has agreed to contribute funds toward debt service on \$192,747 of long term debt incurred to construct the sewer line and provide connection assistance funding to residents. The majority of debt service funds are provided by the Windmaster Urban Renewal Agency's incremental tax revenues.

- ∇ At June 30, 2016, the District's governmental funds reported an ending fund balance of \$9,182. This is a decrease of \$4,438 over last fiscal year or a 32.58% decrease.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements.

The government - wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* - The statement of net position presents information on all of the assets and liabilities of the District at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the District is improving or deteriorating. It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The *Statement of Activities* – The statement of activities presents information showing how the net position of the District changed over the year tracking revenues, expenses and other transactions that increase or reduce net position. 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 result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements the District’s activities are shown in one category:

- ∇ *Governmental activities* – The District’s basic functions are shown here. These activities are primarily financed through service fees.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Windmaster Sewer District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District fund is a governmental fund.

Governmental Funds

The governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements; however, unlike the government-wide financial statements, governmental fund 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 governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are reconciled to the government-wide Statements of Net Position and Statement of Activities.

The District maintains one individual governmental fund, the General Fund.

Notes to the Basic Financial Statements

The notes provide additional disclosures required by governmental accounting standards and provide required information that is essential to a full understanding of the data provided in the District's financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the District's net position may serve over time as a useful indicator of the District's financial position. In the Windmaster Sewer District's case, assets exceeded liabilities by \$2,462,318 at the close of the fiscal year.

Cash and cash equivalents represent about .22% of total assets. The remaining assets consist of capital assets \$2,453,136.

Condensed Statement of Net Position

	2015-2016	2014-2015	Difference	%
Assets				
Current and Other Assets	\$ 9,427	\$ 13,836	\$ (4,409)	(31.86)%
Net Capital Assets	2,453,136	2,453,136	0	0%
Total Assets	2,462,563	2,466,972	(4,409)	(.18)%
Liabilities				
Current Liabilities	245	216	29	13.43%
Total Liabilities	245	216	29	13.43%
Net Position				
Net Investment in Capital Assets	2,453,136	2,453,136	-0-	0%
Unrestricted	9,182	13,620	(4,438)	(32.58)%
Total Net Position	\$ 2,462,318	\$ 2,466,756	\$ (4,438)	(.18)%

The District's current liabilities consist of accounts payable.

The revenue and expenses shown below explain the changes in net position for the fiscal year 2015-2016 for Total Governmental Activities.

Changes in Net Position				
	2015-2016	2014-2015	Difference	%
Revenues				
Charges for Services	\$ 26,460	\$ 30,385	\$ (3,922)	(12.91)%
Miscellaneous and Other	60	53	7	13.21%
Contribution for Debt	-0-	21,828	(21,828)	(100.00)%
Total Revenue	26,520	52,266	(25,746)	(49.26)%
Expenses:				
Sewer Services	30,958	31,796	(838)	(2.64)%
Change in Net Position	(4,438)	20,470	(24,908)	(121.68)%
Beginning Net Position	2,466,756	2,446,286	20,470	.84%
Ending Net Position	\$ 2,462,318	\$ 2,466,756	\$ (4,438)	.18%

Financial Analysis of the Government's Fund

The focus of the governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for appropriation in the next fiscal year.

As of June 30, 2016, the District's governmental funds reported combined unassigned ending fund balance of \$9,182, a decrease of \$4,438 from the prior year. This decrease can be attributed to sewer receipts collected were less than total expenditures for the fund, plus a debt service contribution of \$24,600 to the Windmaster Urban Renewal Agency. Expenditures decreased \$838 from \$31,796 in the prior year to \$30,958. This resulted in the majority from a decrease in legal services and a lower, \$400, contribution to debt service for this year.

During the year all Governmental fund expenditures were within the appropriated budget.

Capital Assets

As of June 30, 2011, the District had received the completed and operational sewer line in a transfer of ownership from Hood River County. The County was responsible for the construction of the line due to debt financing terms and conditions.

Debt Administration

The District is obligated to contribute toward debt service for one long term loan incurred by Hood River County, on behalf of the District and the Windmaster Urban Renewal Agency, to facilitate construction of the Windmaster sewer line (\$500,000):

- Oregon Economic and Community Development Department
\$500,000 - annual payment of \$34,137, due each December until the year 2030

This loan may be paid down sooner with no prepayment penalties.

Requests for Information

Our financial report is designed to provide our taxpayers, Hood River County residents, investors and creditors with an overview of the District's finances and to demonstrate District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Budget & Finance, Windmaster Sewer District, 601 State Street, Hood River, Oregon 97031.

Sandra A. Borowy, Director of Budget and Finance

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT

HOOD RIVER, OREGON

BASIC FINANCIAL STATEMENTS

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HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2016

ASSETS

Cash and Cash Equivalents	\$	5,525
Accounts Receivable		3,902
Capital Assets, Net		<u>2,453,136</u>
Total Assets		<u>2,462,563</u>

LIABILITIES

Accounts Payable		<u>245</u>
Total Liabilities		<u>245</u>

NET POSITION:

Net Investment in Capital Assets		2,453,136
Unrestricted		<u>9,182</u>
Total Net Position	\$	<u><u>2,462,318</u></u>

See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	
Sewer Services	\$ 30,958	\$ 26,460	\$ -	\$ (4,498)
Total governmental activities	<u>\$ 30,958</u>	<u>\$ 26,460</u>	<u>\$ -</u>	<u>(4,498)</u>
General revenues:				
				60
				Earnings on Investments
				60
				Total General Revenues
				(4,438)
				Change in Net Position
				2,466,756
				Net Position - Beginning
				\$ 2,462,318
				Net Position - Ending

See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2016

	<u>GENERAL FUND</u>
ASSETS:	
Cash and Investments	\$ 5,525
Accounts Receivable	<u>3,902</u>
Total Assets	<u>\$ 9,427</u>
LIABILITIES:	
Accounts Payable	<u>\$ 245</u>
Total Liabilities	<u>245</u>
FUND BALANCE:	
Unassigned	<u>9,182</u>
Total Fund Balance	<u>9,182</u>
Total Liabilities and Fund Balance	<u>\$ 9,427</u>

See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION

June 30, 2016

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

Total fund balances - governmental funds	\$	9,182
--	----	-------

The cost of governmental capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the District as a whole.

Capital Assets, net		<u>2,453,136</u>
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Total net position	\$	<u><u>2,462,318</u></u>
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See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GOVERNMENTAL FUND

For the Year Ended June 30, 2016

	<u>GENERAL FUND</u>
REVENUES:	
Sanitation Fees	\$ 26,460
Investment Earnings	<u>60</u>
Total Revenues	<u>26,520</u>
EXPENDITURES:	
Materials and Services	6,358
Special Payments	<u>24,600</u>
Total Expenditures	<u>30,958</u>
Net Change in Fund Balance	(4,438)
FUND BALANCES, BEGINNING	<u>13,620</u>
FUND BALANCES, ENDING	<u><u>\$ 9,182</u></u>

See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Total net changes in fund balances - governmental funds	<u>\$ (4,438)</u>
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Changes in net position of governmental activities	<u><u>\$ (4,438)</u></u>
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See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hood River County Windmaster Sewer District of Hood River, Oregon (District) financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

A. ORGANIZATION AND OPERATIONS

The Hood River County Windmaster Sewer District was formed September 8, 2008 under the provisions of the Oregon Revised Statutes (ORS) chapter 457. The District was formed to provide a valuable public service by providing a sewer collection system and associated sewage conveyance facilities inside the District. These sewer facilities constitute a public utility owned by the District and operated pursuant to that certain Intergovernmental Agreement dated September 8, 2008, by and between the City of Hood River, County of Hood River and the District. The District is governed by the Hood River County Board of Commissioners.

B. DESCRIPTION OF THE REPORTING ENTITY

Financial accountability is determined in accordance with criteria set forth in generally accepted accounting principles (GAAP), primarily on the basis of authority to appoint voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific benefits or impose specific financial burdens and that organization's fiscal dependency. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement No. 61, are separate organizations that are included in the reporting entity because of the significance of their operational or financial relationships, as well as a financial benefit burden relationship. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units. The District is a component unit of Hood River County and, as such, is included in the financial statements of Hood River County for the year ended June 30, 2016.

C. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The government-wide statements report information irrespective of fund activity, and the fund financial statements report information using funds. The government-wide statements focus on the sustainability as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities. These statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

General receipts are from sanitation fees, and interest. All disbursements are categorized as sewer services.

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF PRESENTATION (CONTINUED)

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The minimum number of funds is maintained consistent with legal and managerial requirements.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for property taxes which are accrued if collected within 30 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

There is the following fund:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund (there are no other funds). The principal revenue source is sanitation fees.

D. BUDGETS

A budget is prepared for the governmental fund in accordance with the legal requirements set forth in the Oregon Local Budget Law. The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in early spring with a public hearing being held approximately three weeks later. The budget may be amended prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30.

The expenditure budget is appropriated at the following levels:

LEVEL OF CONTROL

- Materials and Services
- Capital Outlay
- Debt Service
- Operating Contingency

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BUDGETS (CONTINUED)

Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original and final budget amounts. Expenditures were within authorized appropriations.

E. BUDGETARY BASIS OF ACCOUNTING

While the financial position, results of operations, and changes in fund balance/net position is reported on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statement is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The primary differences between the budgetary basis and GAAP basis are that capital outlay is expensed when purchased, depreciation and amortization expenses are not reported, inventory is expensed as purchased, and proceeds of long-term borrowing are recognized as an "other financing source" and principal paid is considered an expenditure when paid. Bond issue costs are recognized as expenditures when bonds are issued.

F. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

G. CASH AND INVESTMENTS

For financial reporting purposes, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

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

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. CASH AND INVESTMENTS (CONTINUED)

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)

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.

H. RECEIVABLES

Receivables for federal and state grants, and state, county and local shared revenue are recorded as revenue is earned. The receivables for state, county and local shared revenue are recorded in accounts receivable.

Investment earnings (e.g., accrued interest receivable) are recorded as revenue is earned on investments.

I. CAPITAL ASSETS

Capital assets include infrastructure assets and are recorded in the governmental activities in the government wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. The costs of normal maintenance and repairs that do not add value of the asset or materially extend asset lives are not capitalized.

The modified approach to infrastructure reporting permits Hood River County Windmaster Sewer District to expense the costs associated with the maintenance of those assets in the current period versus depreciating the assets over a predetermined number of years. Hood River County Windmaster Sewer District 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 Windmaster Sewer District 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.

J. NET POSITION

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds or other borrowings that are attributable to the acquisition,

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. NET POSITION (CONTINUED)

construction, or improvement of those assets.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are no restricted assets at June 30, 2016.

Unrestricted net position – consists of all other assets that are not included in the other categories previously mentioned.

K. FUND EQUITY

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.
- 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. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

There are no nonspendable, restricted, committed or assigned fund balances.

The governing body has approved the following order of spending regarding fund balance categories: 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 WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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 government has no items that qualify for reporting in this category.

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 no items that qualify for reporting in this category.

2. CASH AND INVESTMENTS

The cash is pooled with Hood River County. Please refer to the County's basic financial statements, issued under separate cover, for additional information pertaining to the nature and collateralization of the County's cash and investments.

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Cash and Investments at June 30, 2016, (recorded at fair value) consisted of:

Pooled Cash	\$ 5,525
	<hr/>
Total	\$ 5,525
	<hr/> <hr/>

In the case of deposits, this is the risk that in the event of bank failure, the deposits may not be returned. There is no deposit policy for custodial risk. As of June 30, 2016, none of the bank balance was exposed to custodial credit risk because it was either insured or collateralized.

INVESTMENTS

The policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Investments in the Hood River County pooled cash and investments include 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.

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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 appears to be in compliance with all portfolio guidelines at June 30, 2016.

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.

As of June 30, 2016, the fair value of the position in the LGIP is 100.6% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. Other investments held by the County include municipal bonds, high level corporate bonds and US Agency securities in line with the State and County's investment policies. These investments are reported at fair value.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are maturity dates beyond 18 months.

Credit Risk

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2016, 100% of total investments were pooled with Hood River County. Please refer to the County's basic financial statements, issued under separate cover, for additional information pertaining to the nature concentration of the Investments.

3. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; errors and omissions; and natural disasters. The District is covered by The Hood River County's commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage.

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

4. RELATED PARTY

There are no employees. Administrative services are contracted with Hood River County.

5. CAPITAL ASSETS

At June 30, 2011, Hood River County transferred a sewer line that was constructed with County funds to the Sewer District for future maintenance. The changes in Capital Assets for the fiscal year ended June 30, 2016 are as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital Assets:				
Infrastructure	\$ 2,453,136	\$ -	\$ -	\$ 2,453,136
Total Capital Assets	2,453,136	-	-	2,453,136
Accumulated Depreciation:				
Infrastructure	-	-	-	-
Capital Assets, Net	\$ 2,453,136	\$ -	\$ -	\$ 2,453,136

6. COMMITMENTS

On June 30, 2009 the County received a \$500,000 loan from the Oregon Economic and Community Development Department on behalf of the Windmaster Sewer District. The loan is reported on the financial statements of Hood River County. The loan was used to address the health hazard declaration from Oregon's DEQ regarding the construction of a sewer line. The loan is payable over 25 years at an interest rate of 4.62% and total payments per year including interest of \$34,137. Accrued interest at the end of the year totaled \$742. The loan payments will be made by the Windmaster Urban Renewal Agency and by the Sewer District as they are able, and an increased payment of \$176,300, including \$160,000 of principal, was made by the Windmaster Urban Renewal Agency in the current year. No payment was made by the Sewer District in the current year.

Future obligations are as follows:

Year Ending June 30	Principal	Interest
2017	\$ 25,235	\$ 8,902
2018	26,401	7,736
2019	27,621	6,517
2020	28,897	5,241
2021	30,232	3,906
2022-26	54,361	3,557
Total	\$ 192,747	\$ 35,859

HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT

HOOD RIVER COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GOVERNMENTAL FUND

For the Year Ended June 30, 2016

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES:				
Sanitation Fees	\$ 25,000	\$ 25,000	\$ 26,460	\$ 1,460
Investment Earnings	100	100	60	(40)
Total Revenues	25,100	25,100	26,520	1,420
EXPENDITURES:				
Materials and Services	6,500	6,500 (1)	6,358	142
Other Requirements	24,600	24,600 (1)	24,600	-
Total Expenditures	31,100	31,100	30,958	142
Net Change in Fund Balance	(6,000)	(6,000)	(4,438)	1,562
FUND BALANCES, BEGINNING	6,000	6,000	13,620	7,620
FUND BALANCES, ENDING	\$ -	\$ -	\$ 9,182	\$ 9,182

(1) Appropriation Level

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HOOD RIVER COUNTY WINDMASTER SEWER DISTRICT

HOOD RIVER COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

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November 22, 2016

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Hood River County Windmaster Sewer District as of and for the year ended June 30, 2016, and have issued our report thereon dated November 22, 2016. 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 financial statements are free of material misstatement, we performed tests of 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)**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the Hood River County Windmaster Sewer District 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.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls 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 internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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

A handwritten signature in cursive script that reads "Tara M. Kamp, CPA".

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

**HOOD RIVER WINDMASTER
URBAN RENEWAL AGENCY
(A Component Unit of Hood River County, Oregon)**

HOOD RIVER COUNTY, OREGON

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2016



12700 SW 72nd Ave.
Tigard, OR 97223



PAULY, ROGERS AND Co., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcpcpas.com

November 22, 2016

To the Board of Directors
Hood River County Windmaster Urban Renewal Agency
Hood River County, Oregon

We have audited the financial statements of the governmental activities and major fund of the Hood River County Windmaster Urban Renewal Agency for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the Agency and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Agency or to acts by management or employees acting on behalf of the Agency. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016, except for the implementation of GASB Statement No. 72 – *Fair Value Measurement and Application*. We noted no transactions entered into 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 affecting the financial statements was Management’s estimate of Accounts Receivable, which is based on estimated collectability of receivables. We evaluated the key factors and assumptions used to develop these estimates in determining that they are 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 disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties 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. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, there were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

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 auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Pauly, Rogers and Co., P.C.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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 financial statements or a determination of the type of auditors' 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 our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information

With respect to the other information accompanying the financial statements, we read the information to identify if any material inconsistencies or misstatement of facts existed with the audited financial statements. Our results noted no material inconsistencies or misstatement of facts.

This information is intended solely for the use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.



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

**HOOD RIVER COUNTY WINDMASTER
URBAN RENEWAL AGENCY
(A Component Unit of Hood River County, Oregon)**

HOOD RIVER COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016



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

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
(A Component Unit of Hood River County, Oregon)
HOOD RIVER, OREGON

For the Year Ended June 30, 2016

ANNUAL FINANCIAL REPORT

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HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY

HOOD RIVER, OREGON

DISTRICT OFFICIALS	TERM EXPIRES
Ron Rivers, Chair	December 31, 2018
Maui Meyer, Vice Chair	December 31, 2016
Rich McBride, Elect	December 31, 2020
Karen Joplin	December 31, 2018
Robert Benton	December 31, 2018
Les Perkins	December 31, 2020

All directors receive mail at the address listed below.

ADMINISTRATION
Jeff Hecksel, County Administrator
Sandra A. Borowy, Director of Budget and Finance

Hood River County Windmaster Urban Renewal Agency
601 State Street
Hood River, Oregon 97031

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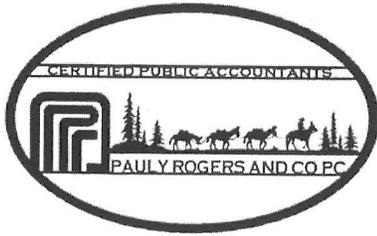
HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY

HOOD RIVER, OREGON

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November 22, 2016

To the Board of Directors
Hood River County Windmaster Urban Renewal Agency
Hood River, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Hood River County Windmaster Urban Renewal Agency, a component unit of Hood River County, as of and for the year ended June 30, 2016, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 and major fund of the Hood River County Windmaster Urban Renewal Agency, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 72 – Fair Value Measurement and Application for the year ended June 30, 2016. 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 supplementary 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 Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 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 supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 board members containing their term expiration dates, located before 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 22, 2016, 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.



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

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**HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

As management of Hood River County Urban Renewal Agency (the District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2016. The analysis focuses on significant financial issues, major financial activities, and variances from the budget. We encourage readers to consider the information presented here in conjunction with the District's Financial Statements and Notes to Financial Statements, which follow this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

- ∇ The District has no investment in capital assets.
- ∇ The District has not incurred any new debt in the 2015/2016 year. The District will provide debt service for one loan totaling \$500,000 incurred on behalf of the District.
- ∇ At June 30, 2016, the District's governmental funds reported an ending fund balance of \$35,657. This is a decrease of \$16,342 over last fiscal year or a 31.43% decrease.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements.

The government - wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* - The statement of net position presents information on all of the assets and liabilities of the District at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position serves as a useful indicator of whether the financial position of the District is improving or deteriorating. It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The *Statement of Activities* – The statement of activities presents information showing how the net position of the District changed over the year tracking revenues, expenses and other transactions that increase or reduce net position. 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 result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements the District’s activities are shown in one category:

- ∇ *Governmental activities* – The District’s basic functions are shown here. These activities are primarily financed through property taxes.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds, focusing on its two major funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Hood River County Windmaster Urban Renewal District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District fund is a governmental fund.

Governmental Funds

The governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements; however, unlike the government-wide financial statements, governmental fund 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 governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are reconciled to the government-wide Statements of Net Position and Statement of Activities.

The District maintains one individual governmental fund, the General Fund.

Notes to the Basic Financial Statements

The notes provide additional disclosures required by governmental accounting standards and provide required information that is essential to a full understanding of the data provided in the District's financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the District's net position might serve over time as a useful indicator of the District's financial position. In the Hood River County Windmaster Urban Renewal District's case, assets exceeded liabilities in the current year by \$41,158, a decrease of \$16,785 from the prior year.

The District does not own debt related to capital assets.

Cash and cash equivalents represent about 86% of total assets. The remaining assets consist of taxes receivable.

Condensed Statement of Net Position

	2015-2016	2014-2015	Difference	%
Assets				
Current and Other Assets	\$ 44,628	\$ 58,027	\$ 8,746	17.75%
Total Assets	<u>44,628</u>	<u>58,027</u>	<u>8,746</u>	<u>17.75%</u>
Liabilities				
Current Liabilities	3,470	84	3,386	4030.95%
Total Liabilities	<u>3,470</u>	<u>84</u>	<u>3,386</u>	<u>4030.95%</u>
Net Position				
Unrestricted	41,158	57,943	(16,785)	(28.97)%
Total Net Position	<u>\$ 41,158</u>	<u>\$ 57,943</u>	<u>\$ (16,875)</u>	<u>(28.97)%</u>

The revenue and expenses shown below explain the changes in net position for the fiscal year 2015-2016 for Total Governmental Activities.

Changes in Net Position				
	2015-2016	2014-2015	Difference	%
Revenues				
Property Taxes	\$ 152,574	\$ 136,260	\$ 16,314	11.97%
Operating Grants and Contributions	24,600	25,000	(400)	(1.60)%
Miscellaneous and Other	307	187	120	64.17%
Total Revenue	177,481	161,447	16,034	9.93%
Expenses:				
Economic Development	17,966	9,663	8,303	85.93%
Debt Service	176,300	143,038	33,262	23.25%
Total Expense	194,266	152,701	41,565	27.22%
Beginning Net Position	57,943	49,197	8,746	17.78%
Ending Net Position	\$ 41,158	\$ 57,943	\$ (16,785)	(28.97)%

Financial Analysis of the Government's Fund

The focus of the governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of government's net resources available for appropriation in the next fiscal year.

As of June 30, 2016, the District's governmental funds reported unassigned ending fund balance of \$35,657, a decrease of \$16,342 from the prior year. This decrease can be attributed to increased property tax collections, plus accelerated debt service payment. Expenditures increased from \$152,701 to \$194,266. This relates in majority to funds available for that accelerated debt service.

During the year the Governmental fund expenditures were within the appropriated budget.

Capital Assets

As of June 30, 2016, the District had no capital assets.

Debt Administration

The District has agreed to provide debt service for one long term loan incurred by Hood River County and the Windmaster Sewer District to facilitate construction of the Windmaster sewer line:

- Oregon Economic and Community Development Department
\$500,000 - annual payment of \$34,137, due each December until the year 2030

This loan may be paid down sooner with no prepayment penalties.

Requests for Information

Our financial report is designed to provide our taxpayers, Hood River County residents, investors and creditors with an overview of the District's finances and to demonstrate District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Budget & Finance, Hood River County Windmaster Urban Renewal District, 601 State Street, Hood River, Oregon 97031.

Sandra A. Borowy, Director of Budget and Finance

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY

HOOD RIVER, OREGON

BASIC FINANCIAL STATEMENTS

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HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2016

ASSETS

Cash and Cash Equivalents	\$ 38,371
Property Taxes Receivable	<u>6,257</u>
Total Assets	<u>44,628</u>

LIABILITIES

Accounts Payable	<u>3,470</u>
Total Liabilities	<u>3,470</u>

NET POSITION:

Unrestricted	<u>41,158</u>
Total Net Position	<u><u>\$ 41,158</u></u>

See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Economic development	\$ 17,966	\$ -	\$ 24,600	\$ 6,634
Debt service	176,300	-	-	(176,300)
Total governmental activities	<u>\$ 194,266</u>	<u>\$ -</u>	<u>\$ 24,600</u>	<u>(169,666)</u>

General revenues:

Taxes	152,574
Earnings on investments	307

Total general revenues	<u>152,881</u>
------------------------	----------------

Change in net position	(16,785)
------------------------	----------

Net position - beginning	<u>57,943</u>
--------------------------	---------------

Net position - ending	<u>\$ 41,158</u>
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See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2016

	<u>GENERAL FUND</u>
ASSETS:	
Cash and Investments	\$ 38,371
Property Taxes Receivable	<u>6,257</u>
Total Assets	<u>\$ 44,628</u>
LIABILITIES:	
Accounts Payable	<u>\$ 3,470</u>
Total Liabilities	<u>3,470</u>
DEFERRED INFLOWS OF RESOURCES:	
Unavailable Revenue-Property taxes	<u>5,501</u>
Total Deferred Inflows of Resources	<u>5,501</u>
FUND BALANCE:	
Unassigned	<u>35,657</u>
Total Fund Balance	<u>35,657</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 44,628</u>

See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION

June 30, 2016

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

Total fund balances - governmental funds	\$ 35,657
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	<u>5,501</u>
Total net position	<u><u>\$ 41,158</u></u>

See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2016

	<u>GENERAL FUND</u>
REVENUES:	
Property Taxes	\$ 153,017
Investment Earnings	307
Intergovernmental	<u>24,600</u>
Total Revenues	<u>177,924</u>
EXPENDITURES:	
Materials and Services	17,966
Debt Service	<u>176,300</u>
Total Expenditures	<u>194,266</u>
Net change in fund balance	(16,342)
FUND BALANCE, BEGINNING	<u>51,999</u>
FUND BALANCE, ENDING	<u><u>\$ 35,657</u></u>

See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Total net changes in fund balances - governmental funds \$ (16,342)

Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received; however, in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued. (443)

Changes in net position of governmental activities \$ (16,785)

See accompanying notes to the basic financial statements

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hood River County Windmaster Urban Renewal Agency of Hood River, Oregon (District) financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

A. ORGANIZATION AND OPERATIONS

The Hood River County Windmaster Urban Renewal Agency was formed November 2007 under the provisions of the Oregon Revised Statutes (ORS) chapter 457. The Agency was formed to serve as the debt service administrator for sewer systems operations by using tax increment financing in combination with a portion of the funds transferred from the Sewer District's fee collections. The District is governed by the Hood River County Board of Commissioners.

B. DESCRIPTION OF THE REPORTING ENTITY

Financial accountability is determined in accordance with criteria set forth in generally accepted accounting principles (GAAP), primarily on the basis of authority to appoint voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific benefits or impose specific financial burdens and that organization's fiscal dependency. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement No. 39 and 61, are separate organizations that are included in the reporting entity because of the significance of their operational or financial relationships and the existence of a financial benefit/burden. All significant activities and organizations with which the Agency exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units. The Agency is a component unit of Hood River County and, as such, is included in the financial statements of Hood River County for the year ended June 30, 2016.

C. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The government-wide statements report information irrespective of fund activity, and the fund financial statements report information using funds. The government-wide statements focus on the sustainability as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities. These statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

General revenues are from property and related taxes, and interest. All expenses are categorized as economic development.

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF PRESENTATION (CONTINUED)

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The minimum number of funds is maintained consistent with legal and managerial requirements.

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, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period, except for property taxes which are accrued if collected within 30 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

There is the following fund:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund (there are no other funds). The principal revenue source is property taxes.

D. BUDGETS

A budget is prepared for the governmental fund in accordance with the legal requirements set forth in the Oregon Local Budget Law. The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in early spring with a public hearing being held approximately three weeks later. The budget may be amended prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30.

The expenditure budget is appropriated at the following levels:

LEVEL OF CONTROL

- Materials and Services
- Capital Outlay
- Debt Service
- Contingency

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BUDGETS (CONTINUED)

Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original and final budget amounts. Expenditures were within authorized appropriations.

E. BUDGETARY BASIS OF ACCOUNTING

While the financial position, results of operations, and changes in fund balance/net position is reported on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statement is presented on the modified accrual basis to provide a meaningful comparison of actual results with the budget. The primary differences between the modified accrual basis and GAAP basis are that capital outlay is expensed when purchased, depreciation and amortization expenses are not reported, inventory is expensed as purchased, proceeds of long-term borrowing are recognized as an "other financing source" and principal paid is considered an expenditure when paid.

F. PROPERTY TAXES AND PROPERTY TAXES RECEIVABLE

Property taxes receivable is recorded to indicate the amount of uncollected taxes that can be expected to be received in the future. Such taxes are offset by a liability to indicate that these amounts have to been recorded as receipts. Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are levied on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Taxes are billed and collected by the County and remittance is made at periodic intervals.

G. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

H. CASH AND INVESTMENTS

For financial reporting purposes, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. CASH AND INVESTMENTS (CONTINUED)

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)

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.

I. RECEIVABLES AND PAYABLES

Receivables for federal and state grants, and state, county and local shared revenue are recorded as revenue is earned. The receivables for state, county and local shared revenue are recorded in accounts receivable.

Investment earnings (e.g., accrued interest receivable) are recorded as revenue is earned on investments.

J. NET POSITION

Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. There is no net position net investment in capital assets at June 30, 2016.

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. NET POSITION (CONTINUED)

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are no restricted assets at June 30, 2016.

Unrestricted net position – consists of all other assets that are not included in the other categories previously mentioned.

K. 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.
- 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. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

There are no nonspendable, restricted, committed, or assigned fund balances.

The following order of spending 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 WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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 government has no items that qualify for reporting in this category.

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 only 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 revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

2. CASH AND INVESTMENTS

The cash is pooled with the Hood River County. Please refer to the County's basic financial statements, issued under separate cover, for additional information pertaining to the nature and collateralization of the County's cash and investments.

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Cash and Investments at June 30, 2016, (recorded at fair value) consisted of:

Pooled Cash	<u>\$ 38,371</u>
Total	<u><u>\$ 38,371</u></u>

CREDIT RISK – DEPOSITS

In the case of deposits, this is the risk that in the event of bank failure, the deposits may not be returned. There is no deposit policy for custodial risk. As of June 30, 2016, none of the bank balance was exposed to custodial credit risk because it was either insured or collateralized.

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

The policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Investments in the Hood River County pooled cash and investments include 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 appears to be in compliance with all portfolio guidelines at June 30, 2016.

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.

As of June 30, 2016, the fair value of the position in the LGIP is 100.6% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. Other investments held by the County include municipal bonds, high level corporate bonds and US Agency securities in line with the State and County's investment policies. These investments are reported at fair value

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are maturity dates beyond 18 months.

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2016, 100% of total investments were pooled with the Hood River County. Please refer to the County's basic financial statements, issued under separate cover, for additional information pertaining to the nature and concentration of the Investments.

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

3. COMMITMENTS

On June 30, 2009 the County received a \$500,000 loan from the Oregon Economic and Community Development Department on behalf of the Windmaster Sewer District. The loan is reported in the financial statements of Hood River County. The loan was used to address the health hazard declaration from Oregon's DEQ regarding the construction of a sewer line. The loan is payable over 25 years at an interest rate of 4.62% and total payments per year including interest of \$34,137. Accrued interest at the end of the year totaled \$742. The loan payments will be made by the Urban Renewal Agency and by the Windmaster Sewer District as they are able, and an increased payment of \$176,300, including \$160,000 of principal, was made by the Windmaster Urban Renewal Agency in the current year. No payment was made by the Sewer District in the current year.

Annual debt service requirements to maturity:

Year Ending June 30	Principal	Interest
2017	\$ 25,235	\$ 8,902
2018	26,401	7,736
2019	27,621	6,517
2020	28,897	5,241
2021	30,232	3,906
2022-26	54,361	3,557
Total	\$ 192,747	\$ 35,859

4. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; errors and omissions; and natural disasters. The Agency is covered by The Hood River County's commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage, for the past three years.

5. PROPERTY TAX LIMITATIONS

The State of Oregon has a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

An additional limit reduces the amount of operating property tax revenues available to the Agency. This reduction was accomplished by rolling property values for 1997-98 back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

6. RELATED PARTY TRANSACTIONS

There are no employees. Administrative services are contracted with the County.

HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY

HOOD RIVER COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GOVERNMENTAL FUND

For the Year Ended June 30, 2016

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES:				
Property Taxes	\$ 127,000	\$ 146,375	\$ 153,017	\$ 26,017
Intergovernmental	24,600	24,600	24,600	-
Investment Earnings	200	200	307	107
Total Revenues	151,800	171,175	177,924	26,124
EXPENDITURES:				
Materials and Services	11,300	30,675 (1)	17,966	12,709
Debt Service	176,300	176,300 (1)	176,300	-
Contingency	6,200	6,200 (1)	-	6,200
Total Expenditures	193,800	213,175	194,266	18,909
Net change in fund balance	(42,000)	(42,000)	(16,342)	25,658
FUND BALANCE, BEGINNING	42,000	42,000	51,999	9,999
FUND BALANCE, ENDING	\$ -	\$ -	\$ 35,657	\$ 35,657

(1) Appropriation level

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HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY

HOOD RIVER COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY
HOOD RIVER COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2016

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/15	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/16
Current:					
2015-2016	\$ 156,391	\$ 3,948	\$ (784)	\$ 148,711	\$ 2,948
Prior Years:					
2014-2015	3,183	-	(25)	1,649	1,509
2013-2014	1,605	-	(7)	819	779
2012-2013	1,075	-	(8)	640	427
2011-2012	471	-	(46)	236	189
2010-2011 & Prior	439	-	(32)	2	405
Total Prior	6,773	-	(118)	3,346	3,309
Total	\$ 163,164	\$ 3,948	\$ (902)	\$ 152,057	\$ 6,257

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 152,057
Accrual of Receivables:	
June 30, 2015	(560)
June 30, 2016	418
Taxes in Lieu of Property Taxes	1,102
Total Revenue	\$ 153,017

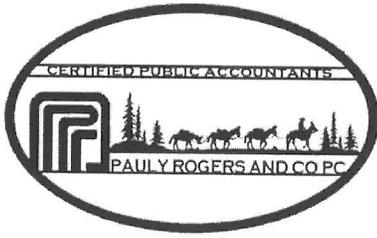
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HOOD RIVER COUNTY WINDMASTER URBAN RENEWAL AGENCY

HOOD RIVER COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

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November 22, 2016

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Hood River County Windmaster Urban Renewal Agency as of and for the year ended June 30, 2016, and have issued our report thereon dated November 22, 2016. 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 financial statements are free of material misstatement, we performed tests of 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.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the Hood River County Windmaster Urban Renewal Agency 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.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls 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 internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

This report is intended solely for the information and use of the Board of Directors, 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

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

AGENDA REQUEST FORM

DATE: 11/21/16 **DEPARTMENT:** Admin **DEPT. HEAD SIGNATURE:** _____

ISSUE: NORCOR Tax Measure Discussion

STATUTORY AUTHORITY: OAR _____ County Ordinance _____

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

See attached

FISCAL IMPACT: Budget Line Item: _____ Account Balance: _____

PROJECT ANALYSIS:

Staff Contact: _____ Estimated Hours Spent to Date: _____
Estimated Completion Date: _____ Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES:

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD:

ADMINISTRATIVE COMMENTS/APPROVAL:

Review the proposed fees and provide any direction for additional modifications.

County Administrator _____

ACTION OF THE BOARD:

Hear from Molly Rogers, Wasco County Youth Services Director on this subject.

County Administrator _____

FOLLOW-UP: *Ord./Res./Agmt./Order Originals: to R & A

*Additional Originals to: _____

Copies (all info.): _____ Copies (ARF only): _____

Overview

In 1997 the counties of Gilliam, Hood River, Sherman and Wasco County came together and through a legal definition developed the Intergovernmental Entity, Northern Oregon Corrections (NORCOR). The overarching mission of NORCOR is to meet the inherent social responsibilities of public safety, accountability, and reformation by providing the communities of Gilliam, Hood River, Sherman, and Wasco counties with the physical facilities to incarcerate convicted offenders of any age, in an effective and cost efficient manner.

The funding model for the initial construction of the NORCOR complex necessitated a special election in all four counties, with the passage of the bonding authority requiring a majority vote of constituents in each of the counties. The ballot question was: Shall NORCOR issue general obligation bonds to finance capital construction and capital improvements of regional jail facilities? If the bonds were approved, they would payable from taxes on property or property ownership that were not subject to the limits of Section 11b. Article XI of the Oregon Constitution. The summary of the question was that if the measure were approved, it would provide funds to build a regional jail and juvenile detention facility consisting of an estimated 150-bed adult jail and 24-bed juvenile detention facility serving Gilliam, Hood River, Sherman and Wasco counties. The approximate percentages of bond proceeds were articulated stating bonds would not exceed \$13,200,000 and would mature in 20 years or less. As we know, the bond passed in all four counties.

The final payment of the bonds occurred during the 2016-2017 fiscal year and will come off of the property tax statements in 2017. The cost obligation of the bonds was completed prior to the 20th year, and NORCOR refinanced the balance of the bonds in 2006 to reduce the overall obligation voted on by tax payers in 1997. The bond payment was calculated by NORCOR each year based on the amortization schedule and applied to the regional total assessed value. The average over the past five years is somewhere between .245 cents and .275 cents per thousand of assessed value. This value is consistently applied across all of the counties, and the actual computation involves each of the counties assessment and tax offices.

The actual collection of tax receipts is based on the overall assessed property values. These changes in values then impact the overall percentages across the four county region. Examples of impact on assessed value include the wind energy industry, development of industrial areas, and new construction. Over the past five years Wasco county and Hood River counties have experienced increasing assessed values. These changes are then reflected in the overall percentage of taxed income generated from within each of the four counties.

The current percentage splits are: Gilliam – 14.634%, Hood River – 41.591%, Sherman – 8.691%, and Wasco – 42.188%. These percentages are not in alignment with the current funding formula for NORCOR which articulates the split to be Gilliam 5%, Hood River 40%, Sherman 5%, and Wasco 50% of the required total operating expenses of NORCOR. As part of the tax measure the actual dollar amount collected from each of the counties would then offset that County's obligation to the funding of NORCOR.

Throughout the twenty years that NORCOR has been in operation, there have been unfortunate fiscal realities that have impacted each County's ability to pay. When these financial circumstances negatively impacted the general operating funds of a participating County, the results for NORCOR have been cuts in staff and programs, insecurity of operation, and changes in public safety policies. NORCOR is a unique Intergovernmental model that binds the counties together in a manner that is unprecedented in most county public safety systems; models because the operation of a jail and detention center are core responsibilities of the counties, but in this case funding decisions are made outside of the each individual county budget process.

Task

The Board directed a sub-group to draft a feasibility paper for a permanent tax rate covering the NORCOR region. Documents provided by Wasco and Sherman counties were reviewed and a discussion of potential benefits and costs of a ballot measure for a permanent tax rate were discussed.

The following statements came about as a result:

Benefits

- The construction bond matured this property tax year – so timing would not create a perception of a “new” tax.
- Creates a permanent tax base for NORCOR to provide a minimum level of funding,
- Minimal fiscal impact to citizens,
- Affirms ongoing support and commitment to the NORCOR regional jail and detention facility,
- Assist with consistency during local county economic changes or fiscal constraints,
- Codifies the funding formula using the 50/40/5/5,
- Provides regional commitment to public safety, and
- Decreases county general fund obligations to allow more funding discretion.

Costs

- Property taxes of any amount have an impact on property owners,
- Each of the four counties would have to pass the measure independently to impose taxes on the respective constituents,
- Increases in permanent taxes may impact development within the region,
- Counties are already responsible for the funding of NORCOR,
- Potential implications to other taxing levies or districts through compression,
- Percentage ratio of taxes are not distributed equally based on the 50/40/5/5 formula.

Analysis

Based on information obtained through the Assessment and Tax office, using 0.26 cents/thousand as an average the following would be the impact for property owners. For every \$100,000 of assessed/taxable value the cost would be \$26.00. The median assessed values of homes as reported through an online Property Tax reporting site, Property Tax 101, range from Gilliam County at \$99,900.00 to Hood River County at \$308,000.00. Using the median values the tax payments allocated toward NORCOR would be \$26.00 to \$80.00 per year per property.

The changing economic forecasts would seem to be indicating Wasco and Hood River County property values are increasing at higher rates than Gilliam and Sherman. This trend can and probably will adjust based on future developments, but at this time it seems to be trending more to align with the current funding formula.

The next steps toward moving forward with a ballot measure would include engaging the services of a bond attorney to work with the Board on language for a Measure. This would also include gathering community input from polling, media education, and community outreach through each county's individual process. These would need to occur in January and early February to be prepared for submission to each of the election offices (County Clerks) in March in order to be included on the ballot for the May 2017 election.

AGENDA REQUEST FORM

DATE: 12/19/16 **DEPT:** Community Development **DEPT. HEAD SIGNATURE:** // John Roberts //

SUBJECT: Construction Excise Tax - Ad Hoc Committee Recommendations

AUTHORITY: ORS _____ OAR _____ County Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The State of Oregon expanded local control of affordable housing policy through the passage of SB 1533B in 2016. The law, in addition to allowing for voluntarily implementation of inclusionary zoning, authorizes local governments to impose a Construction Excise Tax (CET) on improvement to real property and permit valuation in order to fund affordable housing initiatives.

A memo is attached which overviews recommendations made by the CET Ad Hoc Committee to implement SB 1533. The committee was appointed by the Board of County Commissioners (Board) and Hood River City Council. The work session will enable the Board to discuss any pertinent issues and recommend changes.

FISCAL IMPACT/PROJECT ANALYSIS:

Budget Line Item _____ Account Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____
Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES: (IF APPLICABLE)

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD: After deliberation and discussion, recommend to establish a Construction Excise Tax (CET) to fund affordable housing initiatives. In addition, direct staff to move forward with a CET ordinance, accompanying assessment and collection policy to be presented to the Board in January of February 2017. Within the CET Ordinance, require once a year during the annual county budget process, staff report to Board on the revenue collected through the CET and the use/allocation of that revenue per SB 1533.

Pick date for first public hearing.

ADMINISTRATIVE COMMENTS/APPROVAL:

County Administrator _____ Dept. Head/Staff Attendance to Meeting (circle one) Yes No

ACTION OF THE BOARD:

Date _____

County Administrator _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: to R & A *Additional/Exceptional Originals to: _____

Copies (all info.):

Copies (ARF only):



Hood River County Community Development

Planning, Building Codes, Code Compliance, Economic Development & Veterans' Services

601 State Street, Hood River OR 97031

Ph: (541) 387-6840 • plan.dept@co.hood-river.or.us • www.co.hood-river.or.us

STAFF MEMO & POSITION PAPER

SB 1533 & Adoption of Construction Excise Tax (CET)

DATE: Prepared for December 19th, 2016 Board of County Commissioner (Board) Work Session

STAFF CONTACTS: John Roberts, Community Development Director
Joel Madsen, Executive Director Mid-Columbia Housing Authority

REQUEST: Board of Commissioners (Board) makes a recommendation to move forward to adopt a CET Ordinance in 2017.

This memo and position paper embodies the Ad Hoc Committee's recommendations to implement the CET. The recommendations herein stem from three meetings conducted by the committee and will also be forwarded to the City of Hood River.

I. PURPOSE

The purpose of this memo is to overview recommendations made by the CET Ad Hoc Committee to implement SB 1533 (CET for affordable housing). The committee was appointed by the Board and Hood River City Council. Additionally, the work session will enable the Board to discuss any pertinent issues and recommend changes.

II. BACKGROUND – SB 1533

Construction Excise Tax (CET): The State of Oregon recently expanded local control of affordable housing policy through the passage of SB 1533B. The law, in addition to allowing for voluntarily implementation of inclusionary zoning, authorizes local governments to impose a CET on improvement to real property in order to fund affordable housing initiatives. The CET can be implemented immediately. To the best of our knowledge Hood River County is the first county in the state to move forward with implementing the CET. The City of Portland is currently the only known city in the state that has implemented the CET.

Rates and Allowable Use: The new law distinguishes between residential and non-residential property improvements with respect to the tax rate and allowable use of tax revenue:

Property Types	Definition of Real Property Improvement	Tax Rate	Allowable Use of Tax Revenue (less 4% admin)
Residential	<ul style="list-style-type: none"> • New residential structures • Additional square footage in existing residential structures, including remodeling that adds living space 	Not to exceed 1% of the permit valuation	<ul style="list-style-type: none"> • 50% dedicated to fund developer incentives for inclusionary zoning programming • 35% for affordable housing programs and incentives • 15% distributed to HCSD for down payment assistance
Commercial and Industrial	<ul style="list-style-type: none"> • A new structure • Additional square footage in an existing structure 	Rate determined by county	<ul style="list-style-type: none"> • 50% for affordable housing programs and incentives • 50% unrestricted

Implementation: The CET would be collected from developers and property owners by the respective city and county building departments at the time that relevant building permits are issued (City of Cascade Locks CET would be collected by the county). Specifically, the CET would be imposed on building permits for new construction and add-on construction for residential and commercial / industrial construction. The tax would be based on a percentage of the permit valuation, and collected revenues would be deposited in a separate fund. “Permit valuation” is the value of the improvements for which the permit is sought.

III. AFFORDABLE HOUSING DEFINED & AREA MEDIAN INCOME (AMI)

As mentioned, the CET can use for administering and implementing affordable housing programs and incentives. Understandably, what ‘affordable housing’ actually is means different things to different people (e.g., also commonly referred to as workforce housing, attainable housing or low income housing). However, affordable housing has two common elements: 1) affordable per AMI criteria, and 2) it is deed-restricted.

Affordability & AMI

In the traditional context an ‘affordable housing’ unit is simply when the occupant is paying no more than 30% of their income for housing costs or rent, including taxes and utilities. It means housing that has a sale price or rental amount that is within the means of a household. Meaning the unit or rental is priced to consider AMI at < 30% of a households’ income.

The term affordable housing refers to a household’s ability to find housing within its financial means. Housing affordability affects both higher- and lower- income households and is an important issue for Hood River and the Mid-Columbia Gorge region. Low-income households (i.e. at or below 80% AMI) have fewer resources available to pay for housing. Some key points

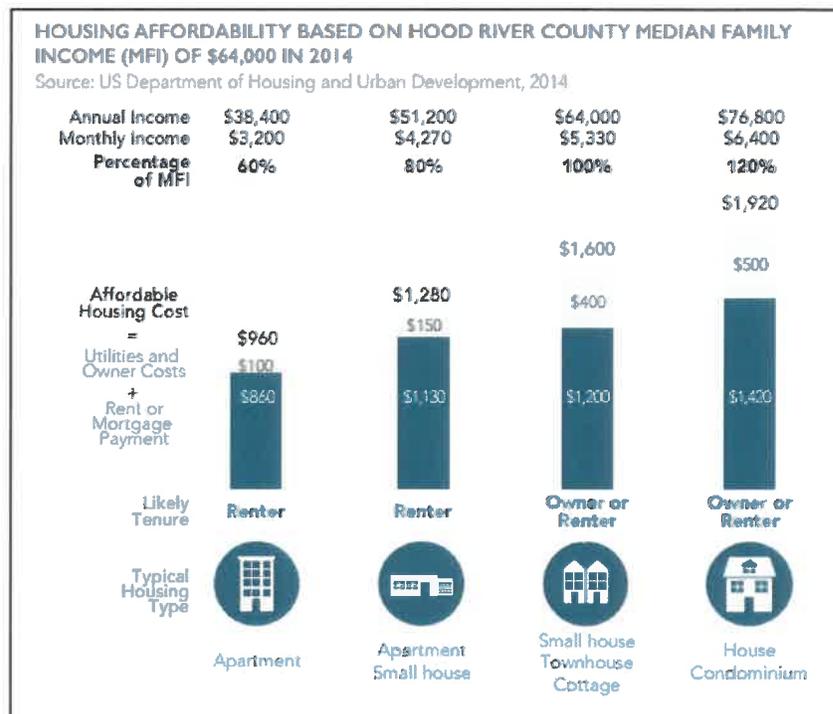
about affordability in Hood River include:

- Hood River will have an ongoing need for housing affordable to lower-income (at or below 80%AMI) and moderate-income households (i.e. 81% AMI to 120% AMI)
- Cascade Locks, Hood River and Hood River County desire to plan for and produce needed housing types for households at all income levels and work with non-profit and private housing providers to ensure availability of housing affordable to lower- and moderate- income households.
- Future housing affordability will depend on the relationship between income and housing price. A key question is whether housing prices will continue to outpace income growth or not. It seems likely that without public intervention housing will become less affordable in Hood River County.

Housing and Urban Development (HUD) uses the median income for families in metropolitan and non-metropolitan areas to calculate income limits for eligibility in a variety of housing programs. HUD estimates the median family income for an area in the current year and adjusts that amount for different family sizes so that family incomes may be expressed as a percentage of the AMI. For example, a family's income may equal 80 % of the AMI, a common maximum income level for participation in HUD programs. A value of 100% AMI means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home.

It is not easy to land on a consistent methodology for calculating median incomes by household size above 80% AMI in Hood River County. The table from EcoNorthwest’s *Hood River Housing Strategy Summary* presents a good picture of income levels and their affordable housing cost.

Based on this table, someone earning 120% of the median family income for Hood River County could afford to buy a home in the range of \$280,000 - \$350,000 with some



assumptions (i.e. 20% Down Payment, 4% interest, 1.25% prop tax, \$1,000/yr in home insurance, variable utility costs). Such inventory or availability of housing at those prices is definitely scarce, and becoming much more scarce, in the county.

Deed-Restricted

Many affordable homeownership and rental housing programs are regulated and enforced through long-term deed restrictions. For affordable homeownership developments the deed restriction may limit the equity new homeowners can build up and may require them to sell only to other low income buyers. For affordable rental housing developments, the deed restriction identifies the target households, typically defined in part by AMI levels, and requires rental payments be affordable (i.e. not more than 30% of income) to target households.

IV. SUMMARY OF PROCESS & IMPORTANT DATES

- June 20, 2016 – Staff presented background of SB 1533 to the Board and requested guidance. The Board determined it would be prudent to form an Ad Hoc Committee to flesh out details and options.
- July 18, 2016 – Staff confirmed with the Board membership and charge of the Ad Hoc Committee.

Ad Hoc Committee Members:

Staff Hood River County Community Development – John Roberts

Staff Mid-Columbia Housing Authority – Joel Madsen

Member Hood River County Commissioner – Les Perkins

Member Hood River County Commissioner – Robert Benton

Member Hood River City Council Member - Kate McBride

Member City of Cascade Locks Council Appointee – Gordon Zimmerman

Member – Anne Medenbach, Port of Hood River

Member – John Kelter-Gehrig, HRC Planning Commissioner

Member - Will White

Member – Elizabeth Turner

Member – Elizabeth Whelan

Member – Nate DeVol

Member – Henry Fischer

Member – Randy Holmstrom

Ad Hoc Committee Charge: Engage in a fair, deliberative, data-driven public discussion of potential enabling ordinances resulting from allowing:

- a.) a CET to be imposed on improvements to residential real property that result in a new residential structure or additional square footage in an existing residential structure, including remodeling that adds living space; and
- b.) a CET to be imposed on improvements to commercial and industrial real property including the commercial and industrial portions of mixed-use property, that result in a new structure or additional square footage in an existing structure, including remodeling that adds living space.

No later than the November 2016 Board meeting the ad hoc committee will provide a recommendation to the Board that includes:

- a.) residential and commercial CET rates;
 - b.) residential CET revenue allocation;
 - c.) commercial and industrial CET revenue allocation; and
 - d.) CET exemptions.
- September 7, 2016 – Ad Hoc Committee’s first meeting. The meeting focused on committee’s charge, framework, details of SB 1533, revenue projections, and an example strategy from City of Portland.
 - September 26, 2016 – Ad Hoc Committee’s second meeting. The meeting focused on discussing the nexus to commercial/industrial development, existing System Development Charges (SDCs), more accurate revenue projections, exemptions, and housing strategies.
 - October 10, 2016 – Ad Hoc Committee’s third meeting. The meeting focused on finalizing recommendations, and discussing outstanding issues such as exemptions and housing strategies.
 - December 19, 2016 – Work Session on CET conducted with Board.
 - Early 2017 – Potential Public Hearing to adopt CET Ordinance.

V. ISSUES & CONSIDERATIONS

The following identifies the more salient questions and issues discussed by the Ad Hoc Committee. A quick synopsis is provided on each topic to help provide additional background and context to the committee’s final recommendations.

“Case of Legal Nexus”: Nexus between affordable housing and commercial/industrial development - Is there additional research on the topic out there? Whereas no more than 1% of permit valuation can be applied to residential development, the amount / percentage of CET

applied to commercial / industrial development is unrestricted. As such, there was good debate regarding the percentage CET tax that should be applied to commercial / industrial development in light of impacts and job generation. For example, should the CET on commercial / industrial development be < than 1%, 1%, or > than 1%? To help answer these questions several organizations that do research on a variety of housing issues were contacted. However, the group could not learn of any detailed studies that have specifically researched the impact of commercial and industrial development on the need for affordable housing in a given community.

Regardless, related feedback on the topic was that new developments that create jobs in Hood River County are certainly to be encouraged. But it seems clear that businesses that pay *less than a living wage* are likely to increase the need for affordable housing because many of their workers won't be able to afford a market-rate apartment. A researcher from Stanford pointed out that employers who attract *high-salary* workers, on the other hand, will likely increase the cost of homeownership, because those employees will be able to pay more for homes as well as apartments and may drive up prices in the local real estate market.

Can the CET be Legally Challenged? City of Portland did look into the likelihood that a CET could be successfully challenged on legal grounds tied to lack of a demonstrated nexus. The city attorney determined that rate setting is within the authority of City Council. They decided that a nexus study is not required to demonstrate proportionality or a legal nexus because the grant of authority from the Legislature enabled a construction excise tax.

Current SDCs & CET Revenue Projections - A CET would be equivalent to a new System Development Charge (SDC). The Building Department currently collects three SDCs on behalf of the school district, parks and recreation district, and public works. The tables below breakdown and illustrate existing SDCs, a 1% CET for a 2,000 and 3,500 SF home, and 1% CET for different types of commercial / industrial development.

Single Family Dwelling (SFD)							
Size	Valuation	Permit Fee	School CET	Pub Works CET	Parks SDC	SB 1533 @1%	TOTAL FEES
2,000 sq'	\$ 225,300	\$ 3,007	\$ 2,460	\$ 1,557	\$ 3,072	\$ 2,253	\$ 12,349
3,500 sq'	\$ 394,275	\$ 4,682	\$ 4,305	\$ 1,557	\$ 3,072	\$ 3,942	\$ 17,559

Note: Manufactured homes and residential additions were evaluated; results not provided herein.

Commercial / Industrial	Size	Valuation	Permit Fee	School CET	Pub Works CET	Parks SDC	SB1533 @1%	TOTAL FEES
Wine Tasting Facility	5,576 sq'	\$ 546,041	\$ 7,502	\$ 4,306	\$ 4,127	N/A	\$ 5,460	\$ 21,395
Storage/Display	3,200 sq'	\$ 184,544	\$ 2,601	\$ 1,920	\$ 1,379	N/A	\$ 1,845	\$ 7,746

Commercial / Industrial	Size	Valuation	Permit Fee	School CET	Pub Works CET	Parks SDC	SB1533 @1%	TOTAL FEES
WAAAM Pole Bldg	1,080 sq'	\$ 62,684	\$ 1,301	N/A	N/A	N/A	\$ 627	\$ 1,927
WAAAM Addition	40,500 sq'	\$ 2,948,000	\$ 25,487	N/A	\$ 13,163	N/A	\$ 29,480	\$ 68,129

Total Annual Revenue Generated - The tables and projections below reveal the real monetary amounts that would kick-start and support affordable / workforce housing initiatives or programs in the community. Using Fiscal Year (FY) 15/16 permits valuations as a baseline, it is projected realistically anywhere between \$400,000 - \$500,000 / year would be generated (between all three jurisdictions) through a 1% across the board CET.

Again, the CET revenue estimates are based on the City and County building department permit valuations for FY 15/16 (these will go down or up in subsequent years). The county's valuations included applying the exemptions currently applied to the School District SDCs (e.g., replacement dwellings, farm work housing, temporary hardship dwellings, school improvements, hospital improvements, etc.). The city's valuation estimates did not apply the school district exemptions.

Jurisdiction	Total Residential Permit Valuation (FY 15/16)	Total Commercial / Industrial Permit Valuation (FY 15/16)
County - CET @ 1%	\$169,822	\$91,097
City of Cascade Locks – CET @ 1%	\$35,069	\$1,410
City of Hood River – CET @ 1%	\$127,000	\$158,600
Totals (\$583,000)	\$331,900	\$251,107
Less – 15% to State Programs	\$49,785	\$37,665
Less – 4% Administrative Fee	\$13,276	\$10,044
Totals (\$110,770)	\$63,061	\$ 47,709
Revenue less Expenditures	Total Approx. \$268,839	Total Approx. \$203,398
Total CET @ 1% = \$472,237		

Uniform 1% Residential CET Between Jurisdictions – SB 1533 allows up to 1% CET on new residential structures and additional square footage in existing residential structures, including remodeling that adds living space. The Ad Hoc Committee recommends the maximum 1% CET on residential valuations is appropriate. Moreover, it is recommended the rate be uniform between all three jurisdictions.

Uniform 1% Commercial / Industrial CET Between Jurisdictions – Unlike the residential CET, SB 1533 allows rates for commercial / industrial to be determined by the county (e.g., 20% CET could be applied to an industrial marijuana processing facility). Different commercial / industrial CET rates and revenue projections for 1%, 2% and 3% were provided to the Ad Hoc Committee. The recommendation is to keep the commercial / industrial CET at 1%. The thought was to be conservative and “start slow”; keep it simple and uniform with the residential CET, and overall just ‘see how it goes.’ Nonetheless it was discussed by the committee the need to revisit the commercial / industrial CET at a later date, and raise it if warranted. This is the approach the City of Portland is currently taking, which will allow more time to evaluate the commercial and industrial rates and implications.

Revenue, Collection and Distribution / Use – The mechanics of collecting and distributing the CET was discussed. The county will assess and collect the CET for county and City of Cascade Locks permits. The City of Hood River will assess and collect the CET for their respective city permits. How each jurisdiction then uses the CET is subject to respective housing strategy goals, priorities and decision making. Meaning, it is up to each jurisdiction to determine the where, how and when their share of the CET is invested in housing initiatives or programs.

Valuation of Manufactured Homes – The current valuation of new residential construction is \$1.15 / SF; this amount is derived from the State Building Codes Division. Inversely there is no set valuation from the state regarding valuation of manufactured homes. This would be an administrative issue and potentially problematic when applying the CET to new manufactured housing (i.e., there would be no value to assess on the permit valuation).

The assumption is that those purchasing a manufactured home are generally in a different income group / cohort than those purchasing stick built homes (likely a lower income bracket). In consideration of this assumption the Ad Hoc Committee considered different valuations for new and replacement manufactured housing (i.e., \$1.00 / SF, \$0.75 / SF or \$0.50 / SF). The committee recommends \$0.75 / SF valuation be assessed to manufactured housing.

The following table identifies the current SDCs for a 1,700 SF manufactured home and a \$0.75 / SF valuation (which creates an additional \$1,275 in fees):

Manufacture Home (DWMH)							
Size	Valuation	Permit Fee	School CET	Pub/Work CET	Park/Rec SDC	SB 1533 @0.75%	TOTAL FEES
1,700 sq'	N/A	\$ 410	\$ 2,091	\$ 812	\$ 2,976	\$ 1,275	\$ 7,564

Exemptions – An important consideration is what types of exemptions will be applied to the

CET. In general and for consistency in administration, the Ad Hoc Committee proposed using exemptions similar to what the school district applies to its SDC. Proposed exemptions include:

- Replacement residential structure with no net increase in living space.

//Editor's note: The Ad Hoc Committee recommended additions to residential structures, or any increase to living space, should be subject to the CET. Statutorily, remodels are not allowed to be subject to the CET.//

- Non-living space on residential property (i.e., agricultural or storage building, garage, and shop).
- As defined in respective city or county zoning ordinances: accessory dwelling units, accessory farm dwellings, seasonal farm worker housing, and temporary hardship dwelling.
- Residential housing guaranteed (i.e. deed restriction) to be affordable under guidelines established by United States Department of Housing and Urban Development, to households that earn no more than 80% of the median household income, for a period of at least 60 years following the date of construction of the residential housing.
 - *PARTIAL EXEMPTION 0.5% CET Rate* - Residential housing guaranteed (i.e. deed restriction) to be affordable under guidelines established by United States Department of Housing and Urban Development, to households that earn no more than 81%-120% of the median household income, for a period of at least 60 years following the date of construction of the residential housing.

//Editor's note: This provision would simplify multiple and complex statutory references and definitions of affordable housing. A deed restriction or other legally binding document would be required as verification.//

- Improvements to: religious facilities, public or private school, public or private hospital.
- Public improvement as defined in ORS 279A.010.

Housing Strategies – It is recognized that the CET would be used to leverage different funds and opportunities to advance affordable / workforce housing initiatives or programs. The committee explored if there were parameters or thresholds that should be imbedded into the CET specifying the types of affordable housing projects the funds could be used for. For example, only projects at 80% AMI or lower.

While the Ad Hoc Committee agreed that “flexibility” need to be retained regarding where, how,

when, and types of affordable housing projects the CET revenue was dedicated to. It was felt keeping all options and use of the CET open-ended, instead of specifically dedicated, was pragmatic and important to implementation. This would enable each jurisdiction to utilize the CET as specific housing strategies and opportunities evolve on a case-by-case basis.

However, the committee did discuss if the revenue generated from the CET be prioritized to households earning at or below 80% AMI, and that all investments be secured with long term deed restriction. There was not unanimous consent regarding prioritizing 80% AMI projects. However, it was unanimous that regardless of the projects or how the funds were applied, deed restrictions are necessary in order to assure the benefits of the CET are secured for the long term.

The Ad Hoc Committee also recognized and acknowledged the need to more fully understand the administrative and staffing costs of a new program. This could cause a portion of the revenues generated (i.e. of the 50% commercial and industrial CET collected) to be invested in program management and implementation.

VI. RECOMMENDATION

After deliberation and discussion, the Board should recommend establishing a Construction Excise Tax (CET) to fund affordable housing initiatives. In addition, direct staff to move forward with an CET Ordinance, and accompanying assessment and collection policy to be presented to the Board in early 2017 (i.e., establish a date for a first public hearing). Within the Ordinance, require once a year during the annual county budget process, staff report to Board of Commissioners on the revenue collected through the CET and the use / allocation of that revenue per SB 1533.

AGENDA REQUEST FORM

DATE: 12/19/16 **DEPT:** Community Development **DEPT. HEAD SIGNATURE:** // John Roberts //

SUBJECT: Hood River County Interactive Webmap – New Viewer

AUTHORITY: ORS _____ OAR _____ County Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED: The County’s WebMap is a widely used tool by the community. As of December 6th the WebMap received 32,529 “page views” or visits for the 2016 calendar year. That is almost a 40% increase from the page views / visits in 2015.

As the Board knows, the WebMap was updated in the spring of 2016. Although this version of the WebMap was a big improvement and more functional, it still had some shortcomings (e.g., not being able to be used on mobile devices and a lot of incompatibility with different web browsers). In addition, the existing software provider (iVault) contract expired December 1st.

The GIS Department is in process of creating a new WebMap Viewer (through GeoCortext). The new viewer is expected to “go live” in late December. The more notable benefits of the new viewer include:

- Compatible and consistent with the City of Hood River WebMap viewer.
- More intuitive or simpler for the public to use.
- Works on mobile devices.
- Significant cost savings.
- Ability to install 2015 aerial photography.
- Overall, more sustainable in moving forward.

FISCAL IMPACT/PROJECT ANALYSIS:

Budget Line Item _____ Account Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____
Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES: (IF APPLICABLE)

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD:

No formal action is needed. This is merely an opportunity to update the Board, create awareness, and answers any questions / concerns.

ADMINISTRATIVE COMMENTS/APPROVAL:

County Administrator _____ Dept. Head/Staff Attendance to Meeting (circle one) Yes No

ACTION OF THE BOARD:

Date _____

County Administrator _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: to R & A *Additional/Exceptional Originals to: _____

Copies (all info.):

Copies (ARF only):

EXECUTIVE SESSION

PUBLIC HEARING

AGENDA REQUEST FORM

DATE: 12/19/16 **DEPARTMENT:** Admin **DEPT. HEAD SIGNATURE:** _____

ISSUE: Public Hearing: Garbage Rate Increase 2017

STATUTORY AUTHORITY: OAR _____ County Ordinance _____

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

Hood River Garbage has requested a rate increase to be effective January 1, 2017. November 21st the Commission set a public hearing to consider the request for this evening.

FISCAL IMPACT: Budget Line Item: _____ Account Balance: _____

PROJECT ANALYSIS:

Staff Contact: _____ Estimated Hours Spent to Date: _____
Estimated Completion Date: _____ Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES:

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD:

ADMINISTRATIVE COMMENTS/APPROVAL:

Conduct the public hearing and determine the best action for the county.

County Administrator _____

ACTION OF THE BOARD:

County Administrator _____

FOLLOW-UP: *Ord./Res./Agmt./Order Originals: to R & A

*Additional Originals to: _____

Copies (all info.): _____ Copies (ARF only): _____



WASTE CONNECTIONS INC.
Connect with the Future®

HOOD RIVER GARBAGE
3440 Guignard Dr. – Hood River, Or. 97031
(541) 386-2272

Hood River County
601 State Street
Hood River, Or. 97031

November 3, 2016

To: Jeff Hecksel, County Administrator

Dear Mr. Hecksel:

Hood River Garbage would like to respectfully request a rate adjustment averaging approximately .85% to help offset rising operational costs and tip fees. We request this adjustment to be effective January 1, 2017. Some examples of these increases include, but are not limited to, health care, and truck and equipment repair.

We use the Federal Bureau of Labor Statistics CPI index to benchmark our changes in operational costs. This index is computed as of June 30 and December 31. The most recent June to June comparison increased 1.0%, and we believe this is a good indicator of our overall experience. The Wasco County Landfill anticipates increasing both its gate rate and the pass-through Household Hazardous Waste tax by .85%, effective January 1, 2017. We have incorporated these increases into the attached proposed rate schedule.

Individual rates change by different percentages based upon the disposal weight component of each rate.

We would like to be scheduled on the council agenda at your earliest convenience to discuss our proposal. We appreciate the continued opportunity to provide the County of Hood River with high quality solid waste service.

Sincerely,

Jim Winterbottom
District Manager

HOOD RIVER GARBAGE COUNTY RATES

Proposed Increase July 1, 2016

SERVICE	10/1/2016 CURRENT RATE	0.85% Total LF Increase	0.85% Business Increase	5.00% Franchise Fee	TOTAL INCREASE	1/1/2017 TOTAL RATE
RESIDENTIAL						
UGA						
32 GALLON CAN						
Weekly						
- curbside	\$18.88	\$0.02	\$0.13	\$0.01	\$0.16	\$19.04
- carry out	\$25.27	\$0.02	\$0.18	\$0.01	\$0.21	\$25.48
* each addl 25 ft	\$3.18	\$0.00	\$0.03	\$0.00	\$0.03	\$3.21
EOW						
- curbside	\$14.89	\$0.01	\$0.10	\$0.01	\$0.12	\$15.01
- carry out	\$19.71	\$0.01	\$0.14	\$0.01	\$0.16	\$19.87
* each addl 25 ft	\$2.42	\$0.00	\$0.02	\$0.00	\$0.02	\$2.44
Monthly						
- curbside	\$10.29	\$0.01	\$0.08	\$0.00	\$0.09	\$10.38
- carry out	\$13.16	\$0.01	\$0.10	\$0.01	\$0.12	\$13.28
* each addl 25 ft	\$1.45	\$0.00	\$0.01	\$0.00	\$0.01	\$1.46
MINI 20 GALLON CAN						
Weekly						
- curbside	\$14.83	\$0.01	\$0.11	\$0.01	\$0.13	\$14.96
- carry out	\$19.63	\$0.01	\$0.14	\$0.01	\$0.16	\$19.79
* each addl 25 ft	\$3.18	\$0.00	\$0.03	\$0.00	\$0.03	\$3.21
EOW						
- curbside	\$12.47	\$0.01	\$0.09	\$0.01	\$0.11	\$12.58
- carry out	\$15.98	\$0.01	\$0.12	\$0.01	\$0.14	\$16.12
* each addl 25 ft	\$2.42	\$0.00	\$0.02	\$0.00	\$0.02	\$2.44
SPECIAL CHARGES						
- overweight/full	\$4.41	\$0.00	\$0.03	\$0.00	\$0.03	\$4.44
- extra bag/box	\$4.41	\$0.00	\$0.03	\$0.00	\$0.03	\$4.44
- Washer/Dryer/Stove	\$13.16	\$0.00	\$0.11	\$0.01	\$0.12	\$13.28
- Water Heater	\$14.57	\$0.00	\$0.12	\$0.01	\$0.13	\$14.70
- Sofa/Chair	\$11.89	\$0.00	\$0.10	\$0.01	\$0.11	\$12.00
- Mattress	\$10.78	\$0.00	\$0.09	\$0.00	\$0.09	\$10.87
- return trip	\$10.27	\$0.00	\$0.08	\$0.00	\$0.08	\$10.35
- Recycle Bin replacem	\$20.96	\$0.00	\$0.17	\$0.01	\$0.18	\$21.14
- Account Set Up Fee	\$5.94	\$0.00	\$0.05	\$0.00	\$0.05	\$5.99
- NSF	\$31.26	\$0.00	\$0.25	\$0.01	\$0.26	\$31.52
- Delinquent Fee	\$13.63	\$0.00	\$0.11	\$0.01	\$0.12	\$13.75

HOOD RIVER GARBAGE COUNTY RATES

Proposed Increase July 1, 2016

SERVICE	10/1/2016 CURRENT RATE	0.85% Total LF Increase	0.85% Business Increase	5.00% Franchise Fee	TOTAL INCREASE	1/1/2017 TOTAL RATE
RESIDENTIAL						
RURAL						
32 GALLON CAN						
Weekly						
- curbside	\$18.17	\$0.02	\$0.12	\$0.01	\$0.15	\$18.32
- carry out	\$24.58	\$0.02	\$0.17	\$0.01	\$0.20	\$24.78
* each addl 25 ft	\$3.18	\$0.00	\$0.03	\$0.00	\$0.03	\$3.21
EOW						
- curbside	\$14.18	\$0.01	\$0.10	\$0.01	\$0.12	\$14.30
- carry out	\$18.99	\$0.01	\$0.14	\$0.01	\$0.16	\$19.15
* each addl 25 ft	\$2.56	\$0.00	\$0.02	\$0.00	\$0.02	\$2.58
Monthly						
- curbside	\$8.88	\$0.01	\$0.06	\$0.00	\$0.07	\$8.95
- carry out	\$11.76	\$0.01	\$0.09	\$0.01	\$0.11	\$11.87
* each addl 25 ft	\$1.50	\$0.00	\$0.01	\$0.00	\$0.01	\$1.51
MINI 20 GALLON CAN						
Weekly						
- curbside	\$14.11	\$0.01	\$0.10	\$0.01	\$0.12	\$14.23
- carry out	\$18.92	\$0.01	\$0.14	\$0.01	\$0.16	\$19.08
* each addl 25 ft	\$3.18	\$0.00	\$0.03	\$0.00	\$0.03	\$3.21
EOW						
- curbside	\$11.74	\$0.01	\$0.09	\$0.01	\$0.11	\$11.85
- carry out	\$15.30	\$0.01	\$0.11	\$0.01	\$0.13	\$15.43
* each addl 25 ft	\$2.56	\$0.00	\$0.02	\$0.00	\$0.02	\$2.58
SPECIAL CHARGES						
- overweight/full	\$4.41	\$0.00	\$0.03	\$0.00	\$0.03	\$4.44
- extra bag/box	\$4.41	\$0.00	\$0.03	\$0.00	\$0.03	\$4.44
- Washer/Dryer/Stove	\$13.16	\$0.00	\$0.11	\$0.01	\$0.12	\$13.28
- Water Heater	\$14.57	\$0.00	\$0.12	\$0.01	\$0.13	\$14.70
- Sofa/Chair	\$11.89	\$0.00	\$0.10	\$0.01	\$0.11	\$12.00
- Mattress	\$10.78	\$0.00	\$0.09	\$0.00	\$0.09	\$10.87
- return trip	\$10.27	\$0.00	\$0.08	\$0.00	\$0.08	\$10.35
- Recycle Bin replace	\$20.96	\$0.00	\$0.17	\$0.01	\$0.18	\$21.14
- Account Set Up Fee	\$5.94	\$0.00	\$0.05	\$0.00	\$0.05	\$5.99
- NSF	\$31.15	\$0.00	\$0.25	\$0.01	\$0.26	\$31.41
- Delinquent Fee	\$13.63	\$0.00	\$0.11	\$0.01	\$0.12	\$13.75

Low Income/Elderly/Disabled persons (qualified by MCCA) will receive a \$3.00/month discount

HOOD RIVER GARBAGE COUNTY RATES

Proposed Increase July 1, 2016

SERVICE	10/1/2016 CURRENT RATE	0.85% Total LF Increase	0.85% Business Increase	5.00% Franchise Fee	TOTAL INCREASE	1/1/2017 TOTAL RATE
COMMERCIAL						
32 GALLON CAN						
Weekly						
- curbside	\$16.89	\$0.02	\$0.11	\$0.01	\$0.14	\$17.03
- carry out	\$23.32	\$0.02	\$0.16	\$0.01	\$0.19	\$23.51
* each add 25ft	\$3.92	\$0.00	\$0.03	\$0.00	\$0.03	\$3.95
EOW						
- curbside	\$12.52	\$0.01	\$0.09	\$0.01	\$0.11	\$12.63
- carry out	\$16.99	\$0.01	\$0.12	\$0.01	\$0.14	\$17.13
* each add 25ft	\$2.80	\$0.00	\$0.02	\$0.00	\$0.02	\$2.82
Monthly						
- curbside	\$7.43	\$0.01	\$0.05	\$0.00	\$0.06	\$7.49
- carry out	\$10.32	\$0.01	\$0.08	\$0.00	\$0.09	\$10.41
* each add 25ft	\$1.66	\$0.00	\$0.01	\$0.00	\$0.01	\$1.67
SPECIAL CHARGES						
- overweight/full	\$4.41	\$0.00	\$0.03	\$0.00	\$0.03	\$4.44
- extra bag/box	\$4.41	\$0.00	\$0.03	\$0.00	\$0.03	\$4.44
- Washer/Dryer/Stove	\$12.55	\$0.00	\$0.10	\$0.01	\$0.11	\$12.66
- Water Heater	\$14.57	\$0.00	\$0.12	\$0.01	\$0.13	\$14.70
- Sofa/Chair	\$11.89	\$0.00	\$0.10	\$0.01	\$0.11	\$12.00
- Mattress	\$10.78	\$0.00	\$0.09	\$0.00	\$0.09	\$10.87
- White goods	\$12.59	\$0.00	\$0.10	\$0.01	\$0.11	\$12.70
- return trip	\$10.27	\$0.00	\$0.08	\$0.00	\$0.08	\$10.35
- Lock charge	\$3.71	\$0.00	\$0.03	\$0.00	\$0.03	\$3.74
- Access charge	\$3.71	\$0.00	\$0.03	\$0.00	\$0.03	\$3.74
- Recycle Bin replacem	\$20.96	\$0.00	\$0.17	\$0.01	\$0.18	\$21.14
- Account Set Up Fee	\$5.94	\$0.00	\$0.05	\$0.00	\$0.05	\$5.99
- NSF	\$31.15	\$0.00	\$0.25	\$0.01	\$0.26	\$31.41
- Delinquent Fee	\$13.63	\$0.00	\$0.11	\$0.01	\$0.12	\$13.75
-Mileage 15 miles RT from LF	\$3.25	\$0.00	\$0.03	\$0.00	\$0.03	\$3.28
1 1/2 Yd Containers						
- Delivery	\$30.29	\$0.00	\$0.24	\$0.01	\$0.25	\$30.54
- EOW	\$66.40	\$0.12	\$0.44	\$0.03	\$0.59	\$66.99
- 1XPW	\$118.70	\$0.21	\$0.77	\$0.06	\$1.04	\$119.74
- 2XPW	\$200.78	\$0.44	\$1.25	\$0.10	\$1.79	\$202.57
- 3XPW	\$279.53	\$0.66	\$1.70	\$0.14	\$2.50	\$282.03
- 4XPW	\$355.00	\$0.87	\$2.12	\$0.17	\$3.16	\$358.16
- 5XPW	\$425.32	\$1.10	\$2.50	\$0.21	\$3.81	\$429.13
- 6XPW	\$495.66	\$1.31	\$2.89	\$0.24	\$4.44	\$500.10

HOOD RIVER GARBAGE COUNTY RATES

Proposed Increase July 1, 2016

SERVICE	10/1/2016 CURRENT RATE	0.85% Total LF Increase	0.85% Business Increase	5.00% Franchise Fee	TOTAL INCREASE	1/1/2017 TOTAL RATE
2 Yd Containers						
- Delivery	\$30.29	\$0.00	\$0.24	\$0.01	\$0.25	\$30.54
- EOW	\$85.91	\$0.14	\$0.57	\$0.04	\$0.75	\$86.66
- 1XPW	\$234.72	\$0.28	\$1.65	\$0.11	\$2.04	\$236.76
- 2XPW	\$396.16	\$0.59	\$2.70	\$0.19	\$3.48	\$399.64
- 3XPW	\$550.98	\$0.87	\$3.71	\$0.26	\$4.84	\$555.82
- 4XPW	\$699.26	\$1.17	\$4.66	\$0.33	\$6.16	\$705.42
- 5XPW	\$837.20	\$1.45	\$5.52	\$0.40	\$7.37	\$844.57
- 6XPW	\$607.92	\$1.76	\$3.42	\$0.30	\$5.48	\$613.40
3 Yd Containers						
- Delivery	\$30.29	\$0.00	\$0.24	\$0.01	\$0.25	\$30.54
- EOW	\$126.84	\$0.21	\$0.84	\$0.06	\$1.11	\$127.95
- 1XPW	\$216.43	\$0.44	\$1.38	\$0.10	\$1.92	\$218.35
- 2XPW	\$363.63	\$0.87	\$2.19	\$0.18	\$3.24	\$366.87
- 3XPW	\$508.76	\$1.31	\$2.99	\$0.25	\$4.55	\$513.31
- 4XPW	\$660.42	\$1.76	\$3.85	\$0.32	\$5.93	\$666.35
- 5XPW	\$777.49	\$2.19	\$4.42	\$0.38	\$6.99	\$784.48
- 6XPW	\$907.48	\$2.63	\$5.10	\$0.45	\$8.18	\$915.66
SPECIAL CONTAINER CHARGES						
- One Time Del/PU	\$30.29	\$0.00	\$0.24	\$0.01	\$0.25	\$30.54
- Return Trip	\$10.27	\$0.00	\$0.08	\$0.00	\$0.08	\$10.35
- Access Charge	\$10.27	\$0.00	\$0.08	\$0.00	\$0.08	\$10.35
- Roll out over 15 ft	\$3.71	\$0.00	\$0.03	\$0.00	\$0.03	\$3.74
- Roll out over 20 ft	\$5.95	\$0.00	\$0.05	\$0.00	\$0.05	\$6.00
- Off day PU	\$10.27	\$0.00	\$0.08	\$0.00	\$0.08	\$10.35
- Mileage (over 15RT)	\$3.20	\$0.00	\$0.03	\$0.00	\$0.03	\$3.23
- Rent-a-Bin (1.5 Yards)	\$65.04	\$0.06	\$0.48	\$0.03	\$0.57	\$65.61
- On Call Container (1.5 Yards)	\$32.25	\$0.06	\$0.22	\$0.02	\$0.30	\$32.55
DROP BOXES						
- Placement/per trip	\$69.92	\$0.00	\$0.56	\$0.03	\$0.59	\$70.51
- Moving Fee (per trip)	\$69.92	\$0.00	\$0.56	\$0.03	\$0.59	\$70.51
- Drop Box Swap	\$122.67	\$0.06	\$0.94	\$0.06	\$1.06	\$123.73
- Compact Box Swap	\$149.11	\$0.18	\$1.06	\$0.07	\$1.31	\$150.42
- Excess Chg/ton over 5 tons	\$47.77	\$0.44	\$0.00	\$0.03	\$0.47	\$48.24
- Daily Demurrage (over 96 hours)	\$5.34	\$0.00	\$0.04	\$0.00	\$0.04	\$5.38
- Month Max Demurrage	\$136.44	\$0.00	\$1.10	\$0.06	\$1.16	\$137.60
- Special/Modified DB						
* Lid/Screen, Winch (per day)	\$5.05	\$0.00	\$0.04	\$0.00	\$0.04	\$5.09
* Monthly Max	\$151.26	\$0.00	\$1.22	\$0.07	\$1.29	\$152.55
- Waiting Time (per min)	\$1.76	\$0.00	\$0.01	\$0.00	\$0.01	\$1.77
- Mileage (over 15RT)	\$3.25	\$0.00	\$0.03	\$0.00	\$0.03	\$3.28

HOOD RIVER GARBAGE COUNTY RATES

Proposed Increase July 1, 2016

SERVICE	10/1/2016 CURRENT RATE	0.85% Total LF Increase	0.85% Business Increase	5.00% Franchise Fee	TOTAL INCREASE	1/1/2017 TOTAL RATE
TRANSFER STATION						
TRANSFER ST. DROP BOX						
Tip fee on all loads						
Fee on DB per yard loose	\$16.40	\$0.06	\$0.08	\$0.01	\$0.15	\$16.55
Fee on Compact per yard	\$23.54	\$0.17	\$0.05	\$0.01	\$0.23	\$23.77
MISCELLANEOUS SERVICE PER HOUR						
Equipment Rental						
- Rear Loader	\$133.25	\$0.00	\$1.08	\$0.06	\$1.14	\$134.39
- Roll Off	\$117.59	\$0.00	\$0.95	\$0.05	\$1.00	\$118.59
- Extra Labor	\$30.74	\$0.00	\$0.25	\$0.01	\$0.26	\$31.00
- Extra Labor OT	\$46.09	\$0.00	\$0.37	\$0.02	\$0.39	\$46.48
TRANSFER STATION OTHER						
Minimum charge: household garbage *one can/bag	\$7.84	\$0.01	\$0.06	\$0.00	\$0.07	\$7.91
Bulk Items:						
*Matress/Box Springs	\$9.33	\$0.01	\$0.06	\$0.00	\$0.07	\$9.40
*Recliner/Large Chairs	\$9.33	\$0.01	\$0.06	\$0.00	\$0.07	\$9.40
*Couches/Furniture/TVs	\$9.33	\$0.01	\$0.06	\$0.00	\$0.07	\$9.40
1 yd loose	\$16.44	\$0.06	\$0.08	\$0.01	\$0.15	\$16.59
* each additional yd	\$16.44	\$0.06	\$0.08	\$0.01	\$0.15	\$16.59
1 yd Compacted commercial	\$24.38	\$0.18	\$0.05	\$0.01	\$0.24	\$24.62
* each additional yd	\$24.38	\$0.18	\$0.05	\$0.01	\$0.24	\$24.62
1 yd Yard Debris	\$12.52	\$0.06	\$0.05	\$0.01	\$0.12	\$12.64
* each additional yd	\$12.52	\$0.06	\$0.05	\$0.01	\$0.12	\$12.64
Washer/Dryer/Stove	\$14.27	\$0.06	\$0.07	\$0.01	\$0.14	\$14.41
Frig/Freezer/Air Conditioner	\$33.30	\$0.05	\$0.23	\$0.02	\$0.30	\$33.60
Tires (per tire with 5 max)						
- Auto/light off rim	\$2.83	\$0.00	\$0.02	\$0.00	\$0.02	\$2.85
- Auto/light on rim No Longer Accepted						
- Heavy Truck off rim	\$8.96	\$0.00	\$0.07	\$0.00	\$0.07	\$9.03
- Heavy Truck on rim No Longer Accepted						

AGENDA REQUEST FORM

DATE: 12/19/16

DEPT: Community Development

DEPT. HEAD SIGNATURE: *John Roberts*

SUBJECT: Public hearing and second reading of ordinance to consider legislative amendments to the Hood River County Zoning Ordinance ("HRCZO") to adopt a Short-Term Rental (STR) and marijuana business regulations.

AUTHORITY: ORS ____ OAR _____ X County Ordinance/Code: HRCZO (IFAPPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED: Text amendments to the HRCZO Article 53 (Home Occupation) to adopt STR and Marijuana Business regulations (Files P-15-0215 and P-16-0114 respectively). The purpose of the STR regulations are to adopt standards for review and management of STRs. The purpose of Marijuana Business regulations are to regulate the time, place and manner of marijuana businesses and possibly prohibit production and processing of marijuana in the Rural Residential (RR) zone. BOC public hearings to date and content:

- August 22nd focused on STRs.
- August 29th focused on STRs and marijuana businesses.
- September 9th focused on STRs.
- October 17th focused on Marijuana.
- November 21st – first reading of ordinance.

Additional amendments to the HRCZO are necessary and include: i) amending Article 1, Introductory Provisions, to provide clarity, consolidate provisions and improve processes, ii) responding to recent legislation adopted by the Land Conservation and Development Commission, iii) technical changes in response to the recent model code update, which modernized the county's resource zones (i.e., EFU and Forest zones), iv) decreasing ambiguities to make the HRCZO easier to implement and administer, and v) other amendments to create consistency to accomplish the foregoing.

FISCAL IMPACT/PROJECT ANALYSIS:

Budget Line Item _____ Account Balance \$ _____
 Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
 Staff Contact: _____
 Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES: (IFAPPLICABLE)

X County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD: Request the County Board of Commissioners adopt proposed text amendments. Approve Ordinance 338 through second reading.

ADMINISTRATIVE COMMENTS/APPROVAL:

County Administrator _____ Dept. Head/Staff Attendance to Meeting (circle one) Yes No

ACTION OF THE BOARD:

Date _____

County Administrator _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: to R & A *Additional/Exceptional Originals to: _____
 Copies (all info.): _____
 Copies (ARF only): _____



Hood River County Community Development

Planning, Building Codes, Code Compliance, Economic Development & Veterans' Services

601 State Street, Hood River OR 97031

JOHN ROBERTS, DIRECTOR
(541) 387-6840 • plan.dept@co.hood-river.or.us

STAFF MEMO: Proposed Ordinance Text Amendment **Focused on Short-Term Rentals (STRs) & Marijuana Businesses**

- FILE NUMBERS:** P-15-0215 (STRs) & P-16-0114 (Marijuana Businesses)
- DATE:** Prepared for December 19th, 2016 Board of County Commissioner ("Board") Public Hearing (Second Reading of Ordinance 338)
- APPLICANT:** Hood River County Community Development Department
- PROCEDURE TYPE:** Legislative
- REQUESTS:**
- 1) Text amendments to the Hood River County Zoning Ordinance (HRCZO) Article 53 (Home Occupation) to adopt STR and Marijuana Business regulations (Files P-15-0215 and P-16-0114 respectively). The purpose of the Short-Term Rentals (STR) regulations are to adopt standards for review and management of STRs. The purpose of Marijuana Business regulations are to regulate the time, place and manner of marijuana businesses and prohibit production and processing of marijuana in the Rural Residential (RR) zone.
 - 2) Additional amendments to the HRCZO are necessary and include: i) amending Article 1, Introductory Provisions, to provide clarity, consolidate provisions and improve processes, ii) responding to recent legislation adopted by the Land Conservation and Development Commission, iii) making needed technical changes in response to the recent model code update, which modernized the county's resource zones (i.e., EFU and Forest zones), iv) decreasing ambiguities to make the HRCZO easier to implement and administer and v) other amendments to create consistency to accomplish the foregoing.
- STAFF CONTACT:** John Roberts, Community Development Director
- OWNERS & LOCATION:** Amendments will regulate STRs and marijuana businesses in all zones

on all non-federal and non-tribal trust properties, outside of incorporated communities and outside of the Columbia River Gorge National Scenic Area.

RECOMMENDATION: Approve all proposed amendments (Exhibits A – D) and second reading of Ordinance 338

ATTACHMENTS: Ordinance 338

I. PURPOSE & NEED

In January 2015 the Board prioritized addressing STRs at their goal-setting retreat. The goal established at the retreat was, by the end of 2015, to: develop policies and programs to effectively monitor and manage vacation rentals in unincorporated portions of Hood River County in a more sustainable and equitable manner.

Oregon Measure 91 and Oregon House Bill 3400 have identified medical and recreational marijuana related business that may now be regulated by local jurisdictions in several ways, including land use. On February 16, 2016 the Board of Commissioners directed Staff to engage the Hood River County Planning Commission to add time, place, and manner ordinance amendments regulating marijuana businesses in Hood River County, outside the Urban Growth Boundary and outside of the Columbia River Gorge National Scenic Area.

The purpose of the December 19th Public Hearing is to adopt proposed text amendments to the HRCZO, through a second reading of Ordinance 338, to regulate STRs and marijuana businesses, and make other necessary legislative and technical changes.

II. SUMMARY OF IMPORTANT DATES & PROCESS – STRs

- January 2015: Board prioritized addressing STRs at their goal-setting retreat. *The goal established at the retreat was, by the end of 2015, to: develop policies and programs to effectively monitor and manage vacation rentals in unincorporated portions of Hood River County in a more sustainable and equitable manner.*
- Spring 2015: Hood River County extends ECONorthwest study with city to inventory existing conditions and evaluate STR policy options for unincorporated portions of the county.
- September 17, 2015: ECONorthwest completes STR and Second Home Study.

- September 30, 2015: ECONorthwest and planning staff present to the Board results of the study, specific issues in the county and possible strategies to pursue.
- April 13, 2016: Planning Commission conducts works session on STRs. Extensive background information was provided as well as draft ordinance concepts presented.
- May 16, 2016: Board and planning commission conduct joint meeting. Some specifics regarding STRs on resources lands discussed.
- May 18, 2016: Notice and text amendments regarding STR and marijuana businesses provided to DLCD.
- June 15, 2016: Notification to all partner agencies and parties; notification to view content online and submit feedback.
- July 5, 2016: Notification to specific STR interested parties; notification to view content online and submit feedback.
- July 13, 2015: Public hearing on draft STR regulations.
- August 22, 2016: Board Public Hearing – STR regulations.
- September 12, 2016: Board Public Hearing – focused on STR regulations.
- November 21, 2016: First reading of ordinance to adopt proposed text amendments.
- December 19, 2016: Second reading of ordinance to adopted proposed text amendments.

III. SUMMARY OF IMPORTANT DATES & PROCESS – Marijuana Businesses

- 1998 – Ballot Measure 67, as amended (Oregon Medical Marijuana Act).
- November 4, 2014 - Measure 91 passes.
- June 30, 2015 – HB 3400 becomes effective. The bill makes numerous amendments to Measure 91 and enables land use regulations to be adopted by local jurisdictions.
- July 20, 2015 – Discussion with Board regarding HB 3400, local control and sales tax;

consensus was to take a 'wait and see' approach regarding regulation of marijuana businesses.

- September 10, 2015 - Community Conversation forum on Marijuana hosted in Odell by the Hood River County Prevention Department.
- December 28, 2015 – Planning staff meets with Columbia Gorge Cannabis Growers Association to discuss local permitting process and issues.
- January 4, 2016 - OLCC starts accepting applications for production, processing, wholesaling and retailing of marijuana.
- February 16, 2016 - County staff (i.e., county prevention and planning departments) make the Board aware of some trends and significant statewide, regional or local issues. Staff requests Board initiate a legislative amendment to adopt reasonable TPM regulations to apply to marijuana. Additionally, it is requested an emergency ordinance temporarily prohibiting marijuana production and processing on Rural Residential (RR) zoned property is warranted and be adopted.
- March 21, 2016 – Board set date for public hearing on emergency ordinance to prohibit marijuana production and processing on RR zoned property.
- April 18, 2016 – Board passes an emergency ordinance declaring a 180-day moratorium on marijuana production and processing in the RR zone.
- May 11, 2016 - Planning commission conducts work session on Marijuana Businesses. *Extensive background information provided (i.e., "Pot Primer") as well as draft ordinance concepts presented.*
- May 16, 2016 – Board and planning commission conduct joint meeting. Some specifics regarding marijuana businesses and production in industrial zones discussed.
- May 18, 2016 – Notice and text amendments regarding marijuana businesses provided to DLCD.
- June 1, 2016 – Written notice mailed to all affected landowners in the RR zone regarding proposed text amendments to HRCZO and proposed prohibition on marijuana businesses (adhering to the requirements of the Measure 56 notice process).

- June 1 and June 7, 2016 – Otis Gardens hosted and conducted tours of production facility in Odell. Tours were well attended by county staff, planning commissioners and elected officials.
- June 15, 2016 – Per the request of the Prevention Department to raise awareness, participated on a Latino morning call-in radio show (Radio Tierra).
- June 15, 2016 - Notification to all partner agencies and parties; notification to view content online and submit feedback.
- June 22, 2016 – Planning commission hearing on draft marijuana business ordinance presented.
- August 29, 2016 – Board Public Hearing on draft marijuana TPM regulations.
- September 19, 2016 – Board set date for public hearing to renew emergency ordinance to prohibit marijuana production and processing on RR zoned property.
- October 17th, 2016 - Board Public Hearing focused on marijuana business regulations.
- October 17th, 2016 – Board adopted Ordinance 337 renewing the moratorium on marijuana businesses in the Rural Residential Zone and declaring an emergency.
- November 21, 2016: First reading of ordinance to adopt proposed text amendments.
- December 19, 2016: Second reading of ordinance to adopted proposed text amendments.

IV. CONCLUSION & MOTION

As proposed, the amendments will add and amend text to effectively monitor and manage STRs and marijuana businesses in unincorporated portions of the county in a more sustainable and equitable manner on non-federal lands located outside the Columbia River Gorge National Scenic Area. The proposed amendments will ensure the health, safety and welfare of county residents; allow farm uses to continue in farm and forest resource zones, industrial uses to continue in industrial zones and commercial uses to continue in commercial zones; and will ensure the protection of limited and sensitive resources.

Staff concludes that all criteria have been met for this request. Based on the findings of fact and

other relevant information contained within this and prior staff reports and exhibits, staff recommends that the Board move the proposed text amendments be approved through a second reading of the attached Ordinance 338 at the December 19th, 2016 Public Hearing. In doing this the Board moves to accept the findings and proposed legislative text amendments identified in the staff reports, findings, accompanying documents, and Exhibits A through D contained in and prepared for the August 22nd, 29th, September 9th, October 17th, and November 21st public hearings.

Recommended Motion(s) by Chair (Second Reading of Ordinance):

- 1) The Board of County Commissioners moves to have the 2nd reading of the attached Ordinance 338 by title only.
- 2) The title of Ordinance 338 is: "An Ordinance to Adopt Multiple Amendments to the Hood River County Zoning Ordinance."
- 3) The Board votes to accept the reading of Ordinance 338 by Title only.
- 4) The Board makes a motion to adopt Ordinance 338.

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Staff Report and proposed amendments are available for review on the Community Development Department website at: <http://hrccd.co.hood-river.or.us/> (Community Development page) or <http://hrccd.co.hood-river.or.us/departments/planning-zoning/> (Planning & Zoning Page). The information will be updated until after the final hearing by the Board of County Commissioners.

For additional information or questions concerning the proposed amendments, contact John Roberts, Hood River County Planning Director, by e-mail at plan.dept@co.hood-river.or.us or by telephone at (541) 387-6840.

Proposed amendments are also available for review or purchase (at 0.25¢/sheet) at County Community Development at 601 State Street, Hood River, OR 97031.

HOOD RIVER COUNTY

ORDINANCE NO. 338

AN ORDINANCE TO ADOPT MULTIPLE AMENDMENTS TO THE HOOD RIVER COUNTY ZONING ORDINANCE

WHEREAS, in January 2015 the Board of County Commissioners (Board) prioritized addressing Short-Term Rentals (STRs) at their goal-setting retreat. The goal established at the retreat was, by the end of 2015, to: develop policies and programs to effectively monitor and manage vacation rentals in unincorporated portions of Hood River County in a more sustainable and equitable manner; and

WHEREAS, on April 18, 2016 and October 17, 2016 the Board passed an emergency ordinance (Ordinance No. 331 and No. 337) declaring a 180-day moratorium on marijuana production and processing in the Rural Resident (RR) zone of unincorporated Hood River County in order to provide time necessary to examine the range of options surrounding the regulation or prohibition of said businesses or facilities; and

WHEREAS, the Hood River County Planning Director initiated a legislative process, in accordance with authority provided in Hood River County Zoning Ordinance Article 62 (Legislative Amendments), Section 62.00, to make amendments to the Hood River County Zoning Ordinance Article 53 (Home Occupation) to address STRs and marijuana businesses, respond to recent legislation and rulemaking adopted by the Land Conservation and Development Commission, and to incorporate additional zoning code language to better serve the citizens of the County; and

WHEREAS, the legislative updates also provided an opportunity to update other Articles of the Hood River County Zoning Ordinance directly related to the proposed amendments making the zoning ordinance easier to implement and administer; and

WHEREAS, the above matter came before the Hood River County Planning Commission on three planning sessions: April 13, 2016 to address STRs; May 11, 2016 to address marijuana businesses; and May 16, 2016 a joint planning session with the Board; and

WHEREAS, a public hearing was held by the Hood River County Planning Commission on June 22, 2016 to address marijuana businesses and July 13, 2016 to address STRs; and

WHEREAS, by the Hood River County Planning Commission on a vote of 6 to 1 that

the Board adopt amendments to the Hood River County Zoning Ordinance presented in the Staff Reports dated June 22, 2016 (Marijuana Businesses) and July 13, 2016 (STRs), inclusive of Exhibits A-D in their entirety; and

WHEREAS, the above matter came before the Board for public hearings on August 22nd, August 29th, September 12th, October 17th, November 21th, and December 9th, 2016 in the County Board of Commissioner Conference Room (1st floor), 601 State Street, Hood River, Oregon to consider the ordinance changes recommended by the planning commission; and

WHEREAS, a Measure 56 type notification was sent by mail to approximately 1,500 affected properties owners in the Rural Residential (RR) zone on June 1, 2016; and

WHEREAS, notification was sent by mail to affected county, local and state agencies, the City of Hood River, and individuals who indicated an interest in the legislative action; and

WHEREAS, due notice was given of all the hearings before the planning commission and Board and opportunity provided to allow testimony to all parties; and

WHEREAS, the Board, based on the staff reports, testimony and its own deliberations, concurred with the Amendments proposed by staff. The general and more notable changes include:

STRs (Staff Report Exhibit A)

- The text amendments are proposed to be included as part of Article 53 (Home Occupation) to address STRs and bifurcates different standards for review from the Home Occupation standards.
- Adds definitions of: Short-Term Rental and a Short-Term Rental Permit. A STR permit would be a Type I or Type II development application authorizing a Short-Term Rental or Short-Term Room Rental.
- Creates a table / matrix to identify uses permitted for each zoning district and review type.
- Prohibits STRs in all F-2 (Primary Forest) zone, industrial zones and overlays. Furthermore limits STRs to a cap of 100 when combining all other zones, of which 25 of the 100 can be on resource zoned land.
- Allows STRs as a Type II use on EFU and F-1 (Forest) zoned land through a Conditional Use Permit.
- Addresses permit requirements (i.e., renewed every 2-years).
- Outlines application requirements to require applicant to address: identifying adjacent property owners, site plan, floor plan, property management plan, building safety, environmental health and Transient Room Tax (TRT).

- Contains standards for all permit requirements: signage, occupancy, parking, access, garbage disposal and nuisances.
- Provides framework for compliance process and enables planning director to revoke STR permit if there are 3 (three) confirmed violations.

Marijuana Businesses (Staff Report Exhibit A)

- The text amendments are proposed to be included as part of Article 53 (Home Occupation) to address marijuana production, processing, wholesaling and retailing and bifurcates different standards for review from Home Occupation standards.
- Addresses both medical and recreation marijuana businesses regulated by the OLCC and OHA.
- Adds definitions of: cannabinoid, marijuana, marijuana business, marijuana processing, marijuana production / grow (outdoor and indoor), marijuana retailing and marijuana wholesaling.
- Allows for production / growing in resource zones (EFU and Forest zones); processing in EFU and Industrial zones; limits retail to the Commercial zone; and prohibits commercial production in Residential zones.
- Creates a table / matrix to identify the marijuana uses permitted for each zoning district and review type:
 - *Prohibits all marijuana businesses in the rural center zones (i.e., Oak Grove, Mt. Hood and Rockford communities);*
 - *Prohibits processing on Forest zones;*
 - *Allows processing on EFU through a Type II review;*
 - *Allows marijuana retailing in the Commercial (C-1) zone;*
 - *Allows processing on Industrial zoned land; processing requires Type II review;*
and
 - *Prohibits all marijuana businesses in overlay zones and National Scenic Area.*
- Addresses water, lighting, access and fencing through siting standards.
- Provides 50-foot setback from any property line or a greater distance of 80-feet from an existing dwelling situated on neighboring property on resource zoned property.
- Provides 1,000 foot separation for production and processing on EFU zoned property from schools, licensed daycares and preschools.
- Provides 1,000 foot separation for the following: retail businesses from schools, licensed daycares, preschools, public parks, public playgrounds, government-owned recreational uses, public library, living history museums, community centers, licensed treatment centers, or multifamily dwelling's owned by a public housing authority.

Other (Staff Report Exhibits B – D)

- Amends other articles to provide conformity with Article 53 and the proposed STR

and marijuana business amendments.

- Repeals and establishes in entirety a new Article 1 (Introductory Provisions) to better consolidate and organize existing provisions.
- Makes minor and technical changes for the purpose of clarity, improved process and better outcomes.
- Adds a definition of residential.

WHEREAS, at the November 21 and December 19, 2016 public hearings the Board voted to accept the findings and proposed legislative text amendments identified in the staff reports, accompanying documents, and Exhibits A through D contained in and prepared for the August 22nd, 29th, September 9th, October 17th and November 21st public hearings in their entirety, and incorporated herein; and

NOW, THEREFORE, the Board of County Commissioners for Hood River County adopts this Ordinance, as set forth below:

I. **IT IS HEREBY ORDAINED** that the Hood River Zoning Ordinance Articles 1, 2, 4, 48, 49, 53, 64, 68, 69, 70 and 71 be repealed in their entirety and restated as set forth in the Staff Report and Exhibits A - D dated November 21, 2016, and by this reference incorporated herein.

II. **IT IS HEREBY ORDAINED** that the Hood River County Zoning Ordinance be amended to incorporate modifications to eighteen other Articles directly related to the amendments as set forth in the Staff Report and Exhibits A – D dated November 21, 2016, specifically: Article 3 (Definitions), Article 5 (Forest and Primary Forest), Article 7 (EFU), Article 10 (Residential Zone, R-1), Article 15 (Rural Residential Zone, RR), Article 21 (Commercial), Article 22 (Rural Center), Article 25 (Rural Unincorporated Community Commercial Zone), Article 27 (Mt. Hood Unincorporated Community Commercial Zone, Article 31 (Industrial Zone), Article 32 (Light Industrial), Article 33 (Airport Development Zone), Article 35 (Natural Area Zone), Article 50 (Buffer Requirements), Article 55 (Supplementary Provisions), Article 64 (Land Use Permit), Article 65 (Non-Conforming Use), and Article 66 (Variances), and by this reference incorporated herein.

III. **SEVERABILITY.** If any provision of this Ordinance or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

IV. **EMERGENCY.** Insomuch as the business aspects of this Ordinance amendment are necessary for the immediate preservation of health, safety and welfare, an emergency is

hereby declared to exist and shall be in full force and effect immediately upon its adoption by the Board of Commissioners.

DATED THIS 19th DAY OF DECEMBER, 2016

HOOD RIVER, COUNTY BOARD OF COMMISSIONERS

Ron River, Chair

Karen Joplin, Commissioner

Maui Meyers, Commissioner

Robert Benton, Commissioner

Les Perkins, Commissioner

Approved as to Form: _____
Wilford K. Carey, County Counsel

AGENDA REQUEST FORM

DATE: 12-7-16 **DEPARTMENT:** Community Development **DEPT. HEAD SIGNATURE:** //John Roberts//

SUBJECT:

The continuation of the November 21, 2016 public hearing concerning an appeal of the Planning Commission's decision to deny Apollo Land Holdings LLC's industrial land use permit application to establish a 50 room hotel located on a portion of their 32.64 acre Industrial (M-1) zoned property located at the former Dee Mill site.

AUTHORITY: ORS: _____ OAR _____ County Ordinance/ Code: Hood River County Zoning Ordinance

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

On February 24, 2016, the County Planning Department approved, with conditions, the above-referenced application. On March 10, 2016, the Planning Department's Decision was appealed by the Hood River Valley Residents Committee. On May 25, 2016, the County Planning Commission held a public hearing to consider the appeal. After receiving a staff summary and public testimony, and due deliberations, the Planning Commission voted 5-2 to overturn the Planning Department's decision and deny the application. On July 15, 2016, the applicant filed an appeal of the Planning Commission's decision.

FISCAL IMPACT/PROJECT ANALYSIS:

Budget Line Item _____ Account Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: Eric Walker, Principal Planner
Comments: Fiscal impacts associated with this appeal are limited to staff time.

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES: (IF APPLICABLE)

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other
(Planning Commission)

RECOMMENDATION FROM THE PLANNING COMMISSION:

The County Planning Commission recommends that their decision, dated July 1, 2016, to deny Apollo Land Holdings, LLC's commercial land use permit application for a 50-room hotel be upheld.

ADMINISTRATIVE COMMENTS/APPROVAL:

County Administrator _____ Dept. Head/Staff Attendance to Meeting (circle one) Yes No

ACTION OF THE BOARD:

Date _____

County Administrator _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: to R & A *Additional/Exceptional Originals to: _____

Copies (all info.):

Copies (ARF only):

REPORTS

Secretary of State Audit Report

Jeanne P. Atkins, Secretary of State

Mary Wenger, Interim Director, Audits Division



Oregon's Counties: 2016 Financial Condition Review

Summary

We first issued a county financial condition report for the State of Oregon in 2012 with updated reports to be issued every two years. The primary source of data for the report is each county's audited financial statements for fiscal years 2006 through 2015. Since our report in 2014, many counties have improved their financial condition. For example, every county experienced increases in per capita income and declines in unemployment rates. Nearly all counties indicate a strong liquidity position with a ratio of at least \$5 of cash on-hand for each \$1 of short-term obligation.

For purposes of our analysis of Oregon's 36 counties, we selected 10 indicators that provide a general assessment of financial condition. For each indicator we present a detailed discussion. We also looked at the declining federal timber revenue to counties to identify added financial strain.

Although many counties have improved their financial condition since 2012, four counties continue to be identified as counties to monitor; that is, counties whose financial condition may indicate a higher risk of distress. We performed additional analysis on these four counties, which are individually portrayed in the *Counties to Monitor* section of this report:

- Curry
- Douglas
- Josephine
- Polk

Some of the counties have initiated varying strategies to address their situation. We summarized their actions and plans within this report. We do not propose solutions for counties because decisions about county taxes and the level of services are based on local priorities, within practical and legal requirements and limitations.

Early identification of financial problems enables a government to introduce remedies sooner. State monitoring of local governments can provide assurance key partners in service delivery are financially sound, and if warning trends appear, can also prompt action. A key challenge facing several states and their local governments is the right solution when a government is in severe financial distress.

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Background

County and State Interrelationships

Counties play a key role in providing government services, and even precede Oregon’s statehood. Once *Oregon Country* and its counties were carved into states, Oregon transitioned from a provisional government to a territorial government, and finally to a state government. This evolution was mirrored at the county level, starting with four counties in 1843, with further divisions becoming the current 36 counties in 1917.

Originally, all counties functioned almost exclusively as agents of state government; all their activity had to be either authorized or mandated by state law. Under the provisional government, they were responsible for tracking property, probating estates, overseeing minor judicial functions, enforcing laws, operating jails, and conducting elections. The territorial government added some responsibility for “poor relief,” public health, and agricultural services.

In 1958 an amendment to the Oregon Constitution authorized counties to adopt *home rule* charters, and a 1973 state law granted all counties the power to exercise broad home rule authority. Nine have adopted home rule charters wherein voters have the power to adopt and amend their own county government organization.

Today’s counties provide a wide range of public services including:

- public health
- mental health
- community corrections
- juvenile services
- criminal prosecution
- hospitals
- nursing homes
- airports
- parks
- libraries
- land-use planning
- building regulation
- refuse disposal
- air-pollution control
- elections
- veterans services
- economic development
- urban renewal
- public housing
- vector control
- county fairs
- museums
- animal control
- civil defense
- senior services

Some of these services are supported with local taxes, whereas others rely in part on state and federal revenue, such as public health and senior services. As shown in the following chart, the Association of Oregon Counties identified major services provided by the state, counties, and by both entities.

SHARED STATE-COUNTY SERVICES

SERVING THE CITIZENS OF OREGON

HEALTH & HUMAN SERVICES	PUBLIC SAFETY	NATURAL RESOURCES & RECREATION	TRANSPORTATION, LAND USE & ECONOMIC DEV.	OTHER COMMUNITY SERVICES
Child Protection	Appellate Court	State Parks	State Highways	Administrative Services
Housing	State Police	State Lands	State Fair	Assessment & Taxation
Mental Health Hospital	State Prison	Water Regulation	Land Use Planning & Coord.	PERS
Aging/Senior Services	Attorney General	Wildlife Regulation	Land Use Permitting	Employee/Labor Relations
Alcohol/Drug Treatment	Trial Courts	County Forest Trust Lands/ State Forest Management	Highway & Road System	Elections
Alcohol/Drug Prevention	District Attorney	Habitat Restoration	Senior & Disabled Transport.	Extension Service
Children & Families Svcs.	911/Emerg. Communications	Wildlife/Predator Control	Energy Development	Telecommunications
Dev. Disabled Services	Emergency Management	Federal Land Policy	Engineering	Administrative Services
Mental Health Services	Homeland Security	Noxious Weed Control	Building Permits & Inspection	Procurement
Oregon Health Plan Svcs.	Community Corrections	Watermaster	Economic Development	Recording Public Documents
Veterans Services	Court Security	County Forest Management	County Fair	County Library
Public Health Services	Juvenile Services	County Parks	Infrastructure Development	County Museums
Environmental Health	Marine Patrol	Vector Control	Surveying	County Service Districts
Housing Services	Drug Courts	Soil & Water Conservation	County Transportation System	
Medical Examiner	County Law Library			
Emergency Planning and Response	Sheriff Patrol			
Solid Waste Management	Animal Control			
Recycling Programs	Justice Courts			
	Search and Rescue			
	County Jail			

Green = State-Provided Services Red = State/County-Shared Services Blue = County-Provided Services



Directly supports schools/education

4-30-10

Financial and Demographic Indicators

The ability to evaluate the financial condition of a local government, whether by key decision makers within the government, taxpayers, rating agencies, bondholders or other parties, is critically important in today's economic environment.

Counties in Oregon are not immune to financial troubles. Public attention has been directed to counties including Curry, Josephine, and Douglas, who have been reported as facing financial hardship. Revenues from local sources such as property taxes and interest income, as well as intergovernmental revenues from state and federal agencies, have declined since 2008. Oregon, more than some other states, is further affected by the anticipated loss of federal timber payments.

How each county has addressed the current situation has varied. Some held back prior year receipts in reserve with plans to allocate out over the next few years when sources are no longer available. Some tried to pass local tax levies to support programs such as public safety. Some explored alternative sources of revenues such as wind farms and local sales taxes. Counties are examining and considering changes to expenditures including staff reductions and program restructuring. Some have looked to outsourcing services such as libraries. The 2012 legislature passed legislation allowing counties to use road funds to help with sheriff's patrols. A few counties made use of interfund borrowings of dedicated funds to support ongoing services. This last practice has potential implications if a county is unable to repay these loans. So far none of the counties have issued long-term debt to support current services.

Financially stressed local governments are not new; economic conditions threatened local governments in the past and many states developed mechanisms to monitor financial condition and respond when necessary.

Evaluating financial condition involves a number of factors including the national and local economies, population, and composition of the community, and the internal finances of the local government.

Our research of how other states assess the financial condition of local governments found there are a number of different approaches and definitions of what constitutes distress. Despite the differences, one thing is certain; a combination of carefully selected indicators can provide a valuable tool for assessing the overall health of a local government.

The term *financial condition* can have many meanings. In a narrow accounting sense, financial condition means a government's ability to generate enough cash over 30 or 60 days to pay its bills. In a broader sense, it can mean a government's ability to generate enough revenues over its normal budgetary period to meet its expenditures and not incur deficits.

Analysis of Financial Condition of Oregon Counties

The objective of this report is to analyze the financial condition of county governments within the state of Oregon. We looked closely at federal timber revenue to counties. We did not propose specific solutions because the decisions about county taxes and service levels are based on local priorities, within practical and legal requirements and limitations.

We first prepared a financial condition report for the State of Oregon in 2012 based on the methodology developed by the International City and County Managers' Association (ICMA: *Evaluating Financial Condition: A Handbook for Local Governments, 1985*) and our research of efforts undertaken by other states. We applied the same general methodology to this effort, but because it involved 36 counties, we first developed a means of identifying counties warranting particular attention.

For purposes of this report, we define *financial condition* as a local government's ability to maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline, and change.

We included timber revenues as an indicator due to the expected end of federal timber payments, which many counties rely upon for their daily operations.

For purposes of our analysis, we selected the following 10 indicators that we feel provide a general assessment of the financial condition of Oregon's counties:

- Local Support
- Timber Revenue Dependence
- Debt Burden
- Liquidity
- Fund Balance
- Retirement Benefit Obligation
- Public Safety
- Personal Income
- Population Trends
- Unemployment

For each indicator, we present a detailed discussion and analysis. Much of the data included in this report was obtained from each county's audited financial statements. In addition, our analysis focused on the financial condition of each county's governmental funds, which includes the General Fund. Unless otherwise noted, the data is presented on a fiscal year basis (e.g., 2015 represents the fiscal year beginning July 1, 2014 and ending June 30, 2015). The data analyzed is through fiscal year 2015. Averages are presented on a five-year basis except that Wasco County's 2015 report has not been received to date; therefore, its information is only through 2014 with averages presented on a four-year basis.

Using the results of our analysis, we identified the counties whose financial condition may indicate a higher risk of distress. These counties were selected for additional analysis, and are presented in the *Counties to Monitor* section of this report.

County Indicators Overview

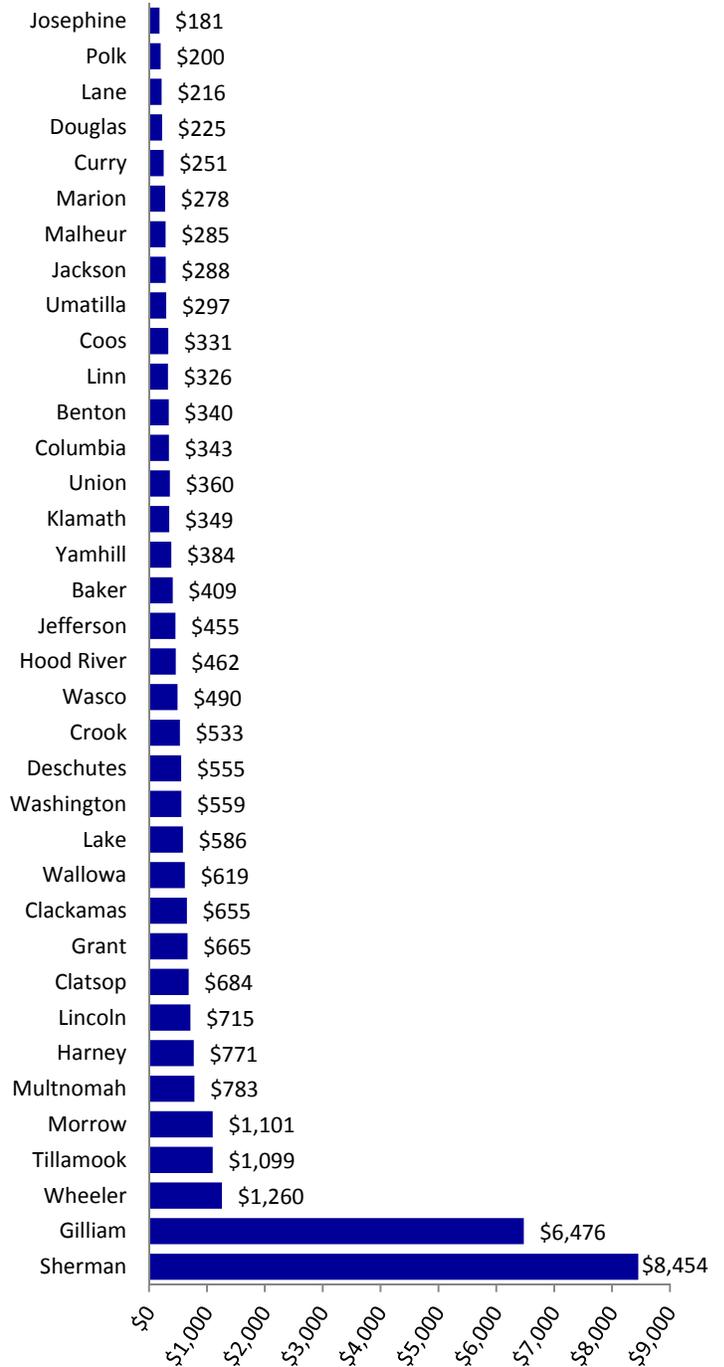
Local Support

Locally generated revenues should be sufficient to meet a county’s current and future service needs. The ability to generate local revenues is dependent on several factors including property values, taxable property, and population.

Property taxes are one of the most important sources of locally generated revenues for a county. Property taxes are composed of three primary parts: 1) permanent rate and gap bond levies, 2) local option levies, and 3) bond levies. Most taxing districts can utilize these options. The passage of statewide constitutional tax limitations in the 1990s (Measures 5, 47, and 50), established permanent rates for each taxing district. A county’s permanent tax rate is the maximum rate it can impose without approval by voters. Taxes from the permanent rates are discretionary and fund the general operating budgets of the taxing districts. The property tax rate chart does not include rates for special taxing districts created to fund specific county services such as enhanced law enforcement or libraries.

Between 2011 and 2015, most counties generated an average of at least \$300 per capita in local revenues, an average equal to that reported in our previous report. Gilliam and Sherman counties, on average, generated the largest local revenues per capita, which were five times greater than the next highest county. Revenues generated from wind farms and/or landfill and recycling centers contributed to the high averages in these counties.

Local Revenue per Capita
5-year average, FY 2011-2015



The average permanent tax rate among Oregon counties is \$2.82 per \$1,000 of assessed property value. Josephine and Curry counties have the lowest permanent tax rates and the only rates below \$1.00. Low permanent rates combined with limited taxable property can constrain a county's ability to raise revenues. To illustrate, Josephine County, with the lowest permanent tax rate of \$0.59 and 62% of its area in non-taxable federal lands, generated the least amount of local revenues at \$190 per capita in 2015; however, this is an increase from the previous low of \$174 in 2013.

Property Tax Rates

Permanent rate per \$1,000, FY 2014-15



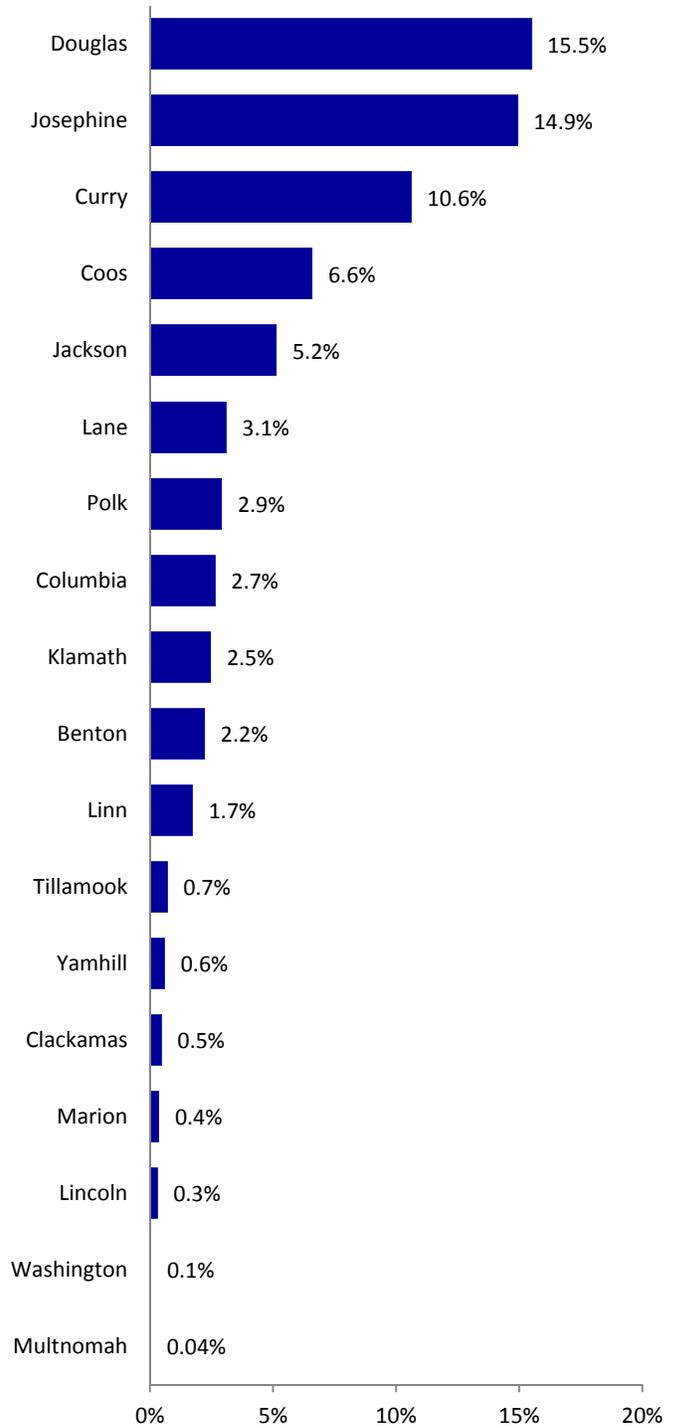
Timber Revenue Dependence

Revenues determine the capacity of a government to provide services to citizens and are affected by economic and policy changes. Oregon counties generate revenues from several sources, including other governments. The federal government provides timber revenue to eligible counties for 1) loss of property tax revenue, which results from an inability to impose taxes on federally owned forest lands, and 2) reduction in the amount of logging allowed on federal forest lands. Federal timber revenues are often restricted for specific purposes such as funding schools or road maintenance. The unrestricted portion of timber revenues can be used by a county for general operating expenditures.

For purposes of our analysis, we focused this indicator solely on federal timber revenues from the Department of Interior’s Bureau of Land Management (BLM) to 18 Oregon counties. These revenues, known as Oregon and California (O&C) and Coos Bay Wagon Road (CBWR) payments, are generally unrestricted and their availability greatly impacts a county’s General Fund. For counties heavily dependent on timber payments, the loss of this revenue may result in cash flow problems and fewer services provided to its citizens. Over the five-year period between 2011 and 2015, the average federal timber revenues in Curry, Douglas and Josephine counties ranged from 11% to 16% of their respective governmental fund revenues; a decrease from our previous report, which reflected a range of 14% to 20% between 2009 and 2013 for the same three counties. Accordingly, with the decline in timber revenues counties must rely more and more on other revenues for general operations.

Percent of Governmental Fund Revenue from Federal BLM Timber Payments

5-year average, FY 2011-2015
Only includes recipient counties



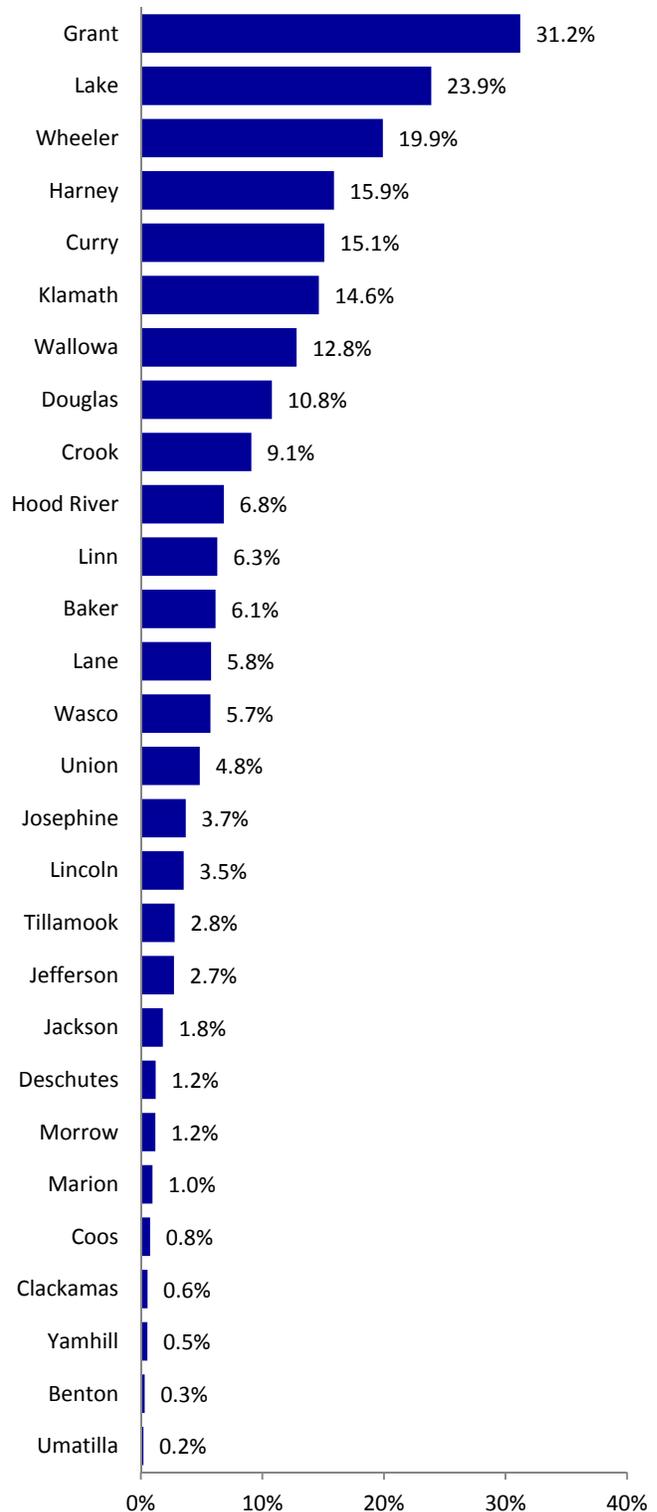
Counties also receive and depend on funding for roadways from the United States Forest Service (USFS) and the State of Oregon. We did not include these transportation funds in our analysis of counties to monitor because they are restricted for specific purposes. Oregon counties received about \$44 million in federal funding directed to roads in FY 2014-15, down from \$46 million in FY 2012-13. This funding, which was based on past timber revenues to Oregon counties, is not expected to continue in future years. In addition to federal funding, counties also received about \$234 million from the State of Oregon in FY 2014-15 (up from \$214 million in FY 2012-13), which was based on different factors such as their number of registered motor vehicles. The Oregon Constitution restricts the use of these federal and state revenues to roadway improvements.

For many of the larger counties with more miles of roads but fewer registered motor vehicles, federal funds were a substantial supplement to their state road funds. These counties will now only receive state revenue related to their registered vehicles, adversely affecting their transportation programs. Collectively, Oregon's counties lost nearly half of their road maintenance funding since 2009. Inadequate spending on road maintenance could have immediate consequences for many counties, though some built substantial reserves in an effort to delay the impact. The extent of the loss, the restricted use of the funds, and the challenge in determining the timing and magnitude of the economic impact make it difficult to assess the effect on financial conditions. The chart shows the reliance of Oregon counties on federal road funds to help pay the cost of road maintenance. Counties receive other federal revenue such as payments in lieu of taxes and state forest payments, but the amounts have less effect on the county's government funds.

Percent of Governmental Fund Revenue from Federal USFS Timber Payments (Road Fund Portion Only)

5-year average, FY 2010-2014

Only includes recipient counties



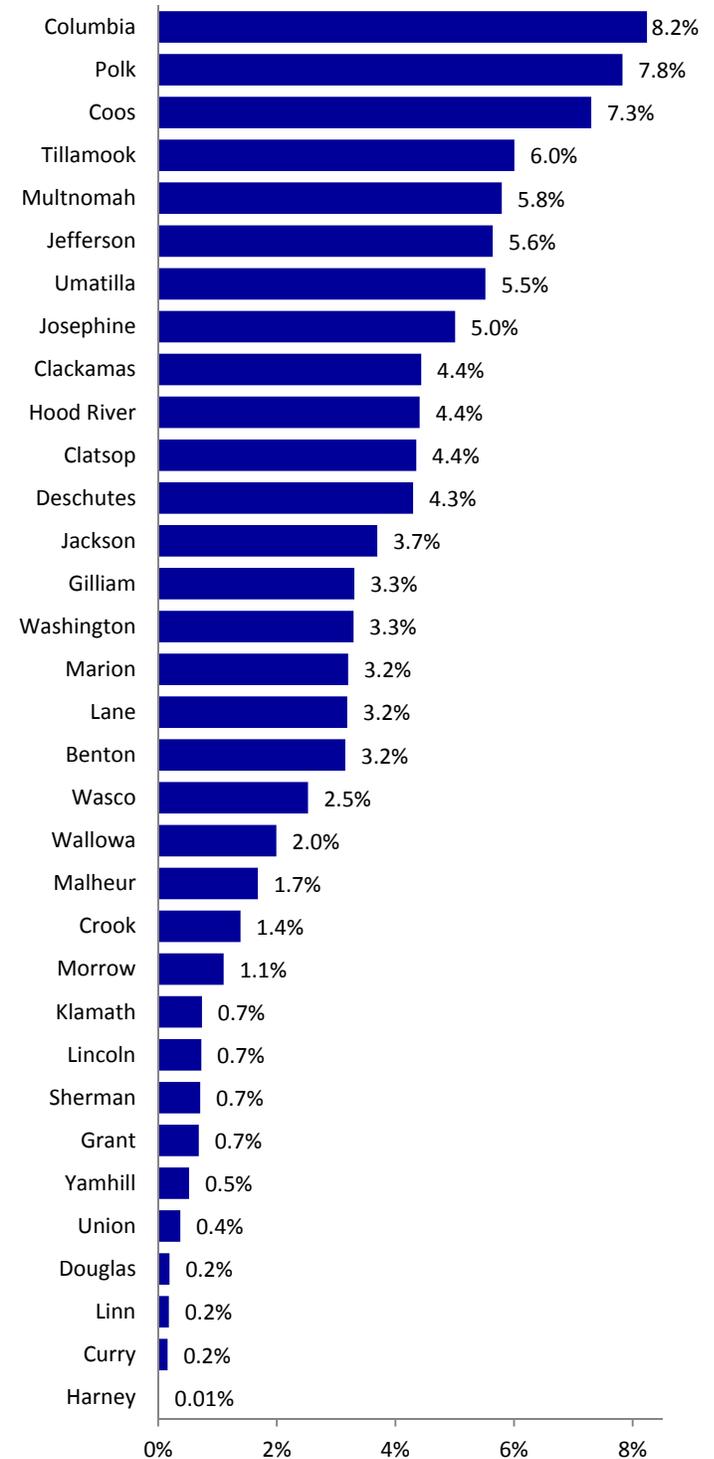
Debt Burden

The issuance of debt is one strategy a county can use to provide cash to fund expenditures. However, increasing debt service (principal and interest payments on outstanding debt) reduces expenditure flexibility by adding to a county's obligations. It can be a major part of a county's fixed costs, and its increase may indicate excessive debt and fiscal strain. A key indicator used to evaluate a county's debt burden is the percentage of debt service to revenues. States recognized as having sound debt management practices typically use a range between 5% and 8% of revenues. The State of Oregon uses a target of 5%.

From 2011-2015, seven counties had an average debt service to governmental fund revenues percentage exceeding 5%, an improvement from the nine counties in our previous report for 2009-2013. However, all 36 counties continue to remain within the range recognized as sound debt management.

Debt Service to Total Governmental Fund Revenues

5-year average, FY 2011-2015



Liquidity

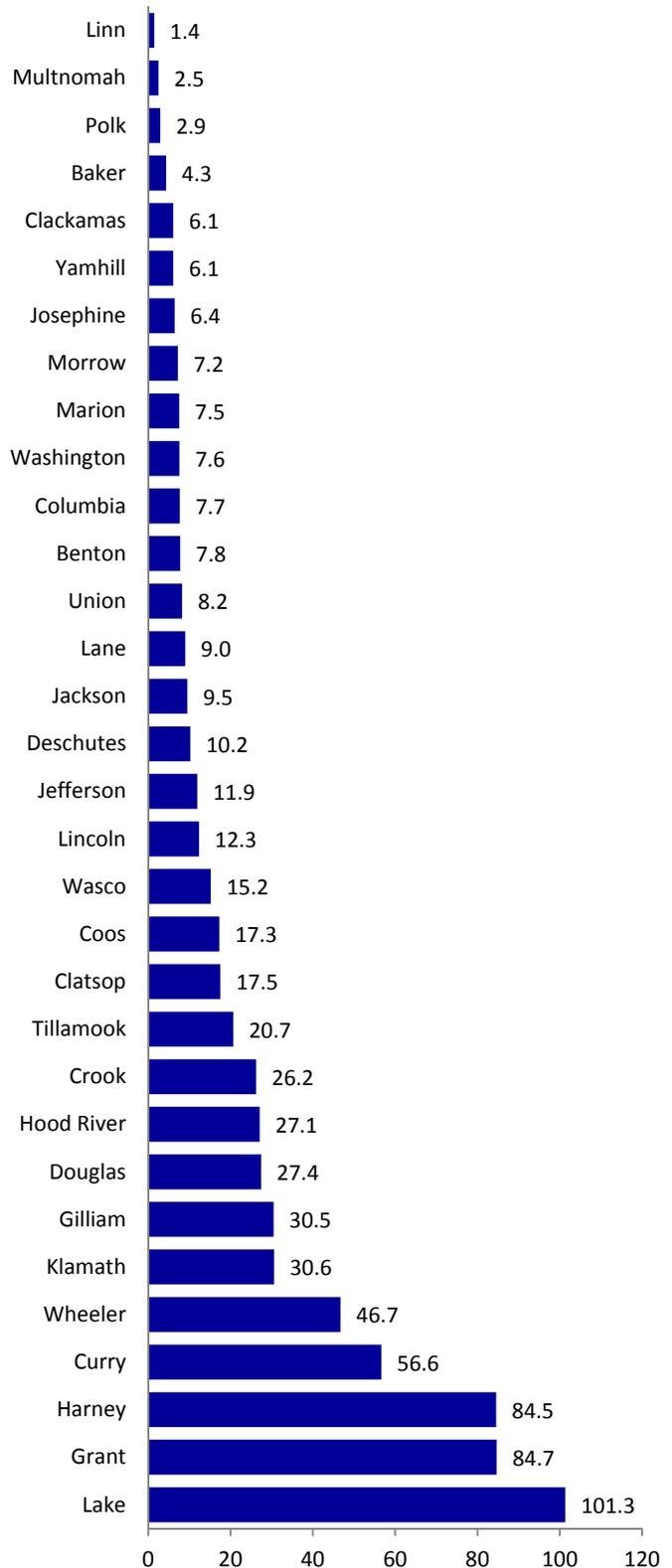
A good measure of a county's short-term financial condition is its liquidity or cash position. Cash position determines a county's ability to pay its short-term obligations by measuring the amount of cash on hand at the end of the year in relation to the amount of current liabilities. A ratio of less than one indicates the county's cash position is not sufficient to meet its short-term obligations.

As with our last report covering 2009-2013, all 36 counties maintained an average cash position sufficient to meet their short-term liabilities during 2011-2015. Nearly all counties showed a favorable cash position of at least 5:1, indicating the counties had a minimum of \$5 available to cover each dollar of short-term obligations. The number of counties with a 5:1 ratio has increased over the last two years.

Malheur, Sherman, Umatilla, and Wallowa counties are excluded from the liquidity analysis and graph on the right because they prepare their financial statements on the modified cash basis of accounting and no current liabilities are reported.

Liquidity

5-year average, FY 2011-2015



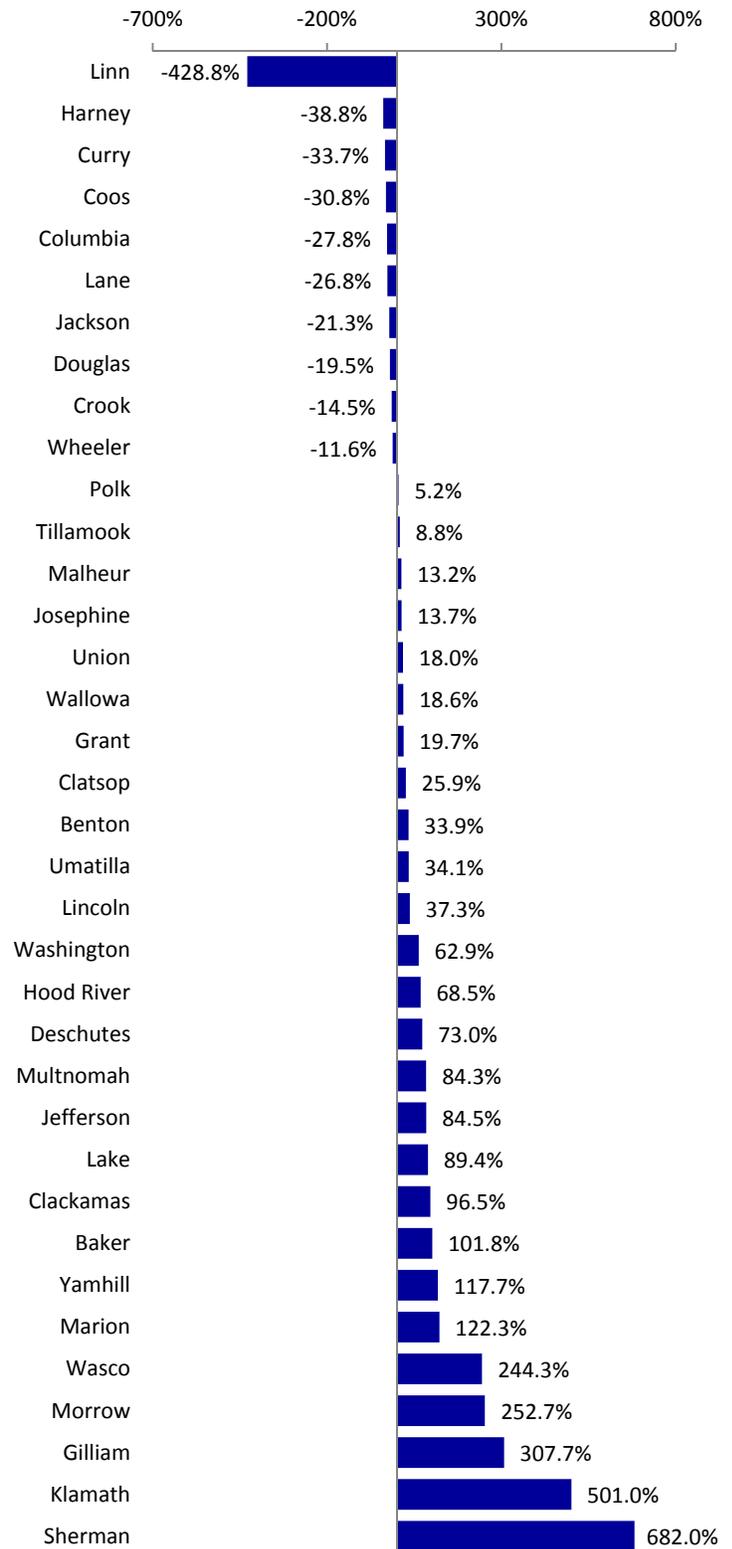
Fund Balance

Most counties rely on property tax revenue as a primary source of income for the General Fund to cover annual operating costs. A positive fund balance provides resources to weather revenue shortfalls or expenditure overruns. Continuous reductions in fund balance could lead to future problems, even if the current fund balance is positive.

In 2011, professional reporting standards changed fund balance classifications from reserved and unreserved to nonspendable, restricted, committed, assigned, and unassigned. The last three classifications are similar to the previous unreserved fund balance and are considered unrestricted because they are within the government's authority to determine how those funds are spent. From 2010 to 2015 ten counties experienced decreases in their respective General Fund unrestricted fund balance.

Linn County experienced the sharpest decrease of about \$5 million or 429% and reported a negative General Fund balance in each year analyzed. County officials reported the negative balance is due primarily to extensive use of interfund loans from the county's Road Fund. Five other counties experienced decreases ranging from 27-39% during this period.

Percent Change in General Fund Unrestricted Fund Balance FY 2010-2015



Retirement Benefit Obligation

An unfunded liability is one incurred during the current or a prior year that does not have to be paid until a future year, and for which reserves have not been set aside. It is similar to long-term debt in that it represents a legal commitment to pay at some time in the future. If such obligations are permitted to grow over a long period of time, they can have a substantial effect on a county's financial condition. This indicator measures the burden of each county's unfunded actuarial liability associated with its pension and other post-employment benefit plans (OPEB) on its citizens.

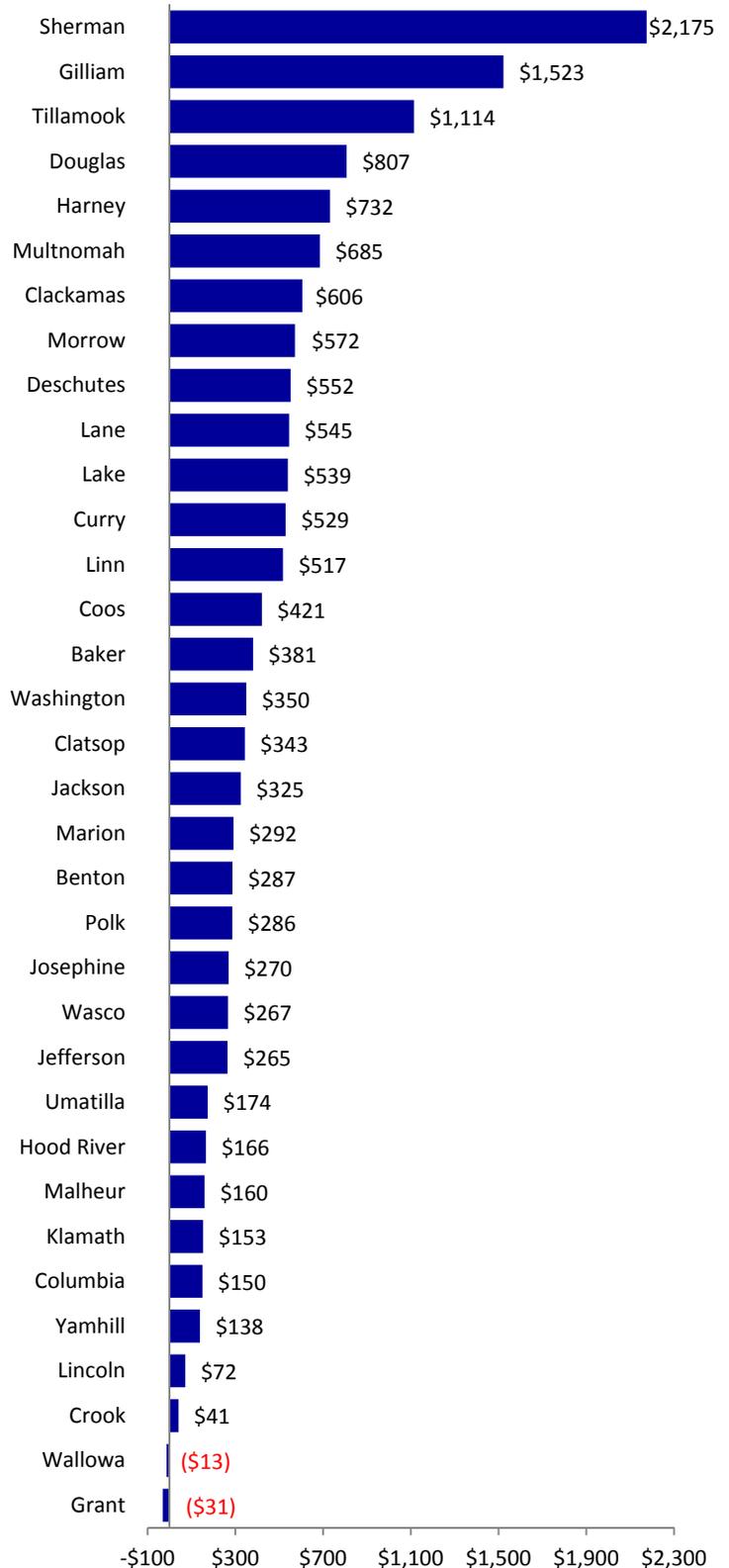
The average obligation in 2015 was \$453 per capita, a significant increase from the 2013 average of \$255 reflected in our last report. Pension plans in two counties were fully funded with no outstanding liability. Counties with retirement benefit obligations per capita of \$0 or less are considered fully funded. This generally occurs when pension bonds were issued to reduce the county's retirement obligation.

In 2015, Sherman and Gilliam counties had the highest retirement benefit obligations per capita. Although Sherman and Gilliam counties are making 100% of their annual required contributions, their unfunded liabilities are \$3.9 million and \$3 million, respectively (up from \$2.4 million and \$1.5 million, respectively, in 2013). Investment losses and a stagnant population result in a higher retirement obligation per capita.

Retirement Benefit Obligation per Capita

FY 2015

\$0 or less indicates fully funded



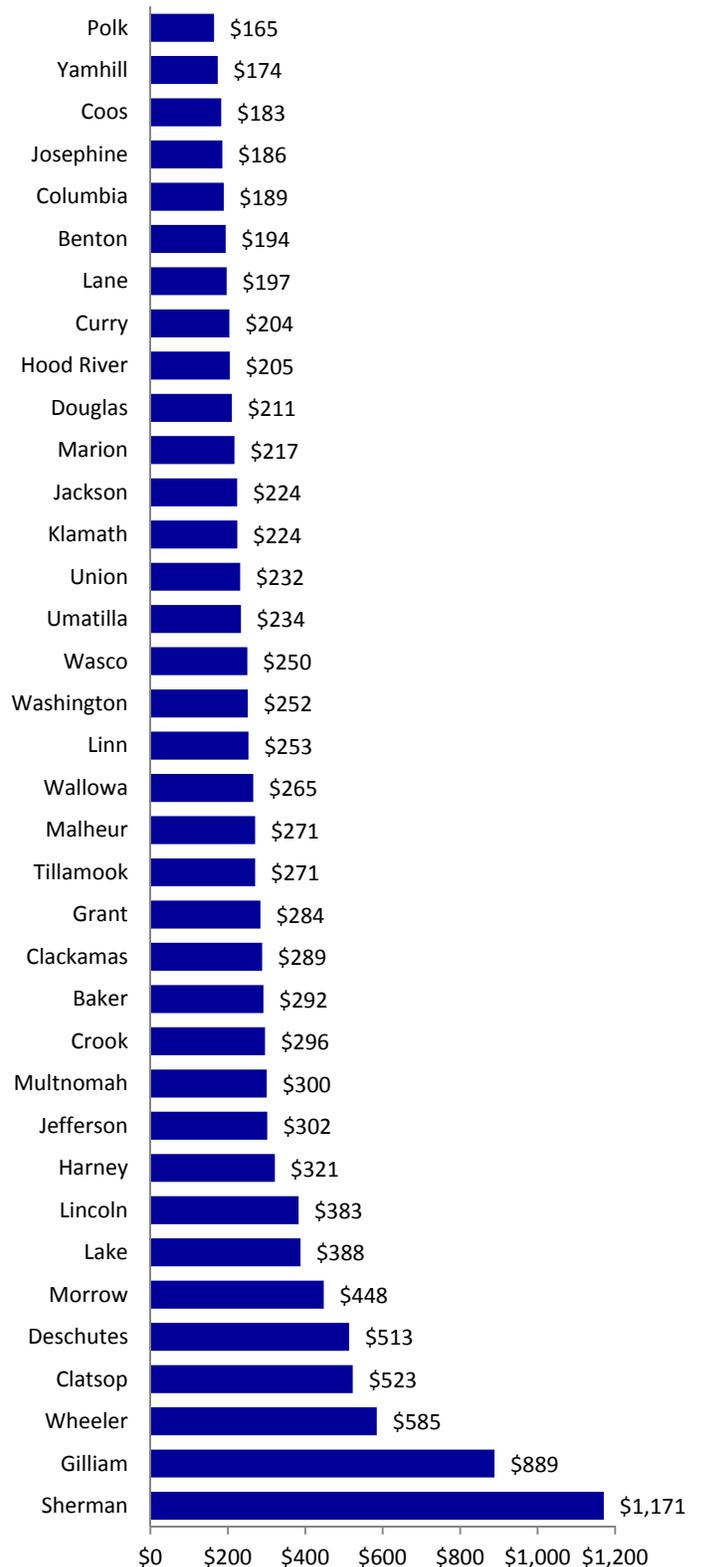
Public Safety

Public safety is a primary responsibility of a county to ensure its citizens are protected. Consistent with our previous report Sherman and Gilliam continued to significantly out-spend all other counties in this area. On the other hand, Yamhill, Coos, and Polk counties continue to spend the least amount on public safety. For example, Polk County road patrols were limited to 10 hours per day in 2015 compared to 24 hour/7 days a week patrols. Overall, the average public safety expenditures for each county increased from amounts presented in our last report.

Public safety programs are supported with discretionary funds. When resources are constrained, public safety is one of the first areas subjected to expenditure reductions. Some counties turned to the Oregon State Police to help supplement needed patrols. Other counties are getting creative by considering the possibility of volunteer crime scene investigators and park patrols, or strategically placing unmanned patrol cars throughout the area to create the impression of a higher police presence.

Some counties have attempted to reverse recent cuts in public safety by proposing property tax levies, which must receive a majority vote from the local citizens to pass. Polk County passed a levy in May 2015 to increase staffing for its jail and expanded patrol hours. Elsewhere in the state, voters in Curry and Josephine counties rejected multiple proposed ballot measures to fully fund public safety.

Public Safety Spending Per Capita
5-year average, FY 2011-2015



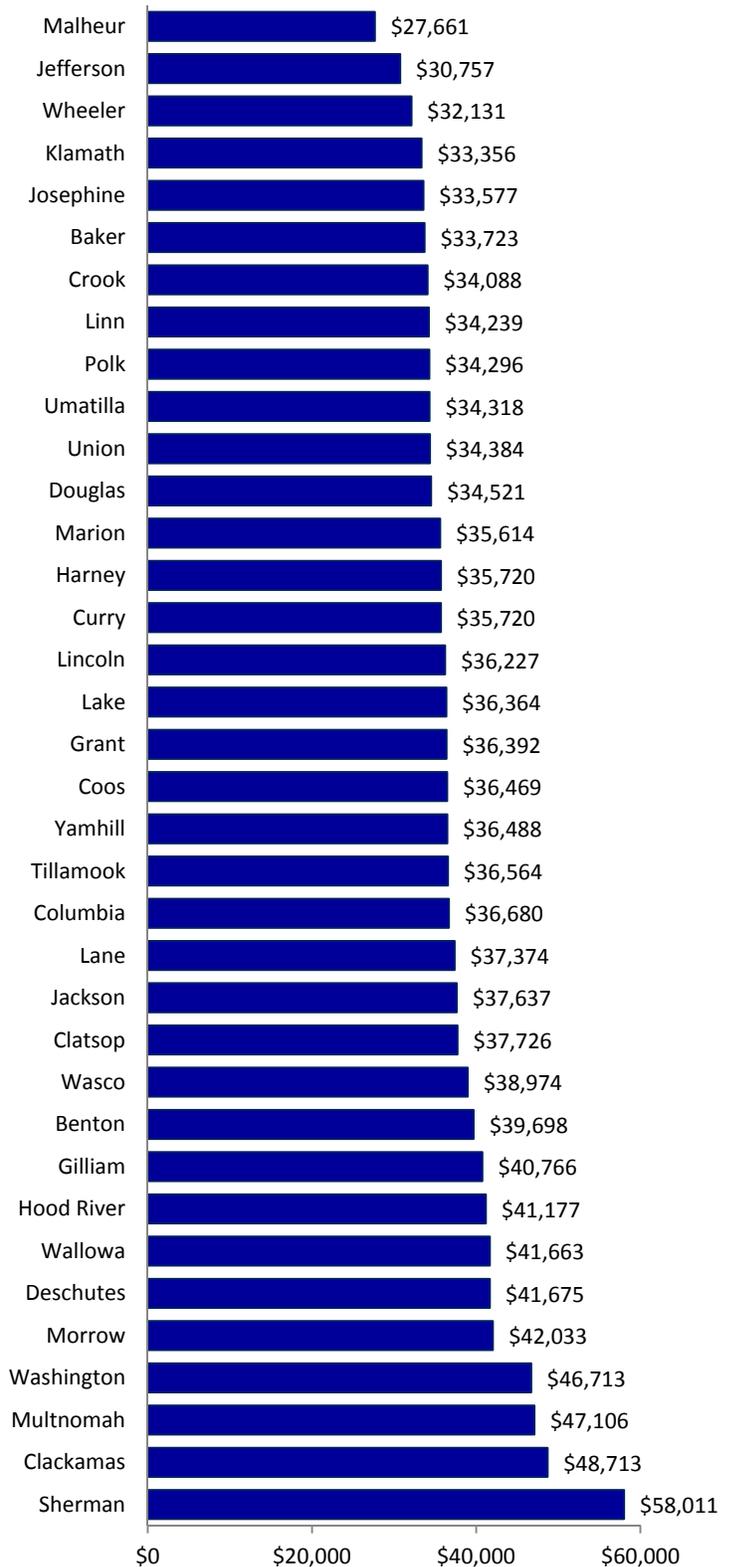
Personal Income

Personal income per capita is one measure of a county's ability to raise taxes: the higher the per capita income, the more property tax, income tax, and business tax the county can generate. If income is evenly distributed, a higher per capita income will usually mean a lower dependency on government services such as transportation, health, recreation, and public assistance. A decline in per capita income causes a drop in consumer purchasing power and can provide advance notice that businesses, especially in the retail sector, will suffer a decline that can ripple through the rest of the county's economy.

Income data for 2014 is the latest available, and based on those figures the per capita personal income among Oregon's 36 counties ranged from about \$28,000 to \$58,000, up from the low of \$26,000 reported for 2012. Every county experienced increases from 2012. Morrow and Sherman counties had the largest increases of over 30% since 2009, while Harney and Lake counties experienced the largest increases of 13% since 2012. The per capita increases in Morrow, Sherman, and Lake counties occurred in conjunction with population increases while Harney County's population remained fairly stable between 2012 and 2013.

Personal Income per Capita

FY 2014*



* Income data for 2015 was not available.

Population Trends

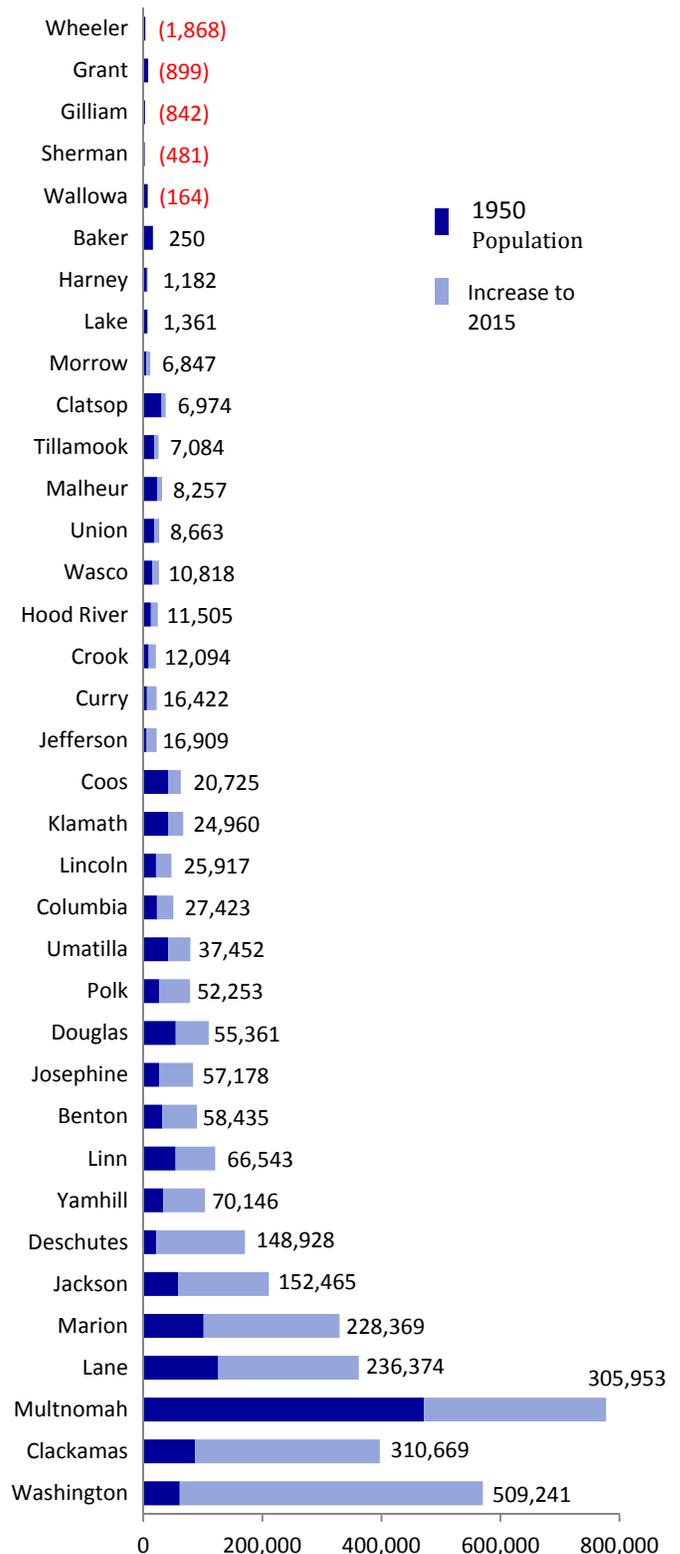
Population change can directly affect governmental revenues. For example, some taxes are collected on a per capita basis, and many intergovernmental revenues and grants are distributed according to population. A decline in population would, at first glance, appear to relieve the pressure for expenditures, because the population requiring services is smaller. In practice though, a county faced with population decline is rarely able to make reductions in expenditures proportional to the population loss.

From 1950 through 2015, most counties experienced an overall growth in population. Populations more than doubled during this period in 18 counties, and an additional five counties experienced increases of over 50%. Deschutes and Washington Counties experienced the largest growth in population with increases of 148,928 or 683% and 509,241 or 831%, respectively. This growth is consistent with trends reflected in our previous report.

A few counties, however, continue to experience declines. Wheeler, Gilliam, Sherman, and Grant counties all experienced declines greater than 10% since 1950. Wheeler and Gilliam counties had the greatest decreases of 1,868 (57%) and 842 (30%), respectively.

Consistent with our previous report, between 2010 and 2015, the largest population increases occurred in Washington (40,800) and Multnomah (42,156) counties. The next two largest increases were in Clackamas (21,393) and Marion (14,435) counties. The remaining counties either increased by fewer than 14,000 or decreased in population. Coos, Grant, and Harney counties experienced a population decrease during this same period ranging from a loss of 15 to 127 persons.

Population Change, 1950 to 2015



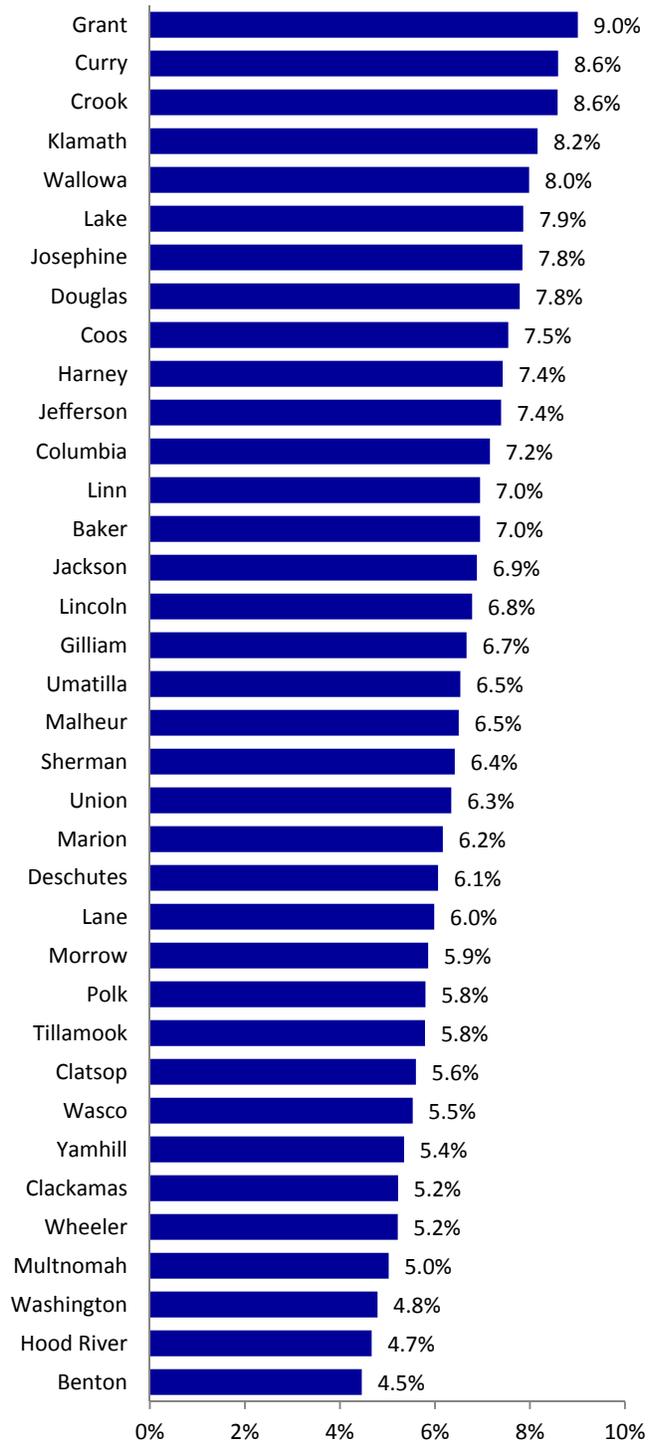
Unemployment

A county's unemployment rate is a key indicator of economic health, as well as a county's long-term financial prospects. During 2015, the average county unemployment rate ranged from a low of 4.5% to a high of 9.0%, down from 5.9% to 12.5% during 2013.

The State's seasonally adjusted unemployment rate during this period was 5.73% (7.9% in 2013). Unemployment in 25 counties exceeded the State rate, up from 22 counties in 2013.

Unemployment Rate

FY 2015 Seasonally Adjusted



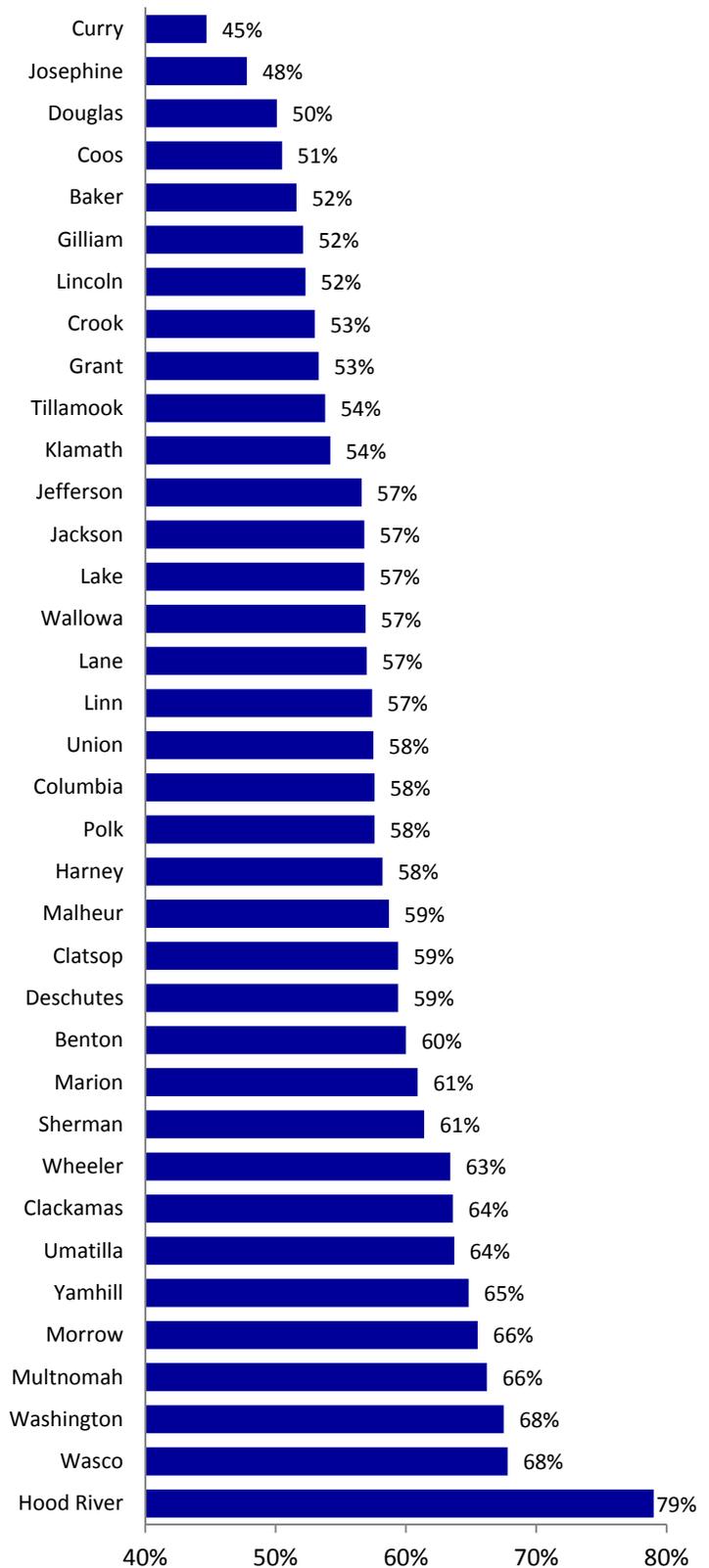
Another way to gauge the local economy is by measuring whether people are participating in the workforce. The labor force is the number of persons employed or unemployed and looking for work. The participation rate is calculated by dividing that number by the total population age 16 and older. The Oregon Department of Employment produces an annual analysis of the labor force participation rate.

The rate varies from a low of 45% in Curry County with a higher than average unemployment rate and relatively older population, to a high of 79% in Hood River County with a high concentration of younger prime-age workers. This range is consistent with the 2013 estimate of 45% to 82%. The statewide average rate of 61% is unchanged from 2013.

A much higher percentage of the population is participating in the workforce in the counties along the Columbia Gorge, such as Wasco, Sherman, and Hood River.

High unemployment and relatively older populations affect the counties with relatively low participation rates.

Labor Force Participation Rate 2014 Estimate



Counties to Monitor

As presented in the previous section, for the purposes of our analysis, we selected 10 indicators that provide a general assessment of the financial condition of Oregon's 36 counties. We included timber revenues as an indicator since some counties are heavily reliant on timber monies.

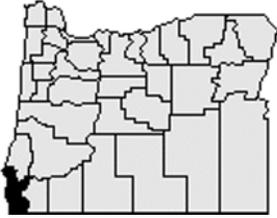
The results of our analysis indicate the following four counties may be at a higher risk of distress than other counties. We reported these four counties as counties to monitor in our 2012 and 2014 reports. Five counties reported in our 2014 report (Columbia, Coos, Jackson, Lane, and Linn) are no longer counties to monitor given improvements in various indicators such as unemployment, public safety per capita, and fund balance. The counties to monitor are presented in alphabetical order. Because the circumstances of each county are different, much more information is needed to rank them in order of severity, and to draw a clear distinction between those with a weaker financial condition.

- Curry
- Douglas
- Josephine
- Polk

We performed additional analysis of these counties and contacted county officials to determine what action they are taking to address the financial condition of their county. Their responses are presented within their individual sections of this report.

We did not propose any specific solutions because the decisions about county taxes and the level of services are based on local priorities, within practical and legal requirements and limitations.

Curry County



Overview

Curry County is approximately 1,648 square miles, of which about 66% is publicly owned. The county's major industries are agriculture, forest products, fishing and tourism. Curry has the second lowest property tax rate in Oregon and is reliant on federal timber revenues. The county's labor force participation rate is the lowest of the counties, its unemployment rate is the second highest, and its spending on public safety is among the bottom 10 counties. A number of county services ranging from animal control, health and human services, home hospice care, and environmental sanitation transitioned to non-profit organizations between 2011 and 2014. Despite these trends, the county has shown good debt management practices and has strong liquidity.

County Response

As mentioned above, Curry County has little to no debt and strong liquidity. Curry County's land allocation of 66% federal, 22% private forest and 7% farming and agricultural and 1% state, only leaves 4% of taxable land base at the second lowest rate in the State. With the end of federal timber payments to fund services and minimal tax revenues, Curry County will have a multimillion-dollar budget shortfall beginning in fiscal year 2017-18. This shortfall will cause major county services, such as public safety, assessment and taxation, and elections, to receive drastic reductions in staff and department closures, resulting in a subsequent loss of crucial services to citizens.

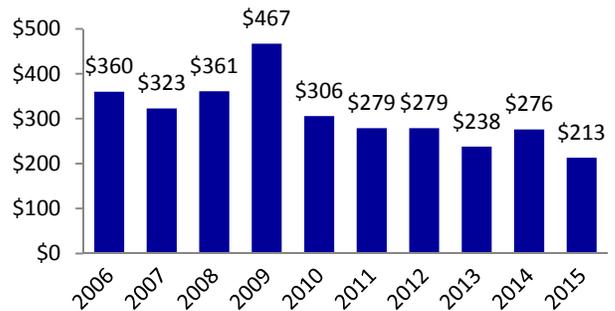
County commissioners are working closely with the Association of Oregon Counties, the National Association of Counties, the Association of O&C Counties, and state and federal legislators to increase harvest yields and restore federal forest timber payments to counties. Proposed local funding solutions to bridge the impending budget shortfall have not been passed by county residents.

Local Support

Local revenues per capita slowly declined over the past decade. From 2006 to 2015 local revenues decreased from \$7.8 million to \$4.8 million while the county's population increased by about 1,100. The county's permanent tax rate of \$0.60 per \$1,000 of assessed property value is the second lowest in Oregon.

Local Revenue Per Capita

Adjusted for inflation



Timber Revenue Dependence

In 2015 Curry County received about \$1.4 million in federal timber revenues, which represented about 9% of the county's total governmental fund revenues. The county's reliance on timber revenues has declined since 2006, when timber revenues were \$5 million or about 17% of total governmental fund revenues. Curry is one of 18 counties receiving federal timber revenues. The county's 2015 timber revenues provided about \$62 in revenues per capita.

Timber Dependence Per Capita

Adjusted for inflation

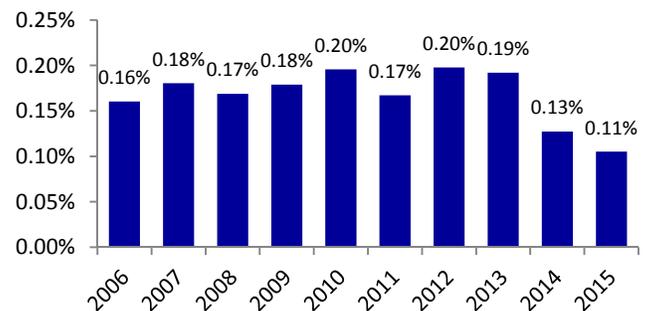


Debt Burden

The county's debt service payments remained stable from 2006 to 2015. At 0.11% of 2015 total governmental fund revenues, the debt service level is one of the lowest of the Oregon counties and indicates the county has implemented sound debt management practices.

Debt Service as Percentage of Governmental Fund Revenues

Adjusted for inflation

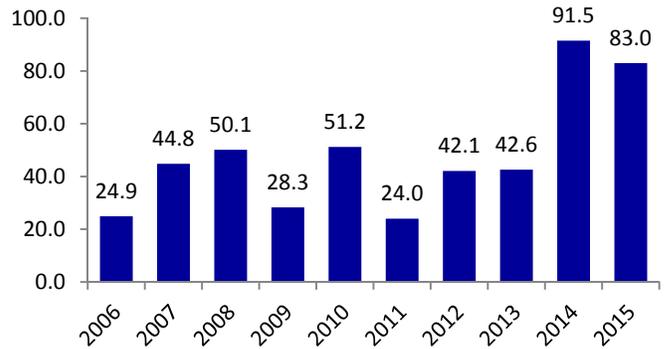


Liquidity

Curry's liquidity ratio varied over the past 10 years but has consistently maintained a ratio greater than 23. At this level, it has more than enough cash to meet its short-term liabilities. County officials reported the liquidity level is a result of efforts to put General Fund monies into reserves in anticipation of the loss of federal timber revenues. The liquidity ratio improved in 2014 due to a decrease in short-term liabilities.

Liquidity Ratio

Adjusted for inflation

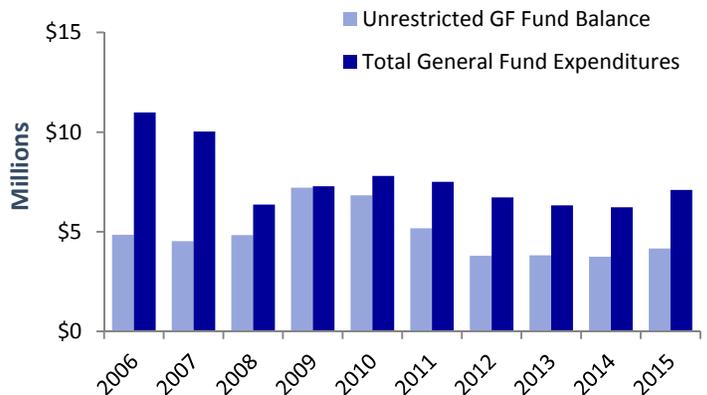


Fund Balance

The county's General Fund unrestricted fund balance as a percentage of total General Fund expenditures fluctuated between a low of 44% in 2006, to a high of 99% in 2009, to its current 59% in 2015. These percentages are considered indicative of adequate reserves.

Fund Balance

Adjusted for inflation



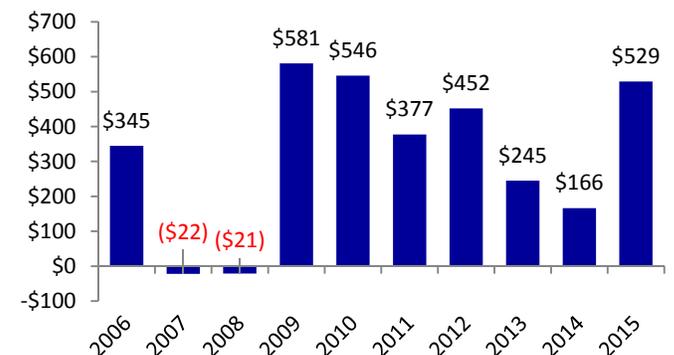
Retirement Benefit Obligation

The county provides pension and other retirement benefits to its employees. Its unfunded actuarial liability fluctuated each year since 2006. The current liability of \$11.9 million in 2015 is close to the \$12.4 million in 2009. The increase in 2015 is attributed to multiple factors including poor investment returns and market fluctuations.

Retirement Benefit Obligation Per Capita

Adjusted for inflation

\$0 or less indicates fully funded



Public Safety

Public safety expenditures per capita increased by 22% to \$229 in 2015 after the low of \$187 in 2014.

Public Safety Expenditures per Capita

Adjusted for inflation

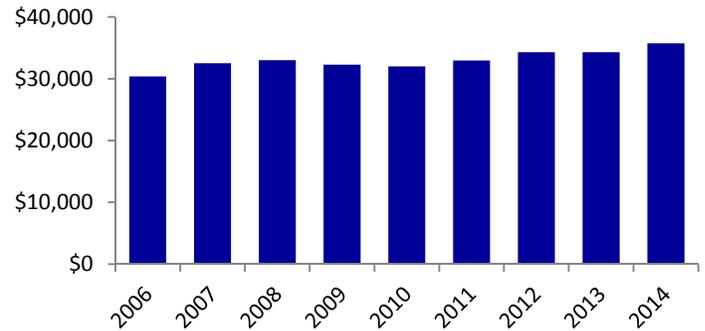


Personal Income

Personal income per capita gradually increased from 2006 to 2014. The county's 2014 per capita personal income level of \$35,720 is 22nd among Oregon counties.

Personal Income Per Capita

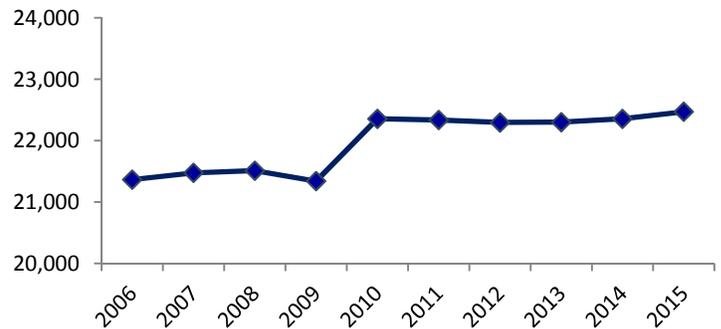
Adjusted for inflation based on 2014 dollars



Population Trends

Curry had an estimated population of 22,470 in 2015, which ranks 25th among Oregon counties. The county's population has increased slowly since 2006.

10-Year Population Trend

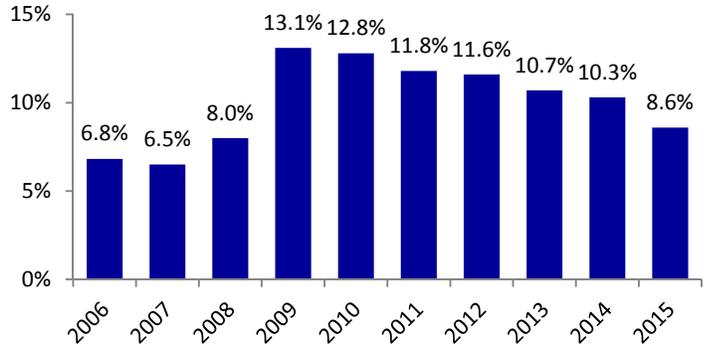


Unemployment

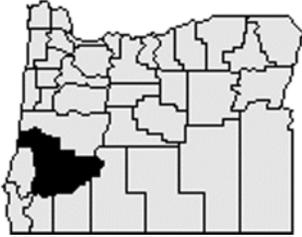
Since spiking in 2009 the county's unemployment rate has decreased due to the improving economy. The county's unemployment rate in 2015 was the second highest of Oregon counties and was about 2.9% higher than the State's unemployment rate for the year.

County Unemployment Rates

Seasonally adjusted average



Douglas County



Overview

Approximately 50% of Douglas County's 5,071 square miles is public land, with forest products and agriculture being key to its economy. The county levies the fourth lowest property tax rate in Oregon, which limits its ability to generate local revenues. Declines in revenue have outpaced reductions in spending resulting in operating deficits each year since 2012. Douglas is the most dependent among counties on federal timber payments, and has the third lowest labor participation rate. The county's large fund balance has helped the county to weather its declining revenues.

The financial management indicators show the county has sound debt management practices and one of the largest fund balances among counties. In addition, Douglas County has strong liquidity and a steady population growth over the past several decades.

County Response

Douglas County continues to deal with decreases in timber revenue and safety net funding from the federal government. Over the past 10 years, Douglas County has cut service costs, reduced staff by 30%, and until the safety net allocation was cut in half in 2011, increased reserve funds to help weather the fiscal transition.

The county began drawing on reserve funds in 2011 to maintain critical public safety services and instituted new fees and charges to replace safety nets in departmental budgets. Raising property taxes has been problematic in Douglas County as much of the population lives in unincorporated cities that have met the \$10 cap on taxes. Residents outside incorporated areas are unwilling to bear an inequitable share of property tax increases.

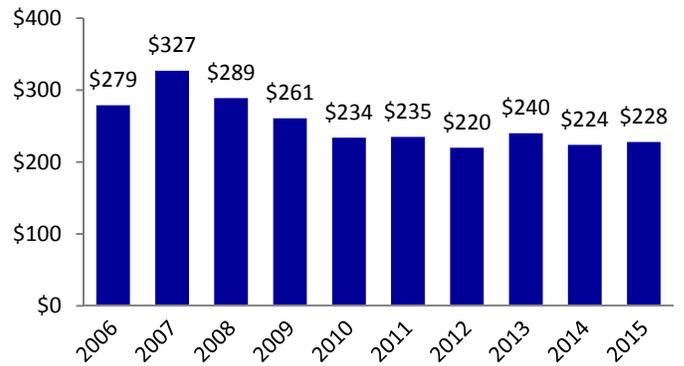
In 2015, county residents began paying parking fees at county parks and tipping fees for household trash sent to the landfill. The county is also considering forming a taxing district for the library system. County leaders indicated reinstating a harvest program while instituting the original revenue sharing formulas with the BLM and USFS on the 52% of county land owned by the federal government is the most equitable solution to the county's funding problems.

Local Support

The county's local revenues of \$25 million in 2015 is down from \$29 million in 2006, resulting in a decrease of local revenues per capita to \$228 in 2015 compared to \$279 in 2006. Local revenues per capita in 2015 were the fourth lowest in the state. Its permanent tax rate of \$1.11 per \$1,000 of assessed property value is the fourth lowest rate in Oregon.

Local Revenue Per Capita

Adjusted for inflation

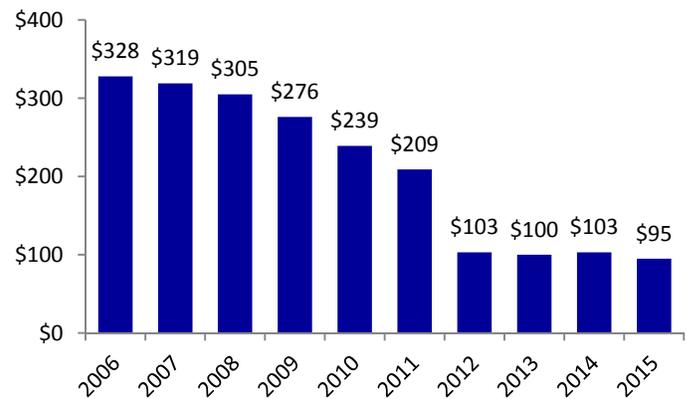


Timber Revenue Dependence

Douglas County is the most dependent on federal timber revenues. Those resources contributed 26% of the county's total governmental fund revenues in 2006, declining to 16% in 2015.

Timber Dependence Per Capita

Adjusted for inflation

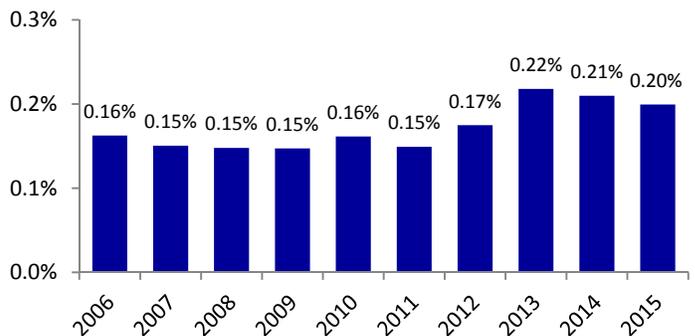


Debt Burden

The county's debt service payments remained stable from 2006 to 2015. At 0.20% of 2015 total governmental fund revenues, the debt service level is one of the lowest of the Oregon counties and indicates the county has implemented sound debt management practices.

Debt Service as Percentage of Governmental Fund Revenues

Adjusted for inflation

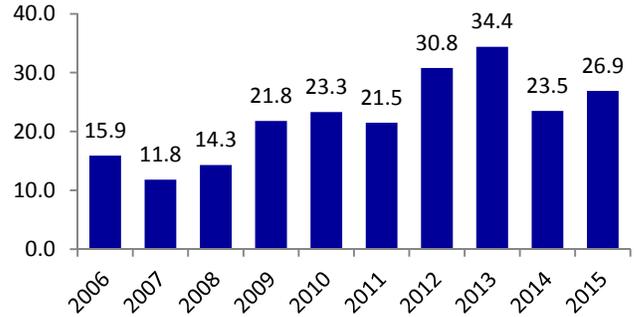


Liquidity

Douglas County consistently maintained a liquidity ratio greater than 11 between 2006 and 2015. At its current level, the county has sufficient cash to meet its short-term liabilities.

Liquidity Ratio

Adjusted for inflation

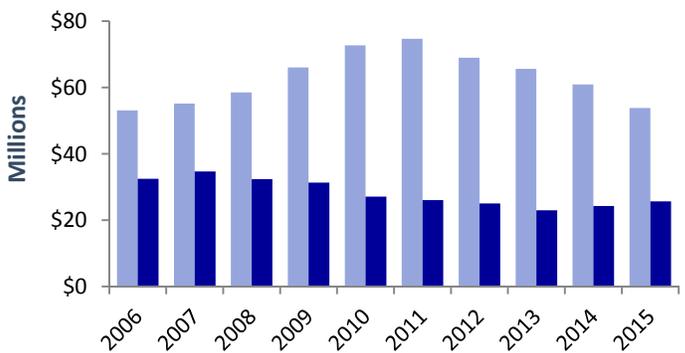


Fund Balance

The county's General Fund unrestricted fund balance of \$53.8 million in 2015 is consistent with \$53.1 million in 2006. During this same period, total fund expenditures decreased from \$32.4 million to \$25.7 million. As a result, the General Fund unrestricted fund balance meets its current needs. The county's 2015 unrestricted fund balance is the largest among Oregon counties.

Fund Balance

Adjusted for inflation

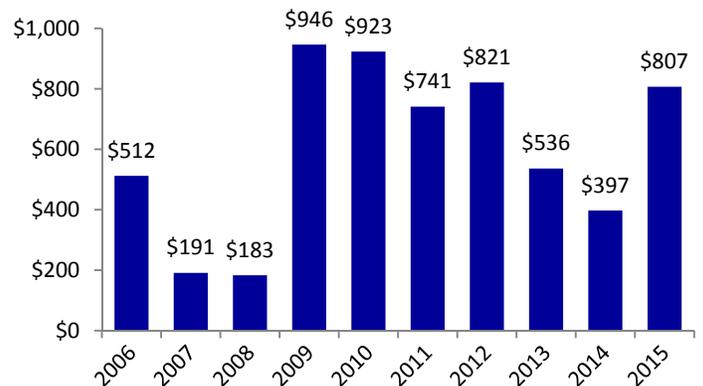


Retirement Benefit Obligation

The county provides pension and other retirement benefits to its employees. The unfunded liability associated with these benefits has fluctuated over the decade. Douglas's retirement obligations declined significantly from 2009 to 2013 due to pension reform and improved returns on investments, but returned to a higher level in 2015 due to multiple factors.

Retirement Benefit Obligation Per Capita

Adjusted for inflation

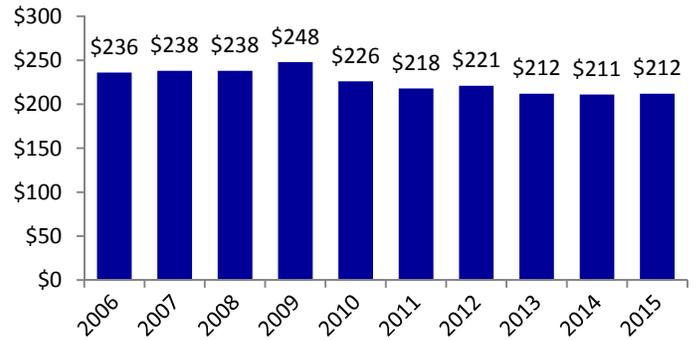


Public Safety

Spending per capita on public safety programs decreased about 10% since 2006, but has remained fairly consistent since 2013. At its current funding level, the county is in the bottom 10 counties for public safety spending per capita.

Public Safety Expenditures per Capita

Adjusted for inflation

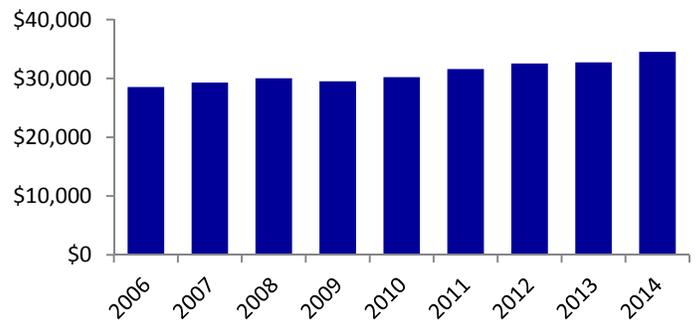


Personal Income

Per capita personal income levels in Douglas County rose from about \$28,500 in 2006 to about \$34,500 in 2014, an increase of about 21%, but the county still remained in the bottom third of all counties.

Personal Income Per Capita

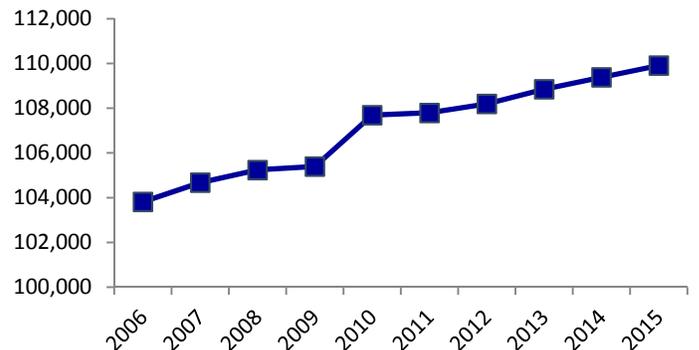
Adjusted for inflation based on 2014 dollars



Population Trends

Douglas County ranks ninth among Oregon counties with an estimated population of 109,910 in 2015. The population continued to grow over the last decade.

10-Year Population Trend

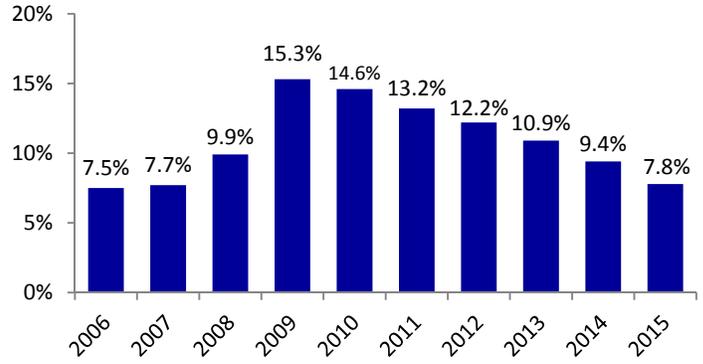


Unemployment

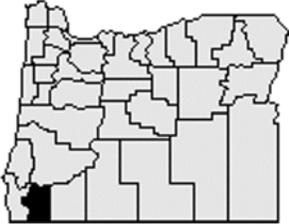
Although Douglas County's unemployment rate declined each year since 2009 due to an improving economy, its 2015 rate was the eighth highest of Oregon counties. It was 2% higher than the State's unemployment rate.

County Unemployment Rates

Seasonally adjusted average



Josephine County



Overview

Josephine County was the last county created before statehood and relies on lumber, tourism, and agriculture. Roughly 62% of its 1,641 square miles is publicly owned.

Josephine is one of the most dependent on federal timber payments and levies the lowest property tax rate. While a number of financial management indicators such as the county's debt burden and liquidity are positive, the majority indicate a high degree of risk. For example, the county's low property tax rate limits its ability to generate local revenues. Labor force participation is low and per capita personal income is the fifth lowest among counties. Cuts in public safety spending have led to the closure of the county juvenile jail and significant layoffs in the sheriff's department.

County Response

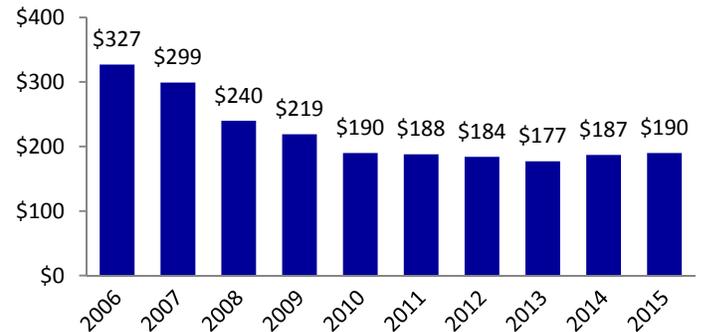
The County anticipates a stable budget for fiscal year 2016-17, with adequate revenues to maintain current service levels. However, for fiscal year 2017-18 the County is anticipating the loss of federal timber payments, in which case the County will prepare a balanced budget with strategic reductions in services and staffing, notably in the Public Safety Fund but also in the General Fund and the Internal Services Fund. Most other county funds operate on their own dedicated revenue sources and will not be significantly affected by the loss of federal timber payments.

Local Support

Local revenues decreased by 40% since 2006, to \$15.9 million in 2015. Local revenue per capita in 2015 was the lowest of the counties. The decline is likely due to a combination of factors, including population change and economic conditions. The county's permanent tax rate of \$0.59 per \$1,000 of assessed property value is the lowest in Oregon.

Local Revenue Per Capita

Adjusted for inflation



Timber Revenue Dependence

Federal timber payments decreased about 66% over the last decade falling from \$16.3 million in 2006 to \$5.6 million in 2015. About 13% of total revenues came from timber payments in 2015.

Timber Dependence Per Capita

Adjusted for inflation

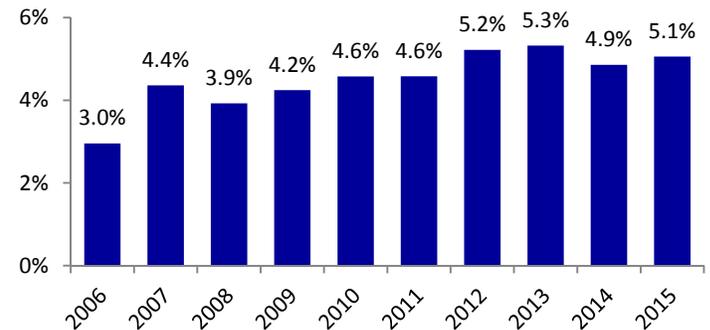


Debt Burden

The county's debt service payments, as a percentage of total governmental fund revenues, gradually increased over the past 10 years. However, the percentages still fall within the range of sound debt management.

Debt Service as Percentage of Governmental Fund Revenues

Adjusted for inflation

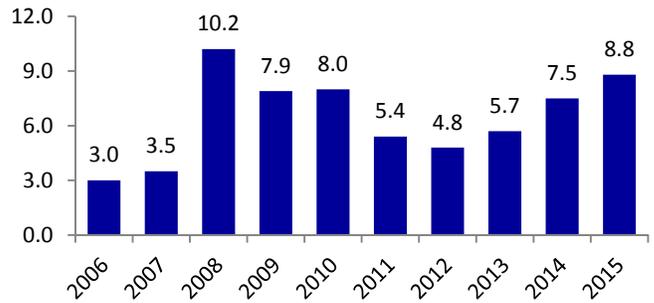


Liquidity

The county has strengthened its liquidity ratio the last eight years. At its current level, the county has sufficient cash to meet its existing short-term liabilities.

Liquidity Ratio

Adjusted for inflation

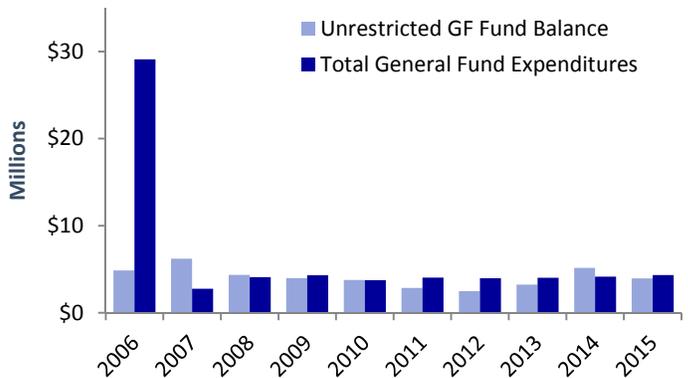


Fund Balance

The county's unrestricted General Fund balance was about \$5 million in 2006 while total General Fund expenditures were \$29 million. In 2007 the county began recording public safety expenditures in the new Public Safety Fund rather than the General Fund. Since then, the unrestricted General Fund balance has been generally comparable to total General Fund expenditures.

Fund Balance

Adjusted for inflation



Retirement Benefit Obligation

The county provides pension and other retirement benefits to its employees. The unfunded liability and resulting per capita obligation associated with these benefits more than doubled from 2014 to 2015. This is due to multiple factors including poor investment returns in current market conditions. At \$270 per capita, the county's retirement obligation is among the lowest of all Oregon counties.

Retirement Benefit Obligation Per Capita

Adjusted for inflation

\$0 or less indicates fully funded

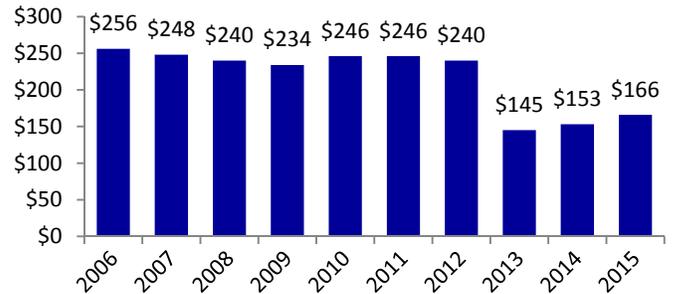


Public Safety

Josephine County's per capita spending on public safety programs was relatively stable each year until 2013 when it decreased about 40% from \$20 million to \$12 million, primarily due to a decrease in federal timber revenue. The county has the second lowest public safety expenditure per capita in 2015.

Public Safety Expenditures per Capita

Adjusted for inflation

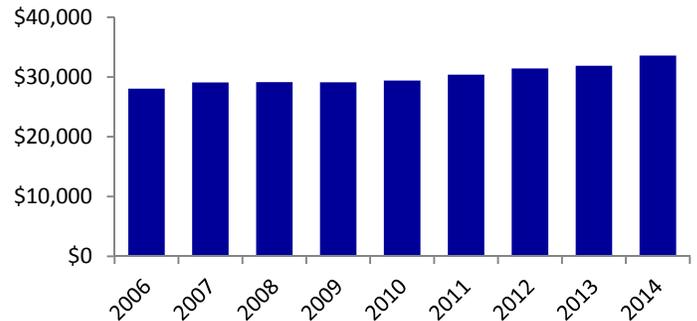


Personal Income

Per capita personal income levels increased about 20% since 2006. Even with these increases the county was the fifth lowest among Oregon counties in 2014.

Personal Income Per Capita

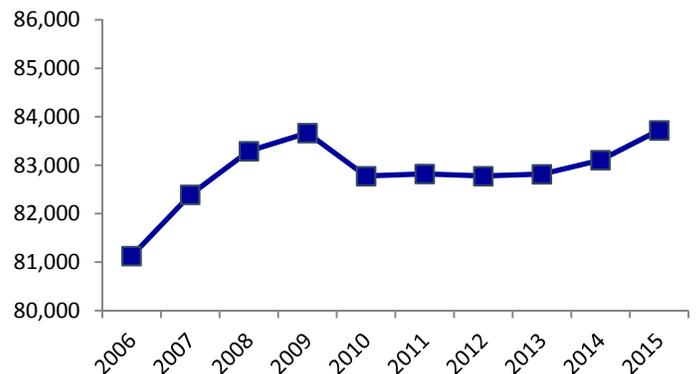
Adjusted for inflation based on 2014 dollars



Population Trends

In 2015, Josephine County was the 12th largest among Oregon counties with an estimated population of 83,720. The population has more than tripled since 1950. The county's population has been steadily increasing since 2010.

10-Year Population Trend

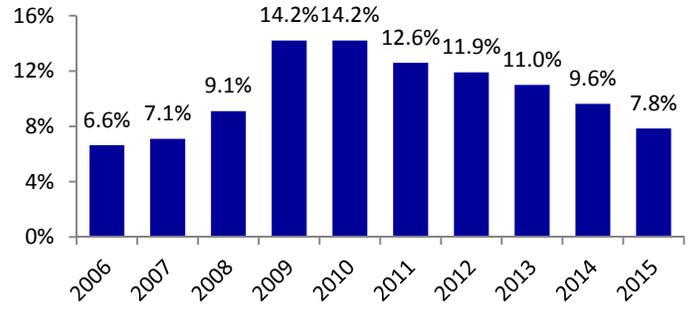


Josephine County

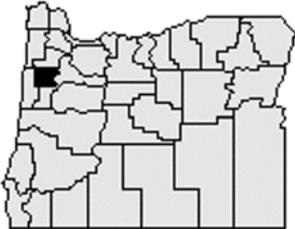
Unemployment

The county's unemployment rate decreased since 2009 with the improved economy. In 2015 the county's unemployment was the seventh highest in Oregon and was 2.1% higher than the State's rate.

County Unemployment Rates
Seasonally adjusted average



Polk County



Overview

Polk County covers approximately 745 square miles (11.3% is publicly owned). Its major industries are agriculture, forest products, manufacturing, and education.

The county is not overly reliant on federal timber revenues and enjoys the 11th lowest unemployment rate in Oregon. County spending on public safety is the lowest in the state; however, a law enforcement local option levy passed by voters in May 2015 is expected to generate approximately \$2.3 million annually to help pay for additional law enforcement. Although it has one of the highest debt burdens, it is still within the range recognized as sound debt management. The county experienced significant population growth the last two decades.

County Response

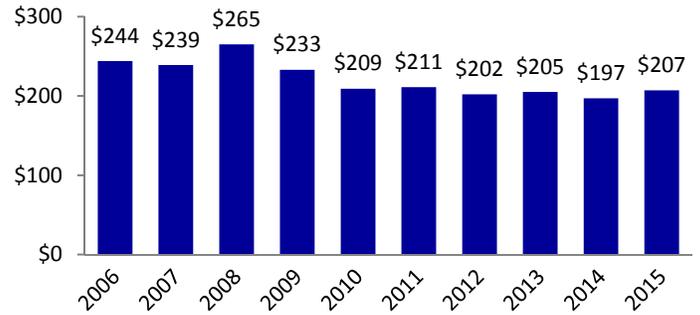
With the passage in May 2015 of a five year public safety operating levy to address public safety needs and increase fund balances in both the general fund and other funds, the “counties to monitor” label is no longer applicable in the county’s opinion. A report of this type is based on historical information and does not address future plans or solutions. Polk County will continue to monitor and manage its revenues and expenditures in a prudent manner to ensure fiscal responsibility and professional service delivery to its citizens.

Local Support

Locally generated revenues remained fairly consistent over the past 10 years at approximately \$16 million annually. For 2015, local revenues per capita were the second lowest in the state. The county's permanent tax rate of \$1.72 per \$1,000 of assessed property value is the 12th lowest in Oregon.

Local Revenue Per Capita

Adjusted for inflation



Timber Revenue Dependence

In 2006, Polk County received about \$2.9 million in federal timber revenues, which represented 6% of the county's total governmental fund revenues. In 2015, these revenues were about \$0.9 million or about 2% of total governmental fund revenues. The county's 2015 federal timber revenues provided about \$12 in revenues per capita.

Timber Dependence Per Capita

Adjusted for inflation

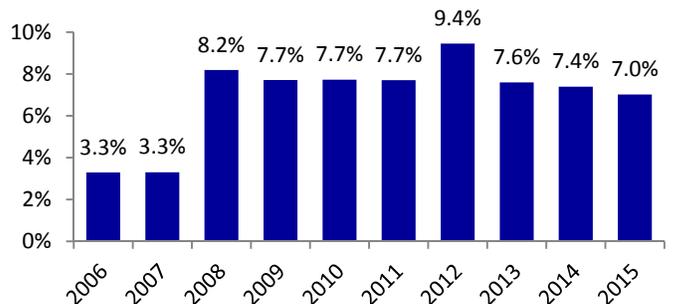


Debt Burden

At 7% of its 2015 total governmental fund revenues, the county's debt service ranks among the highest of Oregon's counties. However, its level of debt service is still within the range recognized as sound debt management.

Debt Service as Percentage of Governmental Fund Revenues

Adjusted for inflation

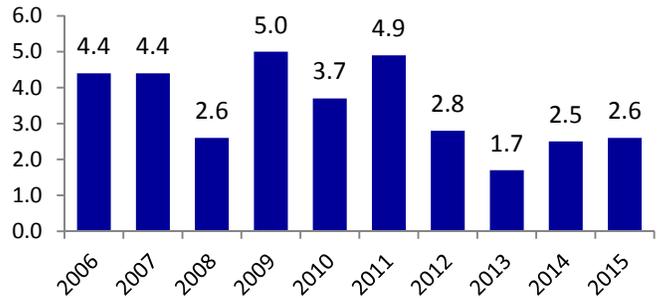


Liquidity

Over the past 10 years, the county maintained an adequate liquidity ratio each year to meet its current needs. Although the county has sufficient cash to meet its existing short-term liabilities, its 2015 liquidity ratio of 2.6 is the third lowest of the counties.

Liquidity Ratio

Adjusted for inflation

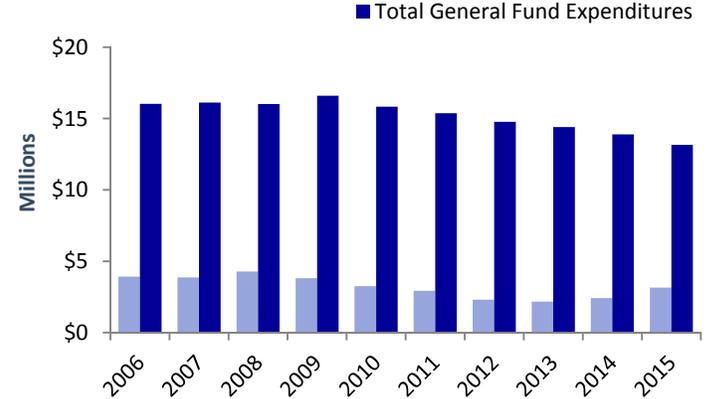


Fund Balance

The county's General Fund unrestricted fund balance decreased from \$3.9 million in 2006 to \$3.1 million in 2015. During this same period expenditures decreased from \$16 million to \$13 million.

Fund Balance

Adjusted for inflation



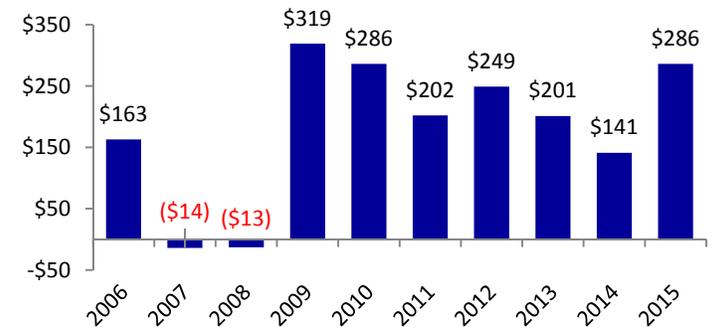
Retirement Benefit Obligation

The county provides pension and other retirement benefits to its employees. In 2015, the retirement obligation per capita increased due in part to poor returns on the State's investments. When compared with other counties, Polk's retirement obligation is in the bottom third.

Retirement Benefit Obligation Per Capita

Adjusted for inflation

\$0 or less indicates fully funded

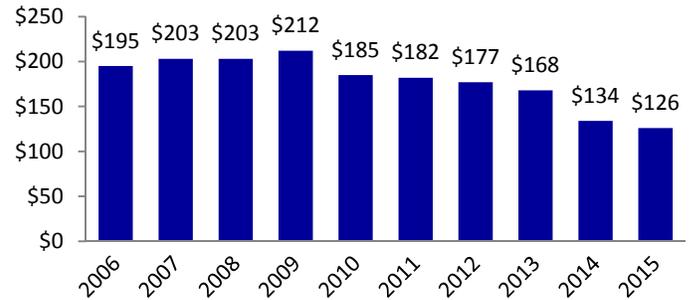


Public Safety

Polk County's public safety expenditures per capita declined since 2009. Public safety program expenditures decreased from \$14.6 million in 2009 to \$9.9 million in 2015. Polk County is the lowest county in public safety expenditure spending per capita. In May 2015 a levy was passed to generate funding for additional law enforcement.

Public Safety Expenditures Per Capita

Adjusted for inflation

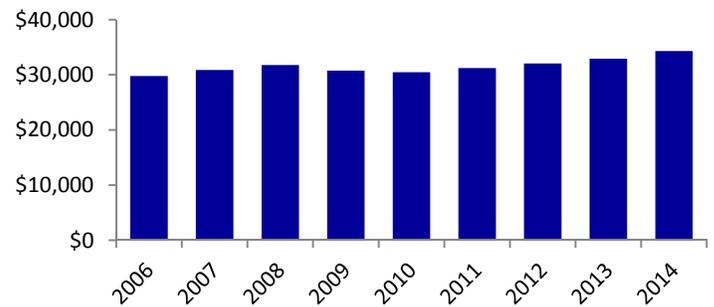


Personal Income

Although personal income per capita in Polk County steadily increased since 2006, it ranks in the bottom 10 among Oregon counties.

Personal Income Per Capita

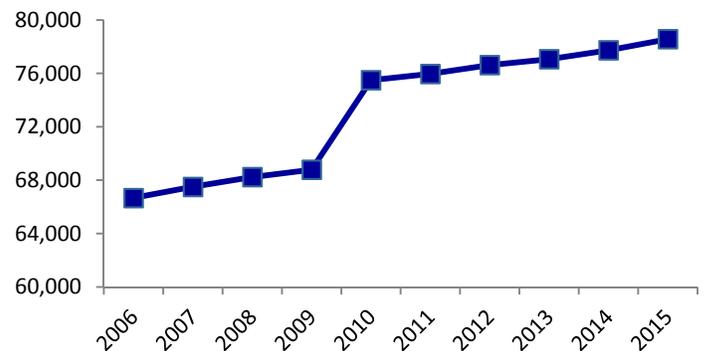
Adjusted for inflation based on 2014 dollars



Population Trends

Polk County ranks 14th among Oregon counties with an estimated population of 78,570 in 2015. The population has continued to grow the past 10 years.

10-Year Population Trend

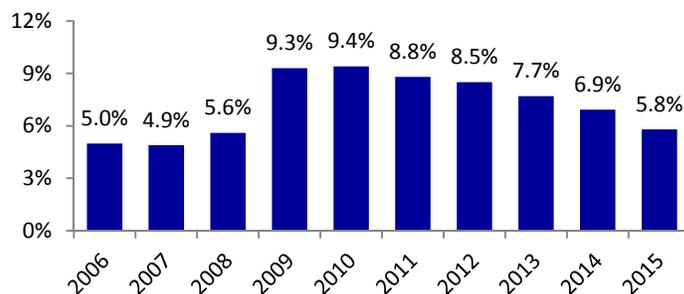


Unemployment

The county's unemployment rate gradually decreased since 2009 due to an improving economy. In 2015, the unemployment rate is close to the State's average rate of 5.7%.

County Unemployment Rates

Seasonally adjusted average



Oregon's Approach to Financial Monitoring and Intervention

During the 2012 legislative session, Oregon enacted laws to address financial distress among its counties; the legislation was designed to assist troubled counties that were impacted by the recent loss of federal timber revenues.

The purpose of the legislation was to provide assistance to counties that had received federal timber revenues through the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS) and are now facing a financial crisis. Under this law, counties whose SRS revenues exceeded 10% of their property tax revenue qualified to declare distress and seek state assistance and intervention. The legislation allowed several timber impacted counties to use road funds for sheriff patrols without repayment until January 2016 and allowed all counties to transfer road funds for public safety costs as long as the road funds were repaid within three years.

During the 2013 session, legislation was passed that allows the Governor to determine if a public safety fiscal emergency exists within one or more counties. The purpose of this law is to reduce the loss of life, injury to persons or property and suffering that could result from a public safety fiscal emergency. Once an emergency is declared, the state will bear 50% of the cost of public safety and the county will bear the remaining 50% through income tax, tax on telecommunications services, any assessment the county is lawfully capable of imposing, or existing sources of county revenues.

If assistance is requested, the law allows for the establishment of a fiscal assistance board with the power to, among other things, reallocate funds, cut services, lay off employees, reduce expenditures, sell or lease real or personal county property, issue bonds, and renegotiate debt repayment. However, implementation of the governor's board actions require a majority vote of its members and a majority vote of the county's governing board.

Unfortunately, counties that do not qualify under the new law have few remedies at the state level. While Oregon does allow Irrigation and Drainage Districts to file bankruptcy, it does not allow counties to file for bankruptcy. Other than these few measures, local governments are responsible for managing their own financial problems.

Best Practices

Dr. Charles Coe, a professor in the School of Public and International Affairs at North Carolina State University, has studied local government financial monitoring. Based on his research, he recommends the following best practices to prevent fiscal crises:

- Utilize a system that provides early warning of fiscal distress. The ideal system analyzes the most current financial reports; states that use budgets or interim financial information are able to identify problems earlier than those that use annual financial reports. However, audited financial reports may contain more accurate information. The system also needs to carefully consider which indicators to use. Some indicator systems may tend to produce false warnings or false assurances. In order to be effective, the system must accurately predict distress.
- Assist troubled local governments when evidence of possible distress is detected. States that are successful in assisting local governments also have adequate staff to provide the technical assistance. This assistance could also be achieved through referral systems or other means to help the local government help itself.
- Strongly intervene if a crisis occurs. For the state to protect its interests, it must be able to mandate action. States with a strong ability in this area can take the extreme action of local government takeover for the duration of the crisis.

Our 2012 report includes an appendix of laws existing in other states related to local government financial oversight and state intervention.

<http://sos.oregon.gov/Documents/audits/full/2012/2012-17.pdf>

Objectives, Scope and Methodology

The objective of this report is to evaluate the financial condition of Oregon's county governments using the Financial Trend Monitoring System developed by the International City and County Management Association (ICMA). In addition, we sought to identify general strategies used by other states to monitor and address counties with financial problems.

This report was produced for informational purposes and does not constitute an audit performed in accordance with generally accepted government auditing standards.

The primary source of data in this report was obtained from each county's audited financial statements of fiscal years 2006 through 2015. In addition, our analysis focused on the financial condition of each county's governmental funds, which includes its General Fund. Unless otherwise indicated, data are presented on a fiscal year basis (e.g., 2015 represents the fiscal year beginning July 1, 2014 and ending June 30, 2015). In order to account for inflation, we expressed financial data in constant dollars. We adjusted dollar amounts for each prior year to equal the purchasing power of money in fiscal year 2015. We used the Consumer Price Index – All Urban Consumers U.S. city Average, as reported by the Bureau of Labor Statistics, U.S. Department of Labor. Charts that have been adjusted for inflation will be indicated in the chart title.

Financial indicators used in this report were derived primarily from information contained in the ICMA *Evaluating Financial Condition: A Handbook for Local Governments*. However, additional factors were considered and, in some cases, the indicators were modified to fit Oregon's unique situation. For example, differences in accounting principles employed by counties made it difficult to identify discretionary operational spending.

Counties selected for additional analysis were identified using a number of criteria including: 1) the county's dependence on federal timber revenue, 2) the number of indicators in which the county was identified as high risk of distress, and 3) our general understanding of the counties (i.e., publicly known financial troubles).

We reviewed information for reasonableness and consistency. We did not, however, audit the accuracy of source documents or the reliability of the data in computer-based systems. Our review of data was not intended to give absolute assurance that all information was free from error. Rather, our intent was to provide reasonable assurance that the reported information presented a fair picture of the financial condition of county governments in the State of Oregon. In addition, while the report offers financial highlights, it does not thoroughly determine the reasons for negative or positive performance. More analysis is needed to provide such explanations.

Additional information, such as economic and demographic indicators, was obtained from the following sources:

- Oregon Employment Department
- Oregon Department of Administrative Services
- Oregon Department of Revenue
- Oregon Public Employees Retirement System
- Oregon Secretary of State, Archives Division
- Portland State University Population Research Center
- United States Department of the Interior, Bureau of Land Management
- United States Department of Labor, Bureau of Labor Statistics
- Curry County Officials
- Douglas County Officials
- Josephine County Officials
- Polk County Officials
- *ICMA Evaluating Financial Condition: A Handbook for Local Governments*

About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of her office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of other state agencies within the Executive, Legislative, and Judicial branches of Oregon government. The division audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

Audit Team

Mary Wenger, CPA, Interim Director

Phil Hopkins, CPA, Audit Manager

Kari Mott, MBA, Principal Auditor

Paul Birkvold, CPA, Senior Auditor

This report, a public record, is intended to promote the best possible management of public resources. Copies may be obtained from:

internet: sos.oregon.gov/audits

phone: 503-986-2255

mail: Oregon Audits Division
255 Capitol Street NE, Suite 500
Salem, OR 97310

The courtesies and cooperation extended by officials and employees of Oregon counties and the Association of Oregon Counties during the course of this review were commendable and sincerely appreciated.

CONSENT

AGENDA REQUEST FORM

DATE: 12/1/16 **DEPT:** Administration **DEPT. HEAD SIGNATURE:** _____

ISSUE: Declare obsolete electronic equipment and small office supplies as surplus.

STATUTORY AUTHORITY: ORS OAR County Ordinance

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

Declare computers Declare computers and printers Cetag#'s
128,710,713,715,719,834,835,1038,1180,1244,1284,1349,1394,1395,1396,1399,1459,1489,1523,and 1742 as
surplus; they are defective or no longer compatible with our system. We also have several small office supplies,
such as file folder holders , legal size file folders, and desk organizers that we would like to donate to Goodwill.

FISCAL IMPACT: Budget Line Item: _____ Account Balance: _____

PROJECT ANALYSIS: Staff Contact: _____ Estimated Hours Spent to Date: _____
Estimated Completion Date: _____ Comments: See attached sheets.

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES:

County Counsel Finance Director Other Affected Agencies
 Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD-

ADMINISTRATIVE RECOMMENDATION:

Declare obsolete equipment and small office supplies as surplus.

County Administrator _____ Dept. Head Attendance to Meeting (circle one) Yes No

DATE: _____ **ACTION OF THE BOARD:** _____

County Administrator _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: to R & A *Additional Originals to: _____
Copies (all Info): *Agreement/ordinance/resolution book
Copies (ARF only): *Copy for agreement tracking book

AGENDA REQUEST FORM

DATE: Dec 19, 2016 **DEPARTMENT:** Budget & Finance **DEPT. HEAD SIGNATURE:** Sandi Borowy

SUBJECT: Tax refunds over \$2,000 requiring BOC approval FY 2016/2017

AUTHORITY: ORS _____ OAR _____ County Ordinance/Code _____
(IFAPPLICABLE) PER ADMIN CODE REGARDING BUDGET & FINANCE ACTIVITIES

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

BOC approval of tax refunds over \$2,000 is required by the current Administrative Code for the Budget & Finance Department. The attached check requests represent tax refunds required due to duplicate payments on the accounts of:

King, Stephen & Jennifer	Acct 7074	Refund \$3,338.73	Carpenter, Norwood	Acct 13190	Refund \$2,333.71
Amerititle	Acct 3202	Refund \$2,746.32	Goldstein, Mark	Acct 13477	Refund \$2,586.68
Amerititle	Acct 8234	Refund \$3,289.46	Muller, Richard	Acct 14389	Refund \$2,104.80
Amerititle	Acct 11477	Refund \$2,010.83	Hanson, David	Acct 19670	Refund \$2,629.13
Amerititle	Acct 12852	Refund \$4,607.20	Yasui, Inc.	Acct 7765	Refund \$2,894.81
Amerititle	Acct 14377	Refund \$2,104.80	Schwager, Catherine	Acct 6628	Refund \$2,629.27
Hickey, John	Acct 1369	Refund \$3,105.69			

FISCAL IMPACT/PROJECT ANALYSIS:

Budget Line Item _____	Account Balance \$ _____
Estimated Hours Spent to Date: _____	Estimated Completion Date: <u>ASAP</u>
Staff Contact: <u>SANDRA A. BOROWY</u>	
Comments:	
Appropriate return of funds to the tax payers noted.	

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES: (IFAPPLICABLE)

- | | | | |
|---|---|---|--|
| <input type="checkbox"/> County Counsel | <input type="checkbox"/> Finance Director | <input type="checkbox"/> Other Affected Agencies | <input type="checkbox"/> Administrator |
| <input type="checkbox"/> Safety Committee | <input type="checkbox"/> Human Resources Director | <input type="checkbox"/> Appropriate County Committee | <input type="checkbox"/> Other |

RECOMMENDATION FROM DEPARTMENT HEAD:

Approve tax refunds as stated.

ADMINISTRATIVE COMMENTS/APPROVAL:

Approve tax refunds over \$2000 to the following accounts: 7074, 3202, 8234, 11477, 12852, 14377, 1369, 13190, 13477, 14389, 19670, 7765 and 6628

County Administrator _____ Dept. Head/Staff Attendance to Meeting (circle one) Yes No

ACTION OF THE BOARD:

Date _____

County Administrator _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: to R & A *Additional/Exceptional Originals to: _____
Copies (all info.): _____
Copies (ARF only): B&F

REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 555555

PAYABLE TO:

KING, STEPHEN E & JENNIFER T
817 SHERMAN AVE
HOOD RIVER, OR 97031

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03 AMOUNT: \$ 3,338.73

BUDGET #: 697 - 0000 - 226 - 10 - 03 AMOUNT: \$ 0.00

TOTAL \$ 3,338.73

FOR: DUPLICATE PAYMENT ON ACCOUNT # 7074

REQUESTED BY:

DEANNA LAINHART 

APPROVED BY:

 12/5/16

REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 635

PAYABLE TO: AMERITITLE
419 STATE ST. STE 2
HOOD RIVER, OR 97031

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03

AMOUNT: \$ 2,746.32

BUDGET #: 697 - 0000 - 226 - 10 - 03

AMOUNT: \$ 0.00

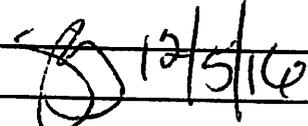
TOTAL \$ 2,746.32

FOR: DUPLICATE PAYMENT ON ACCOUNT # 3202

REQUESTED BY:

APPROVED BY:

DEANNA LAINHART 

 12/5/16

REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 635

PAYABLE TO: AMERITITLE
419 STATE ST. STE 2
HOOD RIVER, OR 97031

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03

AMOUNT: \$ 3,289.46

BUDGET #: 697 - 0000 - 226 - 10 - 03

AMOUNT: \$ 0.00

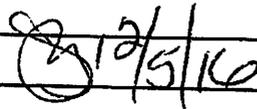
TOTAL \$ 3,289.46

FOR: DUPLICATE PAYMENT ON ACCOUNT # 8234

REQUESTED BY:

APPROVED BY:

DEANNA LAINHART 


12/5/16

REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 635

PAYABLE TO: AMERITITLE
419 STATE ST. STE 2
HOOD RIVER, OR 97031

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03

AMOUNT: \$ 2,010.83

BUDGET #: 697 - 0000 - 226 - 10 - 03

AMOUNT: \$ 0.00

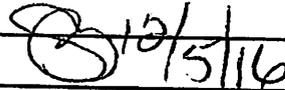
TOTAL \$ 2,010.83

FOR: DUPLICATE PAYMENT ON ACCOUNT # 11477

REQUESTED BY:

APPROVED BY:

DEANNA LAINHART 


12/15/16

REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 635

PAYABLE TO: AMERITITLE
419 STATE ST. STE 2
HOOD RIVER, OR 97031

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03 AMOUNT: \$ 4,607.20

BUDGET #: 697 - 0000 - 226 - 10 - 03 AMOUNT: \$ 0.00

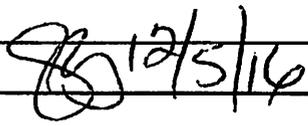
TOTAL \$ 4,607.20

FOR: DUPLICATE PAYMENT ON ACCOUNT # 12852

REQUESTED BY:

APPROVED BY:

DEANNA LAINHART 

 12/30/16

REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 635

PAYABLE TO: AMERITITLE
419 STATE ST. STE 2
HOOD RIVER, OR 97031

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03

AMOUNT: \$ 2,104.80

BUDGET #: 697 - 0000 - 226 - 10 - 03

AMOUNT: \$ 0.00

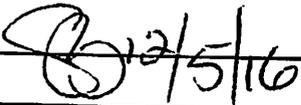
TOTAL \$ 2,104.80

FOR: DUPLICATE PAYMENT ON ACCOUNT # 14377

REQUESTED BY:

APPROVED BY:

DEANNA LAINHART 

 12/5/16

REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 635

PAYABLE TO:

HICKEY, JOHN J & DEGENNARO, AMY
18103 WESTMINSTER DR
LAKE OSWEGO, OR 97034

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03

AMOUNT: \$ 3,105.69

BUDGET #: 697 - 0000 - 226 - 10 - 03

AMOUNT: \$ 0.00

TOTAL \$ 3,105.69

FOR:

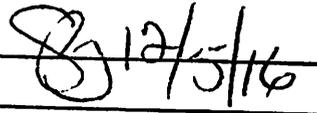
DUPLICATE PAYMENT ON ACCOUNT # 1369

REQUESTED BY:

DEANNA LAINHART



APPROVED BY:



REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 635

PAYABLE TO:

CARPER, NORWOOD GREER III
711 KATIE LN
HOOD RIVER, OR 97031

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03

AMOUNT: \$ 2,333.71

BUDGET #: 697 - 0000 - 226 - 10 - 03

AMOUNT: \$ 0.00

TOTAL \$ 2,333.71

COPY

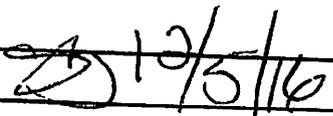
FOR:

DUPLICATE PAYMENT ON ACCOUNT # 13190

REQUESTED BY:

DEANNA LAINHART 

APPROVED BY:

 12/30/16

REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 635

PAYABLE TO:

GOLDSTEIN, MARK ET UX 1/2 ET AL
2044 SW JACKSON ST
PORTLAND, OR 97201

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03

AMOUNT: \$ 2,586.68

BUDGET #: 697 - 0000 - 226 - 10 - 03

AMOUNT: \$ 0.00

TOTAL \$ 2,586.68

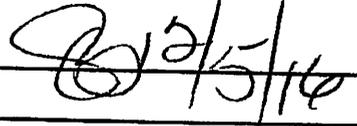
FOR:

COPI
DUPLICATE PAYMENT ON ACCOUNT # 13477

REQUESTED BY:

DEANNA LAINHART 

APPROVED BY:

 12/15/16

REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 635

PAYABLE TO:

GMUELLER, RICHARD L
1706 AVALON WAY 49
HOOD RIVER, OR 97031

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03

AMOUNT: \$ 2,104.80

BUDGET #: 697 - 0000 - 226 - 10 - 03

AMOUNT: \$ 0.00

TOTAL \$ 2,104.80

FOR:

DUPLICATE PAYMENT ON ACCOUNT # 14389

REQUESTED BY:

DEANNA LAINHART

APPROVED BY:

[Signature]
12/30/16

REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 635

PAYABLE TO:

HANSON, DAVID S III & CHRISTINE S
931 ZANNA LN
HOOD RIVER, OR 97031

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03

AMOUNT: \$ 2,629.13

BUDGET #: 697 - 0000 - 226 - 10 - 03

AMOUNT: \$ 0.00

TOTAL \$ 2,629.13

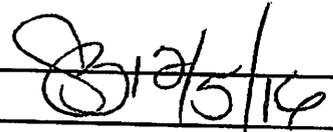
FOR:

DUPLICATE PAYMENT ON ACCOUNT # 19670

REQUESTED BY:

DEANNA LAINHART 

APPROVED BY:

 12/30/16

REQUEST FOR CHECK

DATE: 12/30/16

VENDOR # 635

PAYABLE TO:

SCHWAGER, CATHERINE L & BRETT S
3675 HOLLY DR
HOOD RIVER, OR 97031

CHARGE TO: FUND DEPT/DIV BASE/SUB ELEMENT OBJECT

BUDGET #: 690 - 0000 - 226 - 10 - 03

AMOUNT: \$ 2,629.27

BUDGET #: 697 - 0000 - 226 - 10 - 03

AMOUNT: \$ 0.00

TOTAL \$ 2,629.27

FOR: DUPLICATE PAYMENT ON ACCOUNT # 6628

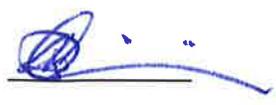
REQUESTED BY:

DEANNA LAINHART 

APPROVED BY:

 12/5/16

AGENDA REQUEST FORM

DATE: December 1, 2016 DEPARTMENT: Forestry DEPT. HEAD SIGNATURE: 
SUBJECT: Approval of Timber Sale Results of December 1, 2016
STATUTORY AUTHORITY: X ORS 275.340 OAR _____ County Ordinance _____

=====

BACKGROUND/SUMMARY OR ALTERNATIVES CONSIDERED: Hood River County Forestry Department held a sealed bid Timber Sale on December 1, 2016 with the following results:

Hart T. S. #17-5 volumes – DF 2,769 MBF @ \$530.83/MBF; WF & O 243MBF @ \$209.00/MBF to High Cascade, Inc.

=====

FISCAL IMPACT: Budget Line Item 406-1802-395.10-90 Account Balance \$1,520,655.27
Budget Line Item _____ Account Balance _____

=====

PROJECT ANALYSIS: Staff Contact: _____
Estimate Hours Spent To Date: _____ Estimated Completion Date: _____
Comments: _____

=====

ACKNOWLEDGMENT BY OTHER AFFECTED PARTIES: (If applicable)

<input checked="" type="checkbox"/> County Counsel	<input type="checkbox"/> Finance Director	<input type="checkbox"/> Other Affected Agencies	<input type="checkbox"/> Administrator
<input type="checkbox"/> Safety Committee	<input type="checkbox"/> Human Resources Director	<input checked="" type="checkbox"/> Appropriate County Committee	<input type="checkbox"/> Other

=====

RECOMMENDATION FROM DEPARTMENT HEAD:
Approve the sale of:
Hart Timber Sale #17-5 to High Cascade, Inc.

=====

ADMINISTRATIVE RECOMMENDATION:

Award the Hart timber sale #17-5 to the highest bidder: High Cascade, Inc.

County Administrator _____ Department Head/staff attendance to meeting (circle one): Yes No

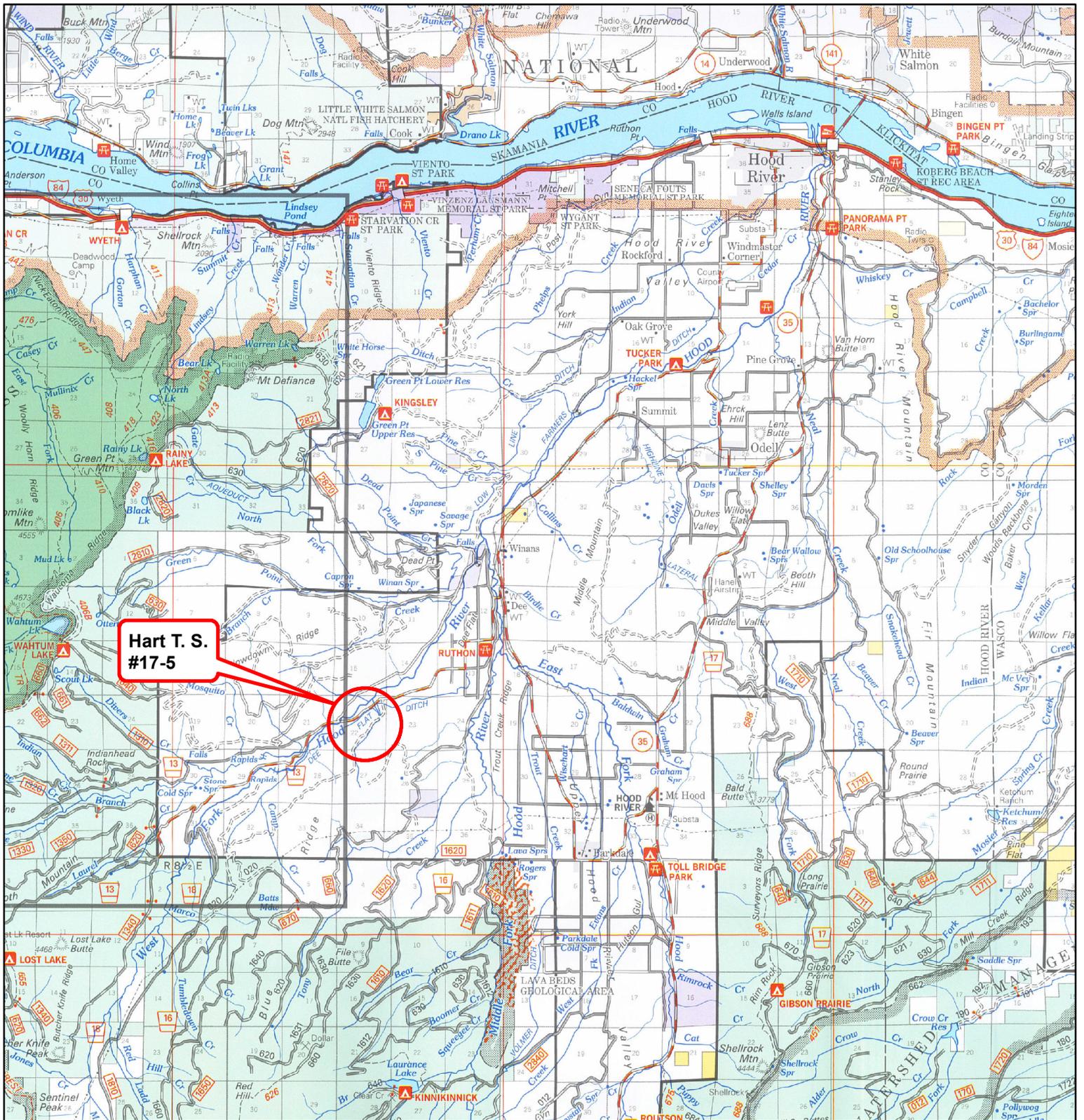
=====

DATE: _____ ACTION OF BOARD:

County Administrator _____

=====

FOLLOW-UP:
* Ord./Res./Agmt./Order Originals: _____ *Additional/Original to: _____
Copies (all info): _____ *Agreement/ordinance/resolution book
Copies (ARF only): _____ *Copy for agreement tracking book



HOOD RIVER COUNTY
TIMBER SALE VICINITY MAP
SEALED BID SALE
SALE DATE: THURSDAY, DECEMBER 1, 2016
COUNTY: HOOD RIVER, OREGON

Prepared By: Hood River County Forestry Dept.

Disclaimer: This map is intended for general reference only. Hood River County makes every effort to ensure that the data used to produce this map is a true representation. However, the County makes no warranty, expressed or implied, regarding the accuracy or completeness of any information disclosed. The County accepts no liability for any damage or injury caused by the use of this map.

PROPRIETARY INFORMATION: Any resale of this information is prohibited, except in accordance with a licensing agreement.



AGENDA REQUEST FORM

DATE: 11-28-16 DEPARTMENT: Forestry DEPT. HEAD SIGNATURE: _____

SUBJECT: Hood River County Operations and Maintenance Grant 2017-2019

STATUTORY AUTHORITY: ORS _____ OAR _____ County Ordinance Chapter 12.10

=====

BACKGROUND/SUMMARY OR ALTERNATIVES CONSIDERED:

Hood River County Forestry Department has completed an Oregon Parks and Recreation Department (OPRD) ATV Grant Program application to assist with implementation of the Trail Master Plan. The grant requests Operations and Maintenance funding for Hood River County's Off-Highway Vehicle Trail System for the period of July 1, 2017 through June 30, 2019. A complete Grant Application copy has been included with this form for reference.

The total value for the two-year project is \$302,842.98. This includes \$61,372.88 for in-kind match and \$241,470.10 to be provided by OPRD as reimbursement for HRC expenses and previously budgeted employee wages.

The fiscal impact for HRC expenses is \$241,470.10 and is outlined below. Included is HRC wage costs for Henry Buckalew while acting as Trails Program Coordinator that can be reimbursed up to \$28,643.62.

The Forestry Department is seeking approval for this operations and maintenance project.

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FISCAL IMPACTS:

(2017-2018) Budget Line Item 101-18014613025 Account Balance \$117,735.05

(2018-2019) Budget Line Item 101-18014613025 Account Balance \$123,735.05

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PROJECT ANALYSIS: Staff Contact: Henry D. Buckalew

Estimate Hours Spent to Date: 30+ Estimated Completion Date: 6-30-19

Comments:

=====

ACKNOWLEDGMENT BY OTHER AFFECTED PARTIES: (If applicable)

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

=====

RECOMMENDATION FROM DEPARTMENT HEAD: Approve the ATV grant application for Operations and Maintenance funding as written.

=====

ADMINISTRATIVE RECOMMENDATION:

Authorize the Forestry department to submit a grant application for operations and maintenance for the ATV program.

County Administrator _____ Department Head/staff attendance to meeting (circle one): Yes No

=====

DATE: _____ ACTION OF BOARD:

County Administrator _____

=====

FOLLOW-UP:

* Ord./Res./Agmt./Order Originals: _____

Copies (all info): _____

*Additional/Original to: _____

*Agreement/ordinance/resolution book

Hood River County Grant Application Questionnaire And Compliance Check List

1. **Grant Title:** Hood River County O&M 2017-2019
2. **Grant Agency:** Oregon Parks and Recreation Department
Address: 725 Summer Street N.E. Suite C, Salem, Oregon 97301
Contact Person: Ian Caldwell
Phone #: Business (541) 504-7746, Mobile (541) 410-5512
3. **Federal Agency:** _____
Address: _____
Contact Person: _____
Phone #: _____
CFDA Number: _____
4. **Applicant:** Hood River County Forestry Department
Address: 918 18th Street, Hood River, Oregon 97031
Contact Person: Henry Buckalew
Phone #: (541) 387-7089

5. **Brief description of the grant:**

This grant is requesting Operations and Maintenance funding for HRC's Off-Highway Vehicle (OHV) Trails Program. The Northwest Area will be the primary area of work. Additional work will take place in the Middle Mountain and East Areas to further implementation of the Trails Master Plan as time allows.

6. **Describe the match requirements if any. Indicate the budget ramifications associated with the match in the year of receipt of the grant and future years. Also explain how "in kind" service will affect the County's regular work load.**

Oregon Parks and Recreation Department requires a minimum match of 20% of total project costs for All Terrain Vehicle (ATV) grants. The actual match for this grant is 20.27%. Budget ramification is for Forestry Department personnel, operating expenses, and the purchase of equipment, materials, and supplies.

With this grant, the Forestry Department is requesting \$123,735.05 for the 2017-2018 budget year. Budget expenditures of \$123,735.05 will be off-set by revenues (grant reimbursements) of \$123,735.05.

For 2018-2019 the Forestry Department will request \$117,735.05 for the project. Budget expenditures of \$117,735.05 will be off-set by revenues (grant reimbursements) of \$117,735.05.

It may not be necessary to utilize all of these funds prior to grant completion. A total of \$61,372.88 has been estimated as the in-kind contribution for the two-year period. Actual contributions may be greater. In-kind contributions are comprised of Hood River County personnel and equipment and volunteer citizen labor. Additional in-kind contributions for the project may be in the form of donations of materials from trail system advocates. Some budgeted categories on the ATV Grant Detailed Budget Worksheet are for the operation, repair, and maintenance of equipment. It may not be necessary to utilize all of these funds prior to grant

completion.

7. **Describe how the grant is to be administered once it is awarded. Include contract preparation and/or review, compliance with Federal regulations (Davis-Bacon, ADA etc), compliance with the County bid process, flow of grant revenue and expenditures, insurance, bonding, reimbursement for administration and other items for monitoring the grant application through completion.**

The Operations and Maintenance grant will be administered by Henry Buckalew, Trails Program Coordinator/Forest Technician II.

The total value for the two-year project is \$302,842.98. This includes \$61,372.88 for in-kind match and \$241,470.10 to be provided by OPRD as reimbursement for HRC expenses and previously budgeted employee wages. The fiscal impact for HRC expenses is \$241,470.10. In addition to HRC expenses, loaded wage rates for Henry Buckalew while acting as Trails Program Coordinator can be reimbursed back to HRC up to \$28,643.62.

The Forestry Department is working closely with HRC Public Works, Parks and Buildings, and HRC Sheriff's Departments to ensure the successful completion of this project. Formal bidding will not be required for the project. Public Works personnel may be used as heavy equipment operators at times during the funding period. If so, Public Works will be reimbursed at the County's loaded wage rates for personnel. Some personnel time may be used to satisfy in-kind grant requirements. HRC will be reimbursed by grant funds for the purchases of services, equipment, materials, supplies, and operating expenses.

HRC Purchasing Rules will be followed with this project as required. Contracts will not be utilized with this project.

8. **Provide a budget for the grant project.**

A detailed budget worksheet for 2017-2019 has been attached. The worksheet includes columns showing HRC budget category breakdowns for each of the two years.

9. **Please ensure the following requirements have been met:**

- a. Review by the County Building & Grounds Committee if there will be a need for office space or land requirement due to the grant award; Not applicable.
- b. Comments by affected departments (if applicable); Details of this project have been discussed with HRC Administration, HRC Parks and Buildings, and HRC Sheriff's Department.
- c. Ensure compliance with the County bid process for grant administrator; Not applicable.
- d. Ensure the grant conforms with the County comprehensive plan, County policies and/or Board of Commissioners plan; This project is in compliance with HRC Forestry Department's recreation trail development and management mandate as outlined by County Ordinance No. 277 and conforms with the County Comprehensive Plan and County policies. The HRC Board of Commissioners is aware of the recreation trails maintenance requirements and funding needs.
- e. Provide a calendar plan for process of grant application.
 - Grant Application deadline: November 22, 2016
 - Grant Project presentations: February 7-9, 2017
 - Funds Dispersed: July 1, 2017
 - Project Completed: June 30, 2019

Acquire the following signatures prior to submittal of grant application questionnaire:

Budget & Finance Director

County Administrator

**Submit this questionnaire along with the grant application/paperwork to the Administration Office for submittal to the Board of Commissioners.

Hood River County O&M 2017-2019 - Application

#3266

ATV Maintenance Application

Project Information

Project Name *

Hood River County O&M 2017-2019

Brief Project Description *

This project requests O&M funding for Hood River County's moto trail system which consists of four staging areas and 513 miles of OHV routes.

<p>This project requests O&M funding for Hood River County's moto trail system which consists of four staging areas and 513 miles of OHV routes.</p>

Project Start Date *

07/01/2017



Project End Date *

06/30/2019



Site Name *

Hood River County

Site City/Town/Area *

City of Hood River

Site County *

- Unknown
- Baker
- Benton
- Clackamas
- Clatsop
- Columbia
- Coos
- Crook
- Curry

- Deschutes
- Douglas
- Gilliam
- Grant
- Harney
- Hood River
- Jackson
- Jefferson
- Josephine
- Klamath
- Lake
- Lane
- Lincoln
- Linn
- Malheur
- Marion
- Morrow
- Multnomah
- Polk
- Sherman
- Tillamook
- Umatilla
- Union
- Wallowa
- Wasco
- Washington
- Wheeler
- Yamhill

Site Description

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Three OHV trail systems exist in separate areas of Hood River County on lands the Forestry Department manages as its tree farm. They are the Northwest, Middle Mountain, and East Areas. Within these areas there are four staging areas, 159 miles of OHV trails, and 354 miles of forest roads designated for OHV use.

Three OHV trail systems exist in separate areas of Hood River County on lands the Forestry Department manages as its tree farm. They are the Northwest, Middle Mountain, and East Areas. Within these areas there are four staging areas, 159 miles of OHV trails, and 354 miles of forest roads designated for OHV use.

Site Acreage *

34116

Find Lat/Lng

Latitude *

45.65415065945497

Longitude *

-121.64145112037658

Contact Information**Applicant**

Hood River County Forestry Department

Project Contact *

Henry Buckalew

Address

Henry Buckalew
918 18th Street
Hood River, Oregon 97031

Reimbursement Contact**Financial Information**

Financial fields are updated once you have filled out your Project Budget Worksheet and clicked the 'Save Application' Button.

Requested Amount *

\$241,470.10

Match Amount *

\$61,372.88

Total Project Cost *

\$302,842.98

Grant % *

79.7344221087773 %

Match % *

20.265577891222705 %

Project Budget Worksheet

Description	Qty	Unit	\$/Unit	Cost	Match	Request	Source of Funding
OHV Staff Employees	846	8 hour days funded @ 25.36/hour average wage	\$202.88	\$171,636.48	\$0.00	\$171,636.48	
Vault Toilet Pumping & Emergency Cleaning	1	Lump sum pumping three times each over two years for two toilets, & emergency cleaning	\$4,025.00	\$4,025.00	\$0.00	\$4,025.00	
Portable Toilet Rental	1	Lump sum rental of two toilets for 7.5 months per year	\$4,140.00	\$4,140.00	\$0.00	\$4,140.00	
NW and East Areas OHV Maps	1	Lump sum printing of OHV maps for NW and East Areas	\$6,000.00	\$6,000.00	\$0.00	\$6,000.00	
Signage Materials	1	Lump sum posts, signs, decals, hardware, copy paper, laminate, etc. for trail/kiosk signage/repair/replacement	\$1,725.00	\$1,725.00	\$0.00	\$1,725.00	
Tools & Equipment	1	Lump sum miscellaneous tool box hand tools, drills, trail hand tools, etc.	\$1,725.00	\$1,725.00	\$0.00	\$1,725.00	
Armoring Materials	1	Lump sum rocks and blocks for staging areas and trail tread	\$5,750.00	\$5,750.00	\$0.00	\$5,750.00	
Bathroom Cleaning Supplies and Equipment	1	Lump sum cleaning supplies, equipment for toilet servicing, and personal protective supplies	\$1,150.00	\$1,150.00	\$0.00	\$1,150.00	
Incidental Purchases	1	Lump sum miscellaneous materials & supplies (paint, nuts, bolts, flagging, ice, etc.)	\$4,025.00	\$4,025.00	\$0.00	\$4,025.00	

Description	Qty	Unit	\$/Unit	Cost	Match	Request	Source of Funding
Kingsley Reservoir Well	1	Monthly well water testing & miscellaneous incidentals	\$750.00	\$750.00	\$0.00	\$750.00	
Equipment Operation	1	Lump sum fuel, glycol, oil, grease, & incidentals	\$6,900.00	\$6,900.00	\$0.00	\$6,900.00	
Equipment Repair & Maintenance	1	Lump sum repair & maintenance as needed for equipment	\$5,000.00	\$5,000.00	\$0.00	\$5,000.00	
Trail Program Coordinator	1150	1150 hours @ 33.21/hour	\$33.21	\$38,191.50	\$9,547.88	\$28,643.62	Hood River County
HRC Pick-up Trucks	1	Lump sum GSA rate for miles driven	\$2,400.00	\$2,400.00	\$2,400.00	\$0.00	Hood River County
HRC Employees	1	Lump sum employees at loaded hourly rates	\$14,000.00	\$14,000.00	\$14,000.00	\$0.00	Hood River County
Citizen Volunteers	1100	Volunteer labor @ 22.75/hour	\$22.75	\$25,025.00	\$25,025.00	\$0.00	Volunteers
HRC Equipment	1	Lump sum use of HRC mini-excavator, fire truck, ATV, etc.	\$10,400.00	\$10,400.00	\$10,400.00	\$0.00	Hood River County
Totals				\$302,842.98	\$61,372.88	\$241,470.10	

Total Project Cost

\$302,842.98

Total Match from Sponsor

\$61,372.88

Grant Funds Requested

\$241,470.10

Supplemental Information

To create line and paragraph spaces in your answers, you need to use html code. Go to the http://www.oregon.gov/oprd/ATV/Pages/grant_info.aspx#Online_Application_Information for instructions.

1a. OPERATIONS (20 points for #1a - 1i) Provide a detailed project description of your grant request. *

HRC Detailed Budget Worksheet							Hood River County Budget Category	Hood River County Budget Category	Hood River County Budget Category
Project Sponsor: Hood River County Forestry Department Project Title: Hood River County O&M 2017-2019 Project Term Dates: July 1, 2017 - June 30, 2019							2017-2018 ATV Activities 101-1801-461.30-25	2017-2018 Capital Expense 101-1801-461.70-05	2018-2019 ATV Activities 101-1801-461.30-25
Type of Item	Unit (describe what unit is)	Unit Cost	Qty.	Subtotal	Match	Grant Request			
HRC Personnel									
Trails Program Coordinator	1150 hours @ \$33.21/hour	\$33.21	1150	\$38,191.50	\$9,547.88	\$28,643.62	\$14,321.81	\$0.00	\$14,321.81
OHV Staff Employees	8 hour days funded @ \$25.36/hour	\$202.88	846	\$171,636.48	\$0.00	\$171,636.48	\$85,818.24	\$0.00	\$85,818.24
Services/Professional									
Vault Toilet Pumping & Emergency Cleaning	Lump sum pumping three times each over two years for two toilets & emergency cleaning	\$4,025.00	1	\$4,025.00	\$0.00	\$4,025.00	\$2,012.50	\$0.00	\$2,012.50
Portable Toilet Rental	Lump sum rental of two toilets for 7.5 months per year	\$4,140.00	1	\$4,140.00	\$0.00	\$4,140.00	\$2,070.00	\$0.00	\$2,070.00
NW & East Areas OHV Maps	Lump sum printing OHV maps NW & East Areas	\$6,000.00	1	\$6,000.00	\$0.00	\$6,000.00	\$0.00	\$0.00	\$6,000.00
Purchases Equipment Materials & Supplies									
Signage Materials	Lump sum posts, signs, decals, hardware, copy paper, laminates, etc. for trail/kiosk signage/repair/replacement	\$1,725.00	1	\$1,725.00	\$0.00	\$1,725.00	\$862.50	\$0.00	\$862.50
Tools and Equipment	Lump sum miscellaneous tool box hand tools, drills, trail hand tools, etc.	\$1,725.00	1	\$1,725.00	\$0.00	\$1,725.00	\$862.50	\$0.00	\$862.50
Armoring Materials	Lump sum rocks and blocks for staging areas and trail tread	\$5,750.00	1	\$5,750.00	\$0.00	\$5,750.00	\$2,875.00	\$0.00	\$2,875.00
Bathroom Cleaning Supplies and Equipment	Lump sum cleaning supplies, equipment for toilet servicing, and personal protective supplies	\$1,150.00	1	\$1,150.00	\$0.00	\$1,150.00	\$575.00	\$0.00	\$575.00
Incidental Purchases	Lump sum miscellaneous materials & supplies (paint, nuts, bolts, flagging, ice, etc.)	\$4,025.00	1	\$4,025.00	\$0.00	\$4,025.00	\$2,012.50	\$0.00	\$2,012.50
Operating Expenses									
Kingsley Reservoir Well	Monthly well water testing & miscellaneous incidentals	\$750.00	1	\$750.00	\$0.00	\$750.00	\$375.00	\$0.00	\$375.00
Equipment Operation	Lump sum fuel, glycol, oil, grease, & incidentals	\$6,900.00	1	\$6,900.00	\$0.00	\$6,900.00	\$3,450.00	\$0.00	\$3,450.00
Equipment Repair & Maintenance	Lump sum repair & maintenance as needed for equipment	\$5,000.00	1	\$5,000.00	\$0.00	\$5,000.00	\$2,500.00	\$0.00	\$2,500.00
In-Kind Equipment									
HRC Pick-up Trucks	Lump sum GSA rate for miles driven	\$2,400.00	1	\$2,400.00	\$2,400.00	\$0.00	\$0.00	\$0.00	\$0.00
HRC Equipment	Lump sum use of HRC mini-excavator, fire truck, ATV, etc.	\$10,400.00	1	\$10,400.00	\$10,400.00	\$0.00	\$0.00	\$0.00	\$0.00
In-Kind Labor									
HRC Employees	Lump sum employees at loaded hourly rates	\$14,000.00	1	\$14,000.00	\$14,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Citizen Volunteers	Volunteer labor @ \$22.75/hour	\$22.75	1100	\$25,025.00	\$25,025.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub-Totals				\$302,842.98	\$61,372.88	\$241,470.10	\$117,735.05	\$0.00	\$123,735.05
Grant Request Total				Required In-Kind Amount	\$60,568.60				
				Actual In-kind %	20.27	\$241,470.10			

Hood River County O&M 2017-2019 Application

#3266

1a. Operations - Provide a detailed project description of your grant request.

Hood River County Forestry Department manages 34,116 acres of tree farm land primarily for the production and sale of timber in Hood River County (HRC). Three systems of recreation trails exist in separate areas of the County ownership. They are the Northwest, Middle Mountain, and East Areas. Within these areas the County is maintaining four OHV staging areas and 513 miles of OHV routes. These routes include 159 miles of trails and 354 miles of forest roads that are open to OHV use.

During the first few years the County was managing its trail program, it placed a primary emphasis on acquiring equipment needed to maintain the trail system. The County was fortunate to be awarded grants that provided funding for the purchase of most that was needed. In the previous few years, the County created three different trails maintenance employee positions in its attempt to find the position that worked best for the trails program. That position was created in 2015. The County now understands how many trails maintenance staff employees it needs, and how many months per year staff should work to keep the trail system adequately maintained. To date, the County has been unable to acquire the amount of funding necessary to allow completion of priority maintenance projects. This has resulted in more work being available than there were employees on staff able to complete it.

The primary goal for this grant request is to enable on-the-ground improvement in the trail system by increasing staff hours. The County presently has two different OHV positions. Each has a different wage scale and number of work hour requirements per year. One position is paid at a higher hourly wage than the other. Plans are to eliminate the higher paid position so those funds can be more efficiently funneled toward the lower paid positions. This will maximize funding efficiency by providing additional hours for the remaining Seasonal Tree Farm OHV Specialists and allow the completion of more on-the-ground work. Union rules presently prevent Seasonal Tree Farm OHV Specialists from working more than 6-months each calendar year. During fall 2016 the County will enter into negotiations with the local Union and will lobby for the creation of 9-month seasonal positions. If the positions can be approved, and if funding can be secured for them, then the County's two OHV staff employees will have additional time for on-the-ground maintenance work.

As part of this request, HRC would like to coordinate with USDA Forest Service, Mount Hood National Forest so the County's OHV staff employees and equipment could be utilized to assist in repairing and maintaining OHV trails and infrastructure on federal lands. Due to federal hiring practice stipulations, it is difficult for USFS to hire individuals best qualified and experienced with local OHV design, repair, and maintenance. With this plan, HRC's employees and equipment could be loaned for a short period each year to work for USFS. USFS would reimburse the County at the employees loaded hourly rates while utilized on their lands. In this way, the County's OHV staff would be able to enhance OHV trail systems on neighboring property owned and managed by USFS.

The County is managing four OHV staging areas that were each developed a few years ago. Since being constructed, each one has lost a significant amount of top rock. This grant requests additional loads of top rock to be spread and compacted into place at the staging areas.

The bulk of OHV trail system operations and maintenance work for this grant request will take place in the Northwest Area. This area contains 55 miles of trails designated for motorized use and numerous miles of forest roads within the system that allow OHV use.

The secondary focus for maintenance work will be in the East Area. It is comprised of an 11-mile OHV loop trail system and staging area. The loop and staging area will require extensive maintenance during this grant period. During the previous few years and due to staff shortages, the County has not been able to provide the maintenance the loop trail needs to keep it in the best condition. The County has prioritized the repair of the loop and hopes it can begin sometime next year. Numerous user created trails are currently in existence on additional eastside property owned by HRC and although very popular, are unofficial and unsigned. Many of these user created routes run contiguously onto adjacent private ownerships. All forest roads on HRC property and many that exist on privately owned lands in the East Area also allow OHV's. A few years ago negotiations were carried out with East Area landowners with the goal of creating an OHV trail system that would link routes on the multiple ownerships and at the same time decommission some unsustainable, poorly designed routes. One stipulation for the future development of the system was that HRC would be allowed to perform maintenance on OHV trails in this area as needed if permission was granted by individual landowners. HRC hopes to renew these negotiations in the near future.

The remainder of work for this period will be on an as needed basis in the Middle Mountain Area. This area has not yet been developed, and is comprised of numerous user constructed trails. The forest roads in this area are also open for OHV use. Months of maintenance and development work are needed in this area but OHV staff rarely has had time to allocate to Middle Mountain Area projects. This area is the lowest on the maintenance priority list.

Funding is requested for:

- 1) OHV Program Coordination; Partial funding for Trail Program Coordinator.**
- 2) OHV Staff; Funding for Seasonal Tree Farm OHV Specialist employees.**
- 3) Toilets; Fund vault toilet pumping, emergency cleanings, and continue seasonal rental of two portable toilets for Kingsley Reservoir Camping/Staging Area.**
- 4) Maps; Design and print Northwest Area OHV Map Guide fifth edition as needed. Design and print second edition maps for Pinemont Loop.**
- 5) Miscellaneous Tools, Equipment, Materials, and Signage; Purchase tools and equipment including drills, bits, tool boxes and tools, trail hand tools, signage materials, items for replacement of damaged field infrastructure, trail tread armoring materials, bathroom cleaning and stocking supplies, and personal protective equipment.**
- 6) Top Rock; Loads of top rock for each staging area running surface as needed.**
- 7) Incidentals; Materials and supplies, paint, nuts, bolts, wood, ribbon, flagging, etc.**
- 8) Annual Well Water Testing; Fund the monthly laboratory testing of Kingsley Reservoir Camping/Staging Area Well samples.**
- 9) Equipment Operation, Repair, and Maintenance Funding; Equipment maintenance and repair, diesel, gasoline, grease, oil, glycol, filters, etc.**

1b. Operations - Describe the OHV riding area for this project.

HRC Forestry Department manages 34,116 acres of tree farm land primarily for timber production in HRC. One of the secondary uses of the land is for recreation. This tree farm/recreation relationship is unique and is rarely experienced with other OHV areas within the State. Miles of OHV routes exist on the tree farm property while it is being actively managed for the production and sale of timber. When this is the case, the County's OHV staff must temporarily close affected routes for user safety. The routes are usually closed with a combination of signage and flagging but sometimes require the installation of physical barriers. When timber sales are complete, OHV staff either reopen or reroute the trails. This work is time consuming but necessary if maintaining an existing OHV trail system within an area actively managed as a tree farm.

HRC purchased an additional 3,052 acres of land from SDS Lumber Company during 2015. The acquisition enhanced the existing OHV system the County manages on the east side of the Hood River Valley by adding additional miles of existing OHV trails and forest roads that allow OHV use to the County's system. Three systems of recreation trails exist in separate areas of the County's tree farm ownership. They are the Northwest, Middle Mountain, and East Areas. Within these areas the County is maintaining four OHV staging areas and 513 miles of OHV routes. These routes include 159 miles of trails and 354 miles of forest roads that are open to OHV use.

The Northwest Area has been developed to accommodate OHV use and covers approximately 10,418 acres. This area is located close to the City of Hood River and receives the heaviest use of the County's entire OHV trail system. The area contains three OHV staging areas and 55 miles of motorized trails. In addition, numerous miles of forest roads within the system are designated for OHV use. Signage has been installed throughout the Northwest Area and the three staging areas have been fully developed with running surface rock, loading ramps, kiosks, barrier fencing, and trailheads. Two of the staging areas have vault toilets.

The East Area is approximately 13,519 acres in size. An 11-mile OHV loop trail system and staging area were developed there in 2009. Signage has been installed throughout the loop and one staging area has been fully developed with running surface rock, loading ramp, kiosk, barrier fencing, and trailhead. This area experiences the second heaviest use within the County's OHV trail system. Numerous user created trails are currently in existence on additional eastside property owned by HRC and although very popular, are unofficial and unsigned. These unsanctioned routes are highly valued by the OHV community. There are a number of locations within this eastside trails area that accommodate parking and staging. The 3,052 acres of land HRC purchased from SDS Lumber Company during 2015 was in the East Area. The purchase added 5 miles of OHV trails and 10 miles of forest roads that allow OHV use to this unofficial system. Many of these East Area user created routes run contiguously onto adjacent private ownerships. A few years ago negotiations were carried out with landowners with the goal of creating an OHV trail system that would link routes on the multiple ownerships. An additional part of the plan called for the decommissioning of some of the unsustainable, poorly designed routes within the existing system. Another stipulation of the plan was that HRC would perform maintenance on OHV trails on the adjacent ownerships as needed, if permission was granted by landowners. HRC hopes to renew these negotiations in the near future. The majority of forest roads in the East Area are designated for OHV use.

The Middle Mountain Area is approximately 5,472 acres in size, is not yet developed, and is comprised of numerous user constructed trails that allow OHV use. The area contains 23 miles of motorized routes and unofficial locations used for parking and staging. Numerous miles of forest roads in this area are also open to OHV use.

1c. Operations - What classes of ATV's will be allowed in the area?

Classes I, II, III, and IV are allowed to recreate in HRC's OHV systems. At this time narrow Class IV vehicles are allowed on ATV designated trails. Wider Class IV vehicles are allowed on all Class II trails and on all forest roads.

1d. Operations - When are the trails open for use? What are the typical wildlife, snow, fire season closures? Also discuss conditions that reduce riding such as summer heat or dust, winter rain/snow/cold.

HRC's OHV trail system areas have no official opening or closing dates. The winter of 2016/2017 will be no different, users will utilize the OHV trail system until inclement winter weather prohibits accessibility. The County's four OHV staging areas are situated from 1,485 feet to 3,200 feet in elevation. These higher elevation locations typically become inaccessible during most winter months due to heavy snow accumulation. Most users stop accessing the OHV system by December 15th and begin utilizing the system again approximately March 15th of each year.

The trail system is closed to OHV use each year during a portion of fire season. Each summer Oregon Department of Forestry (ODF) establishes fire season restrictions for the State. In the past, all trails were closed to OHV use when Regulated Use Closure (RUC) took effect and were re-opened once the closure was lifted. 2016 was the seventh consecutive year a waiver was granted by ODF so that HRC's Northwest Area trail system could remain open during Industrial Fire Precaution Level 1 and 2 days of RUC. The waiver allows users an additional few weeks of riding each year. In 2016 the waiver took effect July 1st and allowed Northwest Area trails to remain open until Level 3 days were reached on August 12th. The Northwest Area was again opened to OHV use on September 29th once fire danger was reduced. Additional waivers are expected to be in place for the Northwest Area during upcoming fire season years.

OHV trails have never been closed due to wildlife restrictions. HRC trails get very hot and dusty during summer months each year but this does not adversely affect the numbers of OHV users who visit the area. Trails get very muddy during periods with consistent rainfall. Rain, mud, and cold deter some OHV users but the majority dress appropriately for the conditions and continue to ride. Some users make modifications to their ATV's and motorcycles such as grip heaters that facilitate riding during wintery, wet, and cold conditions.

1e. Operations - Describe how this project will result in a well-designed, managed, and sustainable trail/facility. How will impacts and damage to trails and facilities be proactively prevented or minimized through innovative and sustainable trail and facility design and management practices? Describe how this project maintains or increases the carrying capacity at the existing riding area.

A well designed, managed, and sustainable trail/facility begins with having funding available to support an adequate number of OHV trail system employees to manage, design, repair, and maintain the trail system. HRC has a partially grant funded Trail Program Coordinator who manages the County's trail program. The Coordinator conducts necessary administrative tasks, manages the Seasonal Tree Farm OHV Specialists, and when time allows works in the field to lend assistance to field staff. Depending on the amount of funding approved with this project request, HRC will hire two Specialists that will maintain the

trail system during each year's riding season. One employee will begin work the middle of March and work at least until the middle of September. The other will begin work the middle of May and work through the middle of November or longer if funding allows. This will enable at least one OHV Specialist to be on-the-ground working full-time during every week of the 8-month period. There will be an overlap of the two positions so that both staff will have the opportunity to work together a few days each week during 4-months each year. Employee schedules will be staggered during each week of the overlap so that up to 7-days per week coverage can be obtained.

2017 will be the first year HRC trails will have personnel out in the field repairing and maintaining the system for the entire season. There will be no maintenance gaps like ones experienced in the past. Returning OHV Specialists are experienced and have a history of working with OHV trail systems so trails that are rerouted and/or reconstructed each season after clear-cut timber sales will be well-designed to sustainable standards.

The Forestry Department has found that the best way to prevent, minimize, and repair impacts and damages to trails and facilities is to manage employees by: 1) Maintaining a prioritized list of OHV projects that staff uses in the field to guide their daily maintenance activities. This list is updated by the Trail Coordinator almost daily as old projects are completed and the need for new projects are determined. The list is currently 44 items in length. 2) Making it mandatory that OHV staff complete a daily work log. The log is a detailed record of the employees work day that is signed and dated. It includes; location of work, description of work, problems/suggestions, hours worked, details of motorized equipment used - including hour meter readings, amount of truck miles driven per shift, fuel/oil obtained during shift, and purchases made during shift. 3) Holding daily face-to-face meetings with the Coordinator and field staff to discuss project needs, strategies, problems, and solutions.

As way to prevent damage to trails and facilities and to have a more sustainable trail system, Tree Farm OHV Specialists routinely look for places along trails that are appropriate for armoring. Armoring is not only installed at locations that are already damaged but also to places that based on prior experience, will require it in the future. This proactive approach prevents damage that would have occurred to the trail and eliminates the need for extensive repairs in the future.

The County has recently determined a method to ensure staging area running surfaces are not used as playgrounds by 4x4's to drive in circles at high speed (donuts). This has been an ongoing problem since OHV staging area running surfaces were first armored with rock. The activity throws off most of the top rock leaving the pit run rock layer exposed, is a form of vandalism that is dangerous, and usually takes place at night when OHV staff and law enforcement is not in the area. The County has a stockpile of old cement posts that were used in the past as vertical barriers along County highways. Posts are 5 feet long, 8 inches in diameter, and weight over 200 pounds. As an innovative experiment, small linear trenches were cut in the staging area running surface and posts were placed end-to-end in the trenches so that at least half of the diameter thickness of the posts stuck up above the running surface. Six short rows of posts were embedded throughout Post Flats Staging Area. The posts require a vehicle to travel at slow speeds while in the staging area and have stopped the 4x4 playground activity. More posts will be installed at other staging areas in the future.

Funding for this request will ensure that all OHV routes within the developed system are maintained to sustainable standards. Properly maintained trails are usually more fun for riders than those that are not. HRC puts effort into maintaining all trails within its system, even those that are the farthest away from staging area locations, encouraging users to utilize all trails, spreading out their use, and reducing the concentration of riders that can end up on the same few trails. This innovative use of carrying capacity reduces the amount of damage to natural resources, increases user safety due to decreased numbers of riders in a given area, and increases user enjoyment.

1f. Operations - Describe how the project will serve as a means to restore, improve or enhance, or conserve and maintain high quality or sensitive natural or cultural resources in the protected area, such as plant communities, wildlife, water bodies, terrain, and archeological or historic sites while striking a proper balance between the conservation of these resources and motorized trail use.

This project will provide funding enabling OHV trails and facilities on HRC tree farm property to be subjected to a professional level of maintenance for two years. These practices will restore, enhance, and conserve, natural, historical, archeological, and cultural resources by increasing trail tread stability, by facilitating water drainage from trails, by removing impediments to travel, by installing reroutes when needed, and by encouraging users to stay on sanctioned trails and roads instead of making their own trails or riding overland. The stability of the trail tread will be improved and will reduce the potential for erosion during periods of inclement weather or times when there is heavy OHV use. Greater stability will decrease the potential for sedimentation into waterways. If trails are not properly armored, damaged sections not repaired or rerouted around, and trail blockages not removed in a timely manner, users will have a tendency to ride around certain areas. This can result in a widening of the trail or sometimes the development of unauthorized and parallel trail routes. Preventing the widening of trails not only reduces the chance for erosion but protects local plant communities that are adjacent to trail routes. One goal of the County's maintenance regime is to make the trails enjoyable and ensure they provide the most logical connections so users will not want to recreate off-trail. These measures reduce the degradation of resources adjacent to trails and protect waters of the State.

The Binns Hill Staging Area and many OHV trails in the vicinity are adjacent to the recharge area boundary of the Oak Grove Water District. This is a domestic drinking water district, is a sensitive area, and is in need of continued environmental protection. The County makes concerted maintenance efforts to prevent adverse environmental impacts to the area. An ATV Development grant provided for the installation of a 1000-gallon vault toilet and development of the staging area at this location. The Oak Grove Water District Board of Directors was in support of these improvements and continues to support for the County's future OHV maintenance activities. This request will continue to conserve and protect this sensitive public resource and is a good example of how it is possible to strike a balance between the conservation of these resources and motorized trail use.

The State Historic Preservation Office (SHPO) was contacted by the Forestry Department as part of its first ATV Development Grant. SHPO conducted a preliminary Culture Resource Review of the Northwest Area. Township 2 North - Range 9 East - Section 22 may have possible sites that contain archaeological or cultural resources and will be examined by a professional prior to the County conducting any future land disturbing activities such as the construction of staging areas or structures. These examinations will take place on a case by case basis. The remaining HRC riding locations do not need to be surveyed.

Maintenance to existing trails is not considered as land-disturbing and will not require further notification to SHPO.

The HRC Board of Commissioners mandated with Ordinance No. 277, Forest Recreation Trails that County trails shall be developed and maintained by the HRC Forestry Department in order to minimize adverse impacts on water, fish, wildlife, soils and other natural resources. The Oregon Department of Forestry ensures that resources are protected by requiring all Forestry Department timber harvest management activities to comply with the Oregon Forest Practices Act. The Department is accustomed to protecting natural, historical, archeological, and cultural resources and will strive to maintain its OHV trail system to the same or better standards. Maintenance activities will meet or exceed American Motorcyclist Association standards. The Department has a history of working with various agencies and private landowners such as the USDA Forest Service, Oregon Department of Fish and Wildlife, Oregon Department of Forestry, Oregon Parks and Recreation Department, Oregon Watershed Enhancement Board, Hood River Soil and Water Conservation District, SDS Lumber Company, and Weyerhaeuser Columbia Timberlands LLC to restore, enhance, and conserve natural, historical, archeological, and cultural resources. These entities are committed to working long-term with HRC and each understands that annual operations and maintenance projects are necessary to achieve a proper balance between motorized trail use and resource protection responsibilities.

Most years the Forestry Department has time to GPS changes that take place within the County's OHV trail system. This GPSing project is ongoing and ensures that route changes can be continually updated. All the data that is gathered is electronically entered into Forestry's computer based, Geographic Information System so the information can be used to create more accurate OHV maps. The project provides a way to physically assess the trail network since the GPS technician can make note of trail condition as they work along the trails. This technique helps identify problems that may contribute to resource damage. This grant request will protect and enhance natural, historical, archeological and cultural resources by continuing to identify additional maintenance needs with the use of GPSing technology.

1g. Operations - Describe how you developed your maintenance schedule. How many facilities/staging areas will be maintained in this proposal and how often?

HRC's schedule used to maintain its OHV trails fluctuates because it is affected by time of year, current project priorities, availability of OHV staff, availability of equipment and materials, coordination with Oregon Department of Forestry based on the severity of fire season, and HRC Forestry Department timber harvest operations.

During spring of each year, the Program Coordinator and OHV Staff conduct routine assessments of the condition of all OHV trails and facilities once they begin to become accessible after the melting of winter snow. As time allows, the Coordinator and staff continue to inventory routes and facilities throughout the riding season. As a result, a written record of individual trail and facility needs is maintained for the system. This OHV Projects List is frequently updated throughout the year. Each morning meetings are held with OHV Staff to discuss strategies, problems, solutions, and prioritization of projects. Some of the things routinely noted are; safety concerns, staging area and trail head condition, trail tread status, signage condition, trail blockage locations, line of sight problems, areas that need brushing, water dispersal concerns, infrastructure condition and repair needs, and needs for trail routing changes. The list is utilized

daily by staff and helps them to efficiently concentrate efforts to maintain OHV trails and facilities in their best condition.

Three systems of recreation trails exist in separate areas of County ownership. They are the Northwest, Middle Mountain, and East Areas. Within these areas the County is maintaining four OHV staging areas. Staging areas are visited a minimum of twice per week to update and maintain kiosk signage, stock OHV maps, service toilets, pick up trash, check the condition of trailheads, and perform infrastructure repair and/or replacement as needed.

OHV Staff maintains two vault toilets, one at Binns Hill Staging Area and the other at Kingsley Reservoir Camping/Staging Area. Early each year at the beginning of riding season, during fire season when OHV use is prohibited, and near the end of each season in late fall, use of toilet facilities is minimized and toilets are cleaned on a once per week basis. During peak season toilets are serviced twice per week. The 1000-gallon vaults of these toilets are pumped out by a local vendor 3-4 times per every two-year period. The additions of two rental portable toilets at Kingsley Reservoir that are also serviced by a local vendor continue to help accommodate an increase in motorized demand in the area during peak season.

1h. Operations - Total miles of routes open to OHV use?

HRC has a total of 513 miles of OHV routes open to OHV use. These routes include 159 miles of trails and 354 miles of forest roads.

1i. Operations - If you manage multiple riding areas, list each area and total miles of routes.

HRC Forestry Department manages three non-contiguous riding areas.

The total miles of OHV routes = 513.

1) Northwest Area: Trails = 57miles, Roads = 269 miles.

2) Middle Mountain Area: Trails = 49 miles, Roads = 25 miles.

3) East Area: Trails = 53 miles, Roads = 60 miles.

2a. Rider Benefits - How does this program benefit the OHV trail user?

This program benefits the OHV trail user by maintaining an OHV trail system located close to Interstate 84 that conveniently serves locals as well as users from the Portland/Vancouver Metropolitan Areas and far beyond. This funding will continue to allow the County to take the previously unmanaged system of user designed trails that it inherited, and continue its transformation into a safe, enjoyable, and sustainable system that provides excellent recreation opportunities for OHV enthusiasts. The number of users desiring areas to ride is on the increase and this program will allow OHV Maintenance Specialists to work longer each year to accomplish more on-the-ground maintenance to better accommodate those users. Facilities that this project will support help satisfy the demands of this increasing growth and will provide a regional benefit by attracting and accommodating non-local guests into the area.

The program provides many specific benefits. In the past, all HRC trails were closed to OHV use during fire season when Regulated Use Closure took effect and were re-opened once the closure was lifted. This was not only the case with HRC OHV trails but for many OHV riding areas throughout Oregon and Washington. Existence of the program persuades Oregon Department of Forestry to provide a waiver to HRC so trails can be used during a few extra weeks of fire season each year. OHV Staff maintains/services two vault toilets, one at Binns Hill Staging Area and the other at Kingsley Reservoir Camping/Staging Area. Winter trail blockages are removed each spring and throughout the riding season as they occur. Trail features to control erosion are constructed and maintained. Trail tread damaged from OHV use and tread that is

suspected to be damaged in the future are armored. Reroutes are designed and constructed to replace unsustainable trail segments, to replace those obliterated by timber sale harvest operations, and to make more logical trail connections within the system. Enduro features are added to select trails to increase the fun factor, to allow riders the opportunity to increase their skill levels, and to add more challenge to rides. Culverts found at trail/trail and trail/road crossings are monitored and opened so they remain free to the flow of water and do not cause unwanted erosion. Vegetation that encroaches into trail corridors reducing visibility, and sometimes creating physical barriers to passage is routinely removed. Ongoing damage to trails and facilities from OHV use is repaired, sign posts and staging area infrastructure are repaired as needed, reroutes are constructed when needed, and bridges are constructed and maintained to standards. Trail signage condition is monitored not only for the need for routine repair and replacement of posts and decals, but also for additional signs that must be added to ensure that navigating within the system makes sense, is consistent with the trail map, and provides the best level of safety and user satisfaction possible.

The program allows OHV staff the opportunity to act as liaisons between HRC and users as well as the State's ATV Grant Program and users. Staff makes direct contact while in the field to answer questions and provide direction including; information about the lay-out of the OHV system, suggestions for routes to take and best areas to ride, rider requirements, best safety practices, information about the need for volunteer involvement, and emergency contact information.

2b. Rider Benefits - Describe how the project addresses the top three statewide motorized trail issues: 1) Closure of trails, 2) Closure of unimproved back country roads, and 3) Riding in closed areas.

1) In 2003 the County determined that a system of user-designed trails had been constructed across their tree farm property. These trails had become problematic, causing timber harvest operation interference and damage to natural resources. The County had a choice to either recognize the trails or close them. At that time, the County Board of Commissioners realized the trail system would be a public resource and made the decision to recognize and manage the trails. Most of the OHV designated trails were in poor shape, had not been properly designed to sustainable standards, and many were not correctly connected. In the time since 2003, the Forestry Department has worked to develop and manage the system. Grant funding has allowed trail system enhancements that make OHV use safer, more enjoyable for the public, and protect natural resources. These past years of work have legitimized the County's Trail Program, and with continued administration of this project, ensures that HRC trails currently maintained for OHV trail use will not be closed to the public.

2) Unlicensed, motorized vehicles are allowed to use forest roads found on HRC's tree farm property. The majorities of these roads were originally constructed to provide access for timber sale management operations and for fire suppression. Regardless of whether these roads are native surfaced or rocked, they are an integral component of the County's tree farm infrastructure and will not be closed. Grant funding allows for the purchase and installation of motorized signage along these forest roads as an aid to OHV navigation. This project also funds the design and printing of updated OHV maps which show these forest road locations. Additional forest roads are constructed each year to accommodate new timber sales. These new routes continue to allow additional riding opportunities for OHV's.

3) As OHV recreation participation expands in Hood River County, trails and facilities that this project supports helps satisfy this demand. Since the County's trail system is designed to provide a safe and enjoyable OHV experience, the desire for riders to poach closed areas decreases or is eliminated altogether. The properties managed by the County for its tree farm are not contiguous across its ownership. Many of the adjacent landowners prohibit OHV use on their lands. HRC is careful when

constructing trails to make sure they do not connect with those that exist on adjacent ownerships when OHV use is not allowed. The entire Middle Mountain Area and many OHV trails in the East Area have not yet been developed and some user created routes do run contiguously onto adjacent property. In 2016 HRC initiated a project to place Carsonite posts with property boundary markers and motorized use allowed/not allowed decals, at every location where trails and roads cross onto adjacent East Area ownerships. These markers give riders a way to know whose property they are on and if riding is allowed.

2c. Rider Benefits - Describe if and how the project addresses the following top three funding priorities: 1) Maintaining existing trails in good/sustainable condition. 2) More single-track off-road motorcycle trails (Class III) and 3) Prioritize loop trails over out-and-back trails.

1) This request will fund two OHV staff for up to 9-months full-time work each per calendar year. Staff typically spends the majority of time making improvements to trail tread, ensuring that water sheets off trails, opening up trail corridors, and removing trail blockages that result from high winds or winter storm activity. Funding this project will ensure existing trails are maintained in good, sustainable condition.

2) This project will help increase the amount of single-track motorcycle trails on HRC property. Miles of single-track routes exist on tree farm property while it is being actively managed for the production and sale of timber. Routes that fall within the boundaries of active sale operations must be closed for user safety until operations are complete. Once completed, OHV staff can either reopen or reroute the affected trails. Many times reopening trails that have been damaged by timber sale activities requires that some segments of the original routes be reconstructed. These reconstructed segments usually end up being longer than the original trail segments they replaced. Sometimes timber sale operations damage trails so severely that they must be totally rerouted, sometimes even outside of the timber sale boundary. Completely rerouting trails after timber sale operations is a great opportunity to create a trail that is more sustainable and more fun than the original. These completely rerouted trails usually end up being longer than the original. If the reconstructed and/or rerouted trails happen to be single-track motorcycle designated, then in this way more of this mileage is added to the trail system. There is currently a Forestry Department proposal to reclassify an existing trail from cross-country bicycle to motorcycle. The plan also calls for each end of the trail to be extended because the route currently begins and ends on forest roads. When completed, one end will connect with trail 160 and the other to trail 170. The extensions will total over 3,200 feet in length and will be constructed with work party labor led by OHV staff. This connection will be over 7,000 total feet in length and once completed will be motorcycle-designated single-track.

3) HRC prioritizes loop trails over out-and-back trails. In 2003, the County Board of Commissioners mandated the Forestry Department to develop and manage the user-created system of recreation trails that existed on HRC's tree farm property. Since that time, the Department has been working to make the proper trail connections so the inherited system functions efficiently. Some trails have been designed to link important parts of the system. These are not out-and-back routes because once a trail accesses an important part of the system, other trail options exist via additional trailheads so riders do not have to ride back on the same trail. For example, all three OHV staging areas in the Northwest Area are linked by trails. Other trails have been constructed as loops that allow riders to explore specific areas and to end up at the same location where they started once the loop ride is completed. HRC does not design out-and-back trails and designs loop trails instead because they are a better use of limited space, help the system function better, and because riders find them more desirable. Loop trails comprise a high percentage of the County's overall trail system. Each OHV staging area has more than one loop trail in its adjacent vicinity. Riders can divert off of a trail that links Kingsley Reservoir and Binns Hill Staging Areas into a motorcycle-only area called Kingsley Woods. This area is comprised of four long, tightly packed

loops that all uniquely converge at one common point or hub. It is extremely popular with riders and sees heavy use. Additional loop trails are located throughout the Northwest Area off of other link trails. There is a popular eleven-mile loop trail system in the East Area that begins and ends at the Pinemont Staging Area.

2d. Rider Benefits - Please describe how your program is maintaining or enhancing dispersed riding in your management area (forest, district, etc.). This may be outside the scope of this application, but is a use allowed in your area. For example, you may have a 10,000 acre riding area with designated trails, but your forest also has another 50,000 acres.

Dispersed riding is allowed on forest roads in areas of HRC ownership that do not have existing trails in place. The County has a total of 34,116 acres that are actively managed for its tree farm. Within these tree farm lands the County administers a grant-funded OHV trail program that allows motorized use on designated trails and forest roads. The tree farm acreage is located throughout the Hood River Valley and is concentrated into four larger areas that are separate. Three of these areas, the Northwest, Middle Mountain, and East Areas contain 159 miles of trails and are the areas that will be maintained with this project. The fourth area is the South Area, is comprised of 1,850 acres, and does not contain trails. Since the County administers an OHV trail program that is official/legitimized, dispersed ATV use is allowed on forest roads in this area as well as across the entire tree farm acreage. Without this program, the rider benefits of dispersed motorized use could have very well been restricted.

3a. Planning – Is the project part of an overall OHV plan for the area and does the project contribute the implementation of the plan?

An overall OHV plan for the County's three motorized trails areas has been in development since 2003. The HRC Forestry Department was mandated in October of 2003 by Ordinance No. 277, (Forest Recreation Trails) to develop and manage the user designed recreational trail system on HRC and adjacent ownerships. The Ordinance directed the Forestry Department to establish a Forest Recreation Trail Committee that would hold regular meetings and would be comprised of local citizens and various users of the system. The Committee developed a Forest Recreation Trail Management Plan which established the procedures to be followed for day to day management of the trail system. The Forestry Department had help from the National Park Service, the Trail Committee, and local citizens to create a Recreation Trail System Master Plan. The Plan discussed the need for the County to develop and manage its OHV trails and infrastructure for the various motorized user groups. The Plan stated that it would not be possible to install trail system infrastructure, administer a trail system maintenance program, or have routine law enforcement trail system patrols unless annual funding sources were secured. The OPRD ATV Grant Program is addressed in the Plan which states that acquiring annual funding is an essential component of the overall Plan and its continued implementation.

HRC has developed and is currently maintaining the Northwest Area OHV trail system and a staging area and eleven mile OHV loop trail system in the East Area. These areas are where the majorities of work will take place with the Operations and Maintenance plan that comprises this request. Many unauthorized, user designed and constructed trails exist in addition to the ones that have been developed. The plan for the future is to develop and maintain these unauthorized user constructed routes that currently exist in the Middle Mountain and East Areas. This grant request contributes to the implementation of this part of the plan by providing funding to allow these routes to be maintained by OHV staff employees.

HRC has recently met with USFS personnel to discuss a cooperative plan for this grant cycle where USFS could utilize the County's OHV staff employees and equipment in order to repair and maintain OHV trails

and infrastructure on federal lands. Due to federal regulations concerning hiring practices, USFS is unable to locally advertise and hire employees experienced with OHV design, repair, and maintenance. Quality repair and maintenance of OHV areas on USFS property is not taking place at this time. With the plan, HRC's employees and equipment would be loaned for a short time each year to USFS. USFS would reimburse the County at the employees regular loaded hourly rates while being utilized by USFS. In this way, the County's experienced OHV staff would be able to improve OHV trail systems on neighboring property owned and managed by USFS. Approval of this O&M grant request would contribute to implementation of this overall plan with USFS to enhance OHV routes on these adjacent federal lands.

Implementation of HRC's OHV trail system plan began in July 2007 when ATV Development and Law Enforcement grants were first administered. Implementation has continued with six Operations and Maintenance grants, two Development grants, and five Law Enforcement grants. HRC hopes to secure approval for this Operations and Maintenance request so implementation can proceed until June 30, 2019.

3b. Planning – Describe your planning efforts to determine the staffing levels and resources required. How do you make decisions on when and how staff will work on an annual basis, such as for seasonal peak use, seasonal closures (fire, snow), holiday weekends, weekdays/weekends, and number of employees at a given time?

Planning to determine the need for OHV staffing levels and resources required to successfully administer the OHV trail program is a balance between available funding, availability of qualified trails staff, amount of trail system utilization by users based on time of year, and the prioritization of on-the-ground trail work needed each year to adequately maintain trails and system infrastructure. Based on HRC's past experience managing it's OHV trail system, it is essential to have a minimum of one OHV field staff employee working full-time during each week during the period of mid-March through mid-November. Based on staff availability, this ideal scenario has never taken place with HRC. It appears that beginning in 2017, HRC will for the first time have full-time, experienced OHV staff employed for the entire OHV trail season. Trail system use drops down during late fall through winter and picks up again each spring. It is not necessary to have OHV staff working during winter months since trails and staging areas are generally inaccessible due to inclement winter weather.

During seasonal peak use, Saturdays and Sundays (Fridays being the next busiest) are the busiest days of each week for OHV use. HRC attempts to schedule OHV employees so weekends and holidays are covered by at least one field employee. There may be occasions where situations require two OHV staff to be scheduled to work together on weekends. If a staffing issue exists where there would be a lack of coverage, then Mondays through Thursdays would be the best days for staff to be absent from field work since they are the least busy days for OHV use. OHV trail use is generally prohibited each year for approximately 8-weeks during fire season. OHV staff maintains OHV trails and infrastructure and continues to work on priority projects during this time. Staff is allowed to run heavy machinery and use chain saws during fire season as long as the County's fire truck is available on site in case of a fire emergency.

3c. Planning – Describe how your O&M program uses innovative and sustainable practices.

HRC utilizes innovative and sustainable trail practices to aid its planning efforts to conduct trail maintenance efficiently, to minimize needs for future maintenance, to make trails safer and more enjoyable for users, to allow for better dispersal of riders throughout the trail system, and to increase

protection of natural resources by reducing negative impacts to fish, water, and wildlife. With County staff, proper planning begins with studying and frequently referring to Dick Dufourd's book, *Great Trails: Providing Quality OHV Trails and Experiences*. The book is a valuable reference guide filled with information on innovative and sustainable practices that is aiding HRC staff with operations and maintenance of its OHV program.

Managing OHV systems long-term has allowed the County the advantage of using innovative solutions to solve problems. Sometimes different tactics can be used to solve the same or similar problems making it easy to compare what works well with what doesn't. HRC has been experimenting with different innovative planning approaches to maintain its trail system. The County has found that it is easier to plan for efficient trail system O&M, once what works best and what doesn't is known.

HRC has learned that features can be added to trails to increase sustainability and reduce the amount of maintenance required. Staff has been experimenting with the installation of berms through corners. This has reduced unnecessary damage to corners. Features are installed to reduce speeds in areas where high speeds would be dangerous or would contribute to unnecessary tread damage. Undulations and turns are added to OHV routes so lower speeds become more of a challenge. The addition of grade reversals facilitates water removal from the tread, reduces speeds, and increases sustainability. Trail armoring is installed to protect trail tread in areas prone to damage from unstable soils, areas where skidding occurs, or where maximum traction is needed for steeper climbs. The County has been experimenting with different methods of armoring trail tread to determine which methods work best for which scenarios. Some tread has been armored with rectangular cement blocks while other areas are armored with loose rock of various sizes that had been mixed with mineral soil and then mechanically compacted. The County is experiencing success at stabilizing many damaged locations.

Whenever possible, HRC constructs and maintains loop trails close to staging areas. These close-in loops are an innovative way to allow less experienced riders a way to gain experience and sharpen riding skills while staying close to staging areas. By utilizing adjacent loops, users become more competent at riding, learn how to accurately compare on-the-ground trail signage to notations on the map, and quickly gain experience so they are competent to venture farther from staging area locations. It is safer for less skilled riders to develop problems close to staging areas where immediate help is available. Riding these close-in routes allow experienced riders a way to check-out the functionality of their OHV's before going farther out into the system on longer rides. Having loops close-in gives riders the option of riding legitimate routes adjacent to staging areas rather than having a tendency to ride in and race through staging areas or on adjacent forest roads. As a result, the County's staging areas and forest roads incur less damage and are more sustainable. This is also safer and more enjoyable for those who are using staging areas to unload and load or take breaks.

Funding for this request will ensure that more OHV routes within the developed trail system are maintained to sustainable standards and that accurate maps are available at staging area locations. HRC's plan is to increase OHV staff hours so trails can be better maintained. The County has seen that users prefer to spend the majority of time riding trails that are maintained to sustainable standards as opposed to those that are not. HRC ensures that accurate maps are available at field locations so users can more easily navigate the trail system and learn about possible ride options. Maps encourage riders to branch out and utilize more trails within a given system, reducing the concentration of riders that can end up overusing the same few trails. These innovative practices allow better utilization of carrying capacity. Spreading riders out on the trail system increases user safety due to decreased numbers of riders in a given area, reduces damage to natural resources, and increases user enjoyment.

One innovative strategy HRC uses is to ensure that trails are as enjoyable as possible so users will have fewer tendencies to ride off-trail and damage resources. HRC hears more and more that riders enjoy trails designed to have 'flow'. Flow allows riders to shift gears less frequently, and allows them to anticipate upcoming changes with speed, shifting, and braking. This not only makes trails more enjoyable to ride but helps reduce trail tread damage, increases sustainability, and minimizes the need for maintenance. If flow is not considered, users could be caught riding at the wrong speed and then suddenly have to brake, resulting in skidding or running off the trail and damaging sensitive natural resources.

4. Economic Development Opportunities – Describe how this project will contribute to the local economy.

Economic benefits can be attributed to this O&M project as the existing OHV trail system is a highly sought destination for OHV use due to its world class reputation and its proximity to the City of Hood River, the Columbia River Gorge, and its accessibility to the Portland/Vancouver Metropolitan Areas. This project will maintain OHV trails and associated infrastructure to better accommodate this demand for such facilities and will provide economic benefit to the local community as recreation/tourist dollars are shared between many of the local businesses.

The inability to have funding to support the operations and maintenance of the County's OHV trail program would have profoundly negative economic impacts for County and local businesses. If not funded, the system would fall into disrepair. Given enough time, routes could no longer be safely utilized and many would eventually be closed altogether by the overgrowth of brush, being blocked by downfall, being decommissioned because of timber sale harvest activities, or being closed because of severe, unchecked trail tread erosion, and the ravages of winter storms. OHV use would drop off since the system was no longer safe or fun and could not accommodate the increase in OHV demand. As a result, many users would choose to shorten their stay in the Columbia River Gorge, or decide not to visit the area at all.

5. Financial Support – Describe match to this project, such as volunteer labor, other grants, agency budgets or donations. Please list other grants you have received over the last 3 years which are not part of this grant, but relate to OHV us in your program.

This project is being supported with \$61,372.88 of donations from labor, equipment, and in-kind salaries. The in-kind estimate for volunteer labor for the project is \$25,025.00, for equipment is \$12,800.00, and for salaries is \$23,547.88.

An essential part of the County's in-kind plan for this project is for maintenance staff to schedule volunteer work parties more frequently than in the past. Forestry is requesting an increase in OHV staff wages so maintenance hours can be increased. The goal is to have two maintenance employees work up to 9-months full-time each year. This increase in OHV staff hours will enable the regular scheduling of motorized work parties through a longer part of each riding season and better support the project.

HRC will donate equipment for this project that will qualify as in-kind support. A Forestry Department pick-up truck will be used exclusively by the Trail Program Coordinator for trails-related activities. OHV staff will use a Forestry Department truck when back-up for their OHV truck is needed. Forestry's Wildland Fire Truck will be utilized by OHV staff so they can legally use motorized equipment to aid in maintaining the trail system during fire season. The HRC Weed and Pest Department will donate their Suzuki ATV for use when needed. HRC has a variety of heavy equipment that can be loaned out to the trail program when needed for various projects.

HRC employees such as the Trail Program Coordinator, County Forester, Forestry Office Manager, Buildings and Parks Manager, and others will donate in-kind hours in support of this grant project.

The Forestry Department completed the administration of two Recreation Trail Program grants in 2015. Both grants contributed to the County's OHV Trail Program during the previous 3 years. One grant entitled HRC Trails Equipment Attainment ended 6/30/15. The second, entitled HRC Trails Infrastructure Improvement ended 10/31/15. One helped with the purchase of an 8,000-pound excavator and the other helped with the rental of a 2000-pound excavator that was eventually donated to the County's Trail Program.

6. Letters of Support. – Current letters of support, from a variety of sources, help to demonstrate the need and success of your program. Letters from OHV riders and clubs are very important. Letters from local businesses, county commissioners, and other groups are also important. Letters from agencies also show support, but only two letters from agencies are allowed. Please list the name, title, group, business or agency for each letter attached. Up to 10 letters of support will be accepted. No letters will be accepted from previous years.

- 1) Claire Pitner – USDA Forest Service, Eastside Recreation Assistant, Mount Hood National Forest.
- 2) Chuck Worley – OMRA President.
- 3) Tom Mees – Lobos MC President, OHV rider, volunteer.
- 4) Rory Sullivan – OHV rider, volunteer, citizen.
- 5) Doug McDonald – OHV rider, East Area supporter/volunteer, Northwest Single Track Guide and Outfitter.
- 6) Konstantin Klebleev – OHV rider, citizen volunteer, Extreme Park LLC.
- 7) Pat Corelli – OHV rider, citizen volunteer.
- 8) Tao Berman – OHV rider, East Area supporter/volunteer, citizen.
- 9) Brian McCavitt – OHV rider, NW Area supporter/work party volunteer.
- 10) Heather Pola – User of motorized trails, Moto work party volunteer, HRC Trail Committee Member, Vice President Hood River Area Trail Stewards.



Forest Service

Mt. Hood National Forest

Hood River Ranger District
6780 Highway 35
Mt. Hood-Parkdale, OR 97041
541-352-6002
Fax: 541-352-7365

File Code: 2300

Date: November 15, 2016

Subject: Hood River County Operations and Maintenance Grant Support Letter

To: Oregon Parks and Recreation Department
Attn: ATV Grant Program Coordinator
725 Summer Street NE, Suite C
Salem, OR 97031-1271 Oregon Parks and Recreation

Dear ATV Grant Program Coordinator,

This letter is in support of the Hood River County Forestry Department's Operations and Maintenance Grant for 2017-2019. The Mount Hood National Forest manages over 150 miles of OHV trails within Rock Creek, McCubbins Gulch, and LaDee Flat OHV areas. The Mt. Hood utilizes existing staff as well as OPRD's Operations and Maintenance grants to manage the areas in a sustainable manner that also provides an enjoyable recreation experience for OHV enthusiasts. Many OHV enthusiasts who enjoy the Mt. Hood National Forest visit from the Portland metropolitan area as well as the local communities nearest to the OHV areas.

Hood River County manages OHV recreation on its tree farms. The county manages OHV recreation with the goal of providing a sustainable, safe recreation opportunity for OHV enthusiasts. As demand for these opportunities increase, it's paramount that the necessary funding is available to support the operations and maintenance of the OHV system.

Hood River County land is adjacent to the Hood River Ranger District and compliments the OHV system on the Mount Hood National Forest. It's important to offer a variety of opportunities to off road enthusiasts as demand increases, and these systems provide this opportunity to the communities surrounding Hood River County and the Mt. Hood National Forest. Support is needed by OPRD to continue to maintain these trails and provide this opportunity to the community.

The Mt. Hood National Forest and Hood River County have a good working relationship and a commitment to work together to assist one another should either land manager need assistance with their OHV program. Grant funding for 2017-2019 will ensure that Hood River County and the Mt. Hood National Forest continue to provide sustainable OHV recreation to the surrounding communities.

Hood River County has demonstrated their ability to provide quality OHV opportunities for many years. As OHV Coordinator for the Mt. Hood National Forest, I request continued support for both programs so that we may continue to maintain and improve OHV opportunities into the future.

Sincerely,

Claire Pitner
East Zone Recreation Staff and Forest OHV Coordinator
cpitner@fs.fed.us or 541-352-1248



Oregon's statewide sanctioning body of off-road motorbikes and ATVs for Oregon since 1972



PO Box 2984

Tualatin, OR 97062

Dear Grant Committee Members,

As Oregon's statewide sanctioning body, the OMRA fully supports the Hood River County's goal to maintain and improve the motorized trail system via staff, trail work, trail patrols, toilets, maps, equipment maintenance and staging areas. This means a lot to have this recreational opportunity available to the OHV public. This is especially pronounced being so close to a metro area.

The Hood River County has some pristine riding opportunities available. These opportunities are diminished without proper trail maintenance and commitment, and this work will further that goal, which is whole heartedly supported by the OMRA.

The OMRA highly supports this request, as this request will improve rider fun and safety for all, and allows families to 'get away from it all'. Please let me know if you have any questions.

Best regards,

Chuck Worley

OMRA President

chuckw@omraoffroad.com

Lobos MC

PO Box 2630

Clackamas, OR 97015-2631

11/14/2016



Lobos Motorcycle Club

To: Members of the ATV Grant Advisory Committee,

From: Lobos Motorcycle Club

Re: Hood River County '17-'19 O&M grant application

Members of the Committee,

The Lobos Motorcycle Club would like to express our support for Hood River Country Forestry Department's current grant application in support of their 2017-2019 biennium operations and maintenance budget. We've had a chance to review their current proposal - while also considering it in light of the way they've done their job over the past few years. After doing so we'd like you to know that we support their current request. Along with the great improvements to the quality and sustainability of their trail system, they facilitate a unique trail-user partnership that we want to keep going. We also want to encourage and support the Counties continued good integration with their forestry/logging planning and operations.

Thank you for your volunteer efforts and for your consideration of our letter.

Tom Mees

President, Lobos MC

Oregon Parks and Recreation Department
Attn: ATV Grant Program Coordinator
725 Summer Street NE, Suite C
Salem, Oregon 97301-1271

Grant Proposal for Hood River County OHV System:

The majority of work for this grant request will take place in the Northwest Area. Some will take place in the Middle Mountain and East Areas as needed and will consist of;

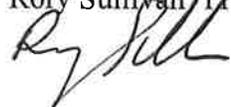
- 1) OHV Staff; Fund Tree Farm OHV Specialists to maintain motorized trails and facilities. Since maintenance funding is the most important component of the grant, the County will request that staff wages increase some over previous years. We have not been able to catch up with maintenance projects the last couple of years because we have not had enough funding for the amount of staff hours we need.
- 2) Trail Work; Remove trail blockages, brush trails, armor trail tread, allow for effective water drainage, ensure sustainability and connectivity by creating reroutes and possible new trails, remove trash, maintain exiting signage and install new where needed, and conduct more volunteer work parties for trail maintenance and construction needs.
- 3) Staging/Parking Areas; Clean, maintain, and repair staging areas and associated facilities.
- 4) Patrol Trails; to assess maintenance and repair needs.
- 5) Binns Hill and Kingsley Toilets; OHV staff to clean and service two vault toilets, rent two portable toilets for Kingsley Reservoir and have serviced by local vendor.
- 6) Collect monthly water samples at Kingsley Reservoir Well and have samples tested at The Dalles Water Quality Lab per Oregon Health Authority requirements.
- 7) Equipment Operation, Maintenance, Repair, and Rental; Funds for diesel, gasoline, fluids, and maintenance and repair, and rental of equipment as needed.
- 8) Off Highway Vehicle Maps; Funds for the printing of updated OHV maps for the Northwest and Pinemont Loop Trail Areas.
- 9) OHV Program Coordination; Partial reimbursement to Hood River County for a portion of hours the Trails Program Coordinator spends administering the motorized trail program.

This Grant is important to the longevity of the Hood River OHV trail system (that I personally love to use). It will help to make sure it can also be enjoyed by others for years to come. Without Grants like this, the trail system will fall into disrepair and users will begin to abuse and branch outside the OHV boundaries to other areas.

I feel that the Grant will help ensure that the recreation community is able to thrive in Hood River County, which in turn is great for the local economy.

Thanks

Rory Sullivan 11/1/16



October 27, 2016

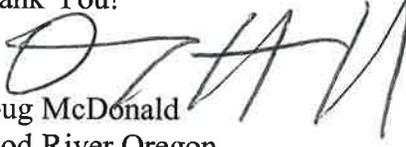
To: Oregon Parks and Recreation Department
Attn: ATV Grant Program coordinator
725 Summer Street NE, Suite C
Salem Oregon 97031-1271

Grant Coordinator:

This letter of support is for the 2017 thru 2019, Hood River County Forestry Grant Application for Operations and Maintenance of Hood River County OHV trails.

Hood River is one of those unique Counties that provide endless opportunities for public access on their land, through OHV grant funds. These funds are an integral part of building and maintaining trails in a safe and orderly condition.

Thank You!


Doug McDonald
Hood River Oregon

Doug McDonald - (509) 281-0156



Oregon Motorcycle Rental
NORTHWEST
Single Track Guide & Outfitter



From: Konstantin Klebleev c/o Extreme Park LLC

To: Oregon Parks and Recreation Department
Attn: ATV Grant Program Coordinator
725 Summer Street NE, Suite C
Salem, Oregon 97031-1271
Cc: Henry Buckalew

Date: 10/28/2016

To Whom it may concern,

I hereby write this letter to support Hood River County's Grant Application for operation and maintenance of Hood River County trails for the respectful years of 2017, 2018 and 2019. Being an active and responsible user of Hood River County trails myself, I truly believe that proper development and maintenance of those trails is very important for the area.

It goes without saying that Hood River County is one of country's biggest tourist attractions and their multi-use trail system is being a big part of it. Allocating adequate funding for trail network maintenance and development is very important to continue supporting local businesses operating in the tourism industry as well as guaranteeing continued safe operation of the trails.

Sincerely,

Konstantin Klebleev
President
Extreme Park LLC

To;

Oregon Parks and Recreation Department
Attn: ATV Grant Program Coordinator
725 Summer Street NE, Suite C
Salem, Oregon 97301-1271

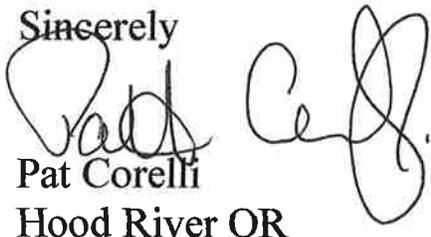
Hello,

I send this letter in support of Hood River County Forestry Department's grant application for operations and maintenance of the county's motorized trail system for 2017 through 2019.

With the increase in use that the area is seeing this Grant will play a key role. It will help with the needed safety, maintenance and equipment to maintain an area that has a lot of motorized enthusiasts. Without grants like this, it would be nearly impossible for the county to manage.

Thank you for the consideration, the community does appreciate it.

Sincerely

A handwritten signature in black ink, appearing to read 'Pat Corelli', written in a cursive style. The signature is positioned to the right of the printed name 'Pat Corelli'.

Pat Corelli
Hood River OR

To: Oregon Parks and Recreation Department

Att, ATV Grant Program Coordinator

725 Summer St NE Suite C
Salem Oregon 97031-1271

Hello Grant Coordinator,

This letter is to voice my support for the 2017 through 2019 Hood River Forestry Grant Application for operation and maintenance of the Hood River County motorized trails.

Hood River and its surrounding area is widely known as a destination location for many people that enjoy outdoor sports. This is an important aspect of tourism that helps our local economy. These funds are an important part to building and maintaining trails, which in turn helps promote tourism.

Thanks,

Tao Berman
White Salmon WA


10/29/2016

Brian McCavitt
369 Snowden Road
White Salmon, WA 98672

Nov. 7, 2016

Oregon State Parks and Recreation Department
Attn: ATV Grant Program Coordinator
725 Summer Street NE, Suite C
Salem, OR 97301-1271

ATV Grant Coordinator,

I am writing to encourage your support of the Hood River County ATV operations and maintenance grant request. I am an active trail user (off-road motorcyclist) and trail work volunteer. The benefits of this grant help keep the staging areas maintained and the outhouses clean. It also goes a long way in funding OHV staff who can focus on trail building and maintenance. This grant also funds the printing of updated trail maps and markers which are vital to new trail users and older riders like myself who still cannot remember how to get from point A to point B – though that's part of the adventure.

I appreciate your support of our local trail system.



Brian McCavitt

(On an unrelated subject, if possible can you say hi to Chris Havel for me. We worked together at Bonneville Dam way back. I've since retired but I still hear his name pop up from time to time on state park-related news. Thanks.)

Oregon Parks and Recreation Department
Attn: ATV Grant Program Coordinator
725 Summer Street NE, Suite C
Salem, Oregon 97301-1271

Dear ATV GRANT PROGRAM COORDINATOR,

I am writing to you, to express my support of the Hood River County Forestry Department being strongly considered for the ATV GRANT. It is actually an honor.

As a trail user, who volunteers my fair share of time for my backyard trails, I have witnessed the value of having a more consistent help for our trails. I see the value not only on the trails, but within our trail community as a whole. We have many user groups that use the motorized trails on a regular basis and it is a huge asset, to have a crew helping maintain them, beyond the hands of volunteers.

We have such an amazing playground and I am truly appreciative of the support this grant gives to our local trails and I hope we're able to receive such an amazing opportunity to continue the forward progress with in our trails system.

Thank you so much for taking the time and I hope this note finds you fabulous.

Cheers,


Heather Pola

Trail Committee Member Hood River County Forestry Department
Vice President Hood River Area Trail Stewards

LAND MANAGERS CERTIFICATION

Project Sponsor Name: HOOD RIVER COUNTY FORESTRY DEPARTMENT
Project Title: HOOD RIVER COUNTY O&M 2017-2019

As the official responsible for the management of land on which this ATV project is located, I agree that it is the intent for this ATV trail or facility to remain open to the public and we intend to promote and support the ATV user permit program. I further agree to abide by all applicable state and federal laws and regulations.

If a planning decision has not been issued, please indicate the date a decision is expected: _____



(Signature of Land Manager)

10-17-16
(Date)

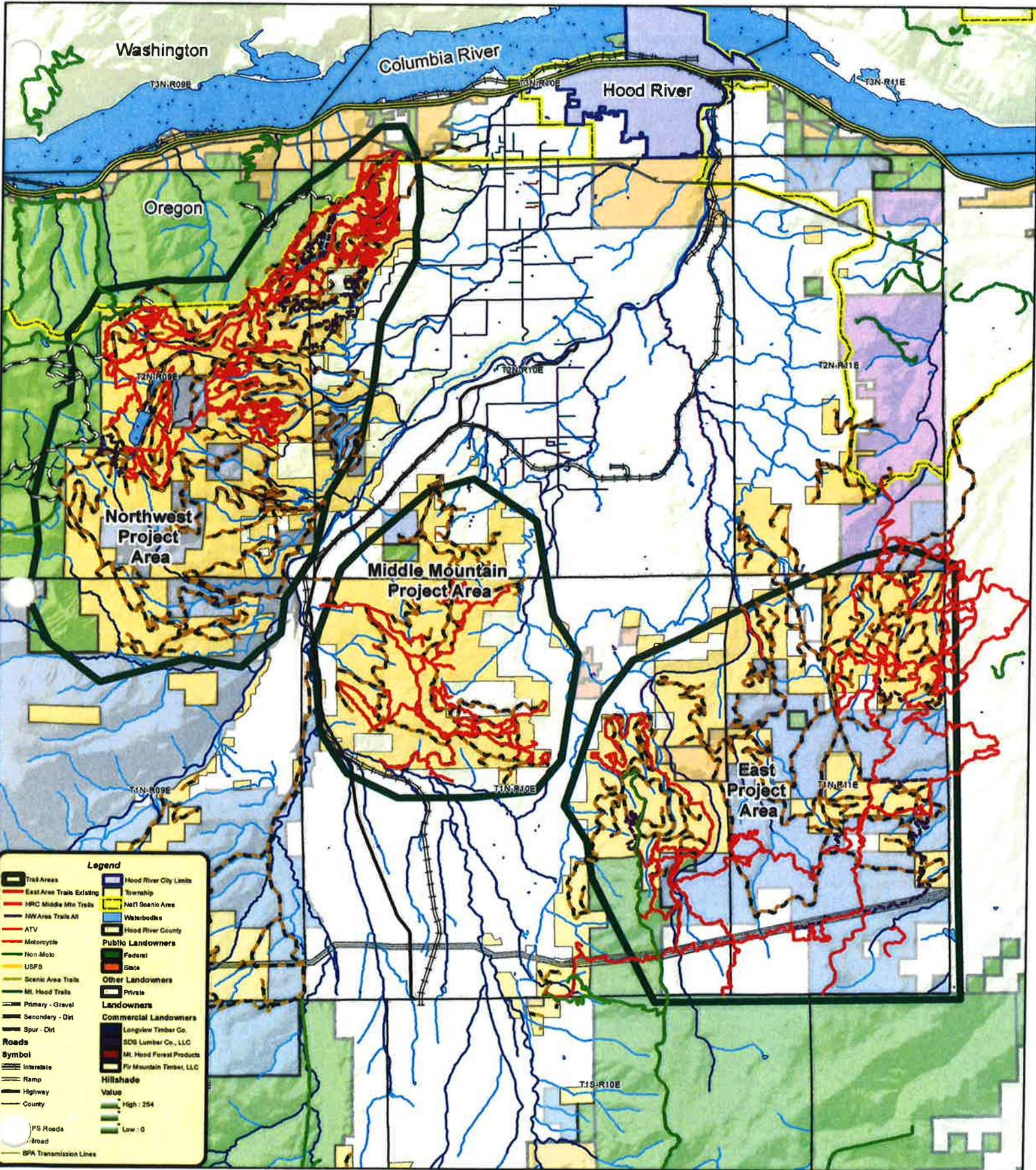
Douglas M. Thiesies, County Forest Manager
(Please print the official's name and title)

Hood River County Forest Recreation Trails OHV Areas Vicinity Map



Disclaimer: This map is intended for general reference only. Hood River County makes every effort to ensure that the data used to produce this map is a true representation. However, the County makes no warranty, expressed or implied, regarding the accuracy or completeness of any information disclosed. The County accepts no liability for any damage or injury caused by the use of this map. Proprietary Information: Any resale of this information is prohibited, except in accordance with a licensing agreement.

Hood River County Forest Recreation Trails Location/Boundary of Project Areas 2017-2019





NW Area Trail Riders 4-9-16



Volunteer Work Crew on NW Area Trail 4-9-16



130 Trail Repair with Armoring Blocks & Adopters 6-24-16



NW Area Armored Trailhead-Culvert Crossing 9-18-15



Speed Bumps at Post Flats Staging Area 11-23-15



130 Re-opened After Pre-Commercial Thinning Timber Sale



OHV & Forestry Staff Laying Out Motorcycle Trail 170 9-3-15



OHV & Forestry Staff Coordinating with Salvage Logger 9-3-15



4x4 Damage: Lower Riordan Hill Road Gate 2-16-16



4x4 Damage Repaired-Lower Riordan Hill Road Gate 11-9-16

OHV Staff Projects Update for 10-20-16

Reminders:

- Avoid attaching signs to trees unless plywood backing is attached to trees first. Protocol is to attach signs to posts or stakes. Pull all old staples.
- If staff has to deviate from the daily game plan out in the field (need to work on other projects or go to other locations) contact either Henry or Doug so that we are all on the same page.
- Apply decals to posts when they are dry. Avoid this during wet or damp conditions. Clean Carsonite posts and slats before applying decals. Keep edges of decals straight with the orientation of the post. Make sure edges of adjacent decals are touching and not overlapping. Some decals applied this season are already peeling up on the edges.

A. Larger Projects Prioritized:

- 1) Reopen trails 140, 150, 160, 170, and 180 as Hosta timber sale operations allow. This will most likely be October/November.
- 2) Refurbish the existing Pinemont Loop. Use the U-35 on 300 as it leaves the staging area and the K008 on 310. Need moisture for this project.
- 3) Two-Part Project: a) Work with users to install 4x4 features on 197 along the short section of 1070 Road. This is a U-35 project that may last a week. Need fall moisture for this project. b) Use the U-35 to close the skid road that comes off of the SW corner of 197 and connects to the road that parallels the lower reservoir.
- 4) Construct the 130 connector. This is a U-35 project. This project also requires a bridge over the headwaters of Post Canyon Creek. Need moisture for this project. The flagged route has not yet been approved.
- 5) Install a couple of rows of cement posts horizontally into the rocked running surface of the Binns Hill Staging Area (like that at Post Flats) where stumps were recently removed.
- 6) Construct Phase 2 of Pinemont Loop. This has already been flagged and will complete the Loop, keeping users on trails the entire time. Still have to work with the Trails Committee and the public before this project is completely ready.

B. Ongoing Projects:

- 1) Check the two deck locking pins on the 24-foot trailer to make sure they fit properly. If not, decide if holes need to be drilled out, etc.
- 2) 'To Staging Area' decals need to be added to posts where needed.
- 3) Need replacement Carsonite post at 130/1405 crossing.
- 4) Need replacement Carsonite post at 130/1004 crossing.
- 5) Need replacement Carsonite post at 160/1006 crossing.
- 6) Replace peeling decals on sign posts at 197/198/2400 intersections.
- 7) Go through Kingsley Campground with a ladder and needle nose pliers and pull all old staples from sign posts, boards, etc. Always pull all old staples prior to putting up new signs.
- 8) Add three more bolts, washers, and nuts to help the one bolt that is holding the plywood onto the kiosk at Kingsley Reservoir. Two of the three may not have ever been installed due to spacing restrictions with the Lexan Polycarbonate frame so check it out.
- 9) Westside Salvage has begun near Kingsley Reservoir. Continue to work with Brent Kallander to close and reopen trails as needed.
- 10) Cut remaining pieces of the 4x8 sheet of plywood left over from Post Flats kiosk into small rectangular pieces for sign backings.
- 11) Add 'To Staging Area' signs at needed locations. Examples: At 190/193L junction, 180/193L, 180/Kingsley Road crossing, 130/1404 crossing, 170/Binns Hill Road crossing, 170/180, etc.
- 12) Prep and then paint the walls, ceilings, and floors of the Binns Hill and Kingsley vault toilets. This is a good fire season project.
- 13) Place new rocks where 180 and 190 cross Kingsley Road to line each edge of the armored culvert crossing. Use concrete mix to cement the rocks together. This is a good fire season project.

- Make note of needed work such as rutted areas, trail blockages, locations needing armor, reroutes, etc.

E. East Area:

- 1) The entire 11 mile Pinemont Loop Trail needs to be worked throughout its length to repair trail tread once we get moisture. U-35 excavator on 300 and K008 on 310. Some ruts will require filling with soil and rock or block and then compaction with our motorized trail tread compactor. Some small reroutes are in order but we need to minimize them.
- 2) Brush around all Pinemont Loop sign posts. Get main road crossings first.
- 3) Update sign posts: Replace 4x4 and Carsonite posts as needed and all faded, peeling, or missing decals where needed.
- 4) Brush-out Pinemont Loop Trail corridors. Make detailed notes of future project needs.

F. Overview of Field Items Needing Attention:

- 1) Trail signage is in need of repair/replacement at spots throughout the system. 4x4 posts installed 6-7 years ago are beginning to rot and fall over. Routinely check for repair needs.
- 2) The decking on the bridge over Ken-A Creek on 170 is super slick. How can we add traction to it? Same for the bridge over Ditch Creek on 180 (the second bridge on 180 to the south of Binns Hill Staging Area).
- 3) Blue Car Project: This project has recently grown in size. It is now a multi-part project. Another staff walk-thru will be conducted prior to initiation of work.

Purchase Orders for Fiscal Year 2016/2017 (thru 6-30-17)

Date Set-Up	Vendor Name	PO Number	Reason	Grant	As of 9-29-16
7/7/2016	Bryant Pipe & Supply Inc	170037	Incidentals	ATV 15-27	\$300.00
7/8/2016	CM&WO Sheppard, Inc.	170097	Repair, Maintenance, Incidentals	ATV 15-27	\$214.26
7/8/2016	Hood River Supply	170098	Incidentals, Fuel	ATV 15-27	\$196.22
7/8/2016	Mid-Columbia Marine & Motorsport	170099	Repair, Maintenance, Incidentals	ATV 15-27	\$300.00
7/8/2016	NAPA	170100	Incidentals	ATV 15-27	\$163.27
7/8/2016	Tum-A-Lum	170101	Incidentals	ATV 15-27	\$270.01

AGENDA REQUEST FORM

DATE: December 6, 2016 DEPARTMENT: Forestry DEPT. HEAD SIGNATURE: 
SUBJECT: Westside Salvage-2016 Timber Sale #16-10 Closure
STATUTORY AUTHORITY: ORS _____ OAR _____ County Ordinance _____

=====

BACKGROUND/SUMMARY OR ALTERNATIVES CONSIDERED: Timber Sale requirements have been met and purchaser, J W Logging requests closure. Sale was approved on June 30, 2016 with estimated volume of 40 MBF @ \$275/MBF for Douglas-fir; and 10 MBF @ \$235/MBF for White Fir and other conifers. Final volume removed was 285.52 MBF for actual revenue of \$76,189.14.

=====

FISCAL IMPACT: Budget Line Item _____ Account Balance _____
Budget Line Item 406-1808-395.90-02 Account Balance \$76,189.14

=====

PROJECT ANALYSIS: Staff Contact: _____
Estimate Hours Spent To Date: _____ Estimated Completion Date: _____
Comments:

=====

ACKNOWLEDGMENT BY OTHER AFFECTED PARTIES: (If applicable)

<input type="checkbox"/> County Counsel	<input type="checkbox"/> Finance Director	<input type="checkbox"/> Other Affected Agencies	<input type="checkbox"/> Administrator
<input type="checkbox"/> Safety Committee	<input type="checkbox"/> Human Resources Director	<input type="checkbox"/> Appropriate County Committee	<input type="checkbox"/> Other

=====

RECOMMENDATION FROM DEPARTMENT HEAD: Close as requested by purchaser and authorize return of appropriate bonds.

=====

ADMINISTRATIVE RECOMMENDATION:

Approve the closure of the Westside-Salvage 2016 timber sale # 16-10 and return appropriate bonds.

County Administrator _____ Department Head/staff attendance to meeting (circle one): Yes No

=====

DATE: _____ ACTION OF BOARD:

County Administrator _____

=====

FOLLOW-UP:

* Ord./Res./Agmt./Order Originals: _____
Copies (all info): _____
Copies (ARF only): _____

*Additional/Original to: _____
*Agreement/ordinance/resolution book
*Copy for agreement tracking book

J.W Logging, LLC

**4450 Firwood Dr
Hood River, OR 97031**

**Phone: 541-490-5190
E-mail: jwloggingco@gmail.com**



Hood River County Forestry
918 18th St
Hood River, OR 97031

December 5, 2016

To whom it may concern,

Please close timber sale 16-10 West Side Salvage. As well, please waive the slash burning fees as there was no slash to burn. If you have any questions please give me a call, (541) 490-5190.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerrad Wingerd".

Jerrad Wingerd

J.W. Logging, LLC
4450 Firwood Dr
Hood River, OR 97031
(541) 490-5190
jwloggingco@gmail.com

AGENDA REQUEST FORM

DATE: December 6, 2016 DEPARTMENT: Forestry DEPT. HEAD SIGNATURE: 
SUBJECT: Guyline Timber Sale #16-2 Closure
STATUTORY AUTHORITY: ORS _____ OAR _____ County Ordinance _____

=====

BACKGROUND/SUMMARY OR ALTERNATIVES CONSIDERED: Timber Sale requirements have been met and purchaser, Boise Cascade Wood Products, LLC requests closure. Sale was approved on August 17, 2015 with estimated volume of 1,106 MBF @ \$338.85/MBF for Douglas-fir; and 285 MBF @ \$209.00/MBF for White Fir and other conifers. Final volume removed was 1,310.51 MBF for actual revenue of \$411,795.38. This sale included approximate \$50,644.43 in road construction and improvements.

=====

FISCAL IMPACT: Budget Line Item _____ Account Balance _____
Budget Line Item 406-1802-395.10-90 Account Balance \$411,795.38

=====

PROJECT ANALYSIS: Staff Contact: _____
Estimate Hours Spent To Date: _____ Estimated Completion Date: _____
Comments:

=====

ACKNOWLEDGMENT BY OTHER AFFECTED PARTIES: (If applicable)

<input type="checkbox"/> County Counsel	<input type="checkbox"/> Finance Director	<input type="checkbox"/> Other Affected Agencies	<input type="checkbox"/> Administrator
<input type="checkbox"/> Safety Committee	<input type="checkbox"/> Human Resources Director	<input type="checkbox"/> Appropriate County Committee	<input type="checkbox"/> Other

=====

RECOMMENDATION FROM DEPARTMENT HEAD: Close as requested by purchaser and authorize return of appropriate bonds.

=====

ADMINISTRATIVE RECOMMENDATION:

Approve the closure of the Guyline timber sale #16-2 and return appropriate bonds.

County Administrator _____ Department Head/staff attendance to meeting (circle one): Yes No

=====

DATE: _____ ACTION OF BOARD:

County Administrator _____

=====

FOLLOW-UP:

* Ord./Res./Agmt./Order Originals: _____	* Additional/Original to: _____
Copies (all info): _____	* Agreement/ordinance/resolution book
Copies (ARF only): _____	* Copy for agreement tracking book

Boise Wood Products
1917 Jackson Avenue La Grande, OR 97850
T 541-962-2042 F 541-962-2002



Boise Cascade

December 6, 2016

HRC Forestry Department
Attn: Doug Thiesies, Ellen Davis
Guyline T.S.

Dear Mr. Thiesies:

Boise Cascade Wood Products, LLC, has been notified that all final project work has been completed and accepted on the Guyline T.S. With all of the contract work completed, we are requesting that the sale be officially closed. Thank you for your time and I look forward to hearing from you in a timely manner.

Sincerely,

Jordan Lanman
Purchaser's Representative
Boise Cascade Wood Products

AGENDA REQUEST FORM

DATE: December 6, 2016 DEPARTMENT: Forestry DEPT. HEAD SIGNATURE: 
SUBJECT: Gum Tree Timber Sale #16-5 Closure
STATUTORY AUTHORITY: ORS _____ OAR _____ County Ordinance _____

=====

BACKGROUND/SUMMARY OR ALTERNATIVES CONSIDERED: Timber Sale requirements have been met and purchaser, Boise Cascade Wood Products, LLC requests closure. Sale was approved on October 19, 2015 with estimated volume of 1,306 MBF @ \$362.03/MBF for Douglas-fir; and 142 MBF @ \$199.00/MBF for White Fir and other conifers. Final volume removed was 1,718.06 MBF for actual revenue of \$586,980.95. This sale included approximate \$32,716.91 in road construction and improvements.

=====

FISCAL IMPACT: Budget Line Item _____ Account Balance _____
Budget Line Item 406-1802-395.10-90 Account Balance \$586,980.95

=====

PROJECT ANALYSIS: Staff Contact: _____
Estimate Hours Spent To Date: _____ Estimated Completion Date: _____
Comments:

=====

ACKNOWLEDGMENT BY OTHER AFFECTED PARTIES: (If applicable)

<input type="checkbox"/> County Counsel	<input type="checkbox"/> Finance Director	<input type="checkbox"/> Other Affected Agencies	<input type="checkbox"/> Administrator
<input type="checkbox"/> Safety Committee	<input type="checkbox"/> Human Resources Director	<input type="checkbox"/> Appropriate County Committee	<input type="checkbox"/> Other

=====

RECOMMENDATION FROM DEPARTMENT HEAD: Close as requested by purchaser and authorize return of appropriate bonds.

=====

ADMINISTRATIVE RECOMMENDATION:

Approve the closure of the Gum Tree timbersale #16-5 and return appropriate bonds.

County Administrator _____ Department Head/staff attendance to meeting (circle one): Yes No

=====

DATE: _____ ACTION OF BOARD:

County Administrator _____

=====

FOLLOW-UP:

* Ord./Res./Agmt./Order Originals: _____
Copies (all info): _____
Copies (ARF only): _____

*Additional/Original to: _____
*Agreement/ordinance/resolution book
*Copy for agreement tracking book

Boise Wood Products
1917 Jackson Avenue La Grande, OR 97850
T 541-962-2042 F 541-962-2002



Boise Cascade

September 29, 2016

HRC Forestry Department
Attn: Doug Thiesies, Ellen Davis
Eucalyptus T.S.

Dear Mr. Thiesies:

Boise Cascade Wood Products, LLC, has been notified that all final project work has been completed and accepted on the Gum Tree T.S. With all of the contract work completed, we are requesting that the sale be officially closed. Thank you for your time and I look forward to hearing from you in a timely manner.

Sincerely,

Jordan Lanman
Purchaser's Representative
Boise Cascade Wood Products

AGENDA REQUEST FORM

DATE: 12/19/16 **DEPARTMENT:** Admin **DEPT. HEAD SIGNATURE:** _____

ISSUE: OSU Extension Lease; Permission for a greenhouse

STATUTORY AUTHORITY: OAR _____ County Ordinance _____

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

Steve Castagnoli, Interim Director for the OSU Extension and MCAREC has made a request pursuant to the existing lease between the County and OSU Extension for permission to place a greenhouse on the property to be used by the Master Gardeners. The request also covers permission to remove the greenhouse upon expiration of the lease agreement. OSU Extension will apply for all the proper permits. Administration has no issue with the request in concept assuming all the property land use and permitting processes are followed.

FISCAL IMPACT: Budget Line Item: _____ Account Balance: _____

PROJECT ANALYSIS:

Staff Contact: _____ Estimated Hours Spent to Date: _____
Estimated Completion Date: _____ Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES:

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD:

ADMINISTRATIVE COMMENTS/APPROVAL:

Authorize the OSU Extension to construct a greenhouse on the premises they lease from Hood River County if such project is approved by Planning and issued the proper building permits.

County Administrator _____

ACTION OF THE BOARD:

County Administrator _____

FOLLOW-UP:*Ord./Res./Agmt./Order Originals: to R & A

*Additional Originals to: _____

Copies (all info.): _____ Copies (ARF only): _____



Mid-Columbia Agricultural Research and Extension Center
3005 Experiment Station Drive, Hood River, Oregon 97031
T 541-386-3343 ext 38255 | F 541-386-1905 | <http://oregonstate.edu/dept/mcarec/>

December 9, 2016

Hood River County
Board of Commissioners
601 State Street
Hood River OR 97031

Dear Commissioners:

Pursuant to Section 5.1 of the lease agreement between Hood River County (Landlord) and the State of Oregon, acting by and through Oregon State University, Agricultural Experiment Station (Tenant), I am requesting Landlord's consent to construct a greenhouse upon the Premises.

Additionally, per section 15.1, I request that the Landlord's consent specifically permit removal of the greenhouse upon expiration of the lease agreement.

The primary users of the greenhouse will be the OSU Extension Service Master Gardener program for associated educational activities.

The attached file shows proposed locations of the greenhouse. All construction permit and code requirements will be strictly adhered to.

Thank you for considering this request. Please contact me if you need any additional information.

Sincerely,

Steve Castagnoli
Interim Director
OSU-MCAREC

By signing below, the Landlord grants its consent for construction of the greenhouse and allows for removal of the greenhouse upon expiration of the lease agreement.

Hood River County

By: _____
Its: _____
Date: _____





1

2

3

4



Google™ earth

Imagery Date: 3/31/2016 45°41'06.09" N 121°30'59.90" W elev 532 ft eye alt 1449 ft

214 ft

1993

AGENDA REQUEST FORM

DATE: 12/19/16 **DEPARTMENT:** Admin **DEPT. HEAD SIGNATURE:** _____

ISSUE: Out of State Travel – NACo Legislative Conference Washington DC February 25-March 1, 2017

STATUTORY AUTHORITY: OAR _____ County Ordinance _____

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

NACo will be holding its Legislative Conference in Washington DC February 25, - March 1, 2017. Commissioner Joplin is requesting out of state travel to attend the conference.

FISCAL IMPACT: Budget Line Item: _____ Account Balance: _____

PROJECT ANALYSIS:

Staff Contact: _____ Estimated Hours Spent to Date: _____
Estimated Completion Date: _____ Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES:

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD:

ADMINISTRATIVE COMMENTS/APPROVAL:

Approve out of state travel for Commissioner Joplin to attend the NACo Legislative Conference in Washington DC.

County Administrator _____

ACTION OF THE BOARD:

County Administrator _____

FOLLOW-UP:*Ord./Res./Agmt./Order Originals: to R & A

*Additional Originals to: _____

Copies (all info.): _____ Copies (ARF only): _____

ITEMS FROM THE WORK SESSION

AGENDA REQUEST FORM

DATE: 12/19/16 **DEPARTMENT:** Budget & Finance **DEPT. HEAD SIGNATURE:** Sandi Borowy

SUBJECT: Audit reports for the year ended June 30, 2016
HOOD RIVER COUNTY, 911 COMMUNICATIONS, WINDMASTER SEWER DISTRICT
& WINDMASTER URBAN RENEWAL

AUTHORITY: _____ OAR _____ County Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The County's audit report, Comprehensive Annual Financial Report (CAFR), was completed in December and will be filed with the State and submitted to GFOA by December 31st in compliance with their requirements.

The 911 Communications, Windmaster Sewer District and Windmaster Urban Renewal audit reports were also completed in December and will be filed with the State by December 31st.

Those audits are being presented to the Board of Commissioners by the County's audit firm, Pauly Rogers & Co., and Director of Budget & Finance, Sandi Borowy. After a brief report any questions will be addressed.

FISCAL IMPACT/PROJECT ANALYSIS:

Budget Line Item _____ Account Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: Sandi Borowy

Comments:

Final operating results for the most recent fiscal year end for all four entities – June 30, 2016.

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES: (IF APPLICABLE)

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD:

Accept the audit reports for June 30, 2016 as presented for Hood River County, 911 Communications, Windmaster Sewer District and Windmaster Urban Renewal.

ADMINISTRATIVE COMMENTS/APPROVAL:

Accept the audit reports for Hood River County, 911, Windmaster Sewer District and Windmaster Urban Renewal District as presented.

County Administrator _____ Dept. Head/Staff Attendance to Meeting (circle one) Yes No

ACTION OF THE BOARD:

Date _____

County Administrator _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: to R & A *Additional/Exceptional Originals to: _____

Copies (all info.):

Copies (ARF only): B&F

AGENDA REQUEST FORM

DATE: 12/19/16 **DEPT:** Community Development **DEPT. HEAD SIGNATURE:** // John Roberts //

SUBJECT: Construction Excise Tax - Ad Hoc Committee Recommendations

AUTHORITY: ORS _____ OAR _____ County Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The State of Oregon expanded local control of affordable housing policy through the passage of SB 1533B in 2016. The law, in addition to allowing for voluntarily implementation of inclusionary zoning, authorizes local governments to impose a Construction Excise Tax (CET) on improvement to real property and permit valuation in order to fund affordable housing initiatives.

A memo is attached which overviews recommendations made by the CET Ad Hoc Committee to implement SB 1533. The committee was appointed by the Board of County Commissioners (Board) and Hood River City Council. The work session will enable the Board to discuss any pertinent issues and recommend changes.

FISCAL IMPACT/PROJECT ANALYSIS:

Budget Line Item _____ Account Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____
Comments:

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES: (IF APPLICABLE)

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD: After deliberation and discussion, recommend to establish a Construction Excise Tax (CET) to fund affordable housing initiatives. In addition, direct staff to move forward with a CET ordinance, accompanying assessment and collection policy to be presented to the Board in January of February 2017. Within the CET Ordinance, require once a year during the annual county budget process, staff report to Board on the revenue collected through the CET and the use/allocation of that revenue per SB 1533.

Pick date for first public hearing.

ADMINISTRATIVE COMMENTS/APPROVAL:

County Administrator _____ Dept. Head/Staff Attendance to Meeting (circle one) Yes No

ACTION OF THE BOARD:

Date _____

County Administrator _____

FOLLOW-UP:

*Ord./Res./Agmt./Order Originals: to R & A *Additional/Exceptional Originals to: _____

Copies (all info.):

Copies (ARF only):

AGENDA REQUEST FORM

DATE: 11/21/16 **DEPARTMENT:** Admin **DEPT. HEAD SIGNATURE:** _____

ISSUE: NORCOR Tax Measure Discussion

STATUTORY AUTHORITY: OAR _____ County Ordinance _____

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

See attached

FISCAL IMPACT: Budget Line Item: _____ Account Balance: _____

PROJECT ANALYSIS:

Staff Contact: _____ Estimated Hours Spent to Date: _____
Estimated Completion Date: _____ Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES:

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD:

ADMINISTRATIVE COMMENTS/APPROVAL:

Review the proposed fees and provide any direction for additional modifications.

County Administrator _____

ACTION OF THE BOARD:

Hear from Molly Rogers, Wasco County Youth Services Director on this subject.

County Administrator _____

FOLLOW-UP: *Ord./Res./Agmt./Order Originals: to R & A

*Additional Originals to: _____

Copies (all info.): _____ Copies (ARF only): _____

CURRENT BUSINESS

AGENDA REQUEST FORM

DATE: 12/19/16 **DEPARTMENT:** Admin **DEPT. HEAD SIGNATURE:** _____

ISSUE: 2017 County Fee Schedule Adoption

STATUTORY AUTHORITY: OAR _____ County Ordinance _____

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

During the November Commission meeting staff brought forward a proposed 2017 Fee Schedule for most departments. The BOC requested the GIS recording fee be increased by \$5, that change has been incorporated into the attached fee schedule. The Public Works department also made a few modifications to the Event Permit (non-Forestry) section on their proposed fee schedule; those changes are also incorporated into the attached.

A Resolution is submitted for consideration to adopt the County Fee Schedule for 2017 as presented.

Note: the Building department fees are adopted under a separate action.

FISCAL IMPACT: Budget Line Item: _____ Account Balance: _____

PROJECT ANALYSIS:

Staff Contact: _____ Estimated Hours Spent to Date: _____
Estimated Completion Date: _____ Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED PARTIES:

County Counsel Finance Director Other Affected Agencies Administrator
 Safety Committee Human Resources Director Appropriate County Committee Other

RECOMMENDATION FROM DEPARTMENT HEAD:

ADMINISTRATIVE COMMENTS/APPROVAL:

Approve and sign the Resolution adopting the County Fee Schedule for 2017 as submitted.

County Administrator _____

ACTION OF THE BOARD:

County Administrator _____

FOLLOW-UP:*Ord./Res./Agmt./Order Originals: to R & A

*Additional Originals to: _____

Copies (all info.): _____ Copies (ARF only): _____

**BEFORE THE HOOD RIVER COUNTY BOARD OF COMMISSIONERS
HOOD RIVER, OREGON**

IN THE MATTER OF THE)
HOOD RIVER COUNTY FEE) **RESOLUTION NO._____**
SCHEDULE ADOPTION)
PER ORS 203.115)

WHEREAS, each year county departments review current fees to determine if changes, additions, or deletions are warranted; and

WHEREAS, attached is a list of fees to be changed, added or deleted; and

NOW, THEREFORE BE IT RESOLVED, that the Hood River County Board of Commissioners hereby adopt the fees as presented on the attached Exhibit A1-A5 with the fees to become effective January 1, 2017, unless otherwise noted.

Adopted this 19th day of December, 2016.

**HOOD RIVER COUNTY
BOARD OF COMMISSIONERS**

Ron Rivers, Chair

Karen Joplin, Commissioner

Maui Meyer, Commissioner

Robert Benton, Commissioner

Les Perkins, Commissioner

2017 HOOD RIVER COUNTY FEE SCHEDULE		
DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
		(\$10 minimum charge required)
ALL DEPARTMENTS (unless otherwise noted)		
Xerox Copies	\$.25/side	\$.26/side
Research Fee	\$40/hr with 1 hr min.	\$41.25/hr with 1 hr. min.
911 DISPATCH		
Copies of dispatch call slips	\$10.00	\$10.50
Research fee		
Copies of audio tapes	\$40/includes up to 1st hr. of research	\$41.25/includes up to 1st hr. of research
ADMINISTRATION/HR/BOC		
Search fee	\$40/hr with 1 hr min.	\$41.25/hr with 1 hr. min.
Color Copies (max of 15)	\$1.00	\$1.05
Legal Cost	Actual cost of time spent	Actual cost of time spent
Transcript of BOC meeting minutes	Actual cost of time spent	Actual cost of time spent
BUDGET & FINANCE		
Stop payment - any tpe of check	\$30.00	\$32.00
Computer copies	\$0.50	\$0.52
Tax Statements	\$5.00	\$5.50
Research fee	\$40/hr with 1 hr min.	\$41.25/hr with 1 hr. min.
Magnetic Media - All types	\$40 set up fee/per file + \$.01 per acct/name	\$41.25 set up fee/per file + \$.01 per acct/name
Reports & Print outs	\$40 set up fee & \$0.10 per page	\$41.25 set up fee & \$0.11 per page
Labels	\$40 set up fee & \$0.03 per page	\$41.25 set up fee & \$0.04 per page
Property Tax Warrant Fees	Follows State guidelines for fee charged	Follows State guidelines for fee charged
Service Warrants	\$15.00	\$15.00
Banking Services: Non-County Entity on County Acct		
Accounts Payable Checks	\$10/per check	\$10.50/per check
Bank Deposits	\$30/per deposit w/max of 10 items per dep.	\$32.00/per deposit w/max 10 items per dep.
NSF Checks	\$30/per NSF	\$30/per NSF
BUILDING	<i>Fees adopted as a separate schedule</i>	

DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
		(\$10 minimum charge required)
COMMUNITY DEVELOPMENT - PLANNING	<i>See separate attachment (Exhibit A-4)</i>	
DISTRICT ATTORNEY		
Misdemeanor cases	\$10.00 <30 pages	\$10.50 <30 pages
Felony cases	\$15.00 <30 pages	\$15.50 <30 pages
31+pages	\$0.25/per copy	\$.26/per copy
Audio Tapes	\$40.00	\$41.50
Video Tapes	\$40.00	\$41.50
CD's with up to 20 images	\$25.00	\$26.00
Photos	\$5.00/ea	\$5.25/ea
Electron Photo transmission	\$5.00/per tranmission	\$5.25/per tranmission
Expungement fee for conviction only	\$50.00	\$52.00
DA Diversion fee	\$100.00	\$103.00
ENVIRONMENTAL HEALTH	<i>See separate attachment (Exhibit A-2)</i>	
FORESTRY		
Wood Cutting Permit	\$5.00/per cord w 2 cord min. & 5 cord max.	\$5.25/per cord w 2 cord min. & 5 cord max.
Flat Rock for Ornamental/Personal Use	\$5.00/per PU load w/3 PU load max./yr	\$5.25/per PU load w/3 PU load max./yr
Rhododendron, Vine Maple, Sword Fern	\$2.00/ea w/10 plant max; \$10.00 min purch	\$2.25/ea w/10 plant max; \$10.30 min purch
Plant Material Collection	\$5.00/unit weight or volume; \$10.00 min purch	\$5.25/unit weight or volume; \$10.30 min purch
Forestry Event Permit - <i>less than 100 participants OR low impact, non-competitive</i>	\$90.00	\$92.70
Forestry Event Permit - <i>100 or more participants OR competitive OR high impact. May include added legal review/staff time charges.</i>	\$295.00	\$303.85
Road Restoration & Use/Mile	\$1,700.00	\$1,751.00
Commercial/Promotional per day	\$1,000.00	\$1,030.00
Liasion Fee	\$350.00/per day	\$360.50/per day
Facilities/Infrastructure Use & Maint (can include spectators)	\$200.00 for 100-150 persons	\$206.00
	\$1,000.00 for 151+ persons	\$1,030.00

DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD (\$10 minimum charge required)
HEALTH	<i>See Separate Attachment (Exhibit A-3)</i>	
JUVENILE		
Xerox copies & precessing	\$0.25 + \$5.00 processing fee	\$0.26 + \$5.256 processing fee
Supervision Fee (violations; i.e. MIP)	\$25.00	\$26.00
Supervision Fee (formal -FAA)	\$50.00	\$52.00
Supervision Fee (Formal Prob. Misdemeanors/felonies)	\$75.00	\$77.25
Probation Violation fee	\$25.00	\$26.00
Expunction Fee	\$100.00	\$103.00
Lab Fees (urinalysis)	\$10.00/per specimen	\$10.50/per specimen
Lab Fees (urinalysis) - Prob. US positive	\$25.00/per specimen	\$26.00/per specimen
Drug & Alcohol Eval fee (SASSI)	\$25.00	\$26.00
Payment-in-Lieu of Community Service	\$55.00	\$56.65
Electronic Monitoring	\$10.00/day	\$10.30/day
MUSEUM	<i>See Separate Attachment (Exhibit A-5)</i>	
PARKS	<i>See Separate Attachment (Exhibit A-5)</i>	
PAROLE & PROBATION		
Supervision fees (ORS 423.570)	\$40.00	\$41.50
Supervision fees (reduced superv. Unit DUII's)	\$30.00	\$31.00
Compact application fee	\$50.00	\$52.00
Probation violation fee	\$25.00	\$26.00
Copy fee (per page)	\$0.25 + \$5.00 processing fee	\$0.26 + \$5.256 processing fee
CSW/Work Crew Workers Comp Insurance (Formal supervision, unsupervised, or out of County supervision)	\$25/ea referral/sanction	\$26/each referral/re-referral/sanction
Elec. Home detention Hook-up/installation	\$50.00	\$52.00
Elec. Home detention Daily fee Superv. Client	\$10.00	\$10.50
Elec. Home detention Daily fee Un-Superv. Client	\$15.00	\$15.50
Return Check fee	\$30.00/ea check	\$32.00/ea check

DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD (\$10 minimum charge required)
PAROLE & PROBATION - continued		
DNA testing (per ORS 137.076)	\$15.00	\$15.50
Lab Fees - UA positive	\$25.00/per specimen	\$26.00/per specimen
Lab Fees - UA negative	\$10/per specimen	\$10.50/per specimen
Alcohol Test	\$25.00	\$26.00
Alcohol/Drug Assessment Class fee	\$50.00	\$52.00
DMV Identification	\$50.00	\$52.00
Fee Conversion Rate	Rate will be based on current Oregon minimum wage. Court fines may convert to voluntary community service work at one (1) hour of wk for ea dollar of fees owed or converted, upon order of judge.	Rate will be based on current Oregon minimum wage. Court fines may convert to voluntary community service work at one (1) hour of wk for ea dollar of fees owed or converted, upon order of judge.
PUBLIC WORKS	<i>See Separate Attachment (Exhibit A-5)</i>	
RECORDS & ASSESSMENT	<i>See Separate Attachment (Exhibit A-6)</i>	
SHERIFF / ANIMAL CONTROL		
<i>Animal Control</i>		
License Fees		
Spayed/Neutered	\$12.00/per dog	\$12.50
Not Spayed/Neutered	\$28.00/per dog	\$29.00
Senior Citizens (dogs spayed/neutered)	\$5.00/per dog	\$5.25
Senior Citizens (dogs not spayed/neutered)	\$17.00/per dog	\$17.50
Pick Up Fees		
1st pick up w/in 12 months	\$25.00/per dog	\$26.00
2nd pick up w/in 12 months	\$50.00/per dog	\$52.00
3rd pick up w/in 12 months	\$100.00/per dog	\$103.00
4th pick up or more w/in 12 months	\$100.00/each time/per dog	\$103.00
Impoundment/Boarding Fee	\$20.00/per day	\$20.75
Animals released to Hood River County	\$50.00	\$52.00

DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD (\$10 minimum charge required)
SHERIFF'S DEPARTMENT		
Accident Report	\$10.00/per report	\$10.50
Police Report	\$10.00/per report	\$10.50
Audio Tape	\$25.00/per recording	\$26.00
Video Tape	\$25.00/per recording	\$26.00
Photos	\$5.00/each	\$5.25
CD with up to 20 images	\$25.00	\$26.00
Fingerprint Card	\$5.00/per card	\$5.25
Record Check Leter	\$15.00/per letter	\$15.50
Impounded/towed vehicle release charge	\$50.00/per vehicle	\$52.00
SAR Aircraft Reimbursement	\$50.00/per hour	\$52.00
Transport Aircraft Reimbursement	\$135.00/per hours	\$140.00
Noise Ordinance Variance & Permit Application	\$50.00/ea	\$52.00
Real Property Sales on Writ of Execution	\$833.00/per Writ of Execution	\$858.00

2016 2017 Proposed Fee Schedule: Planning Department Permit Type & Review Fee

* Fees can vary; to be entered by office staff after receiving application.

*Consolidated Permit Process / "Multiple Requests": Highest Fee + 1/2 of Additional Fees. For applications requiring more than one type of review, the full fee shall be paid for the primary/most expensive review and 50% for each additional review. Type I fees accompanying Type II-III Reviews will be waived. **Extension or renewal requests made past the 30-day deadline will be charged double the fee.***

TYPE I - Ministerial Applications	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
		(\$10 minimum charge)
Agricultural Building	150 \$200	\$180.25
Agri-Tourism/Single Event	100 \$135	\$139.05
Amendment - Minor (No Notice)	\$100	\$103.00
Communication Tower & Facility (Collocation)	1850 \$2,100	\$2,163.00
Decommissioning	\$125	\$128.75
Extension Request	150 \$175	\$180.25
<u>Extension after expiration (i.e., past 30-days)</u>	<u>\$350</u>	<u>\$360.50</u>
Floodplain or Geologic Hazards Permit (Minor)	\$500	\$515.00
Land Use Permit (LUP)		
<u>LUP: Accessory structure, replacement dwelling (farm or forest), prior approval, Type I, etc.</u>	<u>\$200</u>	<u>\$206.00</u>
<u>LUP: Marijuana Production / Grow (Type I)</u>	<u>\$1,150</u>	<u>\$1,184.50</u>
LUP: Prior Approval	<u>\$150</u>	<u>\$180.25</u>
LUP: Accessory Structures < 400 SF	<u>\$150</u>	<u>\$180.25</u>
LUP: General (No Prior Approval)	<u>\$600</u>	<u>\$618.00</u>
LUCS (Land Use Compatibility Statement) / Sign-Off		
LUCS: Minor	\$25	\$25.75
LUCS: Major	375 \$550	\$566.50
Other - Type I	*	*+3%
Property Line Adjustment (Minor)	\$750	\$772.50
<u>Replacement Dwelling (Farm or Forest)</u>	<u>\$600</u>	<u>\$618.00</u>
Research Letter (e.g., rebuild letters)	\$450	\$463.50
Renewals		
Temporary Hardship Dwelling (Dependent Relative)	\$75 (2-yrs)	\$77.25
Other (e.g., agri-tourism)	\$75	\$77.25
<u>Short-Term Rental (STR; every 2-years)</u>	<u>\$500</u>	<u>\$515.00</u>

Short-Term Rental (STR)	\$1,000	\$1,030.00
Type II - Administrative Applications	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
		(\$10 minimum charge)
Amendment - Major (Notice Required)	1/2 original fee; max \$550	Whatever fee is +3%
Communication Towers and Facilities (concealment / new)	3800 \$4,100	\$4,223.00
Conditional Use Permit (CUP) - Type II		
<i>CUP: Agri-tourism</i>	\$450	\$463.50
<i>CUP: Temporary Hardship Dwelling (Dependent Relative)</i>	\$650	\$669.50
<i>CUP: Home Occupation</i>	\$850	\$875.50
<i>CUP: Commercial Use in Conjunction w/on site Farm Use</i>	\$950	\$978.50
<i>CUP: Bed & Breakfast</i>	\$1,000	\$1,030.00
<i>CUP: Short-Term Rental (STR)</i>	\$1,850	\$1,905.50
<i>CUP: Weddings & Related Events</i>	\$1,850	\$1,905.50
<i>CUP: Other</i>	\$1,000	\$1,030.00
Farm Dwelling		
<i>Farm Dwelling: Income, Accessory, Realtive</i>	\$850	\$875.50
<i>Farm Dwelling: Lot of Record (LOR), Non-Farm Dwelling</i>	1650 \$1,800	\$1,854.00
<i>Farm Dwelling: Other (e.g., Non-Farm Dwelling)</i>	\$1,400	\$1,442.00
Farm Stand Application (Subject to Standards/STS)	\$700	\$721.00
Floodplain Permit (Subject to Standards/STS)	\$650	\$669.50
Forest Dwelling (Template, Large Tract, LOR)	1200 \$1,450	\$1,493.50
Legal Parcel Determination (Validate unlawful parcel)	\$1,000	\$1,030.00
LUP: Commercial / Industrial / Multi-Family	\$950	\$978.50
LUP: Marijuana (Type II Processing or Retail)	\$1,800	\$1,854.00
Historical Preservation Application	\$500	\$515.00
National Scenic Area		
<i>NSA: Minor (decks, fences, expansion, expedited reviews)</i>	\$350	\$360.50
<i>NSA: Expedited</i>	\$500	\$515.00
<i>NSA: Accessory Buildings and Structures</i>	\$500	\$515.00
<i>NSA: Replacement Dwelling</i>	\$850	\$875.50
<i>NSA: Other Review Uses</i>	1000 \$1,100	\$1,133.00
<i>NSA: Subject to Standards</i>	1500 \$1,600	\$1,648.00
Other - Type II	*	* + 3%

Partition		
<i>Partition Major: Access Only</i>	\$500	\$515.00
<i>Partition: Replat</i>	\$900	\$927.00
<i>Partition: Minor/Major</i>	\$1,100	\$1,133.00
Permitted Uses - Subject to Standards (STS)	\$700	\$721.00
Property Line Adjustment (Non-Ministerial)	\$1,000	\$1,030.00
<u>Type II - Administrative Applications - continued</u>	<u>CASH/CHECK</u>	<u>MERCHANT/DEBIT/CREDIT CARD</u>
		(\$10 minimum charge)
Site Plan Review UGB	\$1,700	\$1,751.00
Variance		
<i>Variance Minor</i>	\$550	\$566.50
<i>Variance Major</i>	\$1,000	\$1,030.00
Zone Boundary Adjustment	\$775	\$798.25
<u>Type III - PC and/or BOC Reviewed Applications</u>	<u>CASH/CHECK</u>	<u>MERCHANT/DEBIT/CREDIT CARD</u>
Appeal to Planning Commission (PC); ORS 215.416(11)(b)	\$250	\$257.50
Appeal to Board of Commissioners (BOC)	\$2,025	\$2,085.75
Complex Project ¹ (i.e., technical; large-scale)	\$2,000 retainer + actual expense	\$2060 retainer + actual expense
Comprehensive Plan Text Amendment	\$4,000	\$4,120.00
Comprehensive Plan Amendment & Zone Change	\$4,000	\$4,120.00
Conditional Use Permit (CUP) Type III	\$1,600	\$1,648.00
<u>Destination Resort (see "Destination Resort Recovery Document")</u>	<u>N/A</u>	
Legislative (if not county initiated)	*	* + 3%
Other - Type III	*	* + 3%
Outdoor Mass Gathering (Less than 3,000 people)	\$2,500	\$2,575.00
Planned Unit Development	\$4,200 + \$50/unit	\$4,326 + \$51.50/unit
Special District Annexation Request	\$1,200	\$1,236.00
Subdivision	\$3,500 + \$50/parcel	\$3,605 + \$51.50/parcel
Subdivision Cemetery	\$1,100	\$1,133.00

¹ Complex Projects: Complex projects involve more resources of the planning and other county departments due to their complexity and overall impacts on the community. As such, complex projects may even require the hiring of outside assistance. For these types of projects that require a great deal of departmental resources to review, the county will require the applicant to sign a memorandum of agreement to compensate the county for actual costs incurred to complete the review and process in a timely manner. The agreement shall include details with regards to deposit and the scheduling of payments. If an applicant refuses to enter into a memorandum of agreement or if the applicant and the county fail to reach an agreement, the application will not be processed.

OTHER MISCELLANEOUS FEES	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
LUBA Remand and Review	\$500	\$515.00
Pre-Application Meeting (Enter fee minus \$300 75% applied to fee if application if made within 1-year)	1/2 of land use fee involved (max \$1,000)	1/2 of land use fee involved + 3% (max \$1,000)
Records Request (e.g., PC / BOC record / tape)	\$100/hr (@1/4 hr increments)	103.00
Research Fee/HRCZO Interpretation/Similar Use Determination	\$75/hr	\$77.25/hr
Appeal of Planning Director Revocation of Permit to BOC	\$2,500	\$2,575
Road Naming		
<i>Pre-Approved Names - No Public Hearing</i>	\$150	\$154.50
<i>New Roads Requiring Public Hearing</i>	\$550	\$566.50
<i>Unspecified land use application or fee (based on similar use determination)</i>	For an application not explicitly listed in the fees schedule, the Planning Director will determine the fee based on the same general type of application and fee listed above.	
Subscription Fee (Type II or III Land Use Decisions Only)	\$325	\$334.75
Unauthorized Use (applications resulting from enforcement; work commenced without required land use approval)	Double Basic Fee	Double Basic Fee + 3%
Withdrawal of Application - Refunds	Actual Cost	Actual Cost + 3%
GIS FEES (See public works for engineering / Surveying fees)	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
Standard Labor or Research (min 1/4 hour)	\$80.00/hr	\$84.00/hr
Record Suppression / Confidentially Fee	\$150	\$154.50
Customized Training (e.g., Webmap)	\$150	\$154.50
Print Charges (HPCC800ps)		
18x24"	\$4.00/ea	\$4.25/ea
24x36"	\$8.00/ea	\$8.25/ea
30x42"	\$12.00/ea	\$12.50/ea
36x48"	\$16.00/ea	\$16.50/ea

<u>All Paper Prints</u>	<u>\$1.00/per sq ft</u>	<u>\$1.05/per sq ft</u>
<u>GIS Data Fees</u>		
<u>Tax Lots</u>	<u>\$250.00</u>	<u>\$257.50</u>
<u>All other</u>	<u>\$45.00</u>	<u>\$47.00</u>

As Adopted By HRC-BOC	Environmental Health 2016 Fee Schedule		Proposed 2017 Adjustments (mostly 3% increase)	
	CASH/CHECK	MERCH/DEBIT/CREDIT CARD (\$10 min charge required)	CASH/CHECK	MERCH/DEBIT/CREDIT CARD (\$10 min charge required)
Significant Changes in Yellow				
Research Fee per HRC fee schedule			\$40/hr with 1 hr min	41.25/hr with 1 hr min
RE-CHECK INSPECTION FEE				
<i>OHA Licensing Program - (Two re-check inspections included in the cost of each annual license. If additional re-check inspections are required during a calendar year, subsequent re-check inspections will be billed).</i>	\$111.00	\$114.58	\$114.00	\$117.42
DEQ Permitting Program - Additional inspection fee	\$139.00	\$143.22	\$114.00	\$117.42
FOOD SERVICE ANNUAL LICENSE FEES:				
<i>Full Service Restaurants</i>				
0-15 seats	\$472.00	\$485.89	\$486.00	\$500.58
16-50 seats	\$536.00	\$551.67	\$552.00	\$568.56
51-150 seats	\$605.00	\$622.75	\$623.00	\$641.69
151+ seats	\$711.00	\$732.02	\$732.00	\$753.96
Bed & Breakfast (food service only)	\$185.00	\$190.96	\$191.00	\$196.73
Limited Service Restaurants	\$339.00	\$349.04	\$349.00	\$359.47
Class I-II Mobile Units	\$373.00	\$384.09	\$410.00	\$422.30
Class III-IV Mobile Units	\$373.00	\$384.09	\$410.00	\$422.30
Commissaries	\$27.00	\$27.58	\$30.00	\$30.90
Warehouse	\$27.00	\$27.58	\$30.00	\$30.90
Benevolent Org. Food Establishment (Rest., Mobile Unit, etc)	\$0.00		\$0.00	\$0.00
NOTE: Licenses expire after December 31st of each year. To reinstate the license after this date a \$100 reinstatement fee is required in addition to the license fee. If the applicant reinstates the license after January 1st the reinstatement fee shall increase by \$100 on the first day of each succeeding month until the license is reinstated.				
TOURIST FACILITY ANNUAL LICENSE FEES:				
Any Traveler's Accommodation, B&B Accommodations, Hostel & Picnic Park	\$93.00	\$95.48	Re-Organized Fee Schedule - See below	
Short Term Rental / Travelers' Accommodation	\$93.00	\$95.48	\$200.00	\$206.00
Travelers' Accommodation: Commercial Hotel/Motel with 5+ Units	\$93.00	\$95.48	\$100.00	\$103.00
Travelers' Accommodation: Per Unit Surcharge (for each rentable unit)	-	-	\$1.50	\$1.55
Mass Gatherings License & Application Fee	\$1000.00 + \$1 per person estimated to attend over 5000 attendees	\$1030.00 + \$1.05 per person est. to attend over 5000 attendees	\$1000.00 + \$1 per person estimated to attend over 5000 attendees	\$1030.00 + \$1.05 per person est. to attend over 5000 attendees
Organizational Camps - For Profit Facility/Organization	\$793.00	\$816.89	\$817.00	\$841.51

Organizational Camps - Benevolent -Facility/Organization	\$93.00	\$95.48	\$96.00	\$98.88
Recreation Park (RV Park) Annual License	\$130.00	\$134.20	\$134.00	\$138.02
RV Site Surcharge (1-50 sites) per site	\$3.00	\$3.18	\$3.00	\$3.09
RV Site Surcharge (51-100 sites) per site	\$2.00	\$2.12	\$2.00	\$2.06
RV Site Surcharge (101+ sites) per site	\$1.00	\$1.06	\$1.00	\$1.03
SWIM POOL & SPA ANNUAL LICENSE FEES:				
First Pool/Spa	\$216.00	\$222.79	\$238.00	\$245.14
Additional Pool/Spa	\$144.00	\$148.53	\$158.00	\$162.74
DAYCARE/GROUP HOMES/SCHOOLS (CONTRACT INSPECTIONS):				
Daycare - Childcare Home	\$93.00	\$95.48	\$96.00	\$98.88
Daycare - Childcare Center	\$113.00	\$116.70	\$116.00	\$119.48
School Food Inspection	\$93.00	\$95.48	\$96.00	\$98.88
Contract Facility Re-check Inspection (School/Daycare)	\$62.00	\$63.65		
FOOD SERVICES FEES-VENDING MACHINES:				
1-10 machines	\$124.00	\$127.31	\$127.72	\$131.55
11-20 machines	\$268.00	\$275.83	\$276.04	\$284.32
21-30 machines	\$366.00	\$376.62	\$376.98	\$388.29
31-40 machines	\$464.00	\$477.41	\$477.92	\$492.26
41-50 machines	\$556.00	\$572.89	\$572.68	\$589.86
51-75 machines	\$654.00	\$673.67	\$673.62	\$693.83
76-100 machines	\$845.00	\$869.94	\$870.35	\$896.46
101-250 machines	\$1,427.00	\$1,469.35	\$1,469.81	\$1,513.90
251-500 machines	\$2,194.00	\$2,259.72	\$2,259.82	\$2,327.61
501-750 machines	\$2,966.00	\$3,055.39	\$3,054.98	\$3,146.63
751-1000 machines	\$3,620.00	\$3,729.06	\$3,728.60	\$3,840.46
1001-1500 machines	\$4,697.00	\$4,837.70	\$4,837.91	\$4,983.05
More than 1500 machines	\$5,856.00	\$6,031.22	\$6,031.68	\$6,212.63
PLAN REVIEW FOR INITIAL CONSTRUCTION/OPERATION:				
Initial Construction Plan Review, Full Service Restaurant & Mobile Unit (per food establishment - including commissaries & warehouses when applicable) and Organizational Camp Kitchens - Includes one 'Pre-Opening' Inspection	\$345.00	\$355.40	\$355.00	\$365.65
Initial Construction Plan Review, Limited Service Restaurant, B&B Kitchen and additional Mobile Food Unit Commissaries & Warehouses (more than one). Includes one 'Pre-Opening' Inspection	\$170.00	\$175.05	\$175.00	\$180.25
A single plumbing fixture plan review (new handwashing sink)	\$26.00	\$26.52	\$30.00	\$30.90
Intermittent & Seasonal Restaurant License - Formal Operational/Plan Review	\$139.00	\$143.22	\$143.00	\$147.29
Food Establishment and Intermittent & Seasonal Temporary Restaurant - Minor Menu Alteration, Operational/Plan Review	\$26.00	\$26.52	\$27.00	\$27.81
Benevolent Organizations - Any Food Establishment or Temporary Restaurant	\$0.00		\$0.00	
Pool/Spa Plan Review (Both new facilities and remodel Plan Review)	\$1,030.00	\$1,060.90	\$1,061.00	\$1,092.83
Pool/Spa Variance Application	\$1,030.00	\$1,060.90	\$1,061.00	\$1,092.83

Pool/Spa Construction Permit - two site visits	\$1,030.00	\$1,060.90	\$1,061.00	\$1,092.83
Pool/Spa Construction Permit Additional approval Inspection (Per inspection)	\$108.00	\$111.39	\$111.00	\$114.33
Remodel Plan Review Full Service Restaurant & Mobile Unit (per food establishment - including commissaries & warehouses when applicable) and Organizational Camp Kitchens. Includes one 'Pre-Opening' Inspection	\$258.00	\$265.23	\$266.00	\$273.98
Remodel Plan Review Food facility other than full service restaurant, Mobile Unit or Organizational Camp. Includes one 'Pre-Opening' Inspection	\$170.00	\$175.05	\$175.00	\$180.25
Benevolent Organizations - Any Food Establishment or Temporary Restaurant	\$0.00		\$0.00	\$0.00
Tourist Facility & Pool/Spa Facility Pre-Licensing Inspection (when plan review preformed by another party - Or No Plan Review Required)	N/A	N/A	\$294.00	\$302.82
TEMPORARY RESTAURANT:				
Single-Event, For Profit, Temporary Restaurant License (up to 30 days)	\$103.00	\$106.09	\$106.00	\$109.18
Discounted, For Profit, Single-Event Temporary Restaurant License Fee received two or more weeks in advance	\$77.00	\$79.57	\$79.00	\$81.37
Intermittent & Seasonal, For Profit, Temporary Restaurant License (up to 30 or 90 days)	\$77.00	\$79.57	\$79.00	\$81.37
Benevolent (tax-exempt facility) - Paid more than two weeks in advance	\$0.00		\$0.00	\$0.00
Benevolent (tax-exempt facility) - Paid less than two weeks in advance (Administrative Fee)	\$62.00	\$63.65	\$64.00	\$65.92
Intermittent & Seasonal Temporary Restaurant License - Formal Plan Review Required - Benevolent Organization	\$0.00		\$0.00	\$0.00
MISCELLANEOUS OHA LICENSING PROGRAM FEES:				
Food Facility License Reinstatement Fee (late / delinquent license)	\$100 / (calendar month) delinquent Begins on first day of first month delinquent		\$100 / (calendar month) delinquent Begins on first day of first month delinquent	
Food Handlers Certificate	\$10.00	\$10.61	\$10.00	\$10.30
Food Handlers Certificate Replacement Card	\$5.00	\$5.30	\$5.00	\$5.15
Mobile Unit - Inspection fee for units licensed in another County	\$25.00	not available	\$25.00	\$25.75
Extra inspections required by OAR: 333-157-0027	half annual license fee per additional complete inspection	+3%	half annual license fee per additional complete inspection	+3%
Tourist Facility delinquent License reinstatement fee - Applies only after 15 days delinquency	50% of the annual license fee	+3%	50% of the annual license fee	+3%
Failing to apply for licensing within 30 days after engaging in the recreation park or travelers' accommodation business	Equals: (Annual license fee) + \$60. If RV Park: shall pay an additional fee not to exceed \$2 for each space	Equals: (Annual license fee) + \$62. If RV Park: shall pay an additional fee not to exceed \$2.25 for each space	Equals: (Annual license fee) + \$60. If RV Park: shall pay an additional fee not to exceed \$2 for each space	Equals: (Annual license fee) + \$62. If RV Park: shall pay an additional fee not to exceed \$2.25 for each space

ON-SITE WASTEWATER SYSTEMS - DEQ PROGRAM FEES - Includes DEQ Surcharge of \$100.00 (subject to change)				
Site Evaluation - All Sites (Per System)	\$551.00	\$567.58	\$565.00	\$581.95
COMMERCIAL FACILITY SYSTEMS - STANDARD SYSTEM CONSTRUCTION PERMITS:				
Construction - Commercial Property - Standard System - Up to 1000 gal per day flow	\$752.00	\$774.46	\$772.00	\$795.16
Construction - Commercial Property - Standard System - 1000-1500 gal per day flow	\$891.00	\$917.68	\$915.00	\$942.45
Construction - Commercial Property - Standard System - 1500-2000 gal per day flow	\$1,035.00	\$1,066.20	\$1,063.00	\$1,094.89
Construction - Commercial Property - Standard System - 2000-2500 gal per day flow	\$1,174.00	\$1,209.43	\$1,206.00	\$1,242.18
NON-COMMERCIAL RESIDENTIAL FACILITY SYSTEMS - STANDARD SYSTEM CONSTRUCTION PERMITS:				
Standard On-site Sewage System	\$752.00	\$774.46	\$772.00	\$795.16
Construction - Tile Dewatering (Curtain Drain)	\$314.00	\$323.57	\$320.00	\$329.60
ON-SITE CONSTRUCTION SURCHARGES:				
Construction - Alternative System - Pressure Distribution	\$98.00	\$100.79	\$101.00	\$104.03
Construction - Alternative System - Capping Fill	\$139.00	\$143.22	\$143.00	\$147.29
Construction - Alternative System - Disposal Trenches in Saprolite	\$72.00	\$74.26	\$74.00	\$76.22
Construction - Alternative System - Sand Filter or ATT	\$355.00	\$366.01	\$366.00	\$376.98
Construction Surcharge - All Pumps, Siphons & hydro-splitters	\$46.00	\$47.74	\$47.00	\$48.41
ON-SITE ALTERATION PERMITS:				
Alteration - Major	\$458.00	\$472.10	\$470.00	\$484.10
Alteration - Major - Commercial facility (with flows greater than 1000gpd)	\$736.00	\$758.54	\$755.00	\$777.65
Alteration - Minor - Site Visit Required	\$242.00	\$249.31	\$245.00	\$252.35
Alteration - Minor - No Site Visit	\$118.00	\$122.00	\$120.00	\$123.60
ON-SITE SYSTEM REPAIR PERMITS:				
Repair - Major	\$458.00	\$472.10	\$470.00	\$484.10
Repair - Major - Commercial facility (with flows greater than 1000gpd)	\$809.00	\$832.81	\$830.00	\$854.90
Repair - Minor (tank only)	\$294.00	\$302.36	\$300.00	\$309.00
ON-SITE AUTHORIZATION PERMITS:				
<i>Connecting to an existing system not in use replacing a mobile home or house with another. The addition of one or more bedrooms, hardship dwelling connection to existing system.</i>				
Authorization - Field Inspection Required	\$458.00	\$472.10	\$470.00	\$484.10
Authorization - No Field Visit	\$118.00	\$122.00	\$120.00	\$123.60
NON-PUBLIC WATER SYSTEM FEES:				
Water Quality Sample and Test (Coliform Bacteria only):	\$57.00	\$58.35	Re-Organized Fee Schedule - See below	
Non-Public Water System / Non-Commercial Facility Coliform Bacteria Test	\$57.00	\$58.35	\$59.00	\$60.77

Non-Public Water System / Commercial Facility Coliform Bacteria Test	\$57.00	\$58.35	\$177.00	\$182.31
Non-Public Water System Survey - Consultation, No Report	\$88.00	\$90.18	\$91.00	\$93.73
Non-Public Water System Survey - Formal Written Report	\$175.00	\$180.35	\$180.00	\$185.40
MISCELLANEOUS DEQ ON-SITE PERMITTING PROGRAM FEES:				
File Review	\$5.00	\$5.30	\$0.00	\$0.00
Existing System Evaluation (Record Review) - Site Visit Required - Formal Report Required	\$1,030.00	\$1,060.90	\$1,061.00	\$1,092.83
DEQ Program Permit Renewal	\$103.00	\$106.09	\$106.00	\$109.18
Pumper Truck Inspection - First Vehicle	\$103.00	\$106.09	\$106.00	\$109.18
Pumper Truck Inspection - Additional Vehicle (available immediately on-site)	\$52.00	\$53.05	\$59.00	\$60.77
Annual Report Evaluation - Holding Tanks	\$31.00	\$31.83	\$32.00	\$32.96
Annual Report Evaluation - Sand filter, gravel filter, ATT	\$57.00	\$58.35	\$59.00	\$60.77
Note:				
All DEQ Program permits include a DEQ surcharge of \$100.00				
Photo-Copy Fee (per page)	\$0.25	\$0.26	\$0.25	\$0.26
Spanish / English Translations per hr (not including normal HD work)	\$33.00	\$33.95	\$34.00	\$35.02
Environmental Health Specialist - Hourly Contract Work – For-Profit Entity and/or Written Report Required	\$155.00	\$159.14	\$176.00	\$181.28
Environmental Health Specialist – Hourly Contract Work – Benevolent Entity – No Written Report	\$0.00		Eliminated	
Phone Consultation	\$0.00		\$0.00	\$0.00

HEALTH DEPARTMENT		
2016 HOOD RIVER COUNTY FEE SCHEDULE		
	CASH/CHECK	MERCH/DEBIT/CREDIT CARD
		(\$10 min charge required)
Xerox Copies	\$.25/side	\$.26/side
Research Fee	\$40/hr with 1 hr min.	\$41.25/hr with 1 hr. min.
Our fees are based on an in-depth cost analysis that is required by the state for our programs		
All costs are dependent on charges of supplies to the Health Department & will be adjusted as needed.		
Office Visit Fee (OVF) assessed on all client visits to Health Department in addition to other services rendered.		
**Sliding Fee Scale will be applied based on individual need.		
New Client Visit Charge	\$65.00 *-NEW \$75.00	\$66.95 - \$77.25
Established Client Visit Charge	\$45.00	\$46.35
*Includes immunization visits		
PROCEDURES		
Minimal visit	\$65.00 - \$75.00/new -or \$45.00/est. client	\$67.00 - \$77.25 or \$46.35
Problem Focused Visit	\$105.00 - \$125.00/new or \$85.00/est client	\$108.25 - \$128.75 or \$87.55
Expanded Focused Visit	\$113.00 - \$179.00/new or \$93.00 - \$125.00/est client	\$116.00 - \$184.37 or \$96.00 - \$128.75
Detailed Visit	\$144.50 - \$205.00/new or \$124.50 - \$175.00/est client	\$149.00 - \$211.15 or \$128.50 - \$180.25
Comprehensive visit	\$191.75 - \$245.00/new or \$171.75 - \$205.00/est client	\$198.00 - \$252.35 or \$177.00 - \$211.15
IUD - Insert & Removal	\$150	\$154.50
Nexplanon - Insert & Removal	\$150	\$154.50

HEALTH DEPARTMENT 2016 FEES -Continued		
	CASH/CHECK	MERCH/DEBIT/CREDIT CARD
		(\$10 min charge required)
PROCEDURES- continued		
<i>Examples of Service Procedures provided under these categories are:</i>		
Breast Exam		
Diaphragm Fitting		
IUD Insertion		
IUD Removal		
Phlebotomy		
Pelvic Exam		
Testicular Exam		
LABS		
COST (based on lab charges & testing supplies) + OVF		
**Sliding Fee Scale will be applied to office visit only		
HIV Testing	\$25.00	\$26.00
PPD/TB Testing	\$25.00	\$26.00
Biopsy	Cost + OVF	Cost + OVF + 3%
Hemoglobin	Cost + OVF	Cost + OVF + 3%
Hep B, A & C	Cost + OVF	Cost + OVF + 3%
Hepatitis Function	Cost + OVF	Cost + OVF + 3%
Pap Smear	Cost + OVF	Cost + OVF + 3%
Pregnancy	Cost + OVF	Cost + OVF + 3%
Sexually transmitted infection tests	Cost + OVF	Cost + OVF + 3%
Urine Analysis	Cost + OVF	Cost + OVF + 3%
Wet Mount	Cost + OVF	Cost + OVF + 3%

HEALTH DEPARTMENT 2016 FEES -Continued	CASH/CHECK	MERCH/DEBIT/CREDIT CARD (\$10 min charge required)
MEDICATIONS		
COST + OVF		
**Sliding Fee Scale will be applied based on individual need		
Oral Contraceptives	Cost + OVF	Cost + OVF + 3%
Evra -Xulane (patch)	Cost + OVF	Cost + OVF + 3%
Bactrim DS	Cost + OVF	Cost + OVF + 3%
Metronidazole (Flagyl)	Cost + OVF	Cost + OVF + 3%
Depo Provera (injection)	Cost + OVF	Cost + OVF + 3%
Clotrimazole vaginal cream	Cost + OVF	Cost + OVF + 3%
Terazol cream or supp.	Cost + OVF	Cost + OVF + 3%
TB Meds	Cost + OVF	Cost + OVF + 3%
SUPPLIES		
Condoms - Female (1)	\$1.75	\$1.80
Condoms - Male (12)	\$1.50	\$1.55
Foam	Cost + 3%	Cost + 3%
Film	Cost + 3%	Cost + 3%
IMMUNIZATIONS	Insurance = V Cost + \$57.00 admin fee for 1st vaccine	
	Insurance = V Cost + \$27.00 admin fee for ea additional	
	Self pay = V Cost+\$21.95 per vaccine admin +OVF	Cost+\$21.95 Adm Fee+OVF+3%
**Sliding Fee Scale will be applied based on individual need		
NOTE: Cost of vaccine, which is set by the state, not including office visit or administration fee, changes January and July of each year. Clients will be charged according to current cost.		
**Need is determined by FPL based on income and family size		
10% discount given for payment in full at time of service		

		(\$10 min charge required)
Vital Statistics	FEES ARE SET BY THE STATE	
Birth Certificate - 1st Copy	\$25.00	\$25.75
Each Additional Copy	\$20.00	\$20.60
Death Certificate - 1st Copy	\$25.00	\$25.75
Each Additional Copy	\$20.00	\$20.60
Amendments	\$35.00	\$36.05
Certificate Replacement Fee	\$5.00/per replacement	\$5.15/per replacement

2017 HOOD RIVER COUNTY FEE SCHEDULE

DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
MUSEUM		
Fees associated with the Hood River County History Museum are established by the Hood River County Heritage Council in accordance with the Agreement between the County and the Council, said Agreement dated 06/17/13 and amended 05/19/14, 10/22/14, and 07/20/16.		
<i>Professional Services</i>		
Research Fee	\$30.00/hr with 1 hour min.	\$30.00/hr with 1 hour min.
Xerox Copies	\$0.25/ea	\$0.25/ea
Color Copies	\$1.00/ea	\$1.00/ea
Scans (large format: 18x24)	\$15.00/ea.	\$15.00/ea.
<i>Admission</i>		
Adults	\$5.00/per person	\$5.00/per person
Children 12 & under	Free	Free
Current US Military & family	Free	Free
<i>School Tours</i>		
Student	\$1.00/per student	\$1.00/per student
Chaperone	Free	Free
<i>Museum Memberships</i>		
Individual	\$35.00/ea.	\$35.00/ea.
Family	\$50.00/ea.	\$50.00/ea.
Student (full time)	\$20.00/ea.	\$20.00/ea.
Senior	\$25.00/ea.	\$25.00/ea.
<i>Photographic Services</i>		
Non-commercial digital prints (all sizes)	Vendor Costs + 15% Service Fee (\$20 Min.)	Vendor Costs + 15% Service Fee (\$20 Min.)
Non-commercial low-resolution downloads	\$20.00/image + \$15.00 per add. Image	\$20.00/image + \$15.00 per add. Image
<i>Books, Video/DVD sales, calendars, posters, etc.</i>		
Less than 2,500 copies for non-profit use	\$20.00/image	\$20.00/image
Less than 5,000 copies for non-profit use	\$35.00/image	\$35.00/image
Less than 10,000 copies for non-profit use	\$45.00/image	\$45.00/image
Less than 25,000 copies for non-profit use	\$56.00/image	\$56.00/image
Less than 50,000 copies for non-profit use	\$68.00/image	\$68.00/image
More than 50,000 copies for non-profit use	Priced on request	Priced on request
Less than 2,500 copies for commercial use	\$50.00/image	\$50.00/image
Less than 5,000 copies for commercial use	\$80.00/image	\$80.00/image
Less than 10,000 copies for commercial use	\$110.00/image	\$110.00/image
Less than 25,000 copies for commercial use	\$175.00/image	\$175.00/image
Less than 50,000 copies for commercial use	\$230.00/image	\$230.00/image
More than 50,000 copies for commercial use	Priced on request (\$275.00 Min.)	Priced on request (\$275.00 Min.)
<i>Periodicals</i>		
Less than 5,000 circulation for non-profit use	\$15.00/image	\$15.00/image
Less than 10,000 circulation for non-profit use	\$20.00/image	\$20.00/image
Less than 50,000 circulation for non-profit use	\$25.00/image	\$25.00/image
Less than 100,000 circulation for non-profit use	\$40.00/image	\$40.00/image

2017 HOOD RIVER COUNTY FEE SCHEDULE

DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
More than 100,000 circulation for non-profit use	Priced on request	Priced on request
Less than 5,000 circulation for commercial use	\$30.00/image	\$30.00/image
Less than 10,000 circulation for commercial use	\$45.00/image	\$45.00/image
Less than 50,000 circulation for commercial use	\$60.00/image	\$60.00/image
Less than 100,000 circulation for commercial use	\$120.00/image	\$120.00/image
More than 100,000 circulation for commercial use	Priced on request (\$285.00 Min.)	Priced on request (\$285.00 Min.)
Broadcast Film or Television		
Local only for non-profit use	\$40.00/image	\$40.00/image
Nationally for non-profit use	\$120.00/image	\$120.00/image
Local only for commercial use	\$110.00/image	\$110.00/image
Nationally for commercial use	\$225.00/image	\$225.00/image
Multi-Media (Broadcast, Video, Web, etc.)		
Any non-profit use	\$225.00/image	\$225.00/image
Any commercial use	\$450.00/image	\$450.00/image
Advertising and Promotion		
Local non-profit use	\$25.00/image	\$25.00/image
Regional non-profit use	\$40.00/image	\$40.00/image
National non-profit use	\$85.00/image	\$85.00/image
International non-profit use	\$140.00/image	\$140.00/image
Local commercial use	\$50.00/image	\$50.00/image
Regional commercial use	\$75.00/image	\$75.00/image
National commercial use	\$185.00/image	\$185.00/image
International commercial use	\$285.00/image	\$285.00/image
Internet		
Any non-profit use	\$30.00/image	\$30.00/image
Any commercial use	\$50.00/image	\$50.00/image
Public Display		
11x14 or smaller for non-profit use	\$35.00/image	\$35.00/image
16x20 to 40x60 for non-profit use	\$50.00/image	\$50.00/image
40x60 or larger (mural) for non-profit use	\$75.00/image	\$75.00/image
11x14 or smaller for commercial use	\$50.00/image	\$50.00/image
16x20 to 40x60 for commercial use	\$100.00/image	\$100.00/image
40x60 or larger (mural) for commercial use	\$200.00/image	\$200.00/image
Facility Use Fees (Non-Profit groups during normal business hours)		
Individual admission	\$3.00/pp	\$3.10/pp
Facility Use Fees (Non-Profit groups after normal business hours; For-Profit groups; Private individuals) *		
Mezzanine	\$50.00/night	\$51.50/night
Educational Area	\$100.00/night	\$103.00/night
Atrium Gallery	\$300.00/night	\$309.00/night
Entire Museum	\$500.00/night	\$515.00/night
Facility Grounds—non furnished	\$250.00/day or evening	\$257.50/day or evening

2017 HOOD RIVER COUNTY FEE SCHEDULE

DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
Additional Event Fees		
Tables and Chairs use	\$50.00/event	\$51.50/event
Kitchenette	\$50.00/event	\$51.50/event
Cleaning Fee for food in Mezzanine	\$50.00/event	\$51.50/event
Museum Cleaning Service	\$150.00/event	\$154.50/event
*A 50% deposit is required for all after-hours events.		
PARKS & BUILDINGS		
Campsites*		
Full hook-up campsite (p/w/s)	\$30.00 \$29.00 /per night	\$31.00 \$30.00 /per night
Partial hook-up campsite (p/w)	\$25.00 \$24.00 /per night	\$26.00 \$25.00 /per night
Single tent campsite	\$20.00 \$19.00 /per night	\$21.00 \$20.00 /per night
Primitive campsite	\$10.00/per night	\$11.00/per night
Riverside campsite (Tent or RV)	\$30.00 \$29.00 /per night	\$31.00 \$30.00 /per night
Hiker/Biker Site	\$5.00/pp per night	\$5.25/pp per night
Group Campsites**		
Adams site (Toll Bridge Park)	\$80.00/per night	\$83.00/per night
Rainier site (Toll Bridge Park)	\$80.00/per night	\$83.00/per night
St. Helens site (Toll Bridge Park)	\$60.00/per night	\$62.00/per night
Kingsley Reservoir group sites	\$60.00/per night	\$62.00/per night
Additional Fees		
Extra tent	\$10.00/per tent	\$11.00/per night
Extra vehicle	\$5.00/per vehicle	\$5.25/per vehicle
Reservation/Modification Fee (non-refundable)***	\$9.75 \$8.00	\$10.00 \$8.25
Shelter Reservation****	\$111.50 \$60.00 min. + addtl fee pp	\$115.00 \$62.00 \$310.00
Park firewood	\$5.00/bundle arm load	\$5.25/bundle arm load
Park Shower (free w/paid campsite)	\$10.00	\$10.50
Septic tank dump (free w/paid campsite)	\$25.00	\$26.00
Picnic Tables	\$5.00	\$5.25
Late Fee	\$5.00	\$5.25
Park House Rentals (Base Rent)		
Tollbridge Park	\$775.00/mo.	\$800.00/mo.
Tucker Park	\$775.00/mo.	\$800.00/mo.
Panorama Point	\$625.00/mo.	\$650.00/mo.
* Campsite fees are based on a maximum site occupancy of five (5) persons per site (children not included), excluding group sites, and one (1) vehicle for a maximum duration as defined by County Administrative Code. Larger permanent groups or additional vehicles within a site will be prohibited unless specified otherwise and may be subject to additional fees.		
** Group campsite fees are based on a maximum site occupancy of forty (40) persons for Adams and Rainier sites, twenty (20) persons for St. Helens and Kingsley Reservoir sites (children not included), and two (2) vehicles for a maximum duration as defined by County Administrative Code. Larger permanent		

2017 HOOD RIVER COUNTY FEE SCHEDULE

DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
groups or additional vehicles within a site will be prohibited unless specified otherwise and may be subject to additional fees.		
*** The Reservation/Modification fee allows for the initial reservation and a maximum of two (2) subsequent modifications. Modifications include, but shall not be limited to, cancelling one or more sites in a single or group reservation, changing the date of stay or departure for a single or group reservation, or changing sites upon their availability.		
**** Shelter reservations are subject to a non-refundable Reservation/Modification Fee and based on a maximum site occupancy of 250 persons, INCLUDING children. Parking vehicles immediately adjacent to the shelter area will be prohibited.		
PUBLIC WORKS		
Minimum Charge	\$2.00	\$2.10
Research Fee	\$75.00/hr. (1 hr. min)	\$77.50/hr. (1 hr. min)
Map/Print Reproductions	\$1.00 per sq ft + copy charge	\$1.05 per sq ft + copy charge
Survey Filing & Review Fees		
Record of Survey	\$185.00 + \$50.00 per page over 2 pages.	\$191.00 + \$51.50 per page over 2 pages.
Property Line Adjustment	\$250.00 + \$50.00 per page over 2 pages	\$258.00 + \$51.50 per page over 2 pages
Single Parcel Partition Plat	\$480.00	\$495.00
2 or 3 Parcel Partition Plat	\$625.00	\$645.00
Subdivision	\$700.00 + \$65.00 per lot	\$725.00 + \$67.00 per lot
Condominium	\$750.00 + \$70.00 per unit	\$775.00 + \$73.00 per unit
Oregon Public Land Corner Restoration	No Fee	No Fee
Re-Check/Re-Design Fee	50% of Cash/Check Filing Fee	50% of Merchant Filing Fee
Affidavits (Correction, Post-Monument, Etc.)	\$50.00	\$51.50
Engineering - Development Review		
Partition Plat	1.5% of engineer's est. const. costs for Street sidewalk, and stormwater related infrastructure \$100.00 min. collected at app. Bal. collected before final plan approval	1.5% of estimate +3% and \$103.00 at app.
Land Use Application and Site Plan Review (except single family residential)	1.5% of engineer's est. const. costs for Street sidewalk, and stormwater related infrastructure \$50.00 min. collected at app. Bal. collected before bldg permit sign off.	1.5% of estimate +3% and \$52.00 at app.
Subdivision & PUD	1.5% of engineer's est. const. costs for Street sidewalk, and stormwater related infrastructure \$500.00 min. collected at app. Bal. collected before final plan approval	1.5% of estimate +3% and \$515.00 at app.
County Road Map	\$7.00	\$7.25
Driveway/Road Approach Permit	\$50.00/ea	\$52.00/ea
Underground Right of Way Permits	No Charge	No Charge
Over width/weight permit	\$8.00/ea	\$8.25/ea
No Spray/No Mowing Zone Permit	\$135.00/per policy	\$140.00/per policy
Road Name Sign	\$75.00	\$78.00
Tourist-Orientated Sign and Permit (3-Yr)	\$250.00	\$258.00

2017 HOOD RIVER COUNTY FEE SCHEDULE

DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
Tourist-Orientated Sign Permit Renewal (3-Yr)	\$25.00	\$26.00
Petition to Vacate or Decrease width of Public Road	\$1,500.00	\$1,545.00
Event Permit (Non-Forestry)		
Application Fee	\$100.00	\$103.00
Non-Commercial Event Permit Fee	No Charge	No Charge
Commercial Event Permit Fee	\$900.00	\$927.00
Less than 50 participants (Non-Commercial)	\$75.00/day	\$78.00/day
50 participants or more (Non-Commercial)	\$125.00/day	\$128.75/day
Commercial or Promotional Use	\$1,000.00/day	\$1,030.00/day
Event Liaison Monitoring Fee (As Required Use Permit Fee)	\$350.00/day	\$360.50/day
Road Restoration Fee for Motorized Racing Events on gravel roads (Use Permit Fee not included)	\$1,700.00/per mile (total length)	\$1,751.00/per mile (total length)
Transportation SDC Per Unit Of Development	Total Transportaion SDC Per Unit 2016 Adjusted ***	
Residential		
210 Single Family Detached	\$1,557.00/dwelling unit	\$1,604.00/dwelling unit
215 Additional/Accessory Dwelling Unit (ADU)****	\$778.50/ADU or 1/2 the fee of the primary dwelling.	\$802.00/ADU or 1/2 the fee of the primary dwelling.
220 Apartment	\$1,093.00/dwelling unit	\$1,126.00/dwelling unit
230 Residential Condo/Townhouse	\$954.00/dwelling unit	\$983.00/dwelling unit
240 Manufactured Housing	\$812.00/dwelling unit	\$837.00/dwelling unit
254 Assisted Living	\$446.00/bed	\$460.00/bed
255 Continuing Care Retirement	\$457.00/unit	\$471.00/unit
Recreational		
412 County Park	\$412.00/ac	\$425.00/ac
416 Campground/RV Park **	\$1,001.00/camp site	\$1,034.00/camp site
430 Golf Course	\$8,723.00/hole	\$8,985.00/hole
432 Golf Driving Range **	\$2,258.00/tee	\$2,326.00/tee
437 Bowling Alley	\$6,020.00/lane	\$6,201.00/lane
444 Movie Theater (9 or fewer screens) **	\$36,520.00/screen	\$37,616.00/screen
445 Multiplex Movie Theater (10+ screens) **	\$24,636.00/screen	\$25,375.00/screen
473 Casino/Video Poker/Lottery **	\$32,779.00/T.S.F.G.F.A.	\$33,763.00/T.S.F.G.F.A.
488 Soccer Complex	\$12,883.00/field	\$13,270.00/field
491 Raquet/Tennis Club	\$6,990.00/court	\$7,200.00/court
492 Health/Fitness Club	\$5,948.00/ T.S.F.G.F.A.	\$6,127.00/T.S.F.G.F.A.
495 Recreation/Community Center	\$5,584.00/T.S.F.G.F.A.	\$5,752.00/T.S.F.G.F.A.
Institutional/Medical		
520 Elementary School (public)	\$84.00/student	\$86.50/student
522 Middle.Junior High School (public)	\$105.00/student	\$108.50/student
530 High School (public)	\$209.00/student	\$215.50/student
536 Private School (K-12)	\$303.00/student	\$312.50/student
540 Junior/Community College	\$146.00/student	\$150.50/student
550 University/College	\$289.00/student	\$298.00/student

2017 HOOD RIVER COUNTY FEE SCHEDULE

DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
560 Church	\$1,112.00/T.S.F.G.F.A.	\$1,146.00/T.S.F.G.F.A.
565 Day Care Center/Preschool	\$292.00/student	\$301.00/student
590 Library	\$3,515.00/T.S.F.G.F.A.	\$3,621.00/T.S.F.G.F.A.
610 Hospital	\$2,037.00/bed	\$2,099.00/bed
620 Nursing Home	\$409.00/bed	\$421.50/bed
630 Clinic	\$5,424.00/T.S.F.G.F.A.	\$5,587.00/T.S.F.G.F.A.
Commercial/Services		
310 Hotel/Motel	\$1,800.00/room	\$1,854.00/room
812 Building Materials/Lumber	\$3,210.00/T.S.F.G.F.A.	\$3,307.00/T.S.F.G.F.A.
813 Free Standing Discount Superstore w/Groceries	\$4,834.00/T.S.F.G.F.A.	\$4,979.00/T.S.F.G.F.A.
814 Speciality Retail Center	\$3,998.00/T.S.F.G.L.A.	\$4,118.00/T.S.F.G.L.A.
815 Free Standing Discount Store Without Groceries	\$6,355.00/T.S.F.G.F.A.	\$6,546.00/T.S.F.G.F.A.
816 Hardware/Paint Stores	\$5,188.00/T.S.F.G.F.A.	\$5,344.00/T.S.F.G.F.A.
817 Nursery/Garden Center	\$3,255.00/T.S.F.G.F.A.	\$3,353.00/T.S.F.G.F.A.
820 Shopping Center	\$3,874.00/T.S.F.G.L.A.	\$3,991.00/T.S.F.G.L.A.
823 Factory Outlet Center	\$2,399.00/T.S.F.G.F.A.	\$2,471.00/T.S.F.G.F.A.
841 New Car Sales	\$3,008.00/T.S.F.G.F.A.	\$3,099.00/T.S.F.G.F.A.
843 Automobile Parts Sales	\$4,823.00/T.S.F.G.F.A.	\$4,968.00/T.S.F.G.F.A.
849 Tire Superstore	\$2,004.00/T.S.F.G.F.A.	\$2,065.00/T.S.F.G.F.A.
850 Supermarket	\$8,944.00/T.S.F.G.F.A.	\$9,213.00/T.S.F.G.F.A.
851 Convenience Market (no fuel)	\$19,670.00/T.S.F.G.F.A.	\$20,261.00/T.S.F.G.F.A.
853 Convenience Market w/fuel pump	\$12,608.00/V.F.P.	\$12,987.00/V.F.P.
860 Wholesale Market	\$763.00/T.S.F.G.F.A.	\$786.00/T.S.F.G.F.A.
861 Discount Club	\$4,742.00/T.S.F.G.F.A.	\$4,885.00/T.S.F.G.F.A.
862 Home Improvement Superstore	\$2,118.00/T.S.F.G.F.A.	\$2,182.00/T.S.F.G.F.A.
863 Electronic Superstore	\$3,694.00/T.S.F.G.F.A.	\$3,805.00/T.S.F.G.F.A.
867 Office Supply Superstore **	\$3,067.00/T.S.F.G.F.A.	\$3,159.00/T.S.F.G.F.A.
870 Apparel Store **	\$3,455.00/T.S.F.G.F.A.	\$3,559.00/T.S.F.G.F.A.
880 Pharmacy/Drugstore w/out drive up window	\$5,786.00/T.S.F.G.F.A.	\$5,960.00/T.S.F.G.F.A.
881 Pharmacy/Drugstore w/drive up window	\$6,145.00/T.S.F.G.F.A.	\$6,330.00/T.S.F.G.F.A.
890 Furniture Store	\$325.00/T.S.F.G.F.A.	\$335.00/T.S.F.G.F.A.
896 Video Rental Store **	\$21,596.00/T.S.F.G.F.A.	\$22,244.00/T.S.F.G.F.A.
911 Bank/Savings (no drive-in)	\$17,752.00/T.S.F.G.F.A.	\$18,285.00/T.S.F.G.F.A.
912 Bank/Savings w/drive in	\$17,856.00/T.S.F.G.F.A.	\$18,392.00/T.S.F.G.F.A.
931 Quality Restaurant (not a chain)	\$8,212.00/T.S.F.G.F.A.	\$8,459.00/T.S.F.G.F.A.
932 High Turnover, Sit-Down Restaurant (chain or stand alone)	\$5,896.00/T.S.F.G.F.A.	\$6,073.00/T.S.F.G.F.A.
933 Fast Food Restaurant (no drive-thru)	\$29,126.00/T.S.F.G.F.A.	\$30,000.00/T.S.F.G.F.A.
934 Fast Food Restaurant (w/drive-thru)	\$20,182.00/T.S.F.G.F.A.	\$20,788.00/T.S.F.G.F.A.
935 Drive-Thru Restaurant (no seating) **	\$62,585.00/T.S.F.G.F.A.	\$64,463.00/T.S.F.G.F.A.
936 Drinking Place/Bar **	\$4,613.00/T.S.F.G.F.A.	\$4,752.00/T.S.F.G.F.A.

2017 HOOD RIVER COUNTY FEE SCHEDULE

DEPARTMENT	CASH/CHECK	MERCHANT/DEBIT/CREDIT CARD
941 Quick Lubrication Vehicle Stop	\$3,171.00/Service Stall	\$3,267.00/Service Stall
942 Automobile Care Center **	\$3,179.00/T.S.F.G.L.A.	\$3,275.00/T.S.F.G.L.A.
944 Gasoline/Service Station (no mkt or car wash)	\$6,681.00/V.F.P.	\$6,882.00/V.F.P.
946 Gasoline/Service Station (w/mkt & car wash)	\$6,058.00/V.F.P.	\$6,240.00/V.F.P.
Office		
General Office Building	\$1,899.00/T.S.F.G.F.A.	\$1,956.00/T.S.F.G.F.A.
720 Medical-Dental Office Building	\$6,232.00/T.S.F.G.F.A.	\$6,419.00/T.S.F.G.F.A.
730 Government Office Building	\$11,889.00/T.S.F.G.F.A.	\$12,246.00/T.S.F.G.F.A.
731 State Motor Vehicles Dept.	\$28,635.00/T.S.F.G.F.A.	\$29,495.00/T.S.F.G.F.A.
732 U.S. Post Office	\$15,488.00/T.S.F.G.F.A.	\$15,953.00/T.S.F.G.F.A.
750 Office Park	\$1,970.00/T.S.F.G.F.A.	\$2,030.00/T.S.F.G.F.A.
Port/Industrial		
030 Truck Terminals	\$1,699.00/T.S.F.G.F.A.	\$1,750.00/T.S.F.G.F.A.
090 Park & Ride Lot w/Bus Service	\$615.00/Parking Space	\$634.00/T.S.F.G.F.A.
110 General Light Industrial	\$1,202.00/T.S.F.G.F.A.	\$1,238.00/T.S.F.G.F.A.
120 General Heavy Industrial	\$259.00/T.S.F.G.F.A.	\$267.00/T.S.F.G.F.A.
140 Manufacturing	\$659.00/T.S.F.G.F.A.	\$679.00/T.S.F.G.F.A.
150 Warehouse	\$855.00/T.S.F.G.F.A.	\$881.00/T.S.F.G.F.A.
151 Mini-Warehouse	\$431.00/T.S.F.G.F.A.	\$444.00/T.S.F.G.F.A.
170 Utilities **	\$1,088.00/T.S.F.G.F.A.	\$1,121.00/T.S.F.G.F.A.
Transportation SDC Abbreviations:		
T.S.F.G.F.A. = Thousand Square Feet Gross Floor Area		
T.S.F.G.L.A. = Thousand Square Feet Gross Leasable Area		
V.F.P. = Vehicle Fueling Position		
** Because there is not ITE Weeekday Average Trip Rate for this code/category, the Trip Rate shown is the ITE P.M. Peak Hour Trip Rate multiplied by a factor of ten.		
*** 2016 SDC Adjusted based on change in Engineering News Record Construction Cost Index: July 2008 CCI = 8754.84 July 2015 CCI = 10,398.24 Change = +18.77%		
**** Fees for ADU's shall be in addition to fees for a primary dwelling (Single Family Detached) and apply to livable space in permanent structures.		

Hood River County, Oregon
Department of Records and Assessment
Other Fees
Effective 1/1/2017

DOCUMENTS	Fee Breakdown						
	Recording	PLCP	GIS	CATA + OLIS	Housing	Total	
DEEDS							
Bargain and Sale Deed	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Certificate of Redemption	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Declaration of Deed Restrictions	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Deed Restrictions (incl. CCR, etc.)	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Easement (Including public utility easement)	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Lot Line Adjustment Deed	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Notice of Intent to Forfeit	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Quitclaim Deed	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Trustee's Deed	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Warranty Deed	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Well Ownership	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
CONTRACTS							
Assignment of Contract	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Contract of Sale	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Land Sale Agreement	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Land Sale Contract	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Memorandum of Purchase Agreement	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
MORTGAGES							
Appointment of Successor Trustee, Substitution of Trustee	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Assignment of Deed of Trust, Assignment of Mortgage	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Assignment of Rents	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Assumption of Trust Deed	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Deed of Trust, Trust Deed, Mortgage	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Notice of Lis Pendens, Pendency of Action	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Security Agreement	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
SATISFACTIONS							
Deed of Reconveyance, Full or Partial Reconveyance	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Release of Mortgage	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Satisfaction of Construction Lien	\$5.00	page	none	none	\$11.00	\$20.00	\$36.00
Satisfaction of Mortgage	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Lien & Satisfaction of Lien							
County Lien, Satisfaction of County Lien	\$5.00	page	none	none	\$11.00	\$20.00	\$36.00
Construction Lien, Satisfaction of Construction Lien, Hospital Lien	\$5.00	page	none	none	\$11.00	\$20.00	\$36.00
Federal Tax Lien, Satisfaction of Federal Tax Lien	\$5.00	page	none	none	none	none	\$5.00
State Tax Lien, Amendment, State Tax Lien Satisfaction	\$5.00	page	none	none	\$11.00	none	\$16.00
Lien Record Abstract	\$5.00	page	none	none	\$11.00	none	\$16.00
Other Documents							
Judgment	\$5.00	page	none	none	\$11.00	none	\$16.00
Satisfaction of Judgment	\$5.00	page	none	none	none	none	\$5.00
Completion Notice	\$5.00	page	none	none	\$11.00	\$20.00	\$36.00
Death Certificate (Short Form certified copy only)	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Memorandum of Lease	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Military Discharge (DD-214)	none	none	none	none	none	none	\$0.00
Mobile Home Exemption from Title	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Mine Location, Proof of Labor on Mine, Cert of Mine Ownership (not for federal lands)	\$5.00	page	\$10.00	\$20.00	\$11.00	none	\$46.00
Power of Attorney (or revocation)	\$5.00	page	\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Uniform Commercial Code (UCC)	\$5.00		\$10.00	\$20.00	\$11.00	\$20.00	\$66.00
Board of Commissioners Appeal (not recorded)	\$2,025	each	none	none	none	none	\$2,025 each
Plat (minor partition)	\$35.00		none	none	\$11.00	\$20.00	\$66.00
Subdivision (20 or fewer lots) + Assessor & Commissioner Fees	\$35.00		none	none	\$11.00	\$20.00	\$116.00
Subdivision (21 - 99 lots) + Assessor & Commissioner Fees	\$50.00		none	none	\$11.00	\$20.00	\$131.00
Subdivision (100 or more lots) + Assessor & Commissioner Fees	\$75.00		none	none	\$11.00	\$20.00	\$156.00

Hood River County, Oregon
Department of Records and Assessment
Other Fees
Effective 1/1/2017

Document Recordings	See separate recording fee schedule.
Search & Certification for Documents	The fee to search for a recorded document is \$3.75. The fee to certify a copy as being "a true copy of the original" is \$3.75. Photocopying is 25 cents a page. {A certified copy is \$7.75} Payment must be made before the county will retrieve and copy documents. The county will accept a "not to exceed" check for a document search.
Computer Data	Elections data are available on CD-ROM in Excel format. Please contact the county elections office for information about cost and restrictions on using elections data. Most elections & recording information is available on paper printouts.
Copying	Photocopying is 25 cents a page. Copies from microfilm are 25 cents a page. Computer generated copies are 25 cents a page.
Liquor License	Application for a new liquor license or change of ownership, location or privilege to an existing license is \$50 . Application for renewal of an existing license is \$25 . This is in addition to OLCC fees.
Marriages Licenses	A marriage license costs \$50. Marriage licenses are recorded in the county of issue. To retrieve, copy and certify a marriage license costs \$7.75 for the first copy and \$4 for each additional copy. Amendments are \$25. Waiver of 3-day waiting period is \$10 (Fee can be waived at the discretion of the Department Management for Active Duty Military or the terminally ill).
Passport Application	The county fee to process a passport application is \$25. This is in addition to federal fees imposed for processing, expedited service, special handling, etc.
Plats & Subdivisions	Applicants for plats or subdivisions are responsible to ensure that all necessary fees have been paid and approvals granted before recording. Approval of a subdivision by the county assessor costs \$45 and approval by the Board of Commissioners costs \$5.
Vital Records	Most vital records are maintained by the state. The county does not keep birth certificates or death certificates. The county keeps a record of marriage licenses, but only those issued in Hood River County.
* NOTES *	* Checks should be made payable to "Hood River County." Please do not send cash by mail.
	* "Not to exceed" checks, with the amount left blank, are accepted.
	* We accept only in person credit card transactions with a 3% convenience fee added to each transaction.
	* Any document that does not have room to attach our recording certificate will receive a \$5 additional page fee.
	* Online Access- Assessment/Recording information \$100 per month + initial activation fee
	* Any document that combines two actions. Example: Substitution of Trustee & Deed of Reconveyance: EXTRA \$5 per title
	* Requests to mail copies of documents or other information should be accompanied by a self-addressed stamped envelope with adequate postage attached.