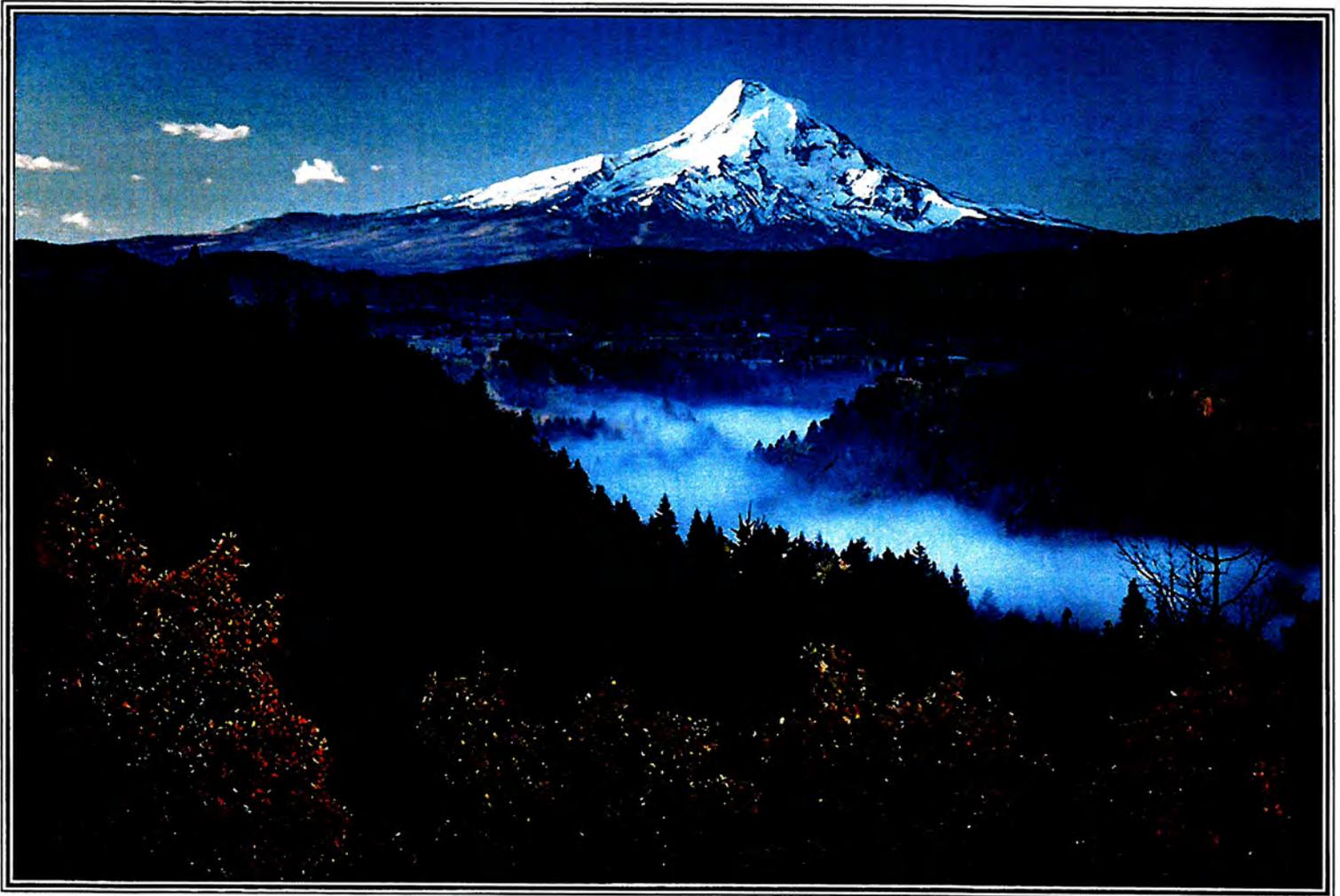




HOOD RIVER COUNTY, OREGON

Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 2017



Prepared by:
Hood River County
Department of Budget & Finance

HOOD RIVER COUNTY, OREGON

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017



**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, 2017

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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) 387-6894

December 4, 2017

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, 2017, together with the unmodified ("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 23,232 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 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 3.2% at June 30, 2017, decreasing from the prior year 4.2%. Comparing the County's 3.2% to the state of Oregon's unemployment rate of 3.7% and the national rate of 4.4%, the County has continued to post 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 34,358 acres of designated 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 has been engaging in long term financial planning, with results of discussion sessions held during 2017 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 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. Construction debt was paid off in the fall of 2016 which potentially opens the door for a local operating levy to offset some of the operational costs to the member counties. Programs designed specifically to attempt to reduce recidivism, and alternative correctional treatment is also on the current list of options. Efforts to resolve this on-going concern will continue into the future.

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 2016/2017 fiscal year timber sales was \$458 per 1,000 board feet, a healthy increase over the prior year's \$347 average and surpassing the 2003/2004 high point. With the sell price increasing, the impacts of the low price years to the Timber Projects fund revenue have moved the reserve to approximately three to four years from the low of two years or less. It is evident that the economic situation for timber sales has improved, but other areas of economic endeavors for the County have also not progressed as planned. 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 been on a cost reduction trajectory for several fiscal years prior to these actions: personnel had been reduced via attrition, 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. The County is not clear of potential financial issues, but we feel that historical actions taken preserved operations to the best of our ability. Continuing operations at level lower than minimal have taken a toll on services. Planning is underway for revenue enhancement. 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 may 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. Fiscal 2016/2017 brought an additional 400 acres of local forest property into the County's production inventory via purchase from a private landowner. Continued reviews of opportunities to make additional investments possible for the long term future are underway.

Two years prior to fiscal year 2016/2017, the County renewed a three-year public safety bargaining agreement that began July 1, 2016 and will carry through to June 30, 2019. Two other non public safety union contracts expired on June 30, 2017, but were successfully renegotiated during fiscal 2016/2017. The new contracts will cover the years beginning July 1, 2017 through June 30, 2020. Due to the County's proposed attempt to supplement revenues beyond the 2017/2018 fiscal year, an agreement was made with these two union groups to reopen the contracts in a year's time if the County was successful with either a local sales tax measure or a property tax levy.

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 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 have been used from fiscal 2012/2013 through 2016/2017.

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 of 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. Rates in the new 2017/2019 cycle are expected to grow again as projection work begins for the 2019/2022 years and the deficit problem deepens. A wide and varied range of solutions to that growing deficit are being discussed and evaluated at the State level. The Governor and State Legislators will be responsible for any proposed resolution scenario, with labor unions and other special interest groups closely monitoring their actions. As in the past, any litigation stands to impact current and future rates. Additional discussion of PERS affect may be found in the MD&A on pages 19 through 20.

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 sixteen months. Yields on authorized investment instruments have begun to stabilize and increase through the fiscal year's economic conditions. The 2016/2017 year-end average investment yield of 1.13% increased over the prior year's .80%. 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, 2016. This was the fourteenth 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.

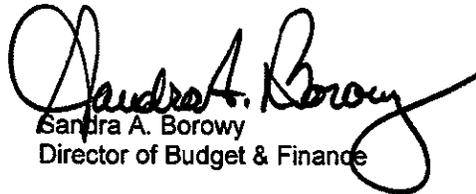
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2016

Executive Director/CEO

HOOD RIVER COUNTY, OREGON
June 30, 2017

LEGAL ADDRESS

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

BOARD OF COMMISSIONERS

CHAIR Ron Rivers
Term January 1, 2017 – December 31, 2018

VICE CHAIR Les Perkins
District 4
Term January 1, 2017 – December 31, 2020

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

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

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

OTHER ELECTED OFFICIALS

Matthew T. English Sheriff
Term January 1, 2017 – December 31, 2020

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

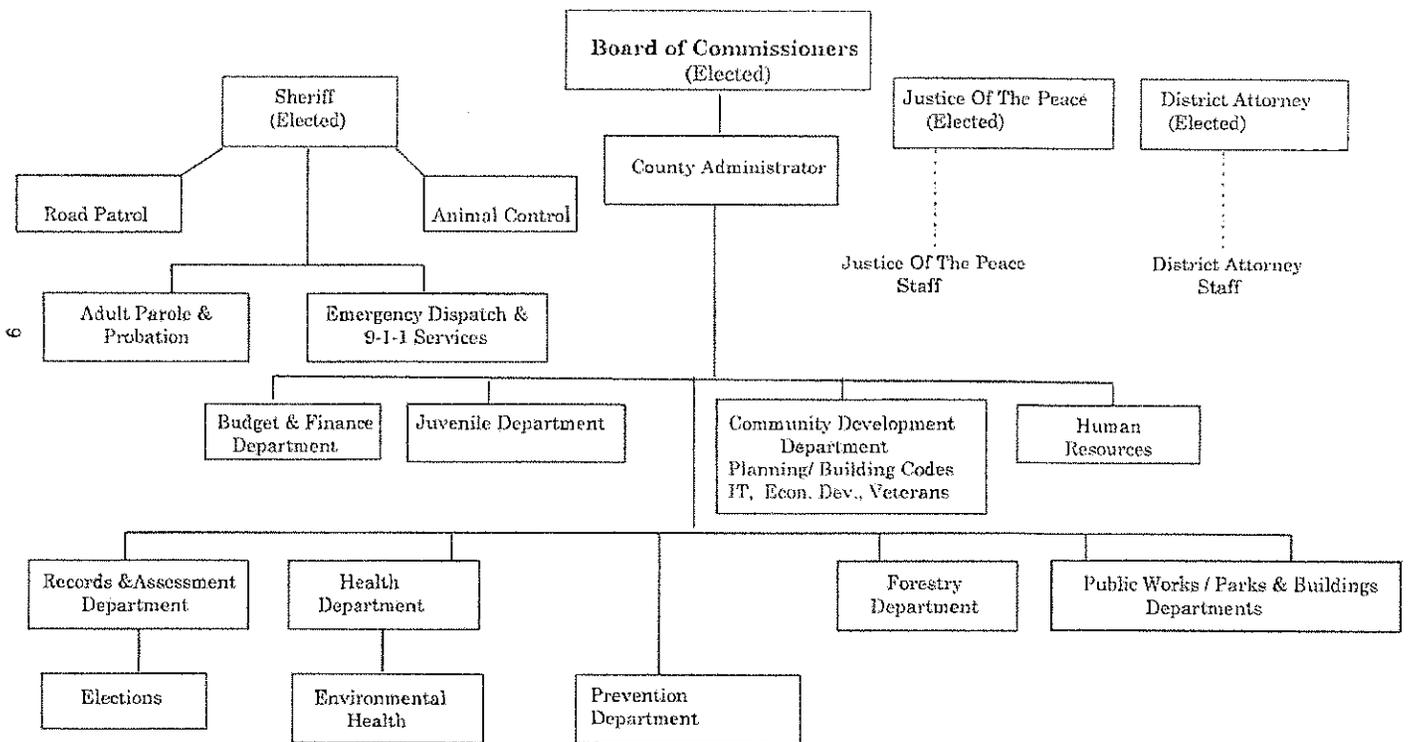
John T. Sewell District Attorney
Term January 1, 2017 – December 31, 2020

APPOINTED OFFICIALS

Jeff Hecksel County Administrator

Sandra A. Borowy Director of Budget
& Finance

ORGANIZATIONAL CHART



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FINANCIAL
SECTION



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(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

November 29, 2017

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, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the 911 Communications District, 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, 2017, and the respective changes in financial position and budgetary comparisons for the General, Public Works, and Timber Projects funds, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 November 29, 2017 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 November 29, 2017 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, 2017. 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 \$107,418,327 on its government-wide Statement of Net Position. Of this amount, \$11,244,728 (*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 \$76,639,496, 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 \$30,778,831 a decrease of \$552,972 from the prior year. Approximately 55.6% of the ending fund balances, or \$17,108,334, 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 \$582,010 or 5.1% 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 911 communication district, the second is an urban renewal district and the third 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 \$107,418,327 at the close of the fiscal year ended June 30, 2017.

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

Hood River County's Net Position

	2017	2016	Change
Current and other assets	\$ 38,173,160	\$ 39,586,136	\$ (1,412,976)
Capital assets	82,967,962	84,062,236	(1,094,274)
Total assets	<u>121,141,122</u>	<u>123,648,372</u>	<u>(2,507,250)</u>
Net pension related deferral	4,167,659	555,855	3,611,804
Long-term liabilities	13,521,863	8,765,202	4,756,661
Other liabilities	4,052,583	4,532,428	(479,845)
Total liabilities	<u>17,574,446</u>	<u>13,297,630</u>	<u>4,276,816</u>
Net pension related deferral	<u>316,008</u>	<u>734,441</u>	<u>(418,433)</u>
Net investment in capital assets:			
Invested in capital assets, net of related debt	82,768,919	83,837,958	(1,069,039)
Restricted	13,404,680	14,505,045	(1,100,365)
Unrestricted	<u>11,244,728</u>	<u>11,829,153</u>	<u>(584,425)</u>
Total net position	<u>\$ 107,418,327</u>	<u>\$ 110,172,156</u>	<u>\$ (2,753,829)</u>

12.5% of Hood River County's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of \$11,244,728 may be used to meet the County's ongoing obligations to citizens and creditors.

At June 30, 2017, 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 \$2,753,829. Key elements of this decrease are as follows:

Hood River County's Changes in Net Position

	Fiscal year ended		Change Inc/(Dec)
	2017	2016	
Revenues:			
Program revenues:			
Charges for services	\$ 6,184,768	\$ 5,677,767	\$ 507,001
Operating grants and contributions	3,710,043	4,458,282	(748,239)
Capital grants and contribution	143,089	515,230	(372,141)
General revenues:			
Property taxes	3,121,883	2,995,840	126,043
Other taxes	315,094	405,254	(90,160)
Grants and contributions not restricted to specific programs	378,870	267,797	111,073
Timber Sales	6,105,999	3,910,966	2,195,033
Investment in joint venture	-	(587,632)	587,632
Total revenues	<u>19,959,746</u>	<u>17,643,504</u>	<u>2,316,242</u>
Expense:			
General government	7,305,170	3,971,463	3,333,707
Public safety	6,949,370	6,603,109	346,261
Public works	3,112,032	2,955,374	156,658
Health & Sanitation	2,281,642	2,338,645	(57,003)
Forestry	1,315,154	1,117,487	197,667
Community services	1,709,279	1,863,488	(154,209)
Education	40,928	192,726	(151,798)
Total expenses	<u>22,713,575</u>	<u>19,042,292</u>	<u>3,671,283</u>
Decrease in net position	<u>(2,753,829)</u>	<u>(1,398,788)</u>	<u>(1,355,041)</u>
Net position July 1	110,172,156	111,570,944	(1,398,788)
Net position June 30	<u>\$ 107,418,327</u>	<u>\$ 110,172,156</u>	<u>\$ (2,753,829)</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, 2017, Hood River County's governmental funds reported combined ending fund balances of \$30,778,831, a decrease of \$552,972 from the prior year. Approximately 99.1% of this total amount (\$30,513,014) constitutes restricted, committed, 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 (\$265,817).

The General Fund is the primary operating fund of Hood River County. At June 30, 2017, unassigned fund balance of the General Fund was \$582,010. 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 5.1% of total General Fund expenditures for the year ended June 30, 2017.

The unassigned fund balance of the Hood River County General Fund decreased by \$132,440 during the year ended June 30, 2017. The Fund's revenue was modestly higher than expected with a favorable variance of \$220,956. 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 (\$857,364). Each budget category's results reflected under budget spending, including that unspent contingency, with large savings occurring in the materials and services (\$289,234) and personal services (\$229,903) categories. Several departments in the General Fund experienced reductions in those two areas for a variety of reasons. Between fiscal 2015/2016 and 2016/2017, actual revenues increased by \$553,370, actual expenditures increased by \$599,605 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 increased between the 2015/2016 and 2016/2017 fiscal years (\$76,695) 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, 2017, restricted fund balance of the Public Works fund was \$9,768,911, plus a small nonspendable amount of \$242,673 for inventory. The fund balance decreased \$1,490,569 (13.0%) over the prior year due in to a \$754,137 (24.1%) decrease in 2016/2017 intergovernmental revenues, with expenditure increases totaling \$454,548 (18.0%) 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 2016/2017 year was, again, slated to be the last year for receipt of these funds, but another extension was received for 2016/2017 at a greatly reduced level. In this 2017 fiscal year the federal funding received was \$107,722. 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, 2017, the committed fund balance of the Timber Projects fund was \$12,424,523, with no amount being restricted. The fund balance increased \$760,830, or 6.5%, over the prior year due to increased timber sales. 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 2015/2016 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 2016/2017 the transfer amount was at a 'normal' level with the standard 10 year rolling average formula (2016/2017 \$2,854,000), which continues to reflect those prior years of sales volume losses.

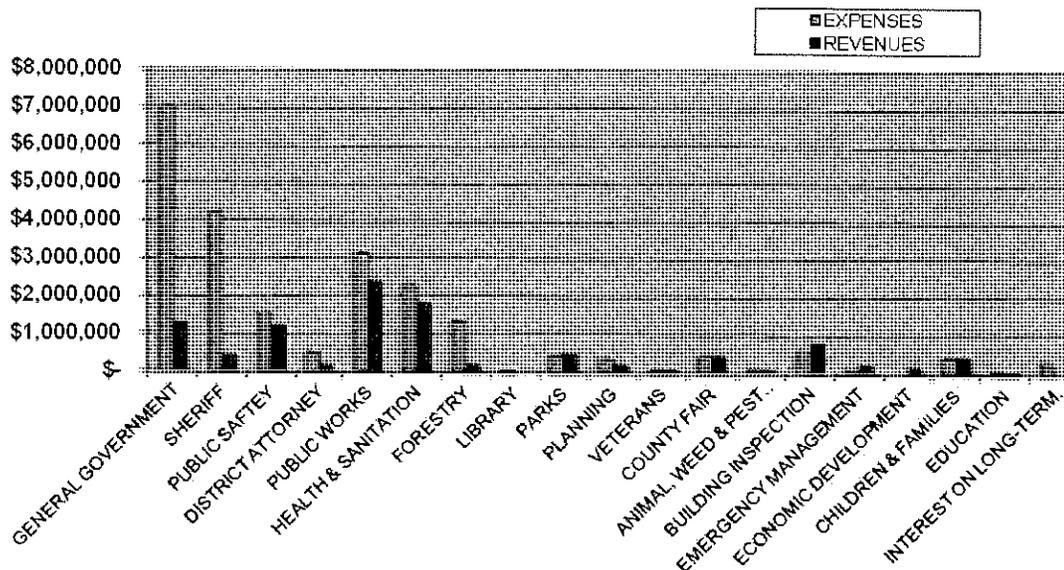
General Fund Budgetary Highlights

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, 2017**



Capital Assets and Debt Administration

Capital assets. Hood River County investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$82,967,962 (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 decrease in capital assets for the current fiscal year was \$1,094,274 or 1.3% resulting in the majority from the County's agreement to turn Library land, building and contents over to an independent library district formed after the County shut down Library operations due to lack of funding at the end of fiscal 2009/2010. 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,	
	2017	2016
Land	\$ 21,021,842	\$ 19,667,472
Buildings and improvement	6,257,322	9,147,091
Furniture and fixtures	5,802	7,329
Vehicles	745,695	670,067
Machinery and equipment	1,658,804	1,416,318
Infrastructure	53,066,981	53,037,997
Construction in progress	211,516	115,962
Total	\$ 82,967,962	\$ 84,062,236

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, 2017 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 74% is the same as the current year 74%. The expenditure estimate for infrastructure condition maintenance in the current year public works budget was \$400,000 with actual cost being \$769,443. This is a \$193,280 or 33.5% increase 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, 2017, Hood River County had total bonded debt outstanding of \$4,655,993. 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 \$4,610,000.

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

	June 30,	
	2017	2016
Pension obligation bonds	\$ 4,610,000	\$ 4,795,000
Note Payable	45,130	224,278
Total	\$ 4,655,130	\$ 5,019,278

Additional information on Hood River County's long-term debt can be found in note 8 on pages 45 through 46 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, 2017, the unemployment rate for Hood River County was 3.2%, which is a 1.0% decrease from the rate a year ago of 4.2%. This rate is much lower than the State of Oregon June 30, 2017 average unemployment rate of 3.7% and than the national rate of 4.4%. 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, 2017, the County moved into 2017/2018 with a three-year public safety bargaining agreement that will carry through to June 30, 2019, plus two other non public safety union contracts that had been renewed for the period of July 1, 2017 through June 30, 2020.

Health insurance costs continue to be a key concern for the County and its employees. 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. The 2016/2017 year had been looking at double digit increase percentages, but once again due to the efforts of the County and covered staff premium rates were kept to single digit increases after changes to many plan benefit levels. Contribution from employees toward their health coverage premium is at 15% for all covered staff. Those ongoing 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 for the new 2017/2018 year as well. Plan revisions and alternative sources are researched, considered, and initiated to the extent that the majority of affected staff agreed to the changes.

The state public employees retirement system (PERS) covers a large majority of the public employees in Oregon and has experienced the same economic downturn issues within their program as the national economy has faced. Every two years, each employer's status in the PERS system is evaluated by an actuary; contribution rates for the next two budget years are then assigned. These rates are designed to cover the liabilities associated with the future retirement costs faced by the employers as the structure of their workforce changes. Shortfalls in the projections are unfunded liabilities and cause the assigned rates to increase accordingly. 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 2016/2017 revenue forecast was predicted to be stable, 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 through 2016 years were extension years, as was 2017. Amounts for these years were an uncertainty until actually received; the 2013 amount provided to the Public Works fund was \$651,525, 2014 \$613,096, 2015 \$579,119, 2016 \$509,787, with 2017 further reduced to \$107,722 along with the message that nothing more would be coming in the future. The federal government has been unable to reach agreement on stable continued funding. 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 continued 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 ceases operations or desire to relocate library services.

All of these factors were considered in preparing Hood River County's budget for the 2018 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, 2017**

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	911 COMMUNICATIONS COMPONENT	WINDMASTER URBAN RENEWAL COMPONENT	WINDMASTER SEWER DISTRICT COMPONENT
ASSETS				
CASH AND INVESTMENTS	\$ 29,677,625	\$ 2,576,553	\$ 27,412	\$ 5,349
TAXES RECEIVABLE	168,793	62,825	7,529	-
ACCOUNTS RECEIVABLE	2,280,057	75,955	-	2,778
CONTRACTS RECEIVABLE	2,026,754	-	-	-
INVENTORIES	242,673	-	-	-
PREPAID EXPENSES	23,144	543	-	-
INVESTMENT IN JOINT VENTURE	3,754,114	-	-	-
CAPITAL ASSETS:				
LAND AND INFRASTRUCTURE DEPRECIABLE BUILDINGS, IMPROVEMENTS PROPERTY AND EQUIPMENT, net	74,300,339	29,500	-	2,453,136
	8,667,623	505,254	-	-
TOTAL ASSETS	121,141,122	3,250,630	34,941	2,461,263
DEFERRED OUTFLOWS				
PENSION RELATED DEFERRAL	4,167,659	-	-	-
LIABILITIES				
ACCOUNTS PAYABLE	461,451	9,719	84	84
SALARIES AND FRINGE PAYABLE	486,472	48,162	-	-
BOND INTEREST PAYABLE	24,118	-	-	-
UNEARNED REVENUE	2,030,279	-	-	-
DEPOSITS	514,975	-	-	-
ACCRUED COMPENSATED ABSENCES	535,288	58,994	-	-
LONG-TERM DEBT DUE WITHIN ONE YEAR	245,820	-	-	-
LONG - TERM DEBT DUE IN MORE THAN ONE YEAR	5,484,352	-	-	-
PROPORTIONATE SHARE OF PENSION LIABILITY	7,791,691	-	-	-
TOTAL LIABILITIES	17,574,446	116,875	84	84
DEFERRED INFLOWS				
PENSION RELATED DEFERRAL	316,008	-	-	-
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS RESTRICTED FOR DEBT SERVICE	82,922,832	534,754	-	2,453,136
RESTRICTED FOR CAPITAL PROJECTS	31,140	-	-	-
RESTRICTED FOR SERVICES	1,678,356	-	-	-
UNRESTRICTED	11,695,184	-	-	-
	11,090,815	2,599,001	34,857	8,043
TOTAL NET POSITION	\$ 107,418,327	\$ 3,133,755	\$ 34,857	\$ 2,461,179

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

**HOOD RIVER COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	GENERAL	PUBLIC WORKS	TIMBER PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
CURRENT ASSETS:					
CASH AND INVESTMENTS	\$ 2,436,896	\$ 9,432,153	\$ 11,068,155	\$ 6,740,421	\$ 29,677,625
TAXES RECEIVABLE	168,793	-	-	-	168,793
ACCOUNTS RECEIVABLE	423,589	184,514	1,418,239	253,715	2,280,057
CONTRACTS RECEIVABLE	-	-	1,667,371	359,383	2,026,754
INVENTORIES	-	242,673	-	-	242,673
DUE FROM OTHER FUNDS	-	-	-	-	-
INTERFUND RECEIVABLE	-	325,470	-	-	325,470
PREPAID ITEMS	19,196	-	-	3,948	23,144
TOTAL ASSETS	\$ 3,048,474	\$ 10,184,810	\$ 14,153,765	\$ 7,357,467	\$ 34,744,516
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE	\$ 204,405	\$ 102,770	\$ 61,871	\$ 92,405	\$ 461,451
ACCRUED SALARIES & FRINGE PAYABLE	330,864	67,606	-	88,002	486,472
UNEARNED REVENUE	2,400	-	1,667,371	360,508	2,030,279
DUE TO OTHER FUNDS	-	-	-	-	-
INTERFUND PAYABLE	325,470	-	-	-	325,470
DEPOSITS	512,125	2,850	-	-	514,975
TOTAL LIABILITIES	1,375,264	173,226	1,729,242	540,915	3,818,647
DEFERRED INFLOWS OF RESOURCES					
UNAVAILABLE REVENUE - PROPERTY TAX	147,038	-	-	-	147,038
TOTAL DEFERRED INFLOWS OF RESOURCES	147,038	-	-	-	147,038
FUND BALANCES:					
NONSPENDABLE	19,196	242,673	-	3,948	265,817
RESTRICTED	-	9,768,911	-	3,635,769	13,404,680
COMMITTED	-	-	12,424,523	3,176,835	15,601,358
ASSIGNED	924,966	-	-	-	924,966
UNASSIGNED	582,010	-	-	-	582,010
TOTAL FUND BALANCES	1,526,172	10,011,584	12,424,523	6,816,552	30,778,831
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,048,474	\$ 10,184,810	\$ 14,153,765	\$ 7,357,467	

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.	82,967,962
INVESTMENT IN JOINT VENTURE - NOT AVAILABLE TO THE COUNTY	3,754,114
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	(7,791,691) (316,008) 4,167,659
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	147,038
ACCRUED COMPENSATED ABSENCES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS	(535,288)
ACCRUED INTEREST IS NOT REPORTED IN THE GOVERNMENTAL FUNDS	(24,118)
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.	(5,730,172)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 107,418,327

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, 2017

	GENERAL	PUBLIC WORKS	TIMBER PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
PROPERTY TAXES	\$ 3,105,848	\$ -	\$ -	\$ -	\$ 3,105,848
OTHER TAXES	162,535	-	-	152,559	315,094
INTERGOVERNMENTAL	1,824,896	107,929	-	1,817,157	3,749,982
TIMBER SALES	-	-	6,105,999	-	6,105,999
FINES AND FEES	2,232,916	2,150,242	8,738	1,792,871	6,184,767
INVESTMENT EARNINGS	33,377	111,125	-	165,760	310,262
DONATIONS & CONTRIBUTIONS	6,151	-	-	32,211	38,362
PERS IN LIEU	-	-	-	482,238	482,238
OTHER REVENUE	1,316	6,999	-	125,082	133,397
TOTAL REVENUES	7,367,039	2,376,295	6,114,737	4,567,878	20,425,949
EXPENDITURES					
CURRENT OPERATING:					
GENERAL GOVERNMENT	3,217,747	-	-	373,422	3,591,169
SHERIFF	3,826,453	-	-	76,742	3,903,195
PUBLIC SAFETY	1,118,448	-	-	-	1,118,448
DISTRICT ATTORNEY	250,749	-	-	225,498	476,247
PUBLIC WORKS	12,716	2,802,866	-	-	2,815,582
HEALTH & SANITATION	863,951	-	-	1,339,160	2,203,111
FORESTRY	796,646	-	486,855	-	1,283,501
PARKS	364,562	-	-	-	364,562
PLANNING	356,769	-	-	-	356,769
VETERANS	61,392	-	-	-	61,392
COUNTY FAIR	-	-	-	393,838	393,838
ANIMAL, WEED & PEST CONTROL	5,798	-	-	64,078	69,876
BUILDING INSPECTION	-	-	-	504,988	504,988
EMERGENCY MANAGEMENT	107,260	-	-	-	107,260
PREVENTION PROGRAM	-	-	-	409,325	409,325
EDUCATION	-	-	-	40,928	40,928
CAPITAL OUTLAY	408,425	177,738	1,795,052	528,153	2,909,368
DEBT SERVICE:					
PRINCIPAL	-	-	-	185,000	185,000
INTEREST	-	-	-	290,126	290,126
TOTAL EXPENDITURES	11,390,916	2,980,604	2,281,907	4,431,258	21,084,685
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,023,877)	(604,309)	3,832,830	136,620	(658,736)
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN	4,019,725	48,000	446,000	627,155	5,140,880
TRANSFERS OUT	(131,430)	(945,155)	(3,518,000)	(546,295)	(5,140,880)
PROCEEDS FROM THE SALE OF ASSETS	-	10,895	-	94,869	105,764
TOTAL OTHER FINANCING SOURCES (USES)	3,888,295	(886,260)	(3,072,000)	175,729	105,764
NET CHANGE IN FUND BALANCES	(135,582)	(1,490,569)	760,830	312,349	(552,972)
FUND BALANCES - BEGINNING	1,661,754	11,502,153	11,663,693	6,504,203	31,331,803
FUND BALANCES - ENDING	\$ 1,526,172	\$ 10,011,584	\$ 12,424,523	\$ 6,816,552	\$ 30,778,831

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, 2017**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENT FUNDS	\$	(552,972)
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	\$ 2,802,800	
CAPITAL ASSETS RETIRED OR SOLD	(3,270,664)	
LESS CURRENT YEAR DEPRECIATION	(626,410)	(1,094,274)
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		16,035
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		(50,880)
PERS PENSION EXPENDITURES NOT RECOGNIZED IN GOVERNMENTAL FUNDS		(1,124,501)
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		364,148
CHANGE IN INTEREST ACCRUAL		1,050
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		
		33,929
CHANGE IN INVESTMENT IN JOINT VENTURE		(346,364)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	(2,753,829)

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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES	\$ 2,989,000	\$ 2,989,000	\$ 3,105,848	\$ 116,848
OTHER TAXES	134,500	134,500	162,535	28,035
INTERGOVERNMENTAL	2,014,565	2,181,565	1,824,896	(356,669)
FINES AND FEES	1,718,830	1,796,015	2,232,916	436,901
INVESTMENT EARNINGS	10,000	10,000	24,274	14,274
DONATIONS & CONTRIBUTIONS	20,900	20,900	6,151	(14,749)
OTHER REVENUE	5,000	5,000	1,316	(3,684)
TOTAL REVENUES	<u>6,892,795</u>	<u>7,136,980</u>	<u>7,357,936</u>	<u>220,956</u>
EXPENDITURES				
PERSONAL SERVICES	7,255,090	7,320,825	7,090,922	(229,903)
MATERIALS & SERVICES	2,373,540	2,486,215	2,196,981	(289,234)
CAPITAL OUTLAY	449,370	539,465	408,425	(131,040)
SPECIAL PAYMENTS	1,703,675	1,701,775	1,694,588	(7,187)
CONTINGENCY	200,000	200,000	-	(200,000)
TOTAL EXPENDITURES	<u>11,981,675</u>	<u>12,248,280</u>	<u>11,390,916</u>	<u>(857,364)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,088,880)	(5,111,300)	(4,032,980)	(1,078,320)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	4,528,925	4,528,925	4,019,725	(509,200)
TRANSFERS OUT	(166,045)	(151,045)	(131,430)	(19,615)
SALE OF ASSETS	1,000	1,000	-	(1,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,363,880</u>	<u>4,378,880</u>	<u>3,888,295</u>	<u>(529,815)</u>
NET CHANGE IN FUND BALANCE	(725,000)	(732,420)	(144,685)	587,735
FUND BALANCE - BEGINNING	<u>725,000</u>	<u>732,420</u>	<u>1,071,361</u>	<u>338,941</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>926,676</u>	<u>\$ 926,676</u>
RECONCILIATION TO GAAP ENDING FUND BALANCE				
RESERVES ENDING FUND BALANCE			924,966	
INTERFUND LOAN			(325,470)	
GENERAL FUND ENDING FUND BALANCE			<u>\$ 1,526,172</u>	

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

**HOOD RIVER COUNTY, OREGON
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PUBLIC WORKS FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 1,096,000	\$ 1,096,000	\$ 107,929	\$ (988,071)
FINES AND FEES	2,056,400	2,056,400	2,150,242	93,842
INVESTMENT EARNINGS	60,000	60,000	111,125	51,125
OTHER REVENUE	7,000	7,000	6,999	(1)
TOTAL REVENUES	<u>3,219,400</u>	<u>3,219,400</u>	<u>2,376,295</u>	<u>(843,105)</u>
EXPENDITURES				
PERSONAL SERVICES	1,575,825	1,585,825	1,391,464	(194,361)
MATERIALS & SERVICES	1,961,720	1,916,720	1,411,402	(505,318)
CAPITAL OUTLAY	1,998,700	2,033,700	177,738	(1,855,962)
CONTINGENCY	500,000	500,000	-	(500,000)
TOTAL EXPENDITURES	<u>6,036,245</u>	<u>6,036,245</u>	<u>2,980,604</u>	<u>(3,055,641)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,816,845)	(2,816,845)	(604,309)	2,212,536
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	48,000	48,000	48,000	-
TRANSFERS OUT	(945,155)	(945,155)	(945,155)	-
PROCEEDS FOR THE SALE OF ASSETS	1,000	1,000	10,895	9,895
TOTAL OTHER FINANCING SOURCES (USES)	<u>(896,155)</u>	<u>(896,155)</u>	<u>(886,260)</u>	<u>9,895</u>
NET CHANGE IN FUND BALANCE	(3,713,000)	(3,713,000)	(1,490,569)	2,222,431
FUND BALANCE - BEGINNING	<u>10,500,000</u>	<u>10,500,000</u>	<u>11,176,683</u>	<u>676,683</u>
FUND BALANCE - ENDING	<u>\$ 6,787,000</u>	<u>\$ 6,787,000</u>	9,686,114	<u>\$ 2,899,114</u>
RECONCILIATION TO GAAP ENDING FUND BALANCE				
INTERFUND LOAN			325,470	
PUBLIC WORKS FUND ENDING FUND BALANCE			<u>\$ 10,011,584</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
TIMBER SALES	\$ 1,575,000	\$ 1,577,000	\$ 6,105,999	\$ 4,528,999
FINES AND FEES	7,800	9,400	8,738	(662)
TOTAL REVENUES	<u>1,582,800</u>	<u>1,586,400</u>	<u>6,114,737</u>	<u>4,528,337</u>
EXPENDITURES				
MATERIALS & SERVICES	1,789,870	1,910,000	486,855	(1,423,145)
CAPITAL OUTLAY	3,417,050	3,417,050	1,795,052	(1,621,998)
TOTAL EXPENDITURES	<u>5,206,920</u>	<u>5,327,050</u>	<u>2,281,907</u>	<u>(3,045,143)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,624,120)	(3,740,650)	3,832,830	7,573,480
OTHER FINANCING (USES)				
TRANSFERS IN	446,000	446,000	446,000	-
TRANSFERS OUT	(3,518,000)	(3,518,000)	(3,518,000)	-
TOTAL OTHER FINANCING (USES)	<u>(3,072,000)</u>	<u>(3,072,000)</u>	<u>(3,072,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(6,696,120)	(6,812,650)	760,830	7,573,480
FUND BALANCE - BEGINNING	<u>10,402,120</u>	<u>10,518,650</u>	<u>11,663,693</u>	<u>1,145,043</u>
FUND BALANCE - ENDING	<u>\$ 3,706,000</u>	<u>\$ 3,706,000</u>	<u>\$ 12,424,523</u>	<u>\$ 8,718,523</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, 2017**

ASSETS	
CASH AND INVESTMENTS	\$ 13,013,739
RECEIVABLES:	
PROPERTY TAXES	1,412,476
ACCOUNTS	52,975
TOTAL RECEIVABLES	<u>1,465,451</u>
TOTAL ASSETS	<u>\$ 14,479,190</u>
 LIABILITIES	
HELD ON BEHALF OF OTHER LOCAL GOVERNMENTS	 <u>\$ 14,479,190</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, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Discretely presented component units.

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

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, WMSD, 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, 2017

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, 2017

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, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

Receivables and payables

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

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

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

Supply Inventories

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

Prepaid Items

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

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Capital Assets

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

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

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

The County has elected to use the "modified approach" as defined by GASB No. 34 for infrastructure reporting for the systems of roads and bridges. As a result, no accumulated depreciation or depreciation expense has been reported for these systems. A more detailed discussion of the "modified approach" is presented in the Required Supplementary Information section of this report on 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

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Long-term obligations

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

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

Fund balance

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

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

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

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The statement of net position reports 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.

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.

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,

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 2 - BUDGETARY INFORMATION, continued

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

Expenditures of the various funds were within authorized appropriation.

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, 2017 is \$371,625. Of these deposits, \$259,401 is covered for non-interest bearing accounts by federal depository insurance and the remaining is collateralized in accordance with Oregon Law.

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

As of June 30, 2017, the County had the following cash and investments:

	Fair Value
Investments	
State of Oregon Local Government Investment Pool	\$ 25,562,897
Corporate bonds	14,111,819
US Agency Securities	5,487,025
Total investments	45,161,741
Cash on hand in banks	138,937
Total cash and investments	\$ 45,300,678

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

Governmental	\$ 29,677,625
911 Communications	2,576,553
Windmaster Sewer District	5,349
Windmaster Urban Renewal	27,412
Fiduciary	13,013,739
Total cash and investments	\$ 45,300,678

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the individual maturities in its investment portfolio to eighteen months or less. Average maturity of the County's investment portfolio at June 30, 2017 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, 2017, ratings of the County's holdings in federal government agencies were AAA and AA (S&P) and AA3 and AAA (Moody's). Commercial investments ranged from AA1 to AAA (S&P) and AA+ to AAA (Moody's).

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

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned to it. Oregon Revised Statutes require deposits to be deposited at an approved depository so determined by the Oregon State Treasurer. As of June 30, 2017, all deposits were covered by the FDIC and deposited at an approved depository.

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

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

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

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

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

As of June 30, 2017 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	\$ 25,562,897
Corporate Bond – Bank of Montreal	A+	7/14/2017	Quoted market price, Level 1	1,500,000
Corporate Bond – Shell International	A	8/21/2017	Quoted market price, Level 1	999,680
Corporate Bond – Commonwealth Bank AU/NY	AA-	9/8/2017	Quoted market price, Level 1	1,000,190
Corporate Bond – Chevron Corporation	AA-	11/9/2017	Quoted market price, Level 1	999,830
Corporate Bond – Statoil ASA	A+	11/9/2017	Quoted market price, Level 1	599,538
US Agency – FHLMC .875	AA+	11/17/2017	Quoted market price, Level 1	999,730
Corporate Bond – Westpac Banking Corporation	AA-	12/1/2017	Quoted market price, Level 1	500,070
Corporate Bond – Westpac Banking Corporation	AA-	12/1/2017	Quoted market price, Level 1	1,500,210
Corporate Bond – US Bank National Association	AA-	1/26/2018	Quoted market price, Level 1	549,725
US Agency – FFCB .69	AA+	1/11/2018	Quoted market price, Level 1	997,410
Corporate Bond – Berkshire Hathaway	AA	2/9/2018	Quoted market price, Level 1	1,000,940
Corporate Bond – Toyota Motor Credit Corporation	AA-	4/6/2018	Quoted market price, Level 1	998,050
Corporate Bond – Bank of Nova Scotia	A+	4/25/2018	Quoted market price, Level 1	998,974
Corporate Bond – Apple Inc	AA+	5/3/2018	Quoted market price, Level 1	996,380
US Agency – FHLB 1.00	AA+	5/10/2018	Quoted market price, Level 1	1,995,820
US Agency – FHLB .875	AA+	8/8/2018	Quoted market price, Level 1	496,115
Corporate Bond – Berkshire Hathaway	AA	8/15/2018	Quoted market price, Level 1	1,004,810
Corporate Bond – Toronto Dominion Bank	AA- No rating	9/6/2018	Quoted market price, Level 1	998,050
US Agency – FAMC 1.25	AA-	9/10/2018	Quoted market price, Level 1	997,950
Corporate Bond – Commonwealth Bank AU/NY	AA-	11/2/2018	Quoted market price, Level 1	465,372
Total Investments				<u>\$ 45,161,741</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 4 - RECEIVABLES

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

	General Fund	Public Works	Timber Projects	Other Gov Funds	Total
Taxes	\$ 168,793	\$ -	\$ -	\$ -	\$ 168,793
Accounts	423,589	184,514	1,418,239	253,715	2,280,057
Contracts	-	-	1,667,371	359,383	2,026,754
Total	<u>\$ 592,382</u>	<u>\$ 184,514</u>	<u>\$ 3,085,610</u>	<u>\$ 613,098</u>	<u>\$ 4,475,604</u>

Hood River County owns 34,358 acres of timberland and derives revenue from those lands via timber sales. As of June 30, 2017, there were five contracts open covering sales over the next one to three years accounting for the \$1,667,371 of contracts receivable and related deferred revenue. Each sale is individually guaranteed by a performance bond that will pay the contractual revenue to the County should the contractor not be able to perform in accordance to the contract provisions. The County has had to exercise its rights in this type of situation only twice in the last fifteen years and has done so successfully without loss of revenue.

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, 2017, the balance in contracts receivable and deferred revenue for this purpose was \$359,383 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)	<u>\$ 147,038</u>
Total unavailable revenue	<u>\$ 147,038</u>
Unearned Revenue:	
Unearned revenue - other (General Fund)	\$ 2,400
Unearned revenue - timber contracts receivable	1,667,371
Unearned revenue - prepaid rents	1,125
Unearned revenue - farm loan agreements	<u>359,383</u>
Total unearned revenue	<u>\$ 2,030,279</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 5 - CAPITAL ASSETS

Activity and balances of the County's capital assets for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance
Capital assets not being depreciated					
Land	\$ 19,667,472	\$ 1,786,052	\$ (431,682)	\$ -	\$ 21,021,842
Infrastructure	53,037,997	28,984	-	-	53,066,981
Construction in progress	115,962	95,554	-	-	211,516
Total capital assets, not being depreciated	<u>72,821,431</u>	<u>1,910,590</u>	<u>(431,682)</u>	<u>-</u>	<u>74,300,339</u>
Capital assets being depreciated					
Buildings and improvements	13,295,502	99,099	(3,929,469)	-	9,465,132
Furniture and fixtures	41,368	-	-	-	41,368
Vehicles	2,887,743	280,610	(81,350)	-	3,087,003
Machinery and equipment	7,476,896	512,501	(408,886)	-	7,580,511
Total capital assets being depreciated	<u>23,701,509</u>	<u>892,210</u>	<u>(4,419,705)</u>	<u>-</u>	<u>20,174,014</u>
Less accumulated depreciation for					
Buildings and improvements	(4,148,411)	(150,552)	1,084,593	6,560	(3,207,810)
Furniture and fixtures	(34,039)	(1,527)	-	-	(35,566)
Vehicles	(2,217,676)	(204,982)	81,350	-	(2,341,308)
Machinery and equipment	(6,060,578)	(269,349)	408,220	-	(5,921,707)
Total accumulated depreciation	<u>(12,460,704)</u>	<u>(626,410)</u>	<u>1,574,163</u>	<u>6,560</u>	<u>(11,506,391)</u>
Total capital assets being depreciated, net	<u>11,240,805</u>	<u>265,800</u>	<u>(2,845,542)</u>	<u>6,560</u>	<u>8,667,623</u>
Capital assets, net	<u>\$ 84,062,236</u>	<u>\$ 2,176,390</u>	<u>\$ (3,277,224)</u>	<u>\$ 6,560</u>	<u>\$ 82,967,962</u>

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

General government	\$ 147,615
Sheriff	179,148
Public safety	7,865
Public works	214,808
Library	6,324
Community service	<u>70,650</u>

Total depreciation expense - governmental activities \$ 626,410

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

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, 2017 fiscal year is as follows:

<u>Transfers from:</u>		<u>Transfer to:</u>	
General fund	\$ 131,430	Nonmajor funds	\$ 131,430
Public works fund	945,155	General fund	468,155
		Nonmajor funds	477,000
Timber projects fund	3,518,000	General fund	3,072,000
		Timber projects	446,000
Nonmajor funds	546,295	General fund	479,570
		Public works fund	48,000
		Nonmajor funds	18,725
Total transfers	<u>\$ 5,140,880</u>		<u>\$ 5,140,880</u>

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, 2017

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 \$59,028 for the year ended June 30, 2017. The future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2018	\$ 53,702
2019	52,961
2020	48,612
2021	42,477
2022	36,530
Beyond	<u>137,659</u>
Total	<u>\$ 371,941</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 8 - LONG-TERM DEBT

Changes in long-term liabilities.

Long-term liability activity for the year ended June 30, 2017, were as follows:

	Balance 7/1/2016	Additions	Reductions	Balance 6/30/2017	Due within one year
Governmental Activities					
Pension obligation bonds	\$ 4,795,000	\$ -	\$ 185,000	\$ 4,610,000	\$ 220,000
Note payable	224,278	-	179,148	45,130	25,820
OPEB	1,108,971	-	33,929	1,075,042	-
Compensated absences	484,408	345,927	295,047	535,288	-
Total	\$ 6,612,657	\$ 345,927	\$ 693,124	\$ 6,265,460	\$ 245,820

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, 2017

NOTE 8 - LONG-TERM DEBT, continued

Annual debt service requirements to maturity:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Principal</u>
2018	\$ 220,000	\$ 279,273
2019	255,000	266,203
2020	295,000	250,864
2021	340,000	233,120
2022	385,000	212,669
2023-27	2,780,000	648,770
2028-32	335,000	20,418
Total	<u>\$ 4,610,000</u>	<u>\$ 1,911,317</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 \$25,235.

Annual debt service requirements to maturity:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Principal</u>
2018	\$ 19,649	\$ 7,736
Total	<u>\$ 19,649</u>	<u>\$ 7,736</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:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Principal</u>
2018	\$ 6,171	\$ 509
2019	6,294	385
2020	6,420	259
2021	6,596	131
Total	<u>\$ 25,481</u>	<u>\$ 1,284</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 9 – JOINTLY GOVERNED ORGANIZATION

In 1996 the County, in conjunction with three other county governments created the Northern Oregon Corrections (NORCOR) regional jail. NORCOR provides jail services to the four member counties. Its board is comprised of one member from each participating county governing body. Each member government is responsible for their respective share of NORCOR's operation. Any operating deficit would cause an additional assessment on the member counties. The County contributed \$1,460,400 equivalent to 40% of all counties' contributions, to the operation of the NORCOR facility for the fiscal year ended June 30, 2017. Financial information for this entity may be obtained from the Administrator, Northern Oregon Corrections, 201 Webber Road, The Dalles, Oregon 97058.

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

NOTE 10 – 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/Documents/Financial/CAFR/2016-CAFR.pdf>

- 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 either by 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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 10 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

- 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.
 - 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, 2014 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, 2017 were approximately \$315,961, excluding amounts to fund employer specific liabilities. Approximately \$482,238 was charged for the year ended June 30, 2017 as PERS benefits expenditures to be used for bond payments as they become due. In addition approximately \$427,889 in employee contributions were paid or picked up by the County in fiscal 2017.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 10 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

At June 30, 2017, the County reported a liability of \$7,791,691 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2014, 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 entities, actuarially determined. At December 31, 2014, the County's proportion was .05 percent.

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

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 257,783	\$ -
Changes in assumptions	1,661,780	-
Net difference between projected and actual earnings on pension plan investments	1,539,311	-
Changes in proportionate share	392,824	-
Differences between employer contributions and employer's proportionate share of system contributions	-	316,008
Contributions subsequent to measurement date	315,961	
Net deferred outflow(inflows of resources)		\$ 3,851,651

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

Year Ending June 30,	Amount
2017	\$ 634,053
2018	634,053
2019	1,205,224
2020	927,028
2021	135,332
Thereafter	-
Total	\$ 3,535,690

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated December 1, 2016. Oregon PERS produces an independently audited CAFR which can be found at: <http://www.oregon.gov/PERS/Documents/Financial/CAFR/2016-CAFR.pdf>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 10 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

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.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2014 rolled forward to June 30, 2016 measurement date
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	2.5 percent (reduced from 2.75 percent)
Investment rate of return	7.5 percent (reduced from 7.75 percent)
Projected salary increase	3.5 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 (reduced from 3.5 percent)
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, 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 (70% for males and 95% for females) of the RP-2000 sex distinct, generational per scale BB, disabled mortality rate.

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, 2014.

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 10 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

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.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 10 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	7.71%	6.07%
<i>Assumed Inflation</i>		2.75%

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	(6.5%)	(7.5%)	(8.5%)
County's proportionate share of the net pension liability	\$ 12,580,983	\$ 7,791,691	\$ 3,788,681

Changes Subsequent to the Measurement Date

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

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the Count for amounts earned by them to not be paid until a future date when

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 10 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

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 that is invested in the IAP. The County makes this contribution on behalf of its employees.

NOTE 11 – 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, therefore an actuary has calculated that the implied subsidy included in healthcare costs for the year ended June 30, 2017. 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, 2017

NOTE 11 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS, continued

	2015	2016	2017
Annual required contribution (ARC)	\$ 177,564	\$ 127,773	\$ 129,922
Interest on prior year net OPEB obligation	37,880	39,441	38,814
Adjustment on ARC	(130,135)	(135,498)	(133,344)
Annual OPEB cost	85,309	31,716	35,392
Implicit benefit payments	(40,709)	(49,627)	(69,321)
Increase in net OPEB obligation	44,600	(17,911)	(33,929)
Net OPEB obligation - beginning of year	1,082,282	1,126,882	1,108,971
Net OPEB obligation - end of year	<u>\$ 1,126,882</u>	<u>\$ 1,108,971</u>	<u>\$ 1,075,042</u>

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, 2017, along with the two preceding fiscal years, were as follows:

Year Ended	OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
6/30/2015	\$ 85,309	48.00%	\$ 1,126,882
6/30/2016	31,716	156.00%	1,108,971
6/30/2017	35,392	196.00%	1,075,042

Funding status and funding progress. As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$756,421 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, 2017

NOTE 11 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS, continued

The following simplifying assumptions were made:

- Discount rate: 3.5% for unfunded liabilities.
- Inflation rate: 2.50%
- Health Cost Trend 2016 – 7.0%, 2017 – 7.5%, 2018 – 6.0%, 2019 – 5.5%, 2020-25 – 5.25%, 2026 – 5.0%, 2027-35 – 5.25%, 2036 – 5.75%, 2037-39 – 6.25%, 2040-42 – 6.0%, 2043-47 – 5.75%, 2048-56 – 5.5% 2057-64 – 5.25%, 2065+ - 5.0%, Dental 4.50% per year
- Annual Payroll Increase: 3.50% 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: RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using scale BB for males and female.
- 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: 40% of active members are assumed to elect coverage upon retirement. 60% of male members and 35% of female members who elect coverage upon retirement are also assumed to elect spouse coverage.
- 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, 2017

NOTE 12 – FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2017 are as follows:

Fund balances	<u>General Fund</u>	<u>Public Works</u>	<u>Timber Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable					
Inventory/Prepays	\$ 19,196	\$ 242,673	\$ -	\$ 3,948	\$ 265,817
Total	19,196	242,673	-	3,948	265,817
Restricted					
Public works	-	9,768,911	-	506,687	10,275,598
Sheriff programs	-	-	-	449,899	449,899
DA county programs	-	-	-	15,396	15,396
Community grants	-	-	-	14,708	14,708
Clerk duties	-	-	-	42,594	42,594
Health programs	-	-	-	153,665	153,665
Federal forest	-	-	-	-	-
Building inspection	-	-	-	498,378	498,378
HRPP	-	-	-	217,028	217,028
Transient Room	-	-	-	251	251
Video lottery	-	-	-	584	584
County fair	-	-	-	27,083	27,083
Capital projects	-	-	-	1,678,356	1,678,356
Debt service	-	-	-	31,140	31,140
Total	-	9,768,911	-	3,635,769	13,404,680
Committed					
Timber projects	-	-	12,424,523	-	12,424,523
Timber interest	-	-	-	2,619,203	2,619,203
Renewable energy	-	-	-	65,684	65,684
Farm loans	-	-	-	20,651	20,651
Animal shelter	-	-	-	248,475	248,475
Court assessment	-	-	-	219,489	219,489
Employees	-	-	-	3,333	3,333
Total	-	-	12,424,523	3,176,835	15,601,358
Assigned					
Reserves	924,966	-	-	-	924,966
Total	924,966	-	-	-	924,966
Unassigned					
	582,010	-	-	-	582,010
Total fund balances	\$ 1,526,172	\$ 10,011,584	\$ 12,424,523	\$ 6,816,552	\$ 30,778,831

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2017

NOTE 13 – 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 14 – 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>
2013	76
2014	76
2015	76
2016	74
2017	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>
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
16-17	\$400,000	\$769,443

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

<u>Year</u>	<u>M&R Budget</u>	<u>Projected PCI</u>
17-18	\$660,000	75
18-19	\$660,000	75
19-20	\$660,000	74
20-21	\$660,000	74
21-22	\$660,000	73

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 2017 replacement cost for the County's bridge system amounts to \$31,711,839; 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, 2017**

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%	\$6,440,000	25.40%
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%
7/1/2016	\$ -	\$ 756,421	\$ 756,421	0.00%	\$7,470,000	10.13%

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, 2017

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
2017	0.052 %	\$ 7,791,691	\$ 7,298,830	38% %	80.5 %
2016	0.046	2,636,953	6,937,000	38%	91.9
2015	0.041	(919,360)	6,820,000	-13%	103.6
2014	0.041	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
2017	\$ 315,961	\$ 315,961	\$ -	\$ 7,834,241	4.03%
2016	321,473	321,473	-	7,298,830	4.40%
2015	348,672	348,672	-	6,937,000	5.03%
2014	337,753	337,753	-	6,820,000	4.95%

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, 2017**

	NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	NONMAJOR DEBT SERVICE FUND	TOTAL COMBINED NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
CASH AND INVESTMENTS	\$ 5,030,925	\$ 1,678,356	\$ 31,140	\$ 6,740,421
RECEIVABLES:				
ACCOUNTS	253,715	-	-	253,715
CONTRACTS	359,383	-	-	359,383
PREPAID ITEMS	3,948	-	-	3,948
TOTAL ASSETS	\$ 5,647,971	\$ 1,678,356	\$ 31,140	\$ 7,357,467
LIABILITIES				
ACCOUNTS PAYABLE	\$ 92,405	\$ -	\$ -	\$ 92,405
ACCRUED COMPENSATION	88,002	-	-	88,002
UNEARNED REVENUE	360,508	-	-	360,508
TOTAL LIABILITIES	540,915	-	-	540,915
FUND BALANCES				
NONSPENDABLE	3,948	-	-	3,948
RESTRICTED	1,926,273	1,678,356	31,140	3,635,769
COMMITTED	3,176,835	-	-	3,176,835
TOTAL FUND BALANCES	5,107,056	1,678,356	31,140	6,816,552
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,647,971	\$ 1,678,356	\$ 31,140	\$ 7,357,467

**HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017**

	RENEWABLE ENERGY PROJECTS	COMM GRANT PROJECTS	COMM DVL BLOCK GRANT	FARM LOANS	SHERIFF CO PROG	ANIMAL FACILITY
ASSETS						
CASH AND INVESTMENTS	\$ 65,684	\$ 14,708	\$ -	\$ 20,651	\$ 437,706	\$ 249,173
RECEIVABLES:						
ACCOUNTS	-	-	7,805	-	17,425	-
CONTRACTS	-	-	-	359,383	-	-
PREPAID ITEMS	-	-	-	-	3,268	-
TOTAL ASSETS	\$ 65,684	\$ 14,708	\$ 7,805	\$ 380,034	\$ 458,399	\$ 249,173
LIABILITIES						
ACCOUNTS PAYABLE	-	-	7,805	-	1,087	340
ACCRUED COMPENSATION	-	-	-	-	4,145	358
UNEARNED REVENUE	-	-	-	359,383	-	-
TOTAL LIABILITIES	-	-	7,805	359,383	5,232	698
FUND BALANCES						
NONSPENDABLE	-	-	-	-	3,268	-
RESTRICTED	-	14,708	-	-	449,899	-
COMMITTED	65,684	-	-	20,651	-	248,475
TOTAL FUND BALANCES	65,684	14,708	-	20,651	453,167	248,475
TOTAL LIABILITIES AND FUND BALANCES	\$ 65,684	\$ 14,708	\$ 7,805	\$ 380,034	\$ 458,399	\$ 249,173

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**HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017**

	PW PROJECTS	TIMBER INTEREST	DA CO PROG	CLERK'S FUND	HEALTH PROGRAMS	BLDG INSPEC	HRPP
ASSETS							
CASH AND INVESTMENTS	\$ 504,698	\$ 2,619,203	\$ (14,083)	\$ 41,905	\$ 100,480	\$ 518,352	\$ 225,944
RECEIVABLES:							
ACCOUNTS	1,989	-	45,123	689	106,264	7,206	23,423
CONTRACTS	-	-	-	-	-	-	-
PREPAID ITEMS	-	-	-	-	-	-	680
TOTAL ASSETS	\$ 506,687	\$ 2,619,203	\$ 31,040	\$ 42,594	\$ 206,744	\$ 525,558	\$ 250,047
LIABILITIES							
ACCOUNTS PAYABLE	\$ -	\$ -	\$ 5,942	\$ -	\$ 13,862	\$ 5,081	\$ 19,858
ACCRUED COMPENSATION	-	-	9,702	-	39,217	22,099	12,481
UNEARNED REVENUE	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	15,644	-	53,079	27,180	32,339
FUND BALANCES							
NONSPENDABLE	-	-	-	-	-	-	680
RESTRICTED	506,687	-	15,396	42,594	153,665	498,378	217,028
COMMITTED	-	2,619,203	-	-	-	-	-
TOTAL FUND BALANCES	506,687	2,619,203	15,396	42,594	153,665	498,378	217,708
TOTAL LIABILITIES AND FUND BALANCES	\$ 506,687	\$ 2,619,203	\$ 31,040	\$ 42,594	\$ 206,744	\$ 525,558	\$ 250,047

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**HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017**

	TRANSIENT ROOM TAX	COURT ASSMT	VIDEO LOTTERY	COUNTY FAIR	EMPLOYEE FUND	TOTAL NON-MAJOR SPECIAL REVENUE FUNDS
ASSETS						
CASH AND INVESTMENTS	\$ -	\$ 214,379	\$ 584	\$ 28,208	\$ 3,333	\$ 5,030,925
RECEIVABLES:						
ACCOUNTS	30,025	13,766	-	-	-	253,715
CONTRACTS	-	-	-	-	-	359,383
PREPAID ITEMS	-	-	-	-	-	3,948
TOTAL ASSETS	<u>\$ 30,025</u>	<u>\$ 228,145</u>	<u>\$ 584</u>	<u>\$ 28,208</u>	<u>\$ 3,333</u>	<u>\$ 5,647,971</u>
LIABILITIES						
ACCOUNTS PAYABLE	\$ 29,774	\$ 8,656	\$ -	\$ -	\$ -	\$ 92,405
ACCRUED COMPENSATION	-	-	-	-	-	88,002
UNEARNED REVENUE	-	-	-	1,125	-	360,508
TOTAL LIABILITIES	<u>29,774</u>	<u>8,656</u>	<u>-</u>	<u>1,125</u>	<u>-</u>	<u>540,915</u>
FUND BALANCES						
NONSPENDABLE	-	-	-	-	-	3,948
RESTRICTED	251	-	584	27,083	-	1,926,273
COMMITTED	-	219,489	-	-	3,333	3,176,835
TOTAL FUND BALANCES	<u>251</u>	<u>219,489</u>	<u>584</u>	<u>27,083</u>	<u>3,333</u>	<u>5,107,056</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,025</u>	<u>\$ 228,145</u>	<u>\$ 584</u>	<u>\$ 28,208</u>	<u>\$ 3,333</u>	<u>\$ 5,647,971</u>

**HOOD RIVER COUNTY, OREGON
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017**

	<u>EQUIPMENT REPLCMT</u>	<u>PW EQUIP REPLCMT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NON-MAJOR CAPITAL PROJECTS FUNDS</u>
ASSETS				
CASH AND INVESTMENTS	\$ 60,676	\$ 1,406,165	\$ 211,515	\$ 1,678,356
TOTAL ASSETS	<u>\$ 60,676</u>	<u>\$ 1,406,165</u>	<u>\$ 211,515</u>	<u>\$ 1,678,356</u>
LIABILITIES				
ACCOUNTS PAYABLE	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
RESTRICTED	<u>60,676</u>	<u>1,406,165</u>	<u>211,515</u>	<u>1,678,356</u>
TOTAL FUND BALANCES	<u>60,676</u>	<u>1,406,165</u>	<u>211,515</u>	<u>1,678,356</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 60,676</u>	<u>\$ 1,406,165</u>	<u>\$ 211,515</u>	<u>\$ 1,678,356</u>

**HOOD RIVER COUNTY, OREGON
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2017**

ASSETS	
CASH AND INVESTMENTS	\$ 31,140
TOTAL ASSETS	<u>\$ 31,140</u>
 FUND BALANCES	
RESTRICTED	31,140
TOTAL FUND BALANCES	<u>31,140</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 31,140</u>

**HOOD RIVER COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	NONMAJOR DEBT SERVICE FUND	TOTAL COMBINED NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
PROPERTY TAXES	\$ -	\$ -	\$ -	\$ -
OTHER TAXES	152,559	-	-	152,559
INTERGOVERNMENTAL	1,817,157	-	-	1,817,157
FINES AND FEES	1,792,871	-	-	1,792,871
INVESTMENT EARNINGS	165,760	-	-	165,760
DONATIONS & CONTRIBUTIONS	32,211	-	-	32,211
OTHER REVENUE	125,082	-	-	125,082
PERS IN LIEU	-	-	482,238	482,238
TOTAL REVENUES	4,085,640	-	482,238	4,567,878
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	1,970,017	-	-	1,970,017
MATERIALS & SERVICES	1,010,944	-	-	1,010,944
CAPITAL OUTLAY	78,528	449,625	-	528,153
OTHER	447,018	-	475,126	922,144
TOTAL EXPENDITURES	3,506,507	449,625	475,126	4,431,258
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	579,133	(449,625)	7,112	136,620
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	125,155	502,000	-	627,155
TRANSFERS OUT	(546,295)	-	-	(546,295)
PROCEEDS FROM THE SALE OF ASSETS	25,000	69,869	-	94,869
TOTAL OTHER FINANCING SOURCES (USES)	(396,140)	571,869	-	175,729
NET CHANGE IN FUND BALANCE	182,993	122,244	7,112	312,349
FUND BALANCE - BEGINNING	4,924,063	1,556,112	24,028	6,504,203
FUND BALANCE - ENDING	\$ 5,107,056	\$ 1,678,356	\$ 31,140	\$ 6,816,552

**HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	RENEWABLE ENERGY PROJECTS	COMM GRANT PROJECTS	COMM DVL BLOCK GRANT	FARM LOANS	SHERIFF CO PROG	ANIMAL FACILITY	PW PROJECTS	TIMBER INTEREST
REVENUES								
OTHER TAXES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTERGOVERNMENTAL	-	-	58,455	-	60,396	-	17,688	-
FINES AND FEES	-	-	-	-	19,659	-	98,302	-
INVESTMENT EARNINGS	-	-	-	196	4,456	2,493	4,544	145,198
DONATIONS & CONTRIBUTIONS	-	-	-	-	-	163	-	-
OTHER REVENUE	-	-	-	62,632	-	-	-	-
PERS IN LIEU	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	58,455	62,828	84,511	2,656	120,534	145,198
EXPENDITURES								
CURRENT OPERATING:								
PERSONAL SERVICES	-	-	-	-	105,966	7,637	-	-
MATERIALS & SERVICES	2,830	2,624	-	-	34,852	8,019	-	-
CAPITAL OUTLAY	-	-	-	-	50,505	-	-	-
SPECIAL PAYMENTS	-	-	58,455	44,715	-	7,000	-	-
TOTAL EXPENDITURES	2,830	2,624	58,455	44,715	191,323	22,656	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,830)	(2,624)	-	18,113	(106,812)	(20,000)	120,534	145,198
OTHER FINANCING SOURCES (USES)								
TRANSFERS IN	-	-	-	-	40,225	-	-	-
TRANSFERS OUT	-	-	-	-	-	-	(54,500)	(200,000)
PROCEEDS FROM THE SALE OF ASSETS	-	-	-	-	-	25,000	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	40,225	25,000	(54,500)	(200,000)
NET CHANGE IN FUND BALANCE	(2,830)	(2,624)	-	18,113	(66,587)	5,000	66,034	(54,802)
FUND BALANCE - BEGINNING	68,514	17,332	-	2,538	519,754	243,475	440,653	2,674,005
FUND BALANCE - ENDING	\$ 65,684	\$ 14,708	\$ -	\$ 20,651	\$ 453,167	\$ 248,475	\$ 506,687	\$ 2,619,203

**HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	DA ANC PROG	CLERK'S FUNO	FEDERAL FOREST	HEALTH PROGRAMS	BLDG INSPEC	HR PREV PROGRAM	TRANSIENT ROOM TAX
REVENUES							
OTHER TAXES	\$ -	\$ -	\$ 5,021	\$ -	\$ -	\$ -	\$ 147,538
INTERGOVERNMENTAL	104,873	-	35,907	840,504	-	330,828	-
FINES AND FEES	34,315	5,591	-	541,026	778,500	188	-
INVESTMENT EARNINGS	-	417	-	-	3,404	2,045	549
DONATIONS & CONTRIBUTIONS	1,000	-	-	5,648	-	-	-
OTHER REVENUE	-	-	-	-	-	62,450	-
	-	-	-	-	-	-	-
TOTAL REVENUES	140,188	6,008	40,928	1,387,178	781,904	395,511	148,087
EXPENDITURES							
CURRENT OPERATING:							
PERSONAL SERVICES	198,065	-	-	869,316	425,197	222,583	-
MATERIALS & SERVICES	27,433	11,195	-	435,353	79,791	73,149	-
CAPITAL OUTLAY	-	-	-	14,516	-	-	-
SPECIAL PAYMENTS	-	-	40,928	34,491	-	113,593	147,836
TOTAL EXPENDITURES	225,498	11,195	40,928	1,353,676	504,988	409,325	147,836
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(85,310)	(5,187)	-	33,502	276,916	(13,814)	251
OTHER FINANCING SOURCES (USES)							
TRANSFERS IN	82,430	2,500	-	-	-	-	-
TRANSFERS OUT	-	-	(16,225)	-	(41,420)	-	-
PROCEEDS FROM THE SALE OF ASSETS	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	82,430	2,500	(16,225)	-	(41,420)	-	-
NET CHANGE IN FUND BALANCE	(2,880)	(2,687)	(16,225)	33,502	235,496	(13,814)	251
FUND BALANCE - BEGINNING	18,276	45,281	16,225	120,163	262,882	231,522	-
FUND BALANCE - ENDING	\$ 15,396	\$ 42,594	\$ -	\$ 153,665	\$ 498,378	\$ 217,708	\$ 251

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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, 2017**

	COURT ASSMT	VIDEO LOTTERY	COUNTY FAIR	EMPLOYEE FUND	TOTAL NON-MAJOR SPECIAL REVENUE FUNDS
REVENUES					
OTHER TAXES	\$ -	\$ -	\$ -	\$ -	\$ 152,559
INTERGOVERNMENTAL	156,984	157,855	53,667	-	1,817,157
FINES AND FEES	-	-	315,290	-	1,792,871
INVESTMENT EARNINGS	2,309	-	113	36	165,760
DONATIONS & CONTRIBUTIONS	-	-	25,400	-	32,211
OTHER REVENUE	-	-	-	-	125,082
TOTAL REVENUES	159,293	157,855	394,470	36	4,085,640
EXPENDITURES					
CURRENT OPERATING:					
PERSONAL SERVICES	-	-	141,253	-	1,970,017
MATERIALS & SERVICES	82,355	-	252,585	758	1,010,944
CAPITAL OUTLAY	-	-	13,507	-	78,528
SPECIAL PAYMENTS	-	-	-	-	447,018
TOTAL EXPENDITURES	82,355	-	407,345	758	3,506,507
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	76,938	157,855	(12,875)	(722)	579,133
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN	-	-	-	-	125,155
TRANSFERS OUT	(63,350)	(170,800)	-	-	(546,295)
PROCEEDS FROM THE SALE OF ASSETS	-	-	-	-	25,000
TOTAL OTHER FINANCING SOURCES (USES)	(63,350)	(170,800)	-	-	(396,140)
NET CHANGE IN FUND BALANCE	13,588	(12,945)	(12,875)	(722)	182,993
FUND BALANCE - BEGINNING	205,901	13,529	39,958	4,055	4,924,063
FUND BALANCE - ENDING	\$ 219,489	\$ 584	\$ 27,083	\$ 3,333	\$ 5,107,056

**HOOD RIVER COUNTY, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>EQUIPMENT REPLCMT</u>	<u>PW EQUIP REPLCMT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NON-MAJOR CAPITAL PROJECTS FUNDS</u>
EXPENDITURES				
CURRENT OPERATING:				
CAPITAL OUTLAY	\$ 57,651	\$ 391,974	\$ -	\$ 449,625
TOTAL EXPENDITURES	<u>57,651</u>	<u>391,974</u>	<u>-</u>	<u>449,625</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(57,651)	(391,974)	-	(449,625)
OTHER FINANCING SOURCES				
TRANSFERS IN	25,000	477,000	-	502,000
PROCEEDS FROM THE SALE OF ASSETS	429	-	69,440	69,869
TOTAL OTHER FINANCING SOURCES	<u>25,429</u>	<u>477,000</u>	<u>69,440</u>	<u>571,869</u>
NET CHANGE IN FUND BALANCE	(32,222)	85,026	69,440	122,244
FUND BALANCE - BEGINNING	92,898	1,321,139	142,075	1,556,112
FUND BALANCE - ENDING	<u>\$ 60,676</u>	<u>\$ 1,406,165</u>	<u>\$ 211,515</u>	<u>\$ 1,678,356</u>

HOOD RIVER COUNTY, OREGON
NONMAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017

REVENUES	
PERS IN LIEU	\$ 482,238
TOTAL REVENUES	<u>482,238</u>
EXPENDITURES	
CURRENT OPERATING:	
DEBT SERVICE	475,126
TOTAL EXPENDITURES	<u>475,126</u>
NET CHANGE IN FUND BALANCE	7,112
FUND BALANCE - BEGINNING	24,028
FUND BALANCE - ENDING	<u>\$ 31,140</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, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
MATERIALS & SERVICES	\$ 70,350	\$ 70,350	\$ 2,830	\$ (67,520)
TOTAL EXPENDITURES	<u>70,350</u>	<u>70,350</u>	<u>2,830</u>	<u>(67,520)</u>
NET CHANGE IN FUND BALANCE	(70,350)	(70,350)	(2,830)	67,520
FUND BALANCE - BEGINNING	<u>70,350</u>	<u>70,350</u>	<u>68,514</u>	<u>(1,836)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,684</u>	<u>\$ 65,684</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, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
MATERIALS & SERVICES	\$19,210	\$19,210	\$2,624	(\$16,586)
TOTAL EXPENDITURES	<u>19,210</u>	<u>19,210</u>	<u>2,624</u>	<u>(16,586)</u>
NET CHANGE IN FUND BALANCE	(19,210)	(19,210)	(2,624)	16,586
FUND BALANCE - BEGINNING	<u>19,210</u>	<u>19,210</u>	<u>17,332</u>	<u>(1,878)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,708</u>	<u>\$ 14,708</u>

HOOD RIVER COUNTY, OREGON
COMMUNITY DEVELOPMENT BLOCK GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ -	\$ 100,000	\$ 58,455	\$ (41,545)
TOTAL REVENUES	<u>-</u>	<u>100,000</u>	<u>58,455</u>	<u>(41,545)</u>
EXPENDITURES				
SPECIAL PAYMENTS	-	100,000	58,455	(41,545)
TOTAL EXPENDITURES	<u>-</u>	<u>100,000</u>	<u>58,455</u>	<u>(41,545)</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
 FARM LOAN PROGRAM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET & ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 8,830	\$ 8,830	\$ 196	\$ (8,634)
OTHER REVENUE	37,000	37,000	62,632	25,632
TOTAL REVENUES	<u>45,830</u>	<u>45,830</u>	<u>62,828</u>	<u>16,998</u>
EXPENDITURES				
SPECIAL PAYMENTS	120,830	120,830	44,715	(76,115)
TOTAL EXPENDITURES	<u>120,830</u>	<u>120,830</u>	<u>44,715</u>	<u>(76,115)</u>
NET CHANGE IN FUND BALANCE	(75,000)	(75,000)	18,113	93,113
FUND BALANCE - BEGINNING	<u>75,000</u>	<u>75,000</u>	<u>2,538</u>	<u>(72,462)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,651</u>	<u>\$ 20,651</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 62,050	\$ 62,050	\$ 60,396	\$ (1,654)
FINES AND FEES	18,500	18,500	19,659	1,159
INVESTMENT EARNINGS	2,100	2,100	4,456	2,356
TOTAL REVENUES	82,650	82,650	84,511	1,861
EXPENDITURES				
PERSONAL SERVICES	169,750	169,750	105,966	(63,784)
MATERIALS & SERVICES	258,930	273,155	34,852	(238,303)
CAPITAL OUTLAY	45,710	50,710	50,505	(205)
CONTINGENCY	84,160	84,160	-	(84,160)
TOTAL EXPENDITURES	558,550	577,775	191,323	(386,452)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(475,900)	(495,125)	(106,812)	388,313
OTHER FINANCING SOURCES				
TRANSFERS IN	35,000	51,225	40,225	(11,000)
TOTAL OTHER FINANCING SOURCES	35,000	51,225	40,225	(11,000)
NET CHANGE IN FUND BALANCE	(440,900)	(443,900)	(66,587)	377,313
FUND BALANCE - BEGINNING	440,900	443,900	519,754	75,854
FUND BALANCE - ENDING	\$ -	\$ -	\$ 453,167	\$ 453,167

**HOOD RIVER COUNTY, OREGON
ANIMAL FACILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 1,100	\$ 1,100	\$ 2,493	\$ 1,393
DONATIONS/CONTRIBUTIONS	-	-	163	163
TOTAL REVENUES	<u>1,100</u>	<u>1,100</u>	<u>2,656</u>	<u>1,556</u>
EXPENDITURES				
PERSONAL SERVICES	10,925	10,925	7,637	(3,288)
MATERIALS & SERVICES	16,500	16,500	8,019	(8,481)
SPECIAL PAYMENTS	-	7,000	7,000	-
CONTINGENCY	50,000	68,000	-	(68,000)
TOTAL EXPENDITURES	<u>77,425</u>	<u>102,425</u>	<u>22,656</u>	<u>(79,769)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(76,325)	(101,325)	(20,000)	81,325
OTHER FINANCING SOURCES				
PROCEEDS FROM THE SALE OF ASSETS	-	25,000	25,000	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(76,325)	(76,325)	5,000	81,325
FUND BALANCE - BEGINNING	<u>245,000</u>	<u>245,000</u>	<u>243,475</u>	<u>(1,525)</u>
FUND BALANCE - ENDING	<u>\$ 168,675</u>	<u>\$ 168,675</u>	<u>\$ 248,475</u>	<u>\$ 79,800</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 16,500	\$ 16,500	\$ 17,688	\$ 1,188
FINES AND FEES	115,000	115,000	98,302	(16,698)
INVESTMENT EARNINGS	2,000	2,000	4,544	2,544
TOTAL REVENUES	<u>133,500</u>	<u>133,500</u>	<u>120,534</u>	<u>(12,966)</u>
EXPENDITURES				
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	133,500	133,500	120,534	(12,966)
OTHER FINANCING USES				
TRANSFERS OUT	<u>(54,500)</u>	<u>(54,500)</u>	<u>(54,500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	79,000	79,000	66,034	(12,966)
FUND BALANCE - BEGINNING	<u>426,500</u>	<u>426,500</u>	<u>440,653</u>	<u>14,153</u>
FUND BALANCE - ENDING	<u>\$ 505,500</u>	<u>\$ 505,500</u>	<u>\$ 506,687</u>	<u>\$ 1,187</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 95,000	\$ 95,000	\$ 145,198	\$ 50,198
TOTAL REVENUES	<u>95,000</u>	<u>95,000</u>	<u>145,198</u>	<u>50,198</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	95,000	95,000	145,198	50,198
OTHER FINANCING SOURCES				
TRANSFERS OUT	<u>(600,000)</u>	<u>(600,000)</u>	<u>(200,000)</u>	<u>(400,000)</u>
TOTAL OTHER FINANCING SOURCES	<u>(600,000)</u>	<u>(600,000)</u>	<u>(200,000)</u>	<u>(400,000)</u>
NET CHANGE IN FUND BALANCE	(505,000)	(505,000)	(54,802)	450,198
FUND BALANCE - BEGINNING	<u>2,660,000</u>	<u>2,660,000</u>	<u>2,674,005</u>	<u>14,005</u>
FUND BALANCE - ENDING	<u><u>\$ 2,155,000</u></u>	<u><u>\$ 2,155,000</u></u>	<u><u>\$ 2,619,203</u></u>	<u><u>\$ 464,203</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 91,295	\$ 91,295	\$ 104,873	\$ 13,578
FINES AND FEES	48,850	48,850	34,315	(14,535)
DONATIONS/CONTRIBUTIONS	2,000	2,000	1,000	(1,000)
TOTAL REVENUES	<u>142,145</u>	<u>142,145</u>	<u>140,188</u>	<u>(1,957)</u>
EXPENDITURES				
PERSONAL SERVICES	199,910	199,910	198,065	(1,845)
MATERIALS AND SERVICES	44,080	44,080	27,433	(16,647)
TOTAL EXPENDITURES	<u>243,990</u>	<u>243,990</u>	<u>225,498</u>	<u>(18,492)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(101,845)	(101,845)	(85,310)	16,535
OTHER FINANCING SOURCES				
TRANSFERS IN	91,045	91,045	82,430	(8,615)
NET CHANGE IN FUND BALANCE	(10,800)	(10,800)	(2,880)	7,920
FUND BALANCE - BEGINNING	10,800	10,800	18,276	7,476
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,396</u>	<u>\$ 15,396</u>

**HOOD RIVER COUNTY, OREGON
CLERKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 4,350	\$ 4,350	\$ 5,591	\$ 1,241
INVESTMENT EARNINGS	200	200	417	217
TOTAL REVENUES	<u>4,550</u>	<u>4,550</u>	<u>6,008</u>	<u>1,458</u>
EXPENDITURES				
MATERIALS AND SERVICES	52,700	52,700	11,195	(41,505)
TOTAL EXPENDITURES	<u>52,700</u>	<u>52,700</u>	<u>11,195</u>	<u>(41,505)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(48,150)	(48,150)	(5,187)	42,963
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(45,650)	(45,650)	(2,687)	42,963
FUND BALANCE - BEGINNING	<u>45,650</u>	<u>45,650</u>	<u>45,281</u>	<u>(369)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,594</u>	<u>\$ 42,594</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ -	\$ 35,910	\$ 35,907	\$ (3)
OTHER TAXES	6,000	6,000	5,021	(979)
TOTAL REVENUES	<u>6,000</u>	<u>41,910</u>	<u>40,928</u>	<u>(982)</u>
EXPENDITURES				
SPECIAL PAYMENTS	6,000	41,910	40,928	(982)
TOTAL EXPENDITURES	<u>6,000</u>	<u>41,910</u>	<u>40,928</u>	<u>(982)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING USES				
TRANSFERS OUT	-	(16,225)	(16,225)	-
NET CHANGE IN FUND BALANCE	-	(16,225)	(16,225)	-
FUND BALANCE - BEGINNING	-	16,225	16,225	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HOOD RIVER COUNTY, OREGON
HEALTH PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 833,220	\$ 885,030	\$ 840,504	\$ (44,526)
FINES AND FEES	494,750	514,825	541,026	26,201
DONATIONS/CONTRIBUTIONS	6,070	5,555	5,648	93
TOTAL REVENUES	<u>1,334,040</u>	<u>1,405,410</u>	<u>1,387,178</u>	<u>(18,232)</u>
EXPENDITURES				
PERSONAL SERVICES	884,520	901,840	869,316	(32,524)
MATERIALS & SERVICES	457,560	549,785	435,353	(114,432)
CAPITAL OUTLAY	-	16,000	14,516	(1,484)
SPECIAL PAYMENTS	50,420	50,420	34,491	(15,929)
TOTAL EXPENDITURES	<u>1,392,500</u>	<u>1,518,045</u>	<u>1,353,676</u>	<u>(164,369)</u>
NET CHANGE IN FUND BALANCE	<u>(58,460)</u>	<u>(112,635)</u>	<u>33,502</u>	<u>146,137</u>
FUND BALANCE - BEGINNING	<u>58,460</u>	<u>112,635</u>	<u>120,163</u>	<u>7,528</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,665</u>	<u>\$ 153,665</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 545,500	\$ 570,000	\$ 778,500	\$ 208,500
INVESTMENT EARNINGS	-	500	3,404	2,904
TOTAL REVENUES	<u>545,500</u>	<u>570,500</u>	<u>781,904</u>	<u>211,404</u>
EXPENDITURES				
PERSONAL SERVICES	497,875	465,120	425,197	(39,923)
MATERIALS & SERVICES	55,655	113,410	79,791	(33,619)
TOTAL EXPENDITURES	<u>553,530</u>	<u>578,530</u>	<u>504,988</u>	<u>(73,542)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,030)	(8,030)	276,916	(284,946)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	14,000	14,000	-	(14,000)
TRANSFERS OUT	(41,420)	(41,420)	(41,420)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(27,420)</u>	<u>(27,420)</u>	<u>(41,420)</u>	<u>(14,000)</u>
NET CHANGE IN FUND BALANCE	(35,450)	(35,450)	235,496	270,946
FUND BALANCE - BEGINNING	<u>35,450</u>	<u>35,450</u>	<u>262,882</u>	<u>227,432</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 498,378</u>	<u>\$ 498,378</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 350,250	\$ 397,395	\$ 330,828	\$ (66,567)
FINES AND FEES	2,500	2,500	188	(2,312)
INVESTMENT EARNINGS	2,000	2,000	2,045	45
OTHER REVENUE	56,000	61,000	62,450	1,450
TOTAL REVENUES	<u>410,750</u>	<u>462,895</u>	<u>395,511</u>	<u>(67,384)</u>
EXPENDITURES				
PERSONAL SERVICES	190,390	232,230	222,583	(9,647)
MATERIALS & SERVICES	58,480	98,680	73,149	(25,531)
SPECIAL PAYMENTS	298,090	294,995	113,593	(181,402)
CONTINGENCY	84,120	84,120	-	(84,120)
TOTAL EXPENDITURES	<u>631,080</u>	<u>710,025</u>	<u>409,325</u>	<u>(300,700)</u>
NET CHANGE IN FUND BALANCE	(220,330)	(247,130)	(13,814)	233,316
FUND BALANCE - BEGINNING	<u>220,330</u>	<u>247,130</u>	<u>231,522</u>	<u>(15,608)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,708</u>	<u>\$ 217,708</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, 2017

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

HOOD RIVER COUNTY, OREGON
TRANSIENT ROOM TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
OTHER TAXES	\$ 150,000	\$ 150,000	\$ 147,538	\$ (2,462)
INVESTMENT EARNINGS	500	500	549	49
TOTAL REVENUES	<u>150,500</u>	<u>150,500</u>	<u>148,087</u>	<u>(2,413)</u>
EXPENDITURES				
SPECIAL PAYMENTS	150,500	150,500	147,836	(2,664)
TOTAL EXPENDITURES	<u>150,500</u>	<u>150,500</u>	<u>147,836</u>	<u>(2,664)</u>
NET CHANGE IN FUND BALANCE	-	-	251	251
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251</u>	<u>\$ 251</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 134,560	\$ 134,560	\$ 156,984	\$ 22,424
INVESTMENT EARNINGS	950	950	2,309	1,359
TOTAL REVENUES	<u>135,510</u>	<u>135,510</u>	<u>159,293</u>	<u>23,783</u>
EXPENDITURES				
MATERIALS & SERVICES	172,560	172,560	82,355	(90,205)
CAPITAL OUTLAY	50,000	50,000	-	(50,000)
CONTINGENCY	45,600	45,600	-	(45,600)
TOTAL EXPENDITURES	<u>268,160</u>	<u>268,160</u>	<u>82,355</u>	<u>(185,805)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(132,650)	(132,650)	76,938	209,588
OTHER FINANCING (USES)				
TRANSFERS OUT	(63,350)	(63,350)	(63,350)	-
TOTAL OTHER FINANCING (USES)	<u>(63,350)</u>	<u>(63,350)</u>	<u>(63,350)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(196,000)	(196,000)	13,588	209,588
FUND BALANCE - BEGINNING	196,000	196,000	205,901	9,901
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,489</u>	<u>\$ 219,489</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 165,000	\$ 165,000	\$ 157,855	\$ (7,145)
TOTAL REVENUES	<u>165,000</u>	<u>165,000</u>	<u>157,855</u>	<u>(7,145)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	165,000	165,000	157,855	(7,145)
OTHER FINANCING (USES)				
TRANSFERS OUT	<u>(180,000)</u>	<u>(180,000)</u>	<u>(170,800)</u>	<u>(9,200)</u>
TOTAL OTHER FINANCING (USES)	<u>(180,000)</u>	<u>(180,000)</u>	<u>(170,800)</u>	<u>(9,200)</u>
NET CHANGE IN FUND BALANCE	(15,000)	(15,000)	(12,945)	2,055
FUND BALANCE - BEGINNING	<u>15,000</u>	<u>15,000</u>	<u>13,529</u>	<u>(1,471)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 584</u>	<u>\$ 584</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 54,000	\$ 54,000	\$ 53,667	\$ (333)
FINES AND FEES	336,300	337,300	315,290	(22,010)
INVESTMENT EARNINGS	100	100	113	13
DONATIONS/CONTRIBUTIONS	30,000	32,000	25,400	(6,600)
TOTAL REVENUES	<u>420,400</u>	<u>423,400</u>	<u>394,470</u>	<u>(28,930)</u>
EXPENDITURES				
PERSONAL SERVICES	166,700	166,700	141,253	(25,447)
MATERIALS & SERVICES	257,950	257,950	252,585	(5,365)
CAPITAL OUTLAY	13,690	16,690	13,507	(3,183)
SPECIAL PAYMENTS	5,000	5,000	-	(5,000)
TOTAL EXPENDITURES	<u>443,340</u>	<u>446,340</u>	<u>407,345</u>	<u>(38,995)</u>
NET CHANGE IN FUND BALANCE	(22,940)	(22,940)	(12,875)	10,065
FUND BALANCE - BEGINNING	22,940	22,940	39,958	17,018
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,083</u>	<u>\$ 27,083</u>

**HOOD RIVER COUNTY, OREGON
EMPLOYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 150	\$ 150	\$ -	\$ (150)
INVESTMENT EARNINGS	20	20	36	16
TOTAL REVENUES	<u>170</u>	<u>170</u>	<u>36</u>	<u>(134)</u>
EXPENDITURES				
MATERIALS & SERVICES	2,520	2,520	758	(1,762)
TOTAL EXPENDITURES	<u>2,520</u>	<u>2,520</u>	<u>758</u>	<u>(1,762)</u>
NET CHANGE IN FUND BALANCE	(2,350)	(2,350)	(722)	1,628
FUND BALANCE - BEGINNING	<u>2,350</u>	<u>2,350</u>	<u>4,055</u>	<u>1,705</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,333</u>	<u>\$ 3,333</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
CAPITAL OUTLAY	\$ 95,410	\$ 106,410	\$ 57,651	\$ (48,759)
TOTAL EXPENDITURES	<u>95,410</u>	<u>106,410</u>	<u>57,651</u>	<u>(48,759)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(95,410)	(106,410)	(57,651)	48,759
OTHER FINANCING SOURCES				
TRANSFERS IN	40,000	25,000	25,000	-
PROCEEDS FROM THE SALE OF ASSETS	-	-	429	429
TOTAL OTHER FINANCING SOURCES	<u>40,000</u>	<u>25,000</u>	<u>25,429</u>	<u>429</u>
NET CHANGE IN FUND BALANCE	(55,410)	(81,410)	(32,222)	49,188
FUND BALANCE - BEGINNING	<u>55,410</u>	<u>81,410</u>	<u>92,898</u>	<u>11,488</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,676</u>	<u>\$ 60,676</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
CAPITAL OUTLAY	\$ 483,000	\$ 483,000	\$ 391,974	\$ (91,026)
TOTAL EXPENDITURES	<u>483,000</u>	<u>483,000</u>	<u>391,974</u>	<u>(91,026)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(483,000)	(483,000)	(391,974)	91,026
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>477,000</u>	<u>477,000</u>	<u>477,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>477,000</u>	<u>477,000</u>	<u>477,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(6,000)	(6,000)	85,026	91,026
FUND BALANCE - BEGINNING	<u>1,320,000</u>	<u>1,320,000</u>	<u>1,321,139</u>	<u>1,139</u>
FUND BALANCE - ENDING	<u>\$ 1,314,000</u>	<u>\$ 1,314,000</u>	<u>\$ 1,406,165</u>	<u>\$ 92,165</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, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
EXPENDITURES				
CAPITAL OUTLAY	\$ 140,600	\$ 140,600	\$ -	\$ (140,600)
TOTAL EXPENDITURES	<u>140,600</u>	<u>140,600</u>	<u>-</u>	<u>(140,600)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(140,600)	(140,600)	-	140,600
OTHER FINANCING SOURCES				
PROCEEDS FROM THE SALE OF ASSETS	-	-	69,440	69,440
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>69,440</u>	<u>69,440</u>
NET CHANGE IN FUND BALANCE	(140,600)	(140,600)	69,440	210,040
FUND BALANCE - BEGINNING	<u>140,600</u>	<u>140,600</u>	<u>142,075</u>	<u>1,475</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,515</u>	<u>\$ 211,515</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, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PERS IN LIEU	\$482,700	\$482,700	\$482,238	(\$462)
TOTAL REVENUES	<u>482,700</u>	<u>482,700</u>	<u>482,238</u>	<u>(462)</u>
EXPENDITURES				
CURRENT OPERATING:				
PRINCIPAL	185,000	185,000	185,000	-
INTEREST	290,200	290,200	290,126	(74)
TOTAL EXPENDITURES	<u>475,200</u>	<u>475,200</u>	<u>475,126</u>	<u>(74)</u>
NET CHANGE IN FUND BALANCE	7,500	7,500	7,112	(388)
FUND BALANCE - BEGINNING	<u>21,000</u>	<u>21,000</u>	<u>24,028</u>	<u>3,028</u>
FUND BALANCE - ENDING	<u>\$ 28,500</u>	<u>\$ 28,500</u>	<u>\$ 31,140</u>	<u>\$ 2,640</u>

**HOOD RIVER COUNTY, OREGON
RESERVES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 4,600	\$ 4,600	\$ 9,103	\$ 4,503
TOTAL REVENUES	<u>4,600</u>	<u>4,600</u>	<u>9,103</u>	<u>4,503</u>
EXPENDITURES				
CONTINGENCY	119,400	119,400	-	(119,400)
TOTAL EXPENDITURES	<u>119,400</u>	<u>119,400</u>	<u>-</u>	<u>(119,400)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(114,800)	(114,800)	9,103	123,903
OTHER FINANCING SOURCES				
TRANSFERS OUT	<u>(114,000)</u>	<u>(114,000)</u>	-	(114,000)
TOTAL OTHER FINANCING SOURCES	<u>(114,000)</u>	<u>(114,000)</u>	<u>-</u>	<u>(114,000)</u>
NET CHANGE IN FUND BALANCE	(228,800)	(228,800)	9,103	237,903
FUND BALANCE - BEGINNING	<u>842,800</u>	<u>842,800</u>	<u>915,863</u>	<u>73,063</u>
FUND BALANCE - ENDING	<u>\$ 614,000</u>	<u>\$ 614,000</u>	<u>\$ 924,966</u>	<u>\$ 310,966</u>

HOOD RIVER COUNTY, OREGON
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	CASH	PROPERTY TAXES RECEIVABLE	ACCOUNTS RECEIVABLE	TOTAL ASSETS AND AMOUNTS HELD IN TRUST
CITIES				
CITY OF HOOD RIVER	\$ 8,488,176	\$ 218,856	\$ -	\$ 8,707,034
CITY OF CASCADE LOCKS	1,038	11,601	-	12,639
TOTAL CITIES	<u>8,489,214</u>	<u>230,459</u>	<u>-</u>	<u>8,719,673</u>
PORT DISTRICTS				
PORT OF HOOD RIVER	316	3,478	-	3,794
PORT OF CASCADE LOCKS	16	177	-	193
TOTAL PORT DISTRICTS	<u>332</u>	<u>3,655</u>	<u>-</u>	<u>3,987</u>
SCHOOL DISTRICTS				
MT. HOOD COMMUNITY COLLEGE	294	3,204	-	3,498
HOOD RIVER COUNTY SCHOOL DISTRICT	165,204	843,522	-	1,008,726
REGION 9 EDUCATIONAL SCHOOL DISTRICT	4,775	51,423	-	56,198
COLUMBIA GORGE COMMUNITY COLLEGE	6,158	66,672	-	72,830
TOTAL SCHOOL DISTRICTS	<u>176,431</u>	<u>964,821</u>	<u>-</u>	<u>1,141,252</u>
FIRE DISTRICTS				
STATE FIRE PATROL	1,154	12,752	-	13,906
DEE RURAL FIRE DISTRICT	-	8	-	8
ODELL RURAL FIRE DISTRICT	2,070	22,294	-	24,364
PARKDALE RURAL FIRE DISTRICT	2,009	22,041	-	24,050
PINE GROVE RIURAL FIRE DISTRICT	1	362	-	363
WESTSIDE RURAL FIRE DISTRICT	475,644	29,765	-	505,409
TOTAL FIRE DISTRICTS	<u>480,878</u>	<u>87,222</u>	<u>-</u>	<u>568,100</u>
IRRIGATION DISTRICTS				
EAST FORK IRRIGATION DISTRICT	510,967	-	-	510,967
TOTAL IRRIGATION DISTRICTS	<u>510,967</u>	<u>-</u>	<u>-</u>	<u>510,967</u>
SANITARY DISTRICTS				
ODELL SANITARY DISTRICT	337,167	13,151	-	350,318
PARKDALE SANITARY DISTRICT	80,471	-	-	80,471
TOTALSANITARY DISTRICTS	<u>417,638</u>	<u>13,151</u>	<u>-</u>	<u>430,789</u>
LIBRARY DISTRICT				
HOOD RIVER COUNTY LIBRARY	543,536	40,641	-	584,177
PARKS AND RECEREATION DISTRICT				
PARKS & RECREATION DISTRICT	950,900	46,944	-	997,844
PARKS & RECREATION SDC COLLECTIONS	354,676	-	-	354,676
TOTAL PARKS & RECREATION DISTRICT	<u>1,305,576</u>	<u>46,944</u>	<u>-</u>	<u>1,352,520</u>
TRANSPORTATION DISTRICT				
HOOD RIVER TRANSPORTATION DISTRICT	972,645	8,058	-	980,703
REGIONAL JAIL				
NORTHERN OREGON CORRECTIONS	694	17,281	-	17,975
PROPERTY TAX MISCELLANEOUS				
UNSEGREGATED TAXES	-	-	-	-
ADVANCE PREPAYMENT ON TAXES	21,676	-	-	21,676
COUNTY ASSESSMENT & TAX FUNDING ASSISTANCE	55,010	-	52,623	107,633
MOBILE HOME OMBUDSMAN	26	244	-	270
TOTAL PROPERTY TAX MISCELLANEOUS	<u>76,712</u>	<u>244</u>	<u>52,623</u>	<u>129,579</u>
MISCELLANEOUS AGENCY FUNDS				
MISCELLANEOUS REVOLVING	4,805	-	-	4,805
STATE MARRIAGE LICENSES	800	-	125	925
DEQ SURCHARGES	2,400	-	100	2,500
BUILDING INSPECTION SURCHARGES	23,330	-	106	23,436
DCBS MANUFACTURED STRUCTURES FEES	-	-	-	-
EVIDENCE	4,152	-	-	4,152
RESTITUTION	1,811	-	-	1,811
COURT ORDERED LAB FEES	1,155	-	-	1,155
UNCLAIMED PROPERTY	661	-	-	661
DELINQUENT SEWER CHARGES	2	-	21	23
TOTAL MISCELLANEOUS AGENCY FUNDS	<u>39,116</u>	<u>-</u>	<u>352</u>	<u>39,468</u>
TOTAL FUNDS HELD IN TRUST	<u>\$ 13,013,739</u>	<u>\$ 1,412,476</u>	<u>\$ 52,975</u>	<u>\$ 14,479,190</u>

HOOD RIVER COUNTY, OREGON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
CITIES				
Cash and investments	\$ 8,491,093	\$ 4,664,589	\$ 4,666,468	\$ 8,489,214
Receivables:				
Property taxes	194,035	230,459	194,035	230,459
Total Assets	<u>\$ 8,685,128</u>	<u>\$ 4,895,048</u>	<u>\$ 4,860,503</u>	<u>\$ 8,719,673</u>
Due to Districts	<u>\$ 8,685,128</u>	<u>\$ 4,895,048</u>	<u>\$ 4,860,503</u>	<u>\$ 8,719,673</u>
Total Liabilities	<u>\$ 8,685,128</u>	<u>\$ 4,895,048</u>	<u>\$ 4,860,503</u>	<u>\$ 8,719,673</u>
PORT DISTRICTS				
Cash and investments	\$ 406	\$ 70,152	\$ 70,226	\$ 332
Receivables:				
Property taxes	3,148	3,655	3,148	3,655
Total Assets	<u>\$ 3,554</u>	<u>\$ 73,807</u>	<u>\$ 73,374</u>	<u>\$ 3,987</u>
Due to Districts	<u>\$ 3,554</u>	<u>\$ 73,807</u>	<u>\$ 73,374</u>	<u>\$ 3,987</u>
Total Liabilities	<u>\$ 3,554</u>	<u>\$ 73,807</u>	<u>\$ 73,374</u>	<u>\$ 3,987</u>
SCHOOL DISTRICTS				
Cash and investments	\$ 167,689	\$ 18,729,503	\$ 18,720,761	\$ 176,431
Receivables:				
Property taxes	832,273	964,821	832,273	964,821
Total Assets	<u>\$ 999,962</u>	<u>\$ 19,694,324</u>	<u>\$ 19,553,034</u>	<u>\$ 1,141,252</u>
Due to Districts	<u>\$ 999,962</u>	<u>\$ 19,694,324</u>	<u>\$ 19,553,034</u>	<u>\$ 1,141,252</u>
Total Liabilities	<u>\$ 999,962</u>	<u>\$ 19,694,324</u>	<u>\$ 19,553,034</u>	<u>\$ 1,141,252</u>
FIRE DISTRICTS				
Cash and investments	\$ 350,265	\$ 1,771,770	\$ 1,641,157	\$ 480,878
Receivables:				
Property taxes	72,641	87,222	72,641	87,222
Total Assets	<u>\$ 422,906</u>	<u>\$ 1,858,992</u>	<u>\$ 1,713,798</u>	<u>\$ 568,100</u>
Due to Districts	<u>\$ 422,906</u>	<u>\$ 1,858,992</u>	<u>\$ 1,713,798</u>	<u>\$ 568,100</u>
Total Liabilities	<u>\$ 422,906</u>	<u>\$ 1,858,992</u>	<u>\$ 1,713,798</u>	<u>\$ 568,100</u>
IRRIGATION DISTRICTS				
Cash and investments	\$ 601,428	\$ 224,539	\$ 315,000	\$ 510,967
Receivables:				
Property taxes	-	-	-	-
Total Assets	<u>\$ 601,428</u>	<u>\$ 224,539</u>	<u>\$ 315,000</u>	<u>\$ 510,967</u>
Due to Districts	<u>\$ 601,428</u>	<u>\$ 224,539</u>	<u>\$ 315,000</u>	<u>\$ 510,967</u>
Total Liabilities	<u>\$ 601,428</u>	<u>\$ 224,539</u>	<u>\$ 315,000</u>	<u>\$ 510,967</u>
SANITARY DISTRICTS				
Cash and investments	\$ 406,869	\$ 244,735	\$ 233,986	\$ 417,638
Receivables:				
Property taxes	11,899	13,151	11,899	13,151
Total Assets	<u>\$ 418,768</u>	<u>\$ 257,886</u>	<u>\$ 245,885</u>	<u>\$ 430,789</u>
Due to Districts	<u>\$ 418,768</u>	<u>\$ 257,886</u>	<u>\$ 245,885</u>	<u>\$ 430,789</u>
Total Liabilities	<u>\$ 418,768</u>	<u>\$ 257,886</u>	<u>\$ 245,885</u>	<u>\$ 430,789</u>
LIBRARY DISTRICT				
Cash and investments	\$ 704,855	\$ 838,681	\$ 1,000,000	\$ 543,536
Receivables:				
Property taxes	34,416	40,641	34,418	40,641
Total Assets	<u>\$ 739,271</u>	<u>\$ 879,322</u>	<u>\$ 1,034,418</u>	<u>\$ 584,177</u>
Due to District	<u>\$ 739,271</u>	<u>\$ 879,322</u>	<u>\$ 1,034,418</u>	<u>\$ 584,177</u>
Total Liabilities	<u>\$ 739,271</u>	<u>\$ 879,322</u>	<u>\$ 1,034,418</u>	<u>\$ 584,177</u>

HODO RIVER COUNTY, OREGON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
PARKS AND RECREATION				
Cash and investments	\$ 947,339	\$ 988,672	\$ 630,435	\$ 1,305,576
Receivables:				
Property taxes	40,616	46,944	40,616	46,944
Total Assets	<u>\$ 987,955</u>	<u>\$ 1,035,616</u>	<u>\$ 671,051</u>	<u>\$ 1,352,520</u>
Due to District	<u>\$ 987,955</u>	<u>\$ 1,035,616</u>	<u>\$ 671,051</u>	<u>\$ 1,352,520</u>
Total Liabilities	<u>\$ 987,955</u>	<u>\$ 1,035,616</u>	<u>\$ 871,051</u>	<u>\$ 1,352,520</u>
TRANSPORTATION DISTRICT				
Cash and investments	\$ 1,020,275	\$ 184,370	\$ 232,000	\$ 972,645
Receivables:				
Property taxes	6,948	8,058	6,948	8,058
Total Assets	<u>\$ 1,027,223</u>	<u>\$ 192,428</u>	<u>\$ 238,948</u>	<u>\$ 980,703</u>
Due to District	<u>\$ 1,027,223</u>	<u>\$ 192,428</u>	<u>\$ 238,948</u>	<u>\$ 980,703</u>
Total Liabilities	<u>\$ 1,027,223</u>	<u>\$ 192,428</u>	<u>\$ 238,948</u>	<u>\$ 980,703</u>
REGIONAL JAIL				
Cash and investments	\$ 3,088	\$ 49,769	\$ 52,163	\$ 694
Receivables:				
Property taxes	24,361	17,281	24,361	17,281
Total Assets	<u>\$ 27,449</u>	<u>\$ 67,050</u>	<u>\$ 76,524</u>	<u>\$ 17,975</u>
Due to District	<u>\$ 27,449</u>	<u>\$ 67,050</u>	<u>\$ 76,524</u>	<u>\$ 17,975</u>
Total Liabilities	<u>\$ 27,449</u>	<u>\$ 67,050</u>	<u>\$ 76,524</u>	<u>\$ 17,975</u>
PROPERTY TAX MISCELLANEOUS				
Cash and investments	\$ 93,527	\$ 31,963,218	\$ 32,000,033	\$ 76,712
Receivables:				
Property taxes	172	244	172	244
Accounts	49,062	52,623	49,062	52,623
Total Assets	<u>\$ 142,761</u>	<u>\$ 32,036,085</u>	<u>\$ 32,049,267</u>	<u>\$ 129,579</u>
Due to Districts	<u>\$ 142,761</u>	<u>\$ 32,036,085</u>	<u>\$ 32,049,267</u>	<u>\$ 129,579</u>
Total Liabilities	<u>\$ 142,761</u>	<u>\$ 32,036,085</u>	<u>\$ 32,049,267</u>	<u>\$ 129,579</u>
MISCELLANEOUS AGENCY FUNDS				
Cash and investments	\$ 31,169	\$ 117,797	\$ 109,850	\$ 39,116
Receivables:				
Accounts	688	352	888	352
Total Assets	<u>\$ 31,857</u>	<u>\$ 118,149</u>	<u>\$ 110,538</u>	<u>\$ 39,468</u>
Due to Others	<u>\$ 31,857</u>	<u>\$ 118,149</u>	<u>\$ 110,538</u>	<u>\$ 39,468</u>
Total Liabilities	<u>\$ 31,857</u>	<u>\$ 118,149</u>	<u>\$ 110,538</u>	<u>\$ 39,488</u>
TOTAL ALL AGENCY FUNDS				
Cash and investments	\$ 12,818,023	\$ 59,867,795	\$ 59,672,079	\$ 13,013,739
Receivables:				
Property taxes	1,220,509	1,412,476	1,220,509	1,412,476
Accounts	49,750	52,975	49,750	52,975
Total Assets	<u>\$ 14,088,282</u>	<u>\$ 61,333,246</u>	<u>\$ 60,942,338</u>	<u>\$ 14,479,190</u>
Due to Others	<u>\$ 14,088,282</u>	<u>\$ 61,333,246</u>	<u>\$ 60,942,338</u>	<u>\$ 14,479,190</u>
Total Liabilities	<u>\$ 14,088,282</u>	<u>\$ 61,333,246</u>	<u>\$ 60,942,338</u>	<u>\$ 14,479,190</u>

**HOOD RIVER COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
FOR THE YEAR ENDED JUNE 30, 2017**

LEVY YEAR ENDED JUNE 30,	BALANCES BEGINNING OF YEAR	2016 TAX LEVY	DISCOUNTS & ADJUSTMENTS	TAXES COLLECTED	BALANCES END OF YEAR
2017	\$ -	\$ 3,186,157	\$ (86,445)	\$ 3,031,103	\$ 68,609
2016	58,401		(809)	22,242	35,350
2015	36,482		(395)	11,124	24,963
2014	21,478		(217)	7,102	14,159
2013	13,418		(217)	5,546	7,655
2012 AND PRIOR	19,636		(748)	831	18,057
	<u>\$ 149,415</u>	<u>\$ 3,186,157</u>	<u>\$ (88,831)</u>	3,077,948	<u>\$ 168,793</u>
OTHER TAXES, INTEREST ON TAXES, AND RELATED RECEIPTS COLLECTED				<u>27,900</u>	
TOTAL TAX RECEIPTS				<u>\$ 3,105,848</u>	

HR County and HRC Library Bond

**HOOD RIVER COUNTY, OREGON
SCHEDULE OF ACCOUNTABILITY OF ELECTED OFFICIALS
YEAR ENDED JUNE 30, 2017**

	SHERIFF	JUSTICE OF THE PEACE
CASH & INVESTMENTS, BEGINNING BALANCE	\$ 16,607	\$ 67,985
RECEIPTS	413,001	886,176
TURNOVERS AND DISBURSEMENTS		
TURNOVERS		
Hood River County Finance Department	-	402,963
Court Assessments Fund	-	14,630
State of Oregon	-	441,563
DISBURSEMENTS		
Payments related to Sheriff activities	413,001	9,683
Bank charges and fees	-	173
TOTAL TURNOVERS & DISBURSEMENTS	413,001	869,013
CASH & INVESTMENTS, ENDING BALANCE	\$ 16,607	\$ 85,148



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)**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Primary government										
Invested in capital assets, net of related debt	\$ 82,768,919	\$ 83,837,958	\$ 78,652,912	\$ 80,386,333	\$ 85,151,035	\$ 82,986,715	\$ 81,651,715	\$ 83,961,324	\$ 83,731,998	\$ 81,806,547
Restricted	13,404,680	14,505,045	14,074,634	14,443,036	13,044,980	14,826,711	18,250,787	3,237,036	308,165	247,063
Unrestricted	11,244,728	11,829,153	18,843,398	21,555,635	15,195,034	13,965,467	11,289,732	28,674,780	33,627,813	34,554,855
Total governmental activities net position	<u>\$ 107,418,327</u>	<u>\$ 110,172,156</u>	<u>\$ 111,570,944</u>	<u>\$ 116,385,004</u>	<u>\$ 113,391,049</u>	<u>\$ 111,778,893</u>	<u>\$ 111,192,234</u>	<u>\$ 115,873,140</u>	<u>\$ 117,667,976</u>	<u>\$ 116,608,465</u>

Source: Current and prior year financial statements

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
EXPENSES										
Governmental activities:										
General government	\$ 7,016,094	\$ 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
Sheriff	4,208,469	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
Public safety	1,528,526	1,249,455	896,083	984,686	960,512	986,027	2,289,355	2,492,275	2,512,637	3,432,871
District attorney	503,487	530,622	380,408	402,820	439,366	422,761	417,446	424,903	392,514	333,762
Public works	3,112,032	2,955,374	2,580,071	2,916,029	3,417,067	3,121,504	2,832,892	3,697,042	3,609,542	3,464,275
Health and sanitation	2,281,642	2,338,646	1,764,084	1,864,130	1,971,822	1,863,294	1,911,387	2,000,041	2,038,461	1,852,841
Forestry	1,315,154	1,117,487	973,083	1,049,648	1,079,446	891,664	912,046	894,404	1,015,630	779,349
Library	6,324	75,858	75,847	75,847	74,589	79,885	264,251	670,134	899,091	764,761
Parks	445,706	460,196	394,055	503,200	539,305	444,200	359,106	364,849	421,641	672,199
Planning	375,403	448,406	342,463	364,783	367,437	344,554	330,550	406,171	521,926	475,039
Veterans	63,709	62,721	54,552	52,759	41,867	32,059	31,869	43,650	89,127	75,372
County fair	393,838	388,574	345,843	354,600	338,185	375,840	354,181	306,314	286,249	274,726
Animal, weed and pest control	72,647	101,600	96,274	138,265	154,774	151,692	141,376	146,927	150,690	139,735
Building inspection	525,413	399,628	300,628	273,414	252,224	260,974	353,194	445,324	456,788	399,467
Emergency management	110,828	116,588	95,733	175,938	73,082	104,688	105,265	232,261	145,746	164,496
Economic development	-	5,224	7,387	11,806	15,979	5,844	-	147,977	161,210	199,563
Prevention program	424,299	422,509	585,937	574,076	713,982	612,621	595,486	680,516	676,844	732,525
Education	40,928	192,726	203,803	234,004	216,393	231,801	467,194	516,976	542,233	629,977
Other	-	-	-	-	-	-	-	-	-	569,174
Interest on long-term debt	289,076	297,336	-	-	-	-	29,934	72,970	98,970	109,220
Total primary government expenses	\$ 22,713,575	\$ 19,042,283	\$ 15,898,264	\$ 16,661,025	\$ 18,160,358	\$ 17,135,897	\$ 19,160,008	\$ 18,573,147	\$ 19,244,893	\$ 19,785,610
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 788,822	\$ 692,716	\$ 679,449	\$ 579,804	\$ 701,987	\$ 614,219	\$ 673,727	\$ 547,099	\$ 573,884	\$ 481,393
Sheriff	88,395	152,818	94,556	114,396	214,284	222,056	190,985	97,807	100,246	108,489
Public safety	448,125	446,336	459,056	436,336	396,719	472,304	513,143	537,397	472,164	82,023
District attorney	34,315	33,574	33,490	34,653	22,110	6,864	21,881	23,500	19,047	18,585
Public works	2,248,544	2,247,935	541,659	572,527	553,964	547,097	276,994	459,089	447,748	460,779
Health and sanitation	834,023	698,843	562,153	571,932	502,996	483,314	418,750	615,778	518,869	985,788
Forestry	184,247	30,381	50,371	154,455	80,007	122,787	123,142	89,625	84,971	68,372
Library	-	-	-	-	-	-	36,907	70,724	81,417	115,405
Parks	286,212	402,556	332,761	302,239	326,539	348,914	254,133	257,612	254,637	262,695
Planning	158,448	134,204	71,456	77,358	82,865	57,003	6,663	91,537	67,805	60,405
Veterans	-	-	-	-	-	-	-	-	25	-
County fair	315,290	307,805	314,873	312,155	323,916	334,127	294,407	258,907	248,018	233,116
Animal, weed and pest control	19,659	18,204	38,615	32,341	51,220	76,376	84,636	32,365	49,664	43,567
Building inspection	778,500	511,541	373,460	341,845	302,823	232,139	252,706	373,386	328,815	482,751
Emergency management	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-
Prevention program	188	855	4,227	4,696	3,904	4,260	5,181	15,300	30,901	3,345
Education	-	-	-	-	-	-	106	6,334	11,240	4,860
Other	-	-	-	-	-	-	-	-	-	1,158
Total charges for services	6,184,768	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
Operating grants and contributions	3,710,043	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
Capital grants and contributions	143,089	515,230	107,697	1,399,854	140,031	147,966	169,629	100,949	1,242,016	433,960
Total primary government expenses	\$ 10,037,900	\$ 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
Total primary government net expense	\$ (12,675,675)	\$ (8,391,013)	\$ (6,994,226)	\$ (6,482,304)	\$ (8,241,769)	\$ (7,615,227)	\$ (9,481,555)	\$ (8,348,060)	\$ (5,350,767)	\$ (7,702,898)
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities:										
Property taxes	\$ 3,121,883	\$ 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
Public service taxes	315,094	405,254	618,047	620,674	467,093	703,563	449,453	400,741	428,144	524,802
Gain on sale of assets	-	-	(311,568)	1,154,874	(579,960)	-	-	(111,257)	351,814	-
Investment earnings	310,262	267,797	335,671	544,657	14,253	281,752	629,551	1,024,070	1,161,994	2,472,122
Miscellaneous	68,608	(587,632)	262,790	243,370	78,306	69,277	305,668	229,332	190,150	206,820
Timber sales	6,105,999	3,810,966	3,449,493	3,851,646	3,700,709	3,795,678	257,425	2,430,100	3,989,449	2,278,151
Capital Contributions not restricted to specific program	-	-	-	-	378,332	361,896	-	(154,126)	3,989,449	2,278,151
Total primary government	\$ 9,921,846	\$ 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
CHANGE IN NET POSITION	\$ (2,753,829)	\$ (1,398,788)	\$ 676,147	\$ 2,993,955	\$ (1,147,669)	\$ 546,075	\$ (5,000,406)	\$ (1,794,836)	\$ 7,342,284	\$ 3,348,294

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
2017	\$3,105,848	\$76,029	\$0	\$392	\$4,918	\$130,160	\$5,560	\$21,505	\$147,538	\$3,491,850
2016	3,040,974	80,765	0	542	4,852	119,651	5,594	21,902	145,497	3,419,777
2015	3,293,096	68,329	0	390	4,816	117,717	5,387	21,744	114,258	3,625,737
2014	3,066,057	74,125	0	319	4,690	112,331	5,255	21,544	109,409	3,393,730
2013	3,052,867	68,328	0	236	4,079	106,442	5,292	22,465	237,304	3,497,013
2012	2,934,109	69,938	0	163	4,703	100,227	5,214	22,888	234,051	3,371,293
2011	2,810,735	67,878	0	70	5,717	89,227	4,874	23,457	224,377	3,226,335
2010	2,727,059	67,883	0	102	5,056	85,464	5,379	22,149	180,192	3,093,284
2009	2,552,496	92,850	0	271	3,999	90,657	5,297	23,641	175,741	2,944,952
2008	3,275,088	41,797	62,582	1,000	4,000	84,838	5,428	24,485	235,634	3,734,852

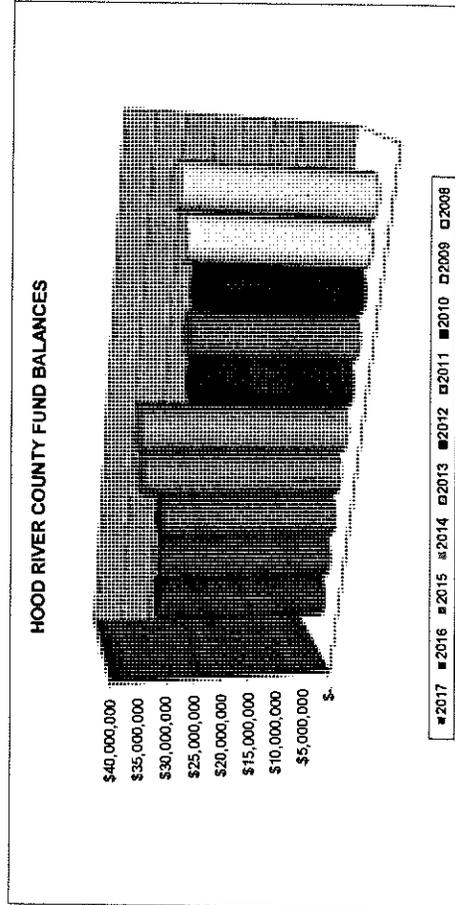
(1) Federal sources - Bureau of Land Management

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund, Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 988,747	\$ 1,036,333
All other governmental funds	-	-	-	-	-	-	-	-	715,118	645,948
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	265,817	324,264	345,476	320,576	404,666	330,462	381,988	27,974,274	30,019,908	29,341,577
Restricted	13,404,680	14,505,045	14,074,634	14,443,036	14,098,851	14,826,711	14,825,745	1,734,598	1,083,318	2,229,838
Committed	15,601,356	14,862,181	18,975,785	19,176,483	-	-	-	-	-	-
Assigned	924,966	925,863	909,356	1,062,060	11,990,980	12,482,460	12,347,645	-	-	-
Unassigned	582,010	714,450	903,129	1,062,494	1,352,215	1,317,248	888,547	-	-	-
Total all other governmental funds	\$ 30,778,831	\$ 31,331,803	\$ 35,208,380	\$ 36,064,649	\$ 27,846,712	\$ 28,956,881	\$ 28,443,925	\$ 31,217,590	\$ 32,807,091	\$ 33,253,696

Source: Current and prior year financial statements



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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES										
Taxes	\$ 3,420,942	\$ 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
Intergovernmental	3,749,982	4,769,923	5,329,920	6,751,797	6,580,705	6,109,378	6,447,436	6,748,627	10,631,377	8,340,611
Timber sales	6,105,999	3,910,956	3,449,493	3,851,646	3,700,709	3,795,678	3,777,268	2,430,100	3,989,449	2,278,151
Investment earnings	310,262	267,797	165,964	191,504	14,253	281,752	289,581	813,933	850,566	1,654,680
Fines and fees	6,184,767	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
Miscellaneous	171,759	191,555	262,790	243,370	291,958	328,595	335,520	174,332	190,150	535,390
Total revenues	19,943,711	18,277,431	16,715,276	18,259,876	17,348,363	17,326,706	13,626,632	16,771,252	21,904,933	20,022,253
EXPENDITURES										
General government	3,591,169	3,611,969	3,250,532	3,212,426	3,252,866	3,893,252	3,390,766	3,430,750	4,488,957	2,855,897
Sheriff	3,903,195	3,667,153	3,573,925	3,425,215	3,679,888	3,217,255	1,617,233	2,023,831	2,186,957	1,967,994
Public safety	1,594,695	1,528,043	1,429,803	1,387,369	1,359,913	955,147	2,284,698	2,624,480	2,852,265	3,777,115
Public works	2,815,582	2,519,992	2,659,680	2,701,687	3,136,634	2,784,361	2,563,437	3,353,267	3,595,184	3,463,470
Health and sanitation	2,203,111	2,089,286	1,917,418	1,867,973	1,931,641	1,815,108	1,858,009	1,894,076	1,846,949	1,831,380
Forestry	1,283,501	1,033,231	1,115,603	1,051,319	1,159,860	879,024	899,594	874,565	992,002	769,452
Library	-	-	-	-	-	-	170,466	548,855	774,734	775,793
Parks	364,562	359,644	351,100	426,647	590,890	413,322	316,498	336,781	738,409	648,533
Planning	356,769	384,870	388,891	365,798	357,334	334,731	317,597	380,508	496,767	467,184
Veterans	61,392	60,764	58,237	52,839	41,184	32,059	31,869	43,043	81,795	69,362
County fair	393,838	398,574	370,271	354,600	338,195	353,739	310,689	301,226	299,443	305,596
Animal, weed and pest control	69,876	86,264	108,779	138,616	150,879	147,950	134,282	139,139	143,833	138,092
Building inspection	504,968	351,283	321,408	273,835	248,065	256,905	331,298	412,229	434,344	469,884
Emergency management	107,260	106,336	98,710	175,980	83,623	82,143	77,317	232,261	145,746	164,496
Economic development	-	5,224	7,387	11,806	15,979	5,844	-	140,493	155,496	197,511
Prevention program	409,325	385,092	627,037	574,975	690,396	590,933	584,364	664,675	865,408	727,172
Education	40,928	192,726	203,803	234,004	230,713	244,691	467,194	516,976	542,233	629,977
Other	-	-	-	-	-	-	-	-	-	569,174
Capital projects	2,909,368	5,727,382	778,233	1,601,466	880,706	827,977	781,041	-	-	-
Debt service:										
Principal	185,000	155,000	460,000	430,000	380,000	340,000	295,000	255,000	220,000	205,000
Interest	290,126	299,078	324,366	346,437	366,348	382,252	396,416	409,148	419,924	429,385
Total expenditures	21,084,685	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
Excess of revenues over (under) expenditures	(1,140,974)	(4,694,480)	(1,349,907)	(373,316)	(1,546,751)	(229,988)	(3,201,138)	(2,010,051)	524,477	(440,214)
Other financing sources (uses)										
Transfers in	5,140,880	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
Transfers out	(5,140,880)	(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)
PERS in lieu	482,238	461,459	434,129	637,626	401,985	384,255	361,508	-	395,369	273,463
Sale of assets	105,764	356,444	59,509	7,953,627	34,597	318,105	5,965	420,550	234,587	103,301
Issuance of Debt	-	-	-	-	-	-	60,000	-	500,000	-
Total other financing sources (uses)	588,002	817,903	493,638	8,581,253	436,582	702,360	427,473	420,550	1,129,956	376,764
Net change in fund balances	\$ (552,972)	\$ (3,876,577)	\$ (858,269)	\$ 8,217,937	\$ (1,110,189)	\$ 472,372	\$ (2,773,665)	\$ (1,589,501)	\$ 1,654,433	\$ (63,450)
Debt service as a percentage of non-capital expenditures	2.68%	2.70%	4.88%	4.76%	4.32%	4.51%	4.44%	3.67%	3.08%	3.20%

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					
2017	\$1,639,071,342	\$523,451,449	\$184,892,088	\$159,189,896	\$2,188,224,996	0.001417	\$3,814,681,047	61.54%
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	1,945,153,879	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	1,350,627,775	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	132,610,467	43,662,138	1,529,314,874	0.001635	3,403,320,580	46.22%

*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	CITIES		SCHOOL DISTRICT		SPECIAL DISTRICTS	TOTAL SCHOOL MILLAGE		
				OPERATING MILLAGE	DEBT SERVICE MILLAGE	OPERATING MILLAGE	DEBT SERVICE MILLAGE				
2017	1.4171	0.0000	1.4171	5.5162	0.7655	6.2817	7.2917	2.0330	9.3247	6.0881	23.1216
2016 (7)	1.4171	0.0000	1.4171	5.5162	0.7003	6.2165	7.2917	2.1233	9.4150	6.4971	23.5457
2015	1.4171	0.1855	1.6026	5.5162	0.6410	6.1572	7.2917	2.1296	9.4213	6.4934	23.6745
2014	1.4171	0.1755	1.5926	5.5162	0.7859	6.3021	7.2917	2.1862	9.4779	6.5884	23.9610
2013 (6)	1.4171	0.1847	1.6018	5.5162	0.7779	6.2941	7.2917	2.2540	9.5457	6.6954	24.1370
2012 (5)	1.4171	0.1959	1.6130	5.5162	0.7974	6.3136	7.2917	2.2056	9.4973	6.7978	24.2217
2011 (4)	1.4171	0.2029	1.6200	6.3943	0.8404	7.2347	7.2917	2.1814	9.4731	7.4599	25.7877
2010 (3)	1.4171	0.1971	1.6142	6.3842	0.2556	6.6398	7.2917	2.2953	9.5870	6.8456	23.6866
2009 (2)	1.4171	0.1936	1.6107	6.3701	0.0000	6.3701	6.6117	2.2263	8.8380	6.5954	23.4142
2008 (1)	1.4171	0.1635	1.5806	6.2780	0.0000	6.2780	7.2917	2.2820	9.5737	5.8800	23.3123

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, 2017**

TAXPAYER	2017			2008		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
Cardinal IG Company	\$ 39,452,400	1	1.80%	-	-	-
Mt. Hood Meadows, Oreg. LTD	32,820,320	2	1.50%	25,184,040	2	1.65%
Union Pacific Railroad Co	20,641,100	3	0.94%	11,772,700	5	0.77%
Merganser, LLC	14,689,990	4	0.67%	-	-	-
Diamond Fruit Growers Inc	13,944,030	5	0.64%	27,296,029	1	1.78%
Port of Hood River	13,306,085	6	0.61%	-	-	-
CenturyLink/UTS	13,244,900	7	0.61%	21,104,800	4	1.38%
Duckwall-Pooley Fruit Co, Inc	12,623,050	8	0.58%	11,538,890	6	0.75%
Cascade Commons, LLC	11,009,700	9	0.50%	8,888,160	7	0.58%
DMS Ranch, LLC	10,595,330	10	0.48%	6,716,860	9	0.44%
Pacificcorp	-	-	-	22,668,000	3	1.48%
Longview Fibre Co.	-	-	-	5,596,718	10	0.37%
Northwest Natural Gas Co	-	-	-	8,793,000	8	0.57%
Totals	\$182,326,905		8.33%	\$149,559,197		9.77%

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
2017	\$3,180,721	\$3,112,112	97.84%	\$0	\$3,112,112	97.84%
2016 (7)	3,065,768	3,007,692	98.11%	236,710	3,007,692	98.11%
2015	3,323,463	3,253,918	97.91%	473,394	3,293,806	99.11%
2014	3,113,064	3,039,880	97.65%	565,441	3,092,307	99.33%
2013 (6)	3,073,260	2,995,617	97.47%	630,473	3,063,372	99.68%
2012 (5)	3,028,262	2,928,908	96.72%	807,134	3,006,626	99.29%
2011 (4)	2,872,257	2,779,376	96.77%	647,252	2,855,666	99.42%
2010 (3)	2,773,577	2,682,418	96.71%	668,553	2,757,563	99.42%
2009 (2)	2,608,599	2,514,555	96.39%	746,994	2,590,385	99.30%
2008 (1)	2,515,437	2,443,265	97.13%	254,524	2,512,031	99.86%

- (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			
2017	\$ -	\$ 4,610,000	\$ 45,130	\$ 4,655,130	N/A	N/A
2016	-	4,795,000	549,278	5,344,278	N/A	230
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%	261
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

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	PER CAPITA (2)
2017	\$ -	\$ 4,610,000	\$ 31,140	\$ 4,578,860	0.21%	N/A
2016	-	4,795,000	24,028	4,770,972	0.23%	205
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

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, 2017**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt repaid with property taxes: Hood River County	\$ 4,962,696	100.00%	\$ 4,962,696
Total direct debt	<u>4,962,696</u>		<u>4,962,696</u>
City of Hood River	4,855,000	100.00%	4,855,000
Hood River Urban Renewal Agency	932,338	100.00%	932,338
Columbia Gorge Community College	7,644,402	51.36%	3,926,165
Hood River County School District	89,182,040	100.00%	89,182,040
Hood River Valley Parks & Rec District	180,000	100.00%	180,000
Mt. Hood Community College	262,966	0.46%	1,210
Odell Sanitary District	7,310,019	100.00%	7,310,019
Port of Cascade Locks	953,572	100.00%	953,572
Port of Hood River	765,000	100.00%	765,000
Total overlapping debt	<u>112,085,337</u>		<u>108,105,344</u>
Total direct and overlapping debt	<u>\$ 117,048,033</u>		<u>\$ 113,068,040</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.

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Estimated market value	\$3,814,681,047	\$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
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	76,293,621	73,113,427	70,546,532	67,308,788	69,953,729	65,872,362	72,525,768	69,518,507	70,808,614	68,066,412
Less bonded debt at June 30	-	-	-	(355,000)	(685,000)	(990,000)	(1,275,000)	(1,535,000)	(1,775,000)	(1,995,000)
Legal debt margin	\$ 76,293,621	\$ 73,113,427	\$ 70,546,532	\$ 66,953,788	\$ 69,268,729	\$ 64,882,362	\$ 71,250,768	\$ 67,983,507	\$ 69,033,614	\$ 66,071,412

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.

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Estimated market value	\$3,814,681,047	\$3,655,671,344	\$3,527,326,594	\$3,365,439,384	\$3,487,686,474	\$3,293,619,089	\$3,626,288,410	\$3,475,925,360	\$3,540,430,707	\$3,403,320,580
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	38,146,810	36,556,713	35,273,266	33,654,384	34,976,865	32,936,191	36,262,884	34,759,254	35,404,307	34,033,206
Less bonded debt at June 30	-	-	-	(355,000)	(685,000)	(990,000)	(1,275,000)	(1,535,000)	(1,775,000)	(1,995,000)
Legal debt margin	\$ 38,146,810	\$ 36,556,713	\$ 35,273,266	\$ 33,299,384	\$ 34,291,865	\$ 31,946,191	\$ 34,987,884	\$ 33,224,254	\$ 33,629,307	\$ 32,038,206

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
2017	N/A	N/A	N/A	N/A	N/A	N/A	3.2%
2016	23,232	N/A	N/A	39	12	4,015	4.2%
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%

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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government	22	22	22	23	23	22	23	25	26	26
Sheriff	22	22	22	20	19	18	19	19	19	19
Public safety and justice	19	19	19	20	19	18	23	25	25	25
Public works/parks	21	21	22	22	22	22	22	22	22	22
Health services	21	21	21	21	21	21	22	23	23	23
Forestry	7	7	6	5	5	5	5	6	6	6
Community services	13	12	10	11	10	9	8	9	10	9
Library (1)	0	0	0	0	0	0	0	3	3	4
Total full-time equivalents	125	124	122	122	119	115	122	132	134	134
COUNTY EMPLOYEES										
Non-bargaining	47	47	45	48	48	48	47	48	50	51
Bargaining units										
AFSME General	35	34	32	32	33	33	36	40	44	42
AFSME Deputy DA (2)	2	2	2	2	2	2	-	-	-	-
AFSME Public Works/Forestry	18	18	17	17	17	17	17	17	19	19
HRC LEA law enforcement	16	16	17	17	15	14	14	15	16	17
FOPPO Parole and Probation (3)	3	4	4	-	-	-	-	-	-	-
Total bargaining units	74	74	72	68	67	66	67	72	79	78
Temporary employees	6	7	8	8	8	6	5	6	6	6
Total actual County employees	127	128	125	124	123	120	119	126	135	135

- (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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
Number of registered voters	14,093	13,621	11,441	11,658	11,643	11,658	11,127	11,161	10,781	11,355
Percentage turnout in most recent general election	83%	86%	86%	86%	86%	86%	87%	87%	87%	87%
Number of tax accounts	12,743	12,643	12,427	12,364	12,636	12,149	12,270	12,075	12,902	12,902
Number of acres of County owned forest land	34,358	34,145	31,064	31,064	49,849	49,849	49,849	49,849	49,849	49,849
Sheriff										
Number of employees (sworn and civilian)	21	21	22	20	19	18	19	19	19	19
Number of arrests	354	402	404	454	331	406	371	378	442	451
Number of patrol units	22	22	22	22	22	22	22	22	20	19
Number of 911 dispatch calls	11,302	10,781	11,157	9,869	9,256	8,976	9,989	10,193	11,217	10,558
Jail facilities	Member - Northern Oregon Corrections four county jail consortium as of 1999									
Community justice										
Adult - number of supervised adults	397	334	250	784	589	268	185	400	221	201
Adult - work crew hours completed	4,595	3,066	3,786	4,569	5,619	4,300	3,134	4,941	7,155	5,158
Juvenile - number of unduplicated youth	217	241	277	96	216	142	155	172	184	218
Juvenile - number of law enforcement referrals	135	165	184	206	141	169	190	233	257	309
Juvenile - work crew hours completed	504	924	1,092	1,152	990	1,298	1,172	2,310	2,428	2,269
District Attorney										
Number of adult crime cases prosecuted	718	847	787	816	891	609	582	752	631	566
Number of juvenile delinquency cases prosecuted	76	71	69	89	67	70	67	72	87	88
Justice Court										
Number of traffic citations processed	3,049	3,242	3,333	3,072	2,901	4,230	4,958	7,083	4,888	4,761
Number of snow park violations processed	232	938	880	938	965	981	1,239	1,927	1,373	2,374
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	158	156	156	156	156	156	156	158	156	156
Number of County buildings maintained (all types)	49	49	50	50	50	50	50	50	50	50
Health services										
Number of public health clients - all programs	3,357	4,991	5,640	5,473	5,179	6,022	5,634	7,685	5,673	5,378
Number of immunizations - all programs	2,748	3,028	3,034	5,832	4,019	3,068	3,693	3,889	4,449	3,798
Number of environmental health inspections	768	768	862	718	671	565	750	744	509	664
Number of WIC women, infants and children served	786	873	984	1,002	962	1,049	1,006	1,021	1,093	1,098
Community services										
Number of building permits issued	833	751	459	463	413	384	397	531	506	506
Number of planning/zoning fee filings	168	337	272	243	224	188	215	343	251	455
Library (1)										
Number of library cards issued annually	-	-	-	-	-	-	-	1,458	1,643	1,583
Number of books circulated	-	-	-	-	-	-	-	96,261	170,908	153,377
Number of branch locations	-	-	-	-	-	-	-	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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government										
Buildings (administrative and courthouse)	4	4	4	4	4	4	4	4	4	4
Vehicles	9	9	9	9	10	11	13	13	13	13
Sheriff										
Patrol vehicles	22	22	22	22	22	22	22	22	20	19
Search and rescue vehicles	10	5	3	3	2	5	5	5	4	4
Investigation and other services vehicles	17	17	18	18	15	15	15	15	14	14
Aircraft	1	1	1	1	3	3	3	3	3	3
Boats	1	1	1	2	2	3	3	3	3	3
Public safety										
Vehicles	6	7	7	7	6	7	9	9	9	9
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	15	17	17	18	20	21	23	25	25
Heavy equipment (road maintenance)	62	62	67	67	71	68	68	66	66	66
Health services										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	5	5	5	5	6	5	5	5	5	6
Forestry										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	12	12	10	8	7	7	7	7	7	7
County Fair										
Buildings (all facilities included)	9	9	9	9	9	9	9	9	9	9
Vehicles	2	1	1	1	1	1	1	1	1	1

Source: Hood River County Department of Budget & Finance

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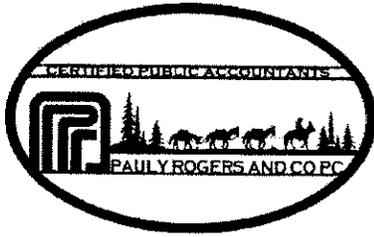
STATE REQUIREMENTS



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INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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November 29, 2017

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, 2017, and have issued our report thereon dated November 29, 2017. 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.

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
PAULY, ROGERS AND CO., P.C.

FEDERAL PROGRAMS AND
SINGLE AUDIT REQUIREMENTS



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GRANT COMPLIANCE REVIEW

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**HOOD RIVER COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Entity Number	Expenditures	Pass Through to Subrecipients
U.S. Department of Agriculture					
Environmental Quality Incentives Program - Soil Conservation and Domestic Allotment Act	Direct	10.912	n/a	\$ 5,850	\$ -
Schools to Roads - Grants to Counties	State of Oregon Department of Administrative Services	10.665	93-1116396	143,629	35,907
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	State of Oregon Department of Human Resources Health Division	10.557	148012	157,010	-
WIC Grants to states	Department of Human Resources Health Division	10.578	148012	5,042	-
Total U.S. Department of Agriculture				311,531	35,907
U.S. Department of Health and Human Services					
Drug Free Communities Support Program	Direct	93.276	n/a	134,718	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Direct	93.243	n/a	31,942	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	State of Oregon Department of Human Resources and Health Division	93.539	148012	380	-
Family Planning Services	Department of Human Resources Health Division	93.217	148012	42,833	-
Maternal and Child Health Services Block Grant to States	Department of Human Resources Health Division	93.994	148012	26,481	-
Project Grants and Cooperative Agreements For Tuberculosis Control Programs	Department of Human Resources Health Division	93.116	148012	132	-
Public Health Emergency Preparedness - Bioterrorism Preparedness & Response	Department of Human Resources Health Division	93.069	142012	69,370	-
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	13	-
Medical Assistance Program (Medicaid; Title XIX)	Health Division	93.778	148012	215,694	-
Total U.S. Department of Health and Human Services				574,942	-
U.S. Environmental Protection Agency					
State Public Water System Supervision	State of Oregon Department of Human Resources Health Division	66.432	148012	2,889	-
Capitalization Grants for Drinking Water State Revolving Funds	State of Oregon Department of Human Resources Health Division	66.468	148012	3,413	-
Total U.S. Environmental Protection Agency				6,302	-
U.S. National Highway Traffic Safety Administration					
National Priority Safety Program - Seabelt Enforcement	Oregon State Sheriff's Association	20.616	M1HVE-15-46-08	489	-
National Priority Safety Programs - DUII Enforcement	Oregon State Sheriff's Association	20.616	M15HVE-15-12-21	1,323	-
Total U.S. National Highway Traffic Safety Administration				1,812	-

**HOOD RIVER COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

		Federal CFDA	Pass Through	Pass Through	
U.S. Department of Homeland Security - FEMA					
Emergency Management Performance Grant	State of Oregon Military Department Emergency Management	97.042	35038	52,066	-
Homeland Security Grant Program - County LE Communications Upgrade	State of Oregon Military Department Emergency Management	97.067	15-220	117,170	-
Total U.S. Department of Homeland Security - FEMA				<u>169,236</u>	<u>-</u>
U.S. Department of Justice					
Crime Victim Assistance	State of Oregon Criminal Justice Commission	16.575	165751	44,052	-
Total U.S. Department of Justice				<u>44,052</u>	<u>-</u>
U.S. Department of the Interior					
Non-Sale Disposal of Mineral Material	State of Oregon Department of Administrative Services	15.214	n/a	207	-
Total U.S. Department of the Interior				<u>207</u>	<u>-</u>
U.S. Department of Housing and Urban Development					
Community Development Block Grants	State of Oregon Infrastructure Finance Authority	14.228	n/a	58,455	-
Total U.S. Department of Housing and Urban Development				<u>58,455</u>	<u>-</u>
Total Federal Assistance				<u>\$ 1,186,537</u>	<u>\$ 35,907</u>



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November 29, 2017

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, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 29, 2017. 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
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November 29, 2017

**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, 2017. 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, 2017.

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, 2017

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

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
10.665	Schools and Roads – Grants to Counties
97.067	Homeland Security Grant Program

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, 2017

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.