



HOOD RIVER COUNTY, OREGON

Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 2012



Prepared by:
Hood River County
Department of Budget & Finance

HOOD RIVER COUNTY, OREGON

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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, 2012

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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) 387-8894

December 1, 2012

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, 2012, together with the unqualified ("clean") opinion thereon of our independent certified public accountants, Pauly Rogers and Co., PC. Oregon State law under Oregon Revised Statutes 297.425 requires that every local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is prepared by the Hood River County Department of Budget & Finance to satisfy that requirement. Also included, starting on page A-1, are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

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

This report is prepared in conformity with the guidelines for financial reporting developed by the Government Financial Officers Association of the United States and Canada and the principles established by the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the County at June 30, 2012, and the results of operations of such funds for the year then ended in conformity with accounting principles generally accepted in the United States of America (US GAAP). The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

Profile of Hood River County, Oregon

Hood River County, incorporated June 23, 1908, is located in the Columbia River Gorge at the northern base of Mount Hood. The County covers 533 square miles, and serves a population of 22,880 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; health and human services; veterans services; construction and maintenance of roads, bridges and other infrastructure; parks and cultural sites; county fair; forestry management; and administrative functions including tax assessment, elections, tax collection, budgeting, finance, human resources, planning, building inspection and economic development. The Hood River County Health Authority is a legally separate unit, for which the County is accountable. Therefore the financial information is reported on the face of the County's government-wide statements; further information on revenue bonds is disclosed in note 8 of the notes to the basic financial statements for this "discretely presented" component unit.

The annual budget serves as the foundation for Hood River County's financial planning and control. In accordance with State statutes, the County budgets all funds except agency funds. Departments submit their budget requests to the Department of Budget & Finance for initial review and discussion. The Director of Budget & Finance passes recommendations through to the County Administrator for review; from this process the recommended budget is submitted to the Budget Committee with the Board of Commissioners serving as the ultimate authority for the adopted version of the budget. Additional resources and corresponding appropriations, as well as transfer adjustments between categories may modify the original budget during the fiscal year through a supplemental budget process. These budget adjustments require approval by the Board of Commissioners in public meetings. Expenditure appropriations lapse at the end of the fiscal year. Budget to actual comparisons are provided in this report for each budgeted fund. Comparatives for the General, Public Works, Timber Projects, and Timber Interest Funds may be found on pages 25 to 28; the balance of the comparative information for all other funds begins on page 67 ending on page 93.

Local economy

The Hood River valley is heavily dependent on agriculture, 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. The larger scale economic activity continues to depress the local and national economies with Hood River County reporting an unemployment rate of 7.5% at June 30, 2012, decreasing minimally from last year's 7.9%. Comparing the County's 7.5% to the state of Oregon's unemployment rate of 9.4% and the national rate of 9.2%, the state of Oregon along with the national level has unfortunately remained much higher. 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 49,849 acres of forestland that provide timber revenues to supplement its property taxes and other revenue sources in the General Fund. A forest management plan has been in place since 1971 that directs the County's work in harvesting and maintaining this valuable natural and financial resource. Further information on the timber activity of the County can be found on pages 15, 16, 31 and 37.

Long-term financial planning and major initiatives

The Board of County Commissioners holds a strategic planning session once a year. Out of this session come project priorities by desired year of accomplishment and assignment to the departments involved in the respective activities. This list is a part of the budget discussions that

begin in February of each year, creating a focal point for administration and finance as the budget allocations are determined. Projects of greatest priority are allocated resources in the next budget cycle and "lesser" priorities are reviewed in the subsequent years for continued inclusion on, upgrade of status within, or potential removal from the list.

The Commission is also engaged in formal long term financial planning, with results of discussion sessions held during 2012 generating the forward movement. The process is not yet completed, there is much more work to be done before a plan could be put into action. Once this process has reached that point, there will be an annual review and revision procedure designed to integrate the Commission's strategic plans with the financial realities of today and the future.

Currently, a top 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 becoming 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.

Plans in the areas of wind and biomass power continue to play a part in the County's future with Hood River County exploring new territory in the development and operation of renewable energy projects. Wind farm development efforts within Hood River County were officially terminated in early 2010 due to a less than favorable cost / benefit analysis and an uncertain future for Business Energy Tax Credits within the State of Oregon. Nonetheless, out of County wind power development may become viable in the future depending upon factors such as avoided cost purchase terms and tax credits for renewable energy projects. Biomass systems will be an additional segment of the County renewable energy portfolio, and the County continues to explore the potential for biomass generation as well as a biomass heating district in the upper Hood River Valley. The County will continue to strongly support renewable energy projects and plans of entities operating in Hood River County. Through the Board of County Commissioners, Hood River County has committed itself not only to addressing the future economics of the County, but just as importantly to the future of the Columbia River Gorge, the State of Oregon and our global environment.

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 an average of approximately \$4 million annually (historically about 40% of revenue) being transferred on a rolling average allocation from the Timber Projects fund. In contrast, property taxes are about 20% of the General Fund's total resources. Hood River County weathered several years of the failing economy fairly well because of those timber revenues. The national economic losses of the past several years have resulted in the County's timber sale bid prices falling from a high in 2003/2004 of \$448 per 1,000 board feet, to recent lows of \$179 per 1,000 bf. The impacts to the Timber Projects fund revenue was, at expenditure levels of that time, moving from a 5-6 year reserve to 3-4 years or less and dependent on conditions beyond the County's control. It became evident that the economic situation was not going to improve as thought and other areas of economic endeavors for the County were also not progressing as hoped. Action needed to be taken to preserve future operations. Self imposed General Fund spending cutbacks began initially with a \$400,000 reduction in the last five months of 2009/2010, then a \$2 million timber revenue transfer reduction in 2010/2011 that continued into the 2011/2012 fiscal year. The County had been on a cost reduction trajectory for several fiscal years prior to these actions; personnel had been reduced via

attrition and programs/materials have been reviewed and pared down as able. Service and staffing reductions have been difficult for all parties and there is no assurance that the worst has passed, but we feel that actions taken to this point have preserved future operations to the best of our abilities at this point. The County forest management plan is being reviewed for all available redesign options for the future that will provide the essential financial resource, as well as protect the greatest asset of the County.

The County moved into 2011/2012 with an agreement reached in 2009/2010 with the public safety bargaining unit for a three-year contract expiring June 30, 2013. Discussions regarding renewal of this agreement are currently underway. Two other, non-public safety union contracts are currently in place and set to expire June 30, 2014. Discussions regarding renewal of those agreements will begin at the end of calendar year 2013.

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 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 "overhauled" PERS. In the 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. The County retained a portion of PERS expenditures in a reserve fund to be used at such a time that the outcomes of those legal actions were known. 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 that reserve in fiscal 2011/2012 to cover increased costs, leaving a reserve balance of \$680,000 for future needs.

Adjusted PERS rates were received in the fall of 2010 that more than tripled the cost factor to the County for the 2011/2012 and 2012/2013 fiscal years. Ongoing discussions at the State level of further revisions to the PERS system have been occurring. The ultimate resolution of the overall PERS cost issue remains to be seen, but the known factor is the costs to most employers like the County will dramatically increase with the 2013/2014 fiscal year and beyond. Additionally, anticipated legislative efforts to mitigate rates in the future will almost certainly endure legal challenges, clouding their potential impact. Additional discussion of the PERS impacts may be found in the MD&A on pages 18 and 19.

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 that future market conditions are not predictable; that there are other factors involved over which the County has little to no control. Those factors will ultimately determine the success level of this investment. The issuance of these 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 further into this report on page 43.

The authorized maturities of County investments range from one day to eighteen months. The 2012 yields on authorized investment instruments continued to decline with current economic conditions. The 2011/2012 year-end average investment yield of .71% has decreased further over the prior year .80%, the County will continue to experience this trend as higher yielding investments currently on the books mature without being able to replace them with equivalent yields. The decline in earnings rates affects 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, 2011. This was the ninth 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.

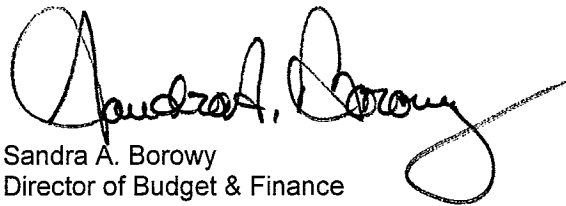
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,



David R. Meriwether
County Administrator



Sandra A. Borowy
Director of Budget & Finance

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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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

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HOOD RIVER COUNTY, OREGON
June 30, 2012

LEGAL ADDRESS

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

BOARD OF COMMISSIONERS

CHAIR Ron Rivers
Term January 1, 2011 – December 31, 2012
(Elected to a successive term January 1, 2013 – December 31, 2014)

VICE CHAIR Maui Meyer
District 2
Term January 1, 2009 – December 31, 2012
(Elected to a successive term January 1, 2013 – December 31, 2016)

COMMISSIONER Karen Joplin
District 1
Term January 1, 2011 – December 31, 2014

COMMISSIONER Robert Benton
District 3
Term January 1, 2011 – December 31, 2014

COMMISSIONER Les Perkins
District 4
Term January 1, 2009 – December 31, 2012
(Elected to a successive term January 1, 2013 – December 31, 2016)

OTHER ELECTED OFFICIALS

Joseph A. Wampler Sheriff
Term January 1, 2009 – December 31, 2012
Matthew English Sheriff-Elect
Term January 1, 2013 – December 31, 2016

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

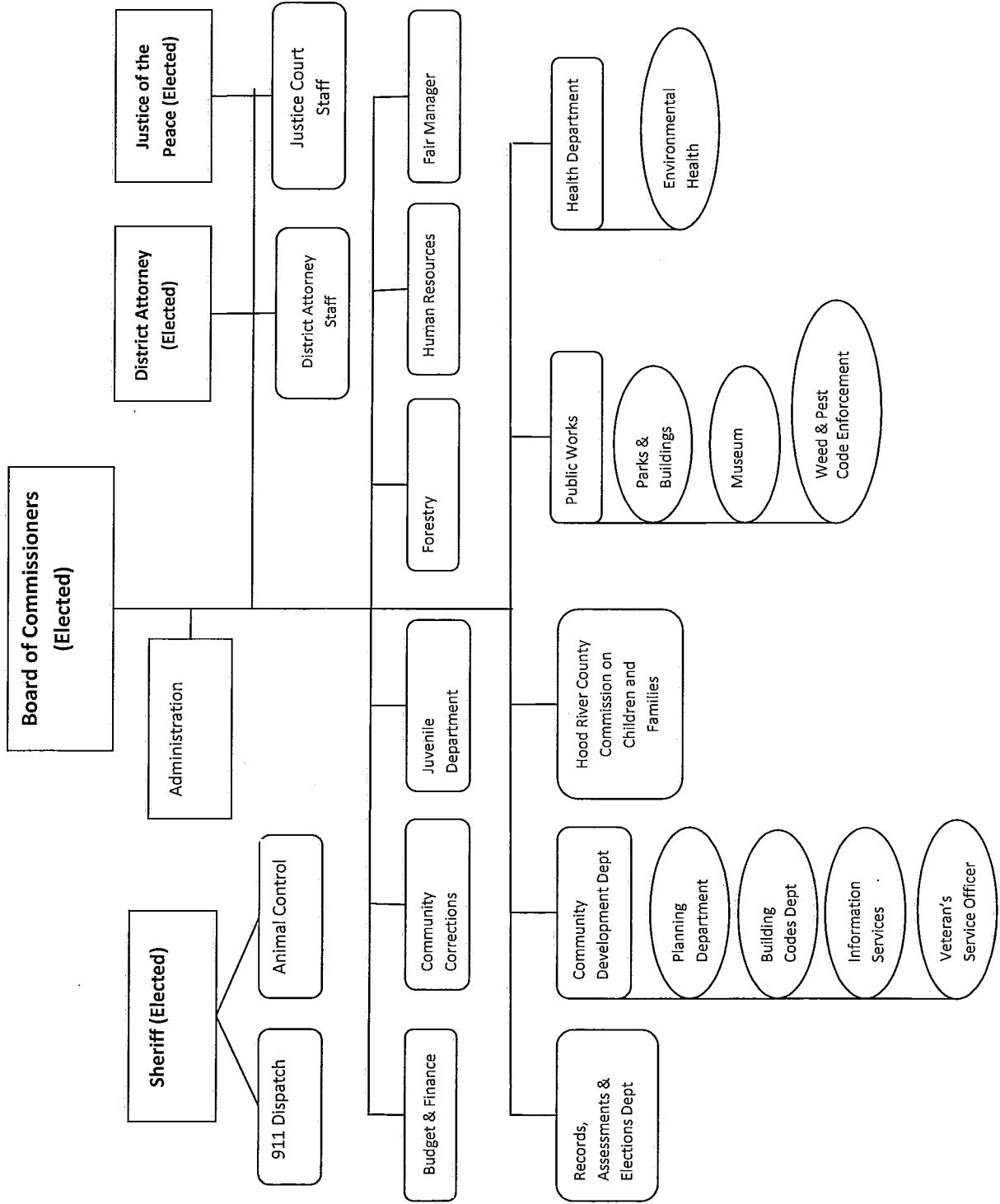
John T. Sewell District Attorney
Term January 1, 2009 – December 31, 2012
(Elected to a successive term January 1, 2013 – December 31, 2016)

APPOINTED OFFICIALS

David R. Meriwether County Administrator
Sandra A. Borowy Director of Budget
& Finance

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Hood River County Organizational Chart



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FINANCIAL
SECTION



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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

December 1, 2012

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

INDEPENDENT AUDITORS' REPORT

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 the Hood River County, Oregon, as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements as listed in the table of contents. The basic financial statements are the responsibility of management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Hood River County Health Facilities Authority, a discretely presented component unit, representing all assets, liabilities, equity, and operations of that component unit. These financial statements were audited by other auditors whose report thereon was furnished to us, and our opinion, insofar as it relates to the amounts included for Hood River County Health Facilities Authority, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 basic financial statements are free of material misstatement. The financial statements of the component units were not audited in accordance with Government Auditing Standards. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the Hood River County, Oregon, at June 30, 2012 and the respective changes in financial position thereof and respective budgetary comparisons for the General, Public Works, Timber Projects, and Timber Interest funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 1, 2012, on our consideration of internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the reports is to describe the scope of our testing of internal control over financial reporting and

December 1, 2012
To the Board of County Commissioners
Hood River County, Oregon

compliance and the results of that testing, and do not provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis and the required supplemental information, as listed in the table of contents, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the Management's Discussion and Analysis or the required supplementary information, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The introductory section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financials statements, and accordingly, we do not express an opinion or provide any assurance on it.

Pauly, Rogers and Co., P.C.
PAULY, ROGERS AND CO., P.C.

BASIC FINANCIAL STATEMENTS

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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, 2012. 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 5 of this report.

FINANCIAL HIGHLIGHTS

- The assets of Hood River County exceeded its liabilities at the close of the most recent fiscal year by \$111,778,893 on its government-wide Statement of Net Assets. Of this amount, \$15,148,664 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets differ from total fund balances by \$82,822,012, 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 \$28,956,881 an increase of \$512,956 from the prior year. Approximately 47.7% of the ending fund balances, or \$13,799,708, is available for spending at the County's discretion (*assigned and unassigned balances*).
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$1,317,248 or 14.2% of total General Fund expenditures for the fiscal year.
- Hood River County's bonded debt decreased by \$285,000 (3%) during the fiscal year. The County did not issue any new debt in 2011 and paid down the principal according to the debt service schedule on existing bonds.

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 assets* presents information on all Hood River County assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus revenues and expenses are reported in this statement for some items that will only affect resulting cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include not only Hood River County itself (known as the *primary government*), but also four legally separate *component units* for which Hood River County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The first is a health authority, complete financial statements for the Authority can be obtained at Providence Hood River Memorial Hospital, Finance Department, 13th and May Streets, Hood River, Oregon 97031. The second is a 911 communication district, the third is an urban renewal district and the fourth is a sewer district, complete financial statements for the 911 Communications District, Windmaster Urban Renewal District and the Windmaster Sewer District can be obtained at Hood River County, Department of Budget & Finance, 601 State Street, Hood River, OR 97031.

The government-wide financial statements can be found on pages 20 and 21 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 22 and 23 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 29 and 94 through 96 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 51 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. Required supplementary information can be found on pages 52 and 54 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 55 to 93 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Hood River County, assets exceeded liabilities by \$111,778,893 at the close of the fiscal year ended June 30, 2012.

By far the largest portion of Hood River County's net assets (73.2%) 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 Assets			
	2012	2011	Change
Current and other assets	\$ 40,787,157	\$ 40,346,311	\$ 440,846
Capital assets	82,848,038	82,986,715	(138,677)
Total assets	<u>123,635,195</u>	<u>123,333,026</u>	<u>302,169</u>
Long-term liabilities	7,853,636	7,912,581	(58,945)
Other liabilities	4,002,666	4,228,211	(225,545)
Total liabilities	<u>11,856,302</u>	<u>12,140,792</u>	<u>(284,490)</u>
Net assets:			
Invested in capital assets, net of related debt	81,803,518	81,651,715	151,803
Restricted	14,826,711	14,825,745	966
Unrestricted	<u>15,148,664</u>	<u>14,714,774</u>	<u>433,890</u>
Total net assets	<u>\$ 111,778,893</u>	<u>\$ 111,192,234</u>	<u>\$ 586,659</u>

13.26% of Hood River County's net assets represent resources that are subject to external restrictions on how they may be used. The unrestricted net assets of \$15,148,664 may be used to meet the County's ongoing obligations to citizens and creditors.

At June 30, 2012, Hood River County reported positive balances in all categories of net assets, 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 assets increased by \$586,659. Key elements of this increase are as follows:

Hood River County's Changes in Net Assets			
	Fiscal year ended		Change Inc/(Dec)
	2012	2011	
Revenues:			
Program revenues:			
Charges for services	\$ 3,521,460	\$ 3,153,361	\$ 368,099
Operating grants and contributions	5,851,244	6,355,463	(504,219)
Capital grants and contribution	147,966	169,629	(21,663)
General revenues:			
Property taxes	2,949,136	2,839,052	110,084
Other taxes	703,563	449,453	254,110
Grants and contributions not restricted to specific programs	69,277	305,668	(236,391)
Timber Sales	3,795,678	257,425	3,538,253
Other	643,648	629,551	14,097
Total revenues	17,681,972	14,159,602	3,522,370
Expense:			
General government	3,797,258	5,760,872	(1,963,614)
Public safety	5,341,217	5,240,174	101,043
Public works	3,121,504	2,932,892	188,612
Health & Sanitation	1,863,294	1,911,387	(48,093)
Forestry	891,664	912,046	(20,382)
Community services	1,889,159	1,935,443	(46,284)
Education	231,801	467,194	(235,393)
Total expenses	17,135,897	19,160,008	(2,024,111)
Decrease in net assets	546,075	(5,000,406)	5,546,481
Net assets July 1	111,232,818	115,873,140	(4,640,322)
Prior period adjustment	-	319,500	(319,500)
Net assets June 30	\$ 111,778,893	\$ 111,192,234	\$ 586,659

Individual increases and decreases in expenses were necessitated by County management's evaluation of needs and resources, as well as changes in the operating environment. Timber sale have increased dramatically 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. Judicious, planned spending caused the decrease of expenses in an inflationary time.

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, 2012, Hood River County's governmental funds reported combined ending fund balances of \$28,956,881, an increase of \$512,956 from the prior year. Approximately 98.8% of this total amount (\$28,626,419) constitutes restricted, assigned and unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is nonspendable to indicate that it is not available because it is held in General Fund prepaid expenses (\$2,133) and Public Works inventory (\$328,329).

The General Fund is the primary operating fund of Hood River County. At June 30, 2012, unassigned fund balance of the General Fund was \$1,317,248. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. The total unassigned General Fund balance represents 14.2% of total General Fund expenditures for the year ended June 30, 2012.

The unassigned fund balance of the Hood River County General Fund increased by \$428,701 during the year ended June 30, 2012. The Fund's revenue was slightly higher than expected with a favorable variance of \$118,180. Additionally, due to uncertainties surrounding many financial resources and management's efforts to control and reduce costs, plus not requiring use of the budgeted contingency (\$311,350), resulted in actual expenditures at a lower level than budgeted (\$913,856). Each budget category's results reflected under budget spending, including that unspent contingency, with large savings occurring in the materials and services (\$405,853) and personal services (\$121,630) categories. Several departments in the General Fund experienced reductions in those two areas for a variety of reasons. Between fiscal 2010/2011 and 2011/2012, actual revenues increased by \$117,996, but actual expenditures increased by \$1,370,077, which resulted from the change in the manner of handling the annual operating contribution to the regional jail facility. Until fiscal 2011/2012, the manner in which payment to that facility was handled resulted from State law regarding fiscal obligations in this type of situation. A special revenue fund received General Fund dollars via an interfund transfer and paid funds out to the jail. During the 2011/2012 year, the situation under that law ended and the payment to the jail was budgeted out of the General Fund 'Other' category (\$1,189,935). Other sources and uses of funds increased between the 2010/2011 and 2011/2012 fiscal years (\$1,869,665) due to additional amounts transferred from timber interest (\$250,000), retirement reserve fund (\$250,000) and less transferred out due to the change in jail funding previously discussed.

The Public Works fund is the operating fund that covers County road repair and maintenance. At June 30, 2012, restricted fund balance of the Public Works fund was \$11,624,278, plus a small nonspendable amount of \$328,329 for inventory. The fund balance decreased \$119,560 (.10%) over the prior year due to slightly higher spending (\$186,791) only partially being offset by marginally increased revenues. Federal funding for road maintenance has been and continues to be very uncertain. The 2011/2012 year was slated to be the last year for receipt of these funds, but a last minute, one year extension was received taking the "last year" into 2012/2013 at a reduced level. In this 2012 fiscal year the federal funding received was \$713,038. 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, 2012, the assigned fund balance of the Timber Projects fund was \$7,909,620, with no amount being restricted. The fund balance increased \$1,428,772, or 22%, over the prior year which is the result of the County stepping up timber sale efforts in order to replenish the reserve fund lost in prior fiscal years. 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, 2008/2009, 2009/2010 and 2010/2011 fiscal years which reduces the amount of funds available for transfer to the General Fund. A rolling 10 year average is used to calculate the annual amount of funds available for General Fund transfer and decreases in sale volumes as well as the dollars received from those sales will impact future fiscal years. In the 2009/2010, 2010/2011 and 2011/2012 years, the County elected to reduce the transfer to the General Fund by \$2,000,000 in order to reserve timber funds for future periods.

The Timber Interest fund is the operating fund that receives the interest earnings for the Timber Projects fund. At June 30, 2012, the assigned fund balance was \$2,637,764, with no amount being restricted. The fund balance decreased \$786,054 (22.9%) over the prior year due in part to an increase of funding transferred to the General Fund (\$850,000), as well as the decline of interest earnings rates over the past fiscal periods. This interest earned is held separately from the Timber Projects fund due to the difference in the County's self-imposed rules on how the funding is used. The Timber Interest fund is available to supplement the General Fund operational needs, but also to support special projects that the County governing body may not otherwise be able to accomplish, in example, installation of the County-wide communications/data network, financial software implementation, assessment and taxation software implementation, and renewable energy projects.

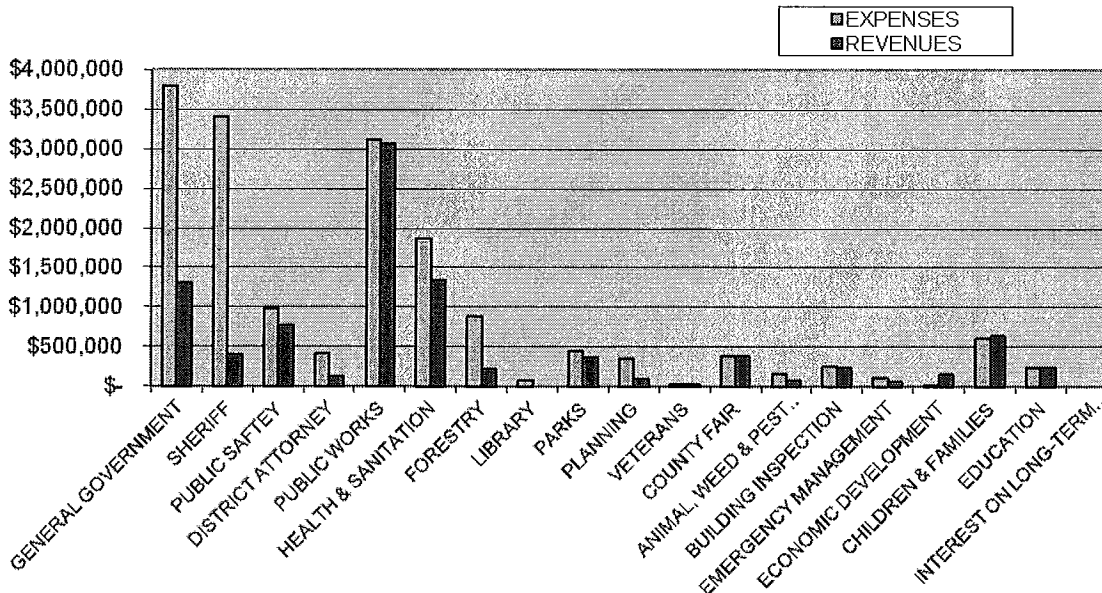
General Fund Budgetary Highlights

Differences between the original budget and the final amended appropriations budget totaled \$271,567 and are briefly summarized as follows:

- Personal services increased \$98,318 primarily due to hiring staff for two Forestry projects that had originally been planned as contract services.
- Capital outlay increased \$42,709 primarily due to equipment purchases and installation related to an energy efficiency project in three of the main County buildings, plus expenses related to homeland security capital equipment purchases.
- Contingency was increased \$131,350 due to the partial closure of a special revenue fund, the resulting transfer of those funds to the General Fund.

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, 2012



Capital Assets and Debt Administration

Capital assets. Hood River County investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$82,848,038 (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 \$138,677 or .17% resulting in the majority from the sale of vehicles and equipment whose useful life had been realized.

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,	
	2012	2011
Land	\$ 20,937,275	\$ 21,205,010
Buildings and improvement	8,558,521	8,715,656
Furniture and fixtures	3,660	7,567
Vehicles	496,412	514,755
Machinery and equipment	1,478,570	1,606,180
Infrastructure	50,770,524	50,750,879
Construction in progress	603,076	186,668
Total	<u>\$ 82,848,038</u>	<u>\$ 82,986,715</u>

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, 2012 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 79% is higher than the current year 77%. The expenditure estimate for infrastructure condition maintenance in the current year public works budget was \$500,000 with actual cost being at \$418,672. This is a 13.6% decrease from the prior year expense.

Additional information on Hood River County's capital assets and the modified approach can be found in note 5 on pages 38 and 39, and in the Required Supplementary Information on pages 52 and 53.

Long-term debt. At June 30, 2012, Hood River County had total bonded debt outstanding of \$6,945,387. 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 \$5,340,000.

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

	June 30,	
	2012	2011
General obligation bonds	\$ 990,000	\$ 1,275,000
Pension obligations bonds	5,250,000	5,305,000
Note Payable	705,387	548,963
Total	\$ 6,945,387	\$ 7,128,963

Additional information on Hood River County's long-term debt can be found in note 9 on pages 42 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, 2012, the unemployment rate for Hood River County was 7.7%, which is a .2% decrease from the rate a year ago of 7.9%. This rate is much lower than the State of Oregon June 30, 2012 average unemployment rate of 8.5% and much more favorable than the national rate of 8.2%. 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, 2011, the County had settled with the law enforcement union, signing a new three year agreement on July 29, 2010. Negotiations with two other bargaining units, whose contracts had expired on June 30, 2010, continued into the fall. After several rounds of negotiations and mediation interventions in 2010/2011, the County and the bargaining units were unable to reach agreement. The County found it necessary to impose the last offer of each contract on each respective local. Subsequent to these implementations the two bargaining groups requested to meet once again with the County. An amicable resolution was found in the terms and both contracts have been extended to June 30, 2014.

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 decreased to a modest degree for the 2010/2011 and 2011/2012 years due to plan changes made to lower the premium costs to both the County and the covered staff members. Contribution from employees toward their health coverage premium is between 15% and 20%. Efforts by management and staff to keep premium costs under control through management of particular plan benefits are ongoing and have contributed to the cost containment. Plan revisions and alternative sources have been researched, considered and initiated to the extent that the majority of affected staff agreed to the changes.

Retirement benefit funding is an increasingly more expensive personal services item. 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. Every two years, each employer's status in the PERS system is evaluated by an actuary and contribution rates for the next two budget years are assigned. These rates are designed to cover the liabilities associated with the future retirement costs faced by the employers as the makeup 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 have been advised that the new rates for fiscal 2012/2014 and 2014/2015 will again increase, with the County's average rate being projected at 9.09%. Legislative changes in the past have had limited success in remedying the situation due to organized labor challenges in the court system. The 2013 legislative session is expected to again take on the issues associated with the ever increasing cost of retirement benefits in PERS.

The State of Oregon has experienced a variety of revenue fluctuations during the last few years. The 2012/2013 revenue forecast is not looking positive considering the national and world economic conditions. As a result of the state's attempts to balance its budget, funds provided to local governments have been somewhat unpredictable for funding 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 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 2013/2015 biennial budget giving local governments their base for the two-year period. However, the likelihood of changes to the projections by the state is 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 2012 amount reflected in the Public Works fund is \$713,038. The federal government was able to reach agreement late in the spring of 2012 on a one year extension prior to the fall general election, with continued discussion to occur into 2013.

In order to remove some of the financial strain on the County General Fund, the Hood River County Library was closed on June 30, 2010. The County worked with the community to form a local resident's steering committee charged with the task of developing a plan for a new Library District. The committee came together twice, putting a tax district measure forward in May 2010 and November 2010. The November measure attempt was successful. During fiscal 2010/2011, the new Hood River County Library District was under formation with the district re-opening the Library doors on July 1, 2011. The County continues to support the new district via building occupancy allowances and maintenance support.

All of these factors were considered in preparing Hood River County's budget for the 2013 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

HOOD RIVER COUNTY, OREGON
STATEMENT OF NET ASSETS
JUNE 30, 2012

	PRIMARY GOVERNMENTAL ACTIVITIES	HEALTH AUTHORITY COMPONENT	911 COMMUNICATIONS COMPONENT	WINDMASTER SEWER DISTRICT COMPONENT	WINDMASTER URBAN RENEWAL COMPONENT
ASSETS					
CASH AND INVESTMENTS	\$ 28,422,737	\$ 2,041,734	\$ 2,449,745	\$ 23,818	\$ 128,619
TAXES RECEIVABLE	202,602	-	69,433	-	5,301
ACCOUNTS RECEIVABLE	1,322,588	3,203,368	69,994	-	-
CONTRACTS RECEIVABLE	2,406,777	-	-	-	-
INVENTORIES	328,329	-	-	-	-
DEFERRED CHARGES	4,150	-	-	-	-
PREPAID EXPENSES	2,133	-	-	-	-
PREPAID PERS PAYMENTS, net	4,054,625	-	-	-	-
INVESTMENT IN JOINT VENTURE	3,786,938	-	-	-	-
NOTE RECEIVABLE	256,278	-	-	-	-
CAPITAL ASSETS:					
LAND AND INFRASTRUCTURE	72,310,875	-	-	-	-
DEPRECIABLE BUILDINGS, IMPROVEMENTS PROPERTY AND EQUIPMENT, net	10,537,163	-	135,760	2,453,136	-
TOTAL ASSETS	123,635,195	5,245,102	2,724,932	2,476,954	133,920
LIABILITIES					
ACCOUNTS PAYABLE	694,655	-	4,000	150	-
SALARIES AND FRINGE PAYABLE	404,290	-	44,506	-	-
BOND INTEREST PAYABLE	4,112	165,100	-	-	-
UNEARNED REVENUE	2,409,593	-	-	-	-
DEPOSITS	52,775	-	-	-	-
ACCRUED COMPENSATED ABSENCES	437,241	-	46,210	-	-
LONG-TERM DEBT DUE WITHIN ONE YEAR	380,000	1,050,000	-	30,755	-
LONG-TERM DEBT DUE IN MORE THAN ONE YEAR	7,473,636	4,030,000	-	225,523	-
TOTAL LIABILITIES	11,856,302	5,245,100	94,716	256,428	-
NET ASSETS					
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	81,803,518	-	135,760	2,196,858	-
RESTRICTED FOR DEBT SERVICE	62,780	2	-	-	-
RESTRICTED FOR CAPITAL PROJECTS	13,303,572	-	-	-	-
RESTRICTED FOR SERVICES	1,460,359	-	-	-	-
UNRESTRICTED	15,148,664	-	2,494,456	23,668	133,920
TOTAL NET ASSETS	\$ 111,778,893	\$ 2	\$ 2,630,216	\$ 2,220,526	\$ 133,920

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

HOOD RIVER COUNTY, OREGON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

FUNCTIONS/PROGRAMS GOVERNMENTAL ACTIVITIES:	EXPENSES	PROGRAM REVENUES			CAPITAL GRANTS & CONTRIBUTIONS	PRIMARY GOVERNMENT TOTAL GOVERNMENTAL ACTIVITIES	HEALTH AUTHORITY COMPONENT	911 COMMUNICATIONS COMPONENT	WINDMASTER SEWER DISTRICT COMPONENT	WINDMASTER URBAN RENEWAL COMPONENT
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GRANTS & CONTRIBUTIONS						
GENERAL GOVERNMENT:	\$ 3,791,414	\$ 614,219	\$ 580,707	\$ 105,334	\$ (2,491,154)					
SHERIFF	3,415,074	222,056	182,322	-	(3,010,696)					
PUBLIC SAFETY	986,027	472,304	292,294	-	(221,429)					
DISTRICT ATTORNEY	422,761	6,864	123,364	-	(292,533)					
PUBLIC WORKS	3,121,504	547,097	2,514,018	-	(60,389)					
HEALTH & SANITATION	1,863,294	483,314	852,630	-	(527,350)					
FORESTRY	891,664	122,787	105,157	-	(663,720)					
LIBRARY	79,885	-	-	-	(79,885)					
PARKS	444,200	348,914	-	17,707	(77,579)					
PLANNING	344,554	57,003	40,000	-	(247,551)					
VETERANS	32,059	28,131	28,131	-	(3,928)					
COUNTY FAIR	375,840	334,127	50,002	-	8,269					
ANIMAL, WEED & PEST CONTROL	151,692	76,376	-	-	(75,316)					
BUILDING INSPECTION	280,974	232,139	-	-	(28,835)					
EMERGENCY MANAGEMENT	104,688	-	41,507	24,925	(38,256)					
ECONOMIC DEVELOPMENT	5,844	-	159,429	-	153,585					
CHILDREN & FAMILIES	612,621	4,260	642,006	-	33,645					
EDUCATION	231,801	-	239,677	-	7,876					
TOTAL PRIMARY GOVERNMENT ACTIVITIES	\$ 17,135,897	\$ 3,521,460	\$ 5,851,244	\$ 147,966	(7,615,227)					
COMPONENT UNITS:										
HEALTH AUTHORITY	\$ 365,060	\$ -	\$ -	\$ -	(365,060)		(1,001,821)	(13,361)	(102,362)	
911 COMMUNICATIONS	1,278,577	276,756	-	-						
WINDMASTER SEWER DISTRICT	34,692	21,331	-	-						
WINDMASTER URBAN RENEWAL	132,362	-	30,000	-						
GENERAL REVENUES:										
TAXES:										
PROPERTY TAXES, LEVIED FOR GENERAL PURPOSES					2,619,531		1,005,029	-	89,115	
PROPERTY TAXES, LEVIED FOR DEBT SERVICE					329,605		-	-	-	
PUBLIC SERVICE TAXES					705,563		-	-	-	
INVESTMENT EARNINGS					281,752		14,036	131	749	
MISCELLANEOUS					69,277		2,339	83,004	-	
TIMBER SALES					3,795,678		364,865	-	-	
JOINT VENTURE INVESTMENT					361,896		-	-	-	
PAYMENT TO PRIMARY GOVERNMENT					-		-	-	-	
TOTAL GENERAL REVENUES					8,161,302		1,021,404	83,135	89,864	
CHANGE IN NET ASSETS					546,075	(1)	19,563	69,774	(12,498)	
NET ASSETS, BEG OF YEAR - AS RESTATED (SEE NOTE 16)					111,232,818	3	2,610,633	2,150,752	146,418	
NET ASSETS, END OF YEAR					\$ 111,778,893	\$ 2	\$ 2,630,216	\$ 2,220,526	\$ 133,920	

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

HOOD RIVER COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	GENERAL	PUBLIC WORKS	TIMBER PROJECTS	TIMBER INTEREST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
CURRENT ASSETS:						
CASH AND INVESTMENTS	\$ 2,244,465	\$ 11,525,994	\$ 7,610,825	\$ 2,637,764	\$ 4,403,689	\$ 28,422,737
TAXES RECEIVABLE	178,918	-	-	-	23,684	202,602
ACCOUNTS RECEIVABLE	360,965	280,364	309,043	-	372,216	1,322,588
CONTRACTS RECEIVABLE	-	-	2,158,443	-	248,334	2,406,777
INVENTORIES	-	328,329	-	-	-	328,329
PREPAID EXPENSES	2,133	-	-	-	-	2,133
TOTAL ASSETS	\$ 2,786,481	\$ 12,134,687	\$ 10,078,311	\$ 2,637,764	\$ 5,047,923	\$ 32,685,166
LIABILITIES						
CURRENT LIABILITIES:						
ACCOUNTS PAYABLE	\$ 182,300	\$ 118,104	\$ 10,248	\$ -	\$ 384,003	\$ 694,655
ACCRUED SALARIES & FRINGE PAYABLE	264,489	63,976	-	-	75,825	404,290
DEFERRED REVENUE	149,293	-	-	-	268,829	418,122
UNEARNED REVENUE	-	-	2,158,443	-	-	2,158,443
DEPOSITS	52,775	-	-	-	-	52,775
TOTAL LIABILITIES	648,857	182,080	2,168,691	-	728,657	3,728,285
FUND BALANCES:						
NONSPENDABLE	2,133	328,329	-	-	-	330,462
RESTRICTED	-	11,624,278	-	-	3,202,433	14,826,711
ASSIGNED	818,243	-	7,909,620	2,637,764	1,116,833	12,482,460
UNASSIGNED	1,317,248	-	-	-	-	1,317,248
TOTAL FUND BALANCES	2,137,624	11,952,607	7,909,620	2,637,764	4,319,266	28,956,881
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,786,481	\$ 12,134,687	\$ 10,078,311	\$ 2,637,764	\$ 5,047,923	

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES
IN THE STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE:

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN THE FUNDS.	82,848,038
INVESTMENT IN JOINT VENTURE - NOT AVAILABLE TO THE COUNTY	3,786,938
PREPAID PERS PAYMENTS AND RELATED DEBT INTEREST ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES	4,054,625
UNAMORTIZED BALANCE OF DEFERRED CHARGES FOR ISSUANCE COSTS ON LONG-TERM DEBT ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES.	4,150
OTHER LONG TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND THEREFORE ARE DEFERRED IN THE FUNDS:	
PROPERTY TAXES EARNED BUT UNAVAILABLE	166,972
NOTE RECEIVABLE	256,278
ACCRUED COMPENSATED ABSENCES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.	(437,241)
NET OPEB OBLIGATION IS NOT REPORTED AS A LIABILITY IN THE GOVERNMENTAL FUNDS	(908,294)
ACCRUED INTEREST IS NOT REPORTED IN THE GOVERNMENTAL FUNDS	(4,112)
LONG-TERM BONDS PAYABLE, AND RELATED INTEREST, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.	(6,945,342)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 111,778,893

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, 2012

	GENERAL	PUBLIC WORKS	TIMBER PROJECTS	TIMBER INTEREST	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
PROPERTY TAXES	\$ 2,605,504	\$ -	\$ -	\$ -	\$ 328,605	\$ 2,934,109
OTHER TAXES	464,498	-	-	-	239,065	703,563
INTERGOVERNMENTAL	951,074	2,602,502	-	-	2,555,802	6,109,378
TIMBER SALES	-	-	3,795,678	-	-	3,795,678
FINES AND FEES	1,714,295	469,251	49,820	-	940,264	3,173,630
INVESTMENT EARNINGS	30,651	124,747	30,413	63,946	31,995	281,752
DONATIONS & CONTRIBUTIONS	-	-	-	-	119,280	119,280
OTHER REVENUE	35,187	-	-	-	174,128	209,315
TOTAL REVENUES	5,801,209	3,196,500	3,875,911	63,946	4,389,139	17,326,705
EXPENDITURES						
CURRENT OPERATING:						
GENERAL GOVERNMENT	2,885,105	-	-	-	594,527	3,479,632
SHERIFF	3,102,870	-	-	-	114,385	3,217,255
PUBLIC SAFETY	955,147	-	-	-	-	955,147
DISTRICT ATTORNEY	192,298	-	-	-	221,322	413,620
PUBLIC WORKS	13,030	2,751,686	-	-	19,645	2,784,361
HEALTH & SANITATION	616,594	-	-	-	1,198,514	1,815,108
FORESTRY	615,585	-	263,439	-	-	879,024
PARKS	314,132	-	-	-	99,190	413,322
PLANNING	334,731	-	-	-	-	334,731
VETERANS	32,059	-	-	-	-	32,059
COUNTY FAIR	-	-	-	-	353,739	353,739
ANIMAL, WEED & PEST CONTROL	-	-	-	-	147,950	147,950
BUILDING INSPECTION	-	-	-	-	256,905	256,905
EMERGENCY MANAGEMENT	82,143	-	-	-	-	82,143
ECONOMIC DEVELOPMENT	-	-	-	-	5,844	5,844
CHILDREN & FAMILIES	-	-	-	-	590,933	590,933
EDUCATION	-	-	-	-	244,691	244,691
CAPITAL OUTLAY	121,842	19,645	-	-	686,490	827,977
DEBT SERVICE:						
PRINCIPAL	-	-	-	-	340,000	340,000
INTEREST	-	-	-	-	382,252	382,252
TOTAL EXPENDITURES	9,265,536	2,771,331	263,439	-	5,256,387	17,556,693
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,464,327)	425,169	3,612,472	63,946	(867,248)	(229,988)
OTHER FINANCING SOURCES (USES)						
TRANSFERS IN	3,676,447	47,000	255,260	-	515,820	4,494,527
TRANSFERS OUT	(134,770)	(610,000)	(2,438,960)	(850,000)	(460,797)	(4,494,527)
RETURN OF INVESTMENT - LOAN	-	-	-	-	-	-
PERS IN LIEU	-	-	-	-	384,255	384,255
PROCEEDS FROM THE SALE OF ASSETS	12,380	18,271	-	-	287,454	318,105
TOTAL OTHER FINANCING SOURCES (USES)	3,554,057	(544,729)	(2,183,700)	(850,000)	726,732	702,360
NET CHANGE IN FUND BALANCES	89,730	(119,560)	1,428,772	(786,054)	(140,516)	472,372
FUND BALANCES - BEGINNING - AS RESTATED (SEE NOTE 16)	2,047,894	12,072,167	6,480,848	3,423,818	4,459,782	28,484,509
FUND BALANCES - ENDING	\$ 2,137,624	\$ 11,952,607	\$ 7,909,620	\$ 2,637,764	\$ 4,319,266	\$ 28,956,881

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, 2012**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENT FUNDS	\$	472,372
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	\$	854,776
NET BOOK VALUE OF ASSETS RETIRED OR SOLD		(256,756)
LESS CURRENT YEAR DEPRECIATION		(736,697)
		(138,677)
REVENUES IN THE STATEMENT OF ACTIVITIES THAT DO NOT PROVIDE CURRENT FINANCIAL RESOURCES ARE NOT REPORTED AS REVENUES IN THE FUNDS.		
CHANGE IN PROPERTY TAXES RECEIVABLE		15,027
LONG TERM NOTE RECEIVABLE		(83,005)
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		7,975
AMORTIZATION OF PREPAID PERS PAYMENTS		(148,228)
BOND ISSUANCE COSTS ARE NOT AMORTIZED ON THE GOVERNMENTAL FUND STATEMENTS		(1,382)
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		357,027
CHANGE IN INTEREST ACCRUAL		1,152
LONG TERM PAYABLE		(173,406)
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		(124,676)
CHANGE IN INVESTMENT IN JOINT VENTURE		361,896
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	546,075

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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES	\$ 2,520,200	\$ 2,520,000	\$ 2,605,504	\$ 85,504
OTHER TAXES	349,000	410,200	464,498	54,298
INTERGOVERNMENTAL	1,210,065	1,009,127	951,074	(58,053)
FINES AND FEES	1,448,130	1,651,030	1,714,295	63,265
INVESTMENT EARNINGS	30,000	30,000	21,654	(8,346)
OTHER REVENUE	34,000	53,675	35,187	(18,488)
TOTAL REVENUES	<u>5,591,395</u>	<u>5,674,032</u>	<u>5,792,212</u>	<u>118,180</u>
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	5,937,938	6,036,256	5,914,626	(121,630)
MATERIALS & SERVICES	2,030,287	2,029,477	1,623,624	(405,853)
CAPITAL OUTLAY	115,900	158,609	121,842	(36,767)
OTHER	1,643,700	1,643,700	1,605,444	(38,256)
CONTINGENCY	180,000	311,350	-	(311,350)
TOTAL EXPENDITURES	<u>9,907,825</u>	<u>10,179,392</u>	<u>9,265,536</u>	<u>(913,856)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,316,430)	(4,505,360)	(3,473,324)	(1,032,036)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	3,904,700	4,094,850	4,026,447	(68,403)
TRANSFERS OUT	(118,270)	(134,770)	(134,770)	-
PROCEEDS FROM THE SALE OF ASSETS	-	8,500	12,380	3,880
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,786,430</u>	<u>3,968,580</u>	<u>3,904,057</u>	<u>(64,523)</u>
NET CHANGE IN FUND BALANCE	(530,000)	(536,780)	430,733	967,513
FUND BALANCE - BEGINNING	530,000	536,780	888,648	351,868
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,319,381</u>	<u>\$ 1,319,381</u>
RECONCILIATION TO GASB 54				
RESERVE ENDING FUND BALANCE			<u>818,243</u>	
GENERAL FUND ENDING FUND BALANCE			<u>\$ 2,137,624</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 4,014,730	\$ 4,014,730	\$ 2,602,502	\$ (1,412,228)
FINES AND FEES	366,200	366,200	469,251	103,051
INVESTMENT EARNINGS	150,000	150,000	124,747	(25,253)
TOTAL REVENUES	<u>4,530,930</u>	<u>4,530,930</u>	<u>3,196,500</u>	<u>(1,334,430)</u>
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	1,599,005	1,599,005	1,464,181	(134,824)
MATERIALS & SERVICES	1,913,720	1,913,720	985,806	(927,914)
OTHER	1,742,500	1,742,500	321,344	(1,421,156)
CONTINGENCY	280,000	280,000	-	(280,000)
TOTAL EXPENDITURES	<u>5,535,225</u>	<u>5,535,225</u>	<u>2,771,331</u>	<u>(2,763,894)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,004,295)	(1,004,295)	425,169	1,429,464
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	47,000	47,000	47,000	-
TRANSFERS OUT	(610,000)	(610,000)	(610,000)	-
PROCEEDS FOR THE SALE OF ASSETS	-	-	18,271	18,271
TOTAL OTHER FINANCING SOURCES (USES)	<u>(563,000)</u>	<u>(563,000)</u>	<u>(544,729)</u>	<u>18,271</u>
NET CHANGE IN FUND BALANCE	(1,567,295)	(1,567,295)	(119,560)	1,447,735
FUND BALANCE - BEGINNING	11,600,000	11,600,000	12,072,167	472,167
FUND BALANCE - ENDING	<u>\$ 10,032,705</u>	<u>\$ 10,032,705</u>	<u>\$ 11,952,607</u>	<u>\$ 1,919,902</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, 2012**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
TIMBER SALES	\$ 2,085,000	\$ 2,085,000	\$ 3,795,678	\$ 1,710,678
FINES AND FEES	34,000	34,000	49,820	15,820
INVESTMENT EARNINGS	-	-	30,413	30,413
TOTAL REVENUES	<u>2,119,000</u>	<u>2,119,000</u>	<u>3,875,911</u>	<u>1,756,911</u>
EXPENDITURES				
CURRENT OPERATING:				
MATERIALS & SERVICES	1,671,810	1,621,810	251,204	(1,370,606)
CAPITAL OUTLAY	155,500	155,500	-	(155,500)
OTHER	14,000	14,000	12,235	(1,765)
TOTAL EXPENDITURES	<u>1,841,310</u>	<u>1,791,310</u>	<u>263,439</u>	<u>(1,527,871)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	277,690	327,690	3,612,472	3,284,782
OTHER FINANCING (USES)				
TRANSFERS IN	255,260	255,260	255,260	-
TRANSFERS OUT	(2,438,960)	(2,488,960)	(2,438,960)	(50,000)
TOTAL OTHER FINANCING (USES)	<u>(2,183,700)</u>	<u>(2,233,700)</u>	<u>(2,183,700)</u>	<u>(50,000)</u>
NET CHANGE IN FUND BALANCE	(1,906,010)	(1,906,010)	1,428,772	3,234,782
FUND BALANCE - BEGINNING	<u>6,230,650</u>	<u>6,230,650</u>	<u>6,480,848</u>	<u>250,198</u>
FUND BALANCE - ENDING	<u>\$ 4,324,640</u>	<u>\$ 4,324,640</u>	<u>\$ 7,909,620</u>	<u>\$ 3,584,980</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 INTEREST FUND
 FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 100,000	\$ 100,000	\$ 63,946	\$ (36,054)
TOTAL REVENUES	<u>100,000</u>	<u>100,000</u>	<u>63,946</u>	<u>(36,054)</u>
OTHER FINANCING (USES)				
TRANSFERS OUT	(850,000)	(850,000)	(850,000)	-
TOTAL OTHER FINANCING (USES)	<u>(850,000)</u>	<u>(850,000)</u>	<u>(850,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(750,000)	(750,000)	(786,054)	(36,054)
FUND BALANCE - BEGINNING	<u>3,382,000</u>	<u>3,382,000</u>	<u>3,423,818</u>	<u>41,818</u>
FUND BALANCE - ENDING	<u>\$ 2,632,000</u>	<u>\$ 2,632,000</u>	<u>\$ 2,637,764</u>	<u>\$ 5,764</u>

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

HOOD RIVER COUNTY, OREGON
STATEMENT OF FIDUCIARY ASSETS & LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2012

ASSETS

CASH AND INVESTMENTS	<u>\$ 12,438,800</u>
RECEIVABLES:	
PROPERTY TAXES	1,538,237
ACCOUNTS	53,006
TOTAL RECEIVABLES	<u>1,591,243</u>
TOTAL ASSETS	<u><u>\$ 14,030,043</u></u>

LIABILITIES

HELD ON BEHALF OF OTHER LOCAL GOVERNMENTS	<u><u>\$ 14,030,043</u></u>
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NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Hood River County 911 Communications District (911 Communications) was organized in 1995 as a special district providing emergency response dispatch service to all of Hood River County. The governing body of 911 Communications is the Hood River County Board of County Commissioners. Complete financial statements for 911 Communications can be obtained at the Hood River County, Department of Budget & Finance, 601 State Street, Hood River, OR 97031.

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 entity is fiscally dependent on the County. Complete financial statements for the WMSD can be obtained at the Hood River County, Department of Budget & Finance, 601 State Street, Hood River, OR 97031.

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 entity is fiscally dependent on the County. Complete financial statements for the 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 assets and the statement of changes in net assets) 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.

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*.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued.

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

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.

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.

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.

The *Timber Interest Fund* collects interest earned from the Timber Projects Fund activities, but is not governed by the very specific policies that dictate the usage of those funds. Timber interest is available to fund projects that would not otherwise be feasible with basic revenues such as: the County wide installation of a local area network; acquisition and installation of the current financial system and assessment and taxation software; allocation to the Renewable Energy Fund to begin the County's revenue expansion efforts in that area.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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, liabilities, and net assets or equity

Deposits and investments

Oregon Revised Statutes authorize the County and Authority to invest in obligations of the U.S. Treasury and its agencies, certain bonded obligations of Oregon municipalities, certificates of deposit, certain commercial paper, banker's acceptance, corporate debt, bank repurchase agreements, and the Oregon State Treasurer's Local Government Investment Pool (LGIP).

Investments for the County, as well as for the component unit are reported at fair value. The investment fair value is determined from published sources. The LGIP has regulatory oversight by the Oregon Short Term Investment Fund Board whose investments are approved by the Oregon Investment Council. The fair value of the County's position in the LGIP approximates fair value of the value of the Pool shares as reported in the Oregon Short Term Fund audited financial statements.

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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Assets, liabilities, and net assets or equity, continued

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

Supply Inventories

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

Capital Assets

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

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 52 and 53. 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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Assets, liabilities, and net assets or equity, continued

Compensated Absences

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

Long-term obligations

In the government-wide financial statements long-term debt is reported as a liability in the County's statement of net assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 equity

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

- Nonspendable fund balance represents amounts that are not in a spendable form. 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. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The Director of Budget and Finance have the authority to classify portions of ending fund balances as Assigned.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund equity (continued)

There are no committed fund balances reported.

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.

NOTE 2 - BUDGETARY INFORMATION

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

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

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

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, 2012 is \$650,917. Of these deposits, all is covered for non-interest bearing accounts by federal depository insurance.

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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

As of June 30, 2012, the County had the following cash and investments:

	Fair value
Investments	
U.S. Government Agency Securities	\$ 17,676,187
State of Oregon Local Government Investment Pool	25,456,674
Corporate bonds	-
Money Market	-
Total investments	43,132,861
Cash on hand and in banks	330,858
Total cash and investments	\$ 43,463,719

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

Governmental	\$ 28,422,737
911 Communications	2,449,745
Windmaster Sewer District	23,818
Windmaster Urban Renewal	128,619
Fiduciary	12,438,800
Total cash and investments	\$ 43,463,719

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, 2012 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, 2012, 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, 2012, 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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 3 – DEPOSITS AND INVESTMENTS, continued

The County participates in the State of Oregon Local Government Investment Pool (LGIP), an open-ended, no-load diversified portfolio created under ORS 294.895 that is not registered with the U.S. Securities and Exchange Commission as an investment company. The State Treasurer administers the LGIP with the oversight of the Oregon Investment Council and with the advice of the Oregon Short-Term Fund Board. These funds must be invested and managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types of maturities of investments. The Oregon Audits Division of the Secretary of State's Offices audits the LGIP annually. This investment is not rated.

NOTE 4 - RECEIVABLES

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

	General Fund	Public Works	Timber Projects	Other Governmental Funds	Total
Taxes	\$ 178,918	\$ -	\$ -	\$ 23,684	\$ 202,602
Accounts	360,965	280,364	309,043	372,216	1,322,588
Contracts	-	-	2,158,443	248,334	2,406,777
Total	\$ 539,883	\$ 280,364	\$ 2,467,486	\$ 644,234	\$ 3,931,967

Hood River County owns 49,849 acres of timberland and derives revenue from those lands via timber sales. As of June 30, 2012, there were seven contracts open covering sales over the next one to three years accounting for the \$2,158,443 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 ten years and has done so successfully without loss of revenue.

The County also operates a Farm Loan Program providing funds as needed to local agricultural entities for farm improvement projects. The County's position is secured by liens on the individual properties, assuring payment in the event of default. In the history of this program the County has not experienced a default on any contract. At June 30, 2012, the balance in contracts receivable and deferred revenue for this purpose was \$248,334 consisting of twenty contracts.

Governmental funds report deferred 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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 4 – RECEIVABLES, continued

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

Delinquent property taxes receivable (General Fund)	\$ 147,477
Deferred revenue - other (General Fund)	1,816
Deferred revenue – timber contracts receivable	2,158,443
Deferred revenue – rents paid for 11/12 (County Fair Fund)	1,000
Delinquent property taxes receivable (Debt Service Fund)	19,495
Deferred revenue - Farm Loan agreements	<u>248,334</u>
Total deferred revenue for governmental funds	<u>\$2,576,565</u>

NOTE 5 - CAPITAL ASSETS

Activity and balances of the County's capital assets for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 21,205,010	\$ -	\$ (267,735)	\$ 20,937,275
Infrastructure	50,750,879	19,645	-	50,770,524
Construction in progress	186,668	416,408	-	603,076
Total capital assets, not being depreciated	<u>72,142,557</u>	<u>436,053</u>	<u>(267,735)</u>	<u>72,310,875</u>
Capital assets being depreciated:				
Buildings & improvements	11,924,394	44,132	-	11,968,526
Furniture & fixtures	41,333	-	-	41,333
Vehicles	2,446,900	134,451	(109,262)	2,472,089
Machinery & equipment	6,948,675	240,140	(254,679)	6,934,136
Total capital assets being depreciated	<u>21,361,302</u>	<u>418,723</u>	<u>(363,941)</u>	<u>21,416,084</u>
Less accumulated depreciation for:				
Buildings & improvements	(3,208,738)	(201,267)	-	(3,410,005)
Furniture & fixtures	(33,766)	(3,907)	-	(37,673)
Vehicles	(1,932,145)	(173,123)	129,591	(1,975,677)
Machinery & equipment	(5,342,495)	(358,400)	245,329	(5,455,566)
Total accumulated depreciation	<u>(10,517,144)</u>	<u>(736,697)</u>	<u>374,920</u>	<u>(10,878,921)</u>
Total capital assets, being depreciated, net	<u>10,844,158</u>	<u>(317,974)</u>	<u>10,979</u>	<u>10,537,163</u>
Capital assets, net	<u>\$ 82,986,715</u>	<u>\$ 118,079</u>	<u>\$ (256,756)</u>	<u>\$ 82,848,038</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 5 - CAPITAL ASSETS, continued

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

General government	\$ 132,605
Sheriff	147,339
Public Safety	7,367
Public Works	294,679
Library	81,037
Community Services	<u>73,670</u>
Total depreciation expense – governmental activities	<u>\$ 736,697</u>

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.

Construction commitments

The County was party to one construction contract as of June 30, 2012, for the renovation and expansion of the County Museum building with a contract issued in the amount of \$310,340. The building is a County owned asset that resides on land owned by the Port of Hood River. A land use agreement is in place with a term of 30 years (2011-2014) at no cost to the County.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 6 – INTERFUND TRANSFERS

The composition of interfund transfers during the 2011/2012 fiscal year are as follows:

<u>Transfers from:</u>		<u>Transfers to:</u>	
General Fund	\$ 134,770	Nonmajor funds	\$ 134,770
Public Works Fund	610,000	General Fund	410,000
		Nonmajor funds	200,000
Timber Projects Fund	2,438,960	General Fund	2,183,700
		Timber Projects	255,260
Timber Interest Fund	850,000	General Fund	850,000
Nonmajor funds	460,797	General Fund	332,747
		Public Works Fund	47,000
		Nonmajor funds	81,050
Total transfers	<u>\$ 4,494,527</u>		<u>\$ 4,494,527</u>

All transfer activities occur within the fund financial statements.

The amount transferred from the General Fund to nonmajor funds consists of \$43,000 to the Animal Control fund to fund a portion of program operations; \$25,000 to the Weed & Pest fund to fund a portion of program operation; \$48,270 to the District Attorney's Auxiliary Programs fund to supplement grant funding on personnel costs; \$5,000 from the Central Services department to fund a planned future vehicle purchase; \$5,000 from the Sheriff Forest Patrol department and \$8,500 from the Forestry department to the Capital Asset Replacement fund for a planned future vehicle purchase.

The amount transferred from the Public Works fund to the General Fund \$410,000 offsets costs related to the administration of the public works activities; \$200,000 from the Public Works fund to the Public Works Asset Replacement fund for planned future equipment purchases.

The amount transferred from the Timber Projects fund to the General Fund \$2,183,700 contributes to the general operations of the County; \$255,260 transfers internally within the Timber Projects fund for forest maintenance and fire protection expenses.

The amount transferred from the Timber Interest fund to the General Fund \$850,000 contributes to the general operations of the County.

The amounts transferred from the nonmajor funds to the General Fund, Public Works and various non-major funds consist of \$110,000 from the Video Lottery fund for General Fund economic development activities; \$35,000 from the Building Inspection fund to the General Fund to offset the costs related to the administration of building inspection program activities; \$45,600 from 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

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, continued

& Assessments and the Clerk's fund respectively for departmental services on recordings for PLCP functions; \$47,000 from the Public Lands Cornerstone Preservation fund for Public Works survey and GIS services; \$8,800 from the Capital Asset Replacement fund to the General Fund reversing a transfer for a project that would not be completed; \$78,550 from the Federal Forest Title III fund to the Sheriff County Programs fund as a contribution to the Sheriff's Search and Rescue program funding; \$131,347 from the Renewable Energy fund to the General Fund for a partial closure of fund activities in relation to wind and solar projects.

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 \$114,972 for the year ended June 30, 2012. The future minimum lease payments are as follows:

Year Ending June 30	Amount
2013	\$ 170,396
2014	81,137
2015	46,158
2016	25,102
2017	6,507
Total	<u>\$ 329,300</u>

NOTE 8 – NOTES RECEIVABLE

On May 3, 2010, The County issued a loan from the Public Works Fund to the Windmaster Sewer District in the amount of \$55,000. The loan will be used to finish the windmaster sewer line construction project. The note is due in full May 3, 2020, at an interest rate of 0.55% per annum, payable in annual installments including interest of \$5,667 with the first payment due May, 3, 2011 and subsequent payments due on May 3rd of each year until paid in full. Loan payments will be made by the Sewer District as they are able. In addition, the Windmaster Urban Renewal Agency will contribute towards the loan payments with tax incremental funding. In 2012, the Windmaster Sewer District paid in full its loan from the Public Works Fund.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 8 – NOTES RECEIVABLE, continued

On December 7, 2009, the County issued a loan from the public works fund in the amount of \$319,500 to the Windmaster Sewer District. The loan was used to assist the residents in defraying hook up costs. The loan is required to be paid back in full by January 15, 2020 at an interest rate of 1.5% with payments are \$34,645 required annually. Loan payments will be made by the Sewer District as they are able. In addition, the Windmaster Urban Renewal Agency will contribute towards the loan payments with tax incremental funding.

Annual debt service requirements to maturity:

Year Ending June 30	Principal	Interest
2013	\$ 30,755	\$ 3,890
2014	31,216	3,429
2015	31,684	2,961
2016	32,159	2,485
2017	32,642	2,003
2018-22	97,822	3,042
Total	<u>\$ 256,278</u>	<u>\$ 17,810</u>

NOTE 9 - LONG-TERM DEBT

Changes in long-term liabilities.

Long-term liability activity for the year ended June 30, 2012, were as follows:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year
Governmental activities:					
General obligations bonds	\$ 1,275,000	\$ -	\$ 285,000	\$ 990,000	\$ 305,000
Pension obligation bonds	5,305,000	-	55,000	5,250,000	75,000
Note Payable	548,963	173,406	16,982	705,387	60,628
OPEB	783,618	124,631	-	908,249	-
Compensated absences	445,216	-	7,975	437,241	437,241
Total	<u>\$ 8,357,797</u>	<u>\$ 298,037</u>	<u>\$ 364,957</u>	<u>\$ 8,290,877</u>	<u>\$ 877,869</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 9 - LONG-TERM DEBT, continued

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

General Obligation Bonds

The County has issued general obligation bonds to provide funds for the renovation and construction of the County's library facility as part of its governmental activity. The original amount of general obligation bonds issued in the year 2000 was \$3,000,000. The County has issued no prior or additional debt for construction purposes. Due to the fact that the value of these bonds was below federal arbitrage levels there was no arbitrage liability.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds were issued as 15-year serial bonds with equal amounts of principal maturing each year with interest rates ranging from 4.85 percent to 5.25 percent. Such bonds will be repaid through property tax collections.

Annual debt service requirements to maturity:

Year Ending June 30	Principal	Interest
2013	\$ 305,000	\$ 49,348
2014	330,000	34,250
2015	355,000	17,750
Total	<u>\$ 990,000</u>	<u>\$ 101,348</u>

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, 2012

NOTE 9 - LONG-TERM DEBT, continued

Annual debt service requirements to maturity:

Year Ending June 30	Principal	Interest
2013	\$ 75,000	\$ 315,751
2014	100,000	311,739
2015	125,000	306,168
2016	155,000	299,079
2017	185,000	290,134
2018-22	1,495,000	1,242,129
2023-27	2,780,000	648,770
2028	335,000	20,418
Total	<u>\$ 5,250,000</u>	<u>\$ 3,434,188</u>

Notes Payable

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

Annual debt service requirements to maturity:

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.

Year Ending June 30	Principal	Interest
2013	\$ 12,081	\$ 22,056
2014	12,639	21,498
2015	13,223	20,914
2016	13,833	20,304
2017	14,473	19,664
2018-22	83,032	87,653
2023-27	104,068	66,617
2028-30	224,118	49,034
Total	<u>\$ 477,467</u>	<u>\$ 307,740</u>

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 9 - LONG-TERM DEBT, continued

Annual debt service requirements to maturity:

Year Ending June 30	Principal	Interest
2013	\$ 5,589	\$ 1,090
2014	5,701	979
2015	5,815	865
2016	5,931	748
2017	6,050	630
2018-21	25,434	1,284
Total	<u>\$ 54,520</u>	<u>\$ 5,596</u>

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

Annual debt service requirements to maturity:

Year Ending June 30	Principal	Interest
2013	\$ 43,350	\$ 655
2014	43,350	655
2015	43,350	655
2016	43,350	655
Total	<u>\$ 173,400</u>	<u>\$ 2,620</u>

Revenue Bonds – Component Unit

Long-term liability activity for the year ended June 30, 2012 for the Authority was as follows:

	Balance <u>July 1, 2011</u>	Principal <u>Payments</u>	Balance <u>June 30, 2012</u>
Revenue bonds	<u>\$6,060,000</u>	<u>\$980,000</u>	<u>\$5,080,000</u>

In 1995, Hood River County Health Facilities Authority, a discretely presented component unit, issued \$9,775,000 in revenue bonds with interest rates ranging from 4.3 percent to 6.5 percent to advance refund \$6,225,000 of outstanding 1989 Series bonds with interest rates ranging from 7.2 percent to 8.0 percent.

In 1997, the Authority issued \$5,365,000 in revenue bonds with interest rates ranging from 4.5 percent to 6.5 percent to facilitate a loan to Louise Nex Down and J.R. Down Manor, Inc., a not-for-profit corporation, in order to retire debt with Multifamily Mortgage Trust. The net proceeds of the bond issue was \$5,335,700 after discount and payment of issuance costs.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 9 - LONG-TERM DEBT, continued

Annual debt service requirements to maturity for both issues is:

Year Ending June 30	Principal	Interest
2013	\$ 1,050,000	\$ 330,201
2014	1,120,000	-
2015	1,195,000	-
2016	1,715,000	-
Total	\$ 5,080,000	\$ 330,201

NOTE 10 – JOINTLY GOVERNED ORGANIZATION

In 1996 the County, in conjunction with three other county governments created the Northern Oregon Corrections (NORCOR) regional jail. NORCOR provides jail services to the four member counties. Its board is comprised of one member from each participating county governing body. Each member government is responsible for their respective share of NORCOR's operation. Any operating deficit would cause an additional assessment on the member counties. The County contributed \$1,319,667 equivalent to 40% of all counties' contributions, to the operation of the NORCOR facility for the fiscal year ended June 30, 2011. 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 11 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN

Oregon Public Employees Retirement System (PERS)

Plan Description. The County participates in the Oregon Public Employees Retirement System (PERS), which is a single pension plan that features both a cost-sharing multiple-employer pension plan and an agent multiple-employer pension plan. All plan assets accumulated for the payment of benefits may legally be used to provide those benefits according the terms of the plan. Effective in 2002, the County elected to participate in the PERS cost-sharing multiple-employer plan and no longer contributes to the agent multiple-employer pension plan. This defined benefit retirement plan is administered by the Oregon Public Employees Retirement Board. The benefit provisions and other requirements are established under state statute: Chapter 238, Oregon Revised Statutes, and may be amended by the Oregon Legislature.

PERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The stand-alone report may be obtained by writing to the Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, or by viewing their website.

Substantially all County employees are participants in PERS and the County's policy is to fund pension costs as determined by actuarial valuations. Benefits generally vest after five years of continuous service. The allowed retirement age varies depending on the employee's tier and years of service. Benefits, based on salary and length of service, are calculated using a formula and are payable in a lump sum or monthly using several payment options.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 11 – EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN, continued

Funding Policy. The contribution requirements of the County are established or amended by the OPERS Retirement Board while employee member's rate is set by statute, ORS 238.200. The County, in conformance with its personnel policy and negotiated agreements with employee unions, pays the required employee contribution of 6% of covered compensation.

Following is information for the last three years regarding the County's pension rates and obligation.

	Fiscal Year ending June 30,		
	2012	2011	2010
Contribution rates:			
Tier I/Tier II	7.90%	1.89%	1.89%
Tier III	4.54%	0.90%	0.90%
Sheriff employees	7.25%	3.61%	3.61%
Employee portion funded by County	6.00%	6.00%	6.00%
Unfunded actuarial valuation			
County's total payroll	\$ 6,443,771	\$ 6,399,302	\$ 6,917,473
Annual pension cost	852,389	509,221	558,706

Deferred Compensation Plan

Plan description. The County offers employees a deferred compensation plan (the plan), a defined benefit plan administered by the County. The plan is created in accordance with Internal Revenue Codes Section 457. The plan is available to all represented and non-represented County employees, and permits them to defer a portion of their salary until future years. Amounts deferred are not available to employees until termination, retirement, death, or unforeseeable emergency without matching by the County. All assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. No plan assets have been used for purposes other than the payment of benefits.

NOTE 12 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Funding Policy. The County does not fund a plan to fund these benefits, but an actuary has calculated that the implied subsidy included in healthcare costs for the year ended June 30, 2012, was approximately \$41,814. There is no contribution from retirees receiving benefits.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 12 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS, continued

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 not to exceed thirty years. The amortization method is the level percentage of projected payroll. 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.

	2010	2011	2012
Annual Required Contribution (ARC)	\$ 237,488	\$ 254,249	\$ 188,354
Interest on prior year Net OPEB obligation	20,320	27,882	31,345
Adjustment to ARC	(31,873)	(43,735)	(53,254)
Annual OPEB cost	<u>225,935</u>	<u>238,396</u>	<u>166,445</u>
Implicit benefit payments	(57,888)	(74,375)	(41,814)
Increase in net OPEB obligation	168,047	164,021	124,631
Net OPEB obligation - beginning of year	451,550	619,597	783,618
Net OPEB obligation - end of year	<u>\$ 619,597</u>	<u>\$ 783,618</u>	<u>\$ 908,249</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, 2012, along with the two preceding fiscal years, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/10	\$ 225,935	26.00%	\$ 619,597
06/30/11	\$ 238,396	31.00%	\$ 783,618
06/30/12	\$ 166,445	25.00%	\$ 909,249

Funding status and funding progress. As of August 1, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$,1260,392, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$7,499,853, 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.

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 12 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS, continued

Methods and assumptions. The actuarial cost method used is the projected unit cost method. 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.

The following simplifying assumptions were made:

- Discount rate: 4.0% for unfunded liabilities.
- Inflation rate: 4.0%
- Health Cost Trend (inflation rate assumption): 8.5% for the first year, 7.5% in the second year, 6.5% in the third year, 6.0% for the 4th through 23rd year, 5.5% for the 24th through 47th year, and 5.0% thereafter.
- Annual Payroll Increase: 3.75% compounded annually, plus a merit component based on duration of service and employment classification.
- Disability: Not used.
- Retirement: Based on the Oregon PERS assumptions.
- Withdrawal: Based on the Oregon PERS assumptions.
- Mortality: Generally, the PR-2000 healthy combined male and female mortality tables set back two years.
- 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: 65% of active members are assumed to elect coverage until age 65, and 35% of participants are estimated to elect spousal coverage until the spouse reaches age 65.
- 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, 2012

NOTE 13 – FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2012 are as follows:

Fund Balances:	GENERAL FUND	PUBLIC WORKS	TIMBER PROJECTS	TIMBER INTEREST	NON MAJOR FUNDS	TOTAL
<u>Nonspendable:</u>						
Inventory	\$ 2,133	\$ 328,329	\$ -	\$ -	\$ -	\$ 330,462
Total	2,133	328,329	-	-	-	330,462
<u>Restricted</u>						
Public Works	-	11,624,278	-	-	-	11,624,278
Sheriff Programs	-	-	-	-	424,336	424,336
Public Works Projects	-	-	-	-	485,878	485,878
DA County Program	-	-	-	-	33,185	33,185
Clerk Duties	-	-	-	-	21,621	21,621
Health Programs	-	-	-	-	165,402	165,402
Building Inspection	-	-	-	-	65,580	65,580
HRCCF	-	-	-	-	147,346	147,346
Video Lottery	-	-	-	-	73,935	73,935
County Fair	-	-	-	-	41,666	41,666
Capital Projects	-	-	-	-	1,679,294	1,679,294
Debt Service	-	-	-	-	62,780	62,780
Other	-	-	-	-	1,410	1,410
Total	-	11,624,278	-	-	3,202,433	14,826,711
<u>Assigned</u>						
Reserves	818,243	-	-	-	-	818,243
Timber Projects	-	-	7,909,620	-	-	7,909,620
Timber Interest	-	-	-	2,637,764	-	2,637,764
Renewable Energy	-	-	-	-	102,344	102,344
Farm Loans	-	-	-	-	122,422	122,422
Museum Improvement	-	-	-	-	210,725	210,725
Animal Shelter	-	-	-	-	313,862	313,862
Court Assessment	-	-	-	-	316,313	316,313
Economic Development	-	-	-	-	39,641	39,641
Employee	-	-	-	-	5,277	5,277
Other	-	-	-	-	6,249	6,249
Total	818,243	-	7,909,620	2,637,764	1,116,833	12,482,460
Unassigned:	1,317,248	-	-	-	-	1,317,248
Total Fund Balances	\$ 2,137,624	\$ 11,952,607	\$ 7,909,620	\$ 2,637,764	\$ 4,319,266	\$ 28,956,881

NOTE 14 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance with nominal deductible levels.

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

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

HOOD RIVER COUNTY, OREGON
Notes to the Basic Financial Statements
June 30, 2012

NOTE 15 – CONTINGENT LIABILITIES

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

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

NOTE 16 – RESTATEMENT OF NET ASSETS AND FUND BALANCE

Beginning net assets and fund balance of the governmental and fiduciary fund types were adjusted to show the reclassification of a fund between fund types.

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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 \$48,712,380.

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>
2008	80
2009	79
2010	79
2011	79
2012	77

ROAD SYSTEM MAINTENANCE AND PRESERVATION

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

<u>Year</u>	<u>Amount Budgeted</u>	<u>Amount Expensed</u>
07-08	\$500,000	\$604,004
08-09	\$500,000	\$641,417
09-10	\$500,000	\$801,976
10-11	\$500,000	\$484,593 (+ \$553,005 ARRA)
11-12	\$500,000	\$418,627

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

<u>Year</u>	<u>M&R Budget</u>	<u>Projected PCI</u>
12-13	\$500,000	78
13-14	\$550,000	78
14-15	\$605,000	77
15-16	\$665,000	76
16-17	\$732,000	75

Program analysis indicates that the annual pavement maintenance and rehabilitation budget of \$500,000 should be increased 10% per year over the next 4 years to 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 2012 replacement cost for the County's bridge system amounts to \$13,915,450; 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, 2012**

Actuarial Valuation Date	Actuarial Value of Assets	AAL Unit Credit	UAAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
08/01/06	\$ -	\$ 1,635,893	\$ 1,635,893	0.00%	\$ 3,000,000	54.53%
08/01/08	\$ -	\$ 1,509,591	\$ 1,509,591	0.00%	\$ 3,000,000	50.32%
08/01/10	\$ -	\$ 1,260,392	\$ 1,260,392	0.00%	\$ 3,000,000	50.32%

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.

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SUPPLEMENTARY INFORMATION

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HOOD RIVER COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012

	NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	NONMAJOR DEBT SERVICE FUND	TOTAL COMBINED NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
CASH AND INVESTMENTS	\$ 2,665,229	\$ 1,679,869	\$ 58,591	\$ 4,403,689
RECEIVABLES:				
PROPERTY TAXES	-	-	23,684	23,684
ACCOUNTS	372,216	-	-	372,216
CONTRACTS	248,334	-	-	248,334
TOTAL ASSETS	\$ 3,285,779	\$ 1,679,869	\$ 82,275	\$ 5,047,923
LIABILITIES				
ACCOUNTS PAYABLE	\$ 383,428	\$ 575	\$ -	\$ 384,003
ACCRUED COMPENSATION	75,825	-	-	75,825
DEFERRED REVENUE	249,334	-	19,495	268,829
TOTAL LIABILITIES	708,587	575	19,495	728,657
FUND BALANCES				
RESTRICTED	1,460,359	1,679,294	62,780	3,202,433
ASSIGNED	1,116,833	-	-	1,116,833
TOTAL FUND BALANCES	2,577,192	1,679,294	62,780	4,319,266
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,285,779	\$ 1,679,869	\$ 82,275	\$ 5,047,923

HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2012

	RENEWABLE ENERGY PROJECTS	COMM DEVL BLOCK GRANTS	FARM LOANS	MUSEUM IMPV	SHERIFF CO PROG	ANIMAL SHELTER	WEED & PEST
ASSETS							
CASH AND INVESTMENTS	\$ 102,344	\$ -	\$ 122,722	\$ 378,314	\$ 412,929	\$ 314,356	\$ 2,146
RECEIVABLES:							
ACCOUNTS	-	87,753	-	4,650	23,582	-	8,035
CONTRACTS	-	-	248,334	-	-	-	-
TOTAL ASSETS	\$ 102,344	\$ 87,753	\$ 371,056	\$ 382,964	\$ 436,511	\$ 314,356	\$ 10,181
LIABILITIES							
ACCOUNTS PAYABLE	\$ -	\$ 87,753	\$ 300	\$ 172,239	\$ 5,583	\$ 206	\$ 1,605
ACCRUED COMPENSATION	-	-	-	-	6,592	288	2,327
DEFERRED REVENUE	-	-	248,334	-	-	-	-
TOTAL LIABILITIES	-	87,753	248,634	172,239	12,175	494	3,932
FUND BALANCES							
RESTRICTED	-	-	-	-	424,336	-	-
ASSIGNED	102,344	-	122,422	210,725	-	313,862	6,249
TOTAL FUND BALANCES	102,344	-	122,422	210,725	424,336	313,862	6,249
TOTAL LIABILITIES AND FUND BALANCES	\$ 102,344	\$ 87,753	\$ 371,056	\$ 382,964	\$ 436,511	\$ 314,356	\$ 10,181

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HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2012

	PW PROJECTS	DA CO PROG	CLERK'S FUND	FEDERAL FOREST	HEALTH PROGRAMS	BLDG INSPEC	HRCCF
ASSETS							
CASH AND INVESTMENTS	\$ 484,281	\$ 30,505	\$ 20,998	\$ 1,384	\$ 133,849	\$ 73,782	\$ 107,562
RECEIVABLES:							
ACCOUNTS	1,597	19,106	623	-	96,661	4,943	62,606
CONTRACTS	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 485,878	\$ 49,611	\$ 21,621	\$ 1,384	\$ 230,510	\$ 78,725	\$ 170,168
LIABILITIES							
ACCOUNTS PAYABLE	\$ -	\$ 9,540	\$ -	\$ -	\$ 23,890	\$ 6,854	\$ 10,599
ACCRUED COMPENSATION	-	6,886	-	-	41,218	6,291	12,223
DEFERRED REVENUE	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	16,426	-	-	65,108	13,145	22,822
FUND BALANCES							
RESTRICTED	485,878	33,185	21,621	1,384	165,402	65,580	147,346
ASSIGNED	-	-	-	-	-	-	-
TOTAL FUND BALANCES	485,878	33,185	21,621	1,384	165,402	65,580	147,346
TOTAL LIABILITIES AND FUND BALANCES	\$ 485,878	\$ 49,611	\$ 21,621	\$ 1,384	\$ 230,510	\$ 78,725	\$ 170,168

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HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2012

	TRANSIENT ROOM TAX	COURT ASSMT	VIDEO LOTTERY	ECONOMIC LEVEL	COUNTY FAIR	EMPLOYEE FUND	TOTAL NON-MAJOR SPECIAL REVENUE FUNDS
ASSETS							
CASH AND INVESTMENTS	\$ 26	\$ 318,119	\$ 73,935	\$ 39,891	\$ 42,666	\$ 5,420	\$ 2,665,229
RECEIVABLES:							
ACCOUNTS	59,959	2,701	-	-	-	-	372,216
CONTRACTS	-	-	-	-	-	-	248,334
TOTAL ASSETS	\$ 59,985	\$ 320,820	\$ 73,935	\$ 39,891	\$ 42,666	\$ 5,420	\$ 3,285,779
LIABILITIES							
ACCOUNTS PAYABLE	\$ 59,959	\$ 4,507	\$ -	\$ 250	\$ -	\$ 143	\$ 383,428
ACCRUED COMPENSATION	-	-	-	-	-	-	75,825
DEFERRED REVENUE	-	-	-	-	1,000	-	249,334
TOTAL LIABILITIES	59,959	4,507	-	250	1,000	143	708,587
FUND BALANCES							
RESTRICTED	26	-	73,935	-	41,666	-	1,460,359
ASSIGNED	-	316,313	-	39,641	-	5,277	1,116,833
TOTAL FUND BALANCES	26	316,313	73,935	39,641	41,666	5,277	2,577,192
TOTAL LIABILITIES AND FUND BALANCES	\$ 59,985	\$ 320,820	\$ 73,935	\$ 39,891	\$ 42,666	\$ 5,420	\$ 3,285,779

HOOD RIVER COUNTY, OREGON
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012

	EQUIPMENT REPLCMT	PW EQUIP REPLCMT	CAPITAL PROJECTS	TOTAL NON-MAJOR CAPITAL PROJECTS FUNDS
ASSETS				
CASH AND INVESTMENTS	\$ 105,569	\$ 1,137,576	\$ 436,724	\$ 1,679,869
TOTAL ASSETS	<u>\$ 105,569</u>	<u>\$ 1,137,576</u>	<u>\$ 436,724</u>	<u>\$ 1,679,869</u>
LIABILITIES				
ACCOUNTS PAYABLE	\$ -	\$ -	\$ 575	\$ 575
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>575</u>	<u>575</u>
FUND BALANCES				
RESTRICTED FOR CAPITAL PROJECTS	105,569	1,137,576	436,149	1,679,294
TOTAL FUND BALANCES	<u>105,569</u>	<u>1,137,576</u>	<u>436,149</u>	<u>1,679,294</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 105,569</u>	<u>\$ 1,137,576</u>	<u>\$ 436,724</u>	<u>\$ 1,679,869</u>

HOOD RIVER COUNTY, OREGON
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2012

ASSETS	
CASH AND INVESTMENTS	\$ 58,591
RECEIVABLES	
PROPERTY TAXES	23,684
TOTAL ASSETS	<u><u>\$ 82,275</u></u>
LIABILITIES	
DEFERRED REVENUE	\$ 19,495
TOTAL LIABILITIES	<u>19,495</u>
FUND BALANCES	
RESTRICTED FOR DEBT SERVICE	62,780
TOTAL FUND BALANCES	<u>62,780</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 82,275</u></u>

HOOD RIVER COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	NONMAJOR DEBT SERVICE FUND	TOTAL COMBINED NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
PROPERTY TAXES	\$ (1,000)	\$ -	\$ 329,605	\$ 328,605
OTHER TAXES	239,065	-	-	239,065
INTERGOVERNMENTAL	2,537,016	18,786	-	2,555,802
FINES AND FEES	940,264	-	-	940,264
INVESTMENT EARNINGS	23,569	6,713	1,713	31,995
DONATIONS & CONTRIBUTIONS	119,280	-	-	119,280
OTHER REVENUE	174,128	-	-	174,128
TOTAL REVENUES	4,032,322	25,499	331,318	4,389,139
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	1,833,568	-	-	1,833,568
MATERIALS & SERVICES	1,018,676	-	-	1,018,676
CAPITAL OUTLAY	467,230	238,905	-	706,135
OTHER	975,756	-	722,252	1,698,008
TOTAL EXPENDITURES	4,295,230	238,905	722,252	5,256,387
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(262,908)	(213,406)	(390,934)	(867,248)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	297,320	218,500	-	515,820
TRANSFERS OUT	(451,997)	(8,800)	-	(460,797)
PERS IN LIEU	-	-	384,255	384,255
PROCEEDS FROM THE SALE OF ASSETS	244,022	43,432	-	287,454
TOTAL OTHER FINANCING SOURCES (USES)	89,345	253,132	384,255	726,732
NET CHANGE IN FUND BALANCE	(173,563)	39,726	(6,679)	(140,516)
FUND BALANCE - BEGINNING	2,750,755	1,639,568	69,459	4,459,782
FUND BALANCE - ENDING	\$ 2,577,192	\$ 1,679,294	\$ 62,780	\$ 4,319,266

HOOD RIVER COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	RENEWABLE ENERGY PROJECTS	COMM DEVL BLOCK GRANT	FARM LOANS	MUSEUM IMPV	SHERIFF CO PROG	ANIMAL FACILITY	WEED & PEST	PW PROJECTS
REVENUES								
PROPERTY TAXES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER TAXES	-	-	-	-	-	-	-	-
INTERGOVERNMENTAL	-	185,206	-	-	54,927	-	34,708	-
FINES AND FEES	-	-	-	415	14,011	-	10,856	77,464
INVESTMENT EARNINGS	409	-	816	4,080	3,887	3,047	9	4,618
DONATIONS & CONTRIBUTIONS	-	-	-	89,870	200	8,113	-	-
OTHER REVENUE	-	-	136,421	17,707	-	-	-	-
TOTAL REVENUES	409	185,206	137,237	112,072	73,025	11,160	45,573	82,082
EXPENDITURES								
CURRENT OPERATING:								
PERSONAL SERVICES	-	-	-	-	123,645	6,792	63,201	-
MATERIALS & SERVICES	7,640	-	-	99,190	66,356	12,500	9,133	-
CAPITAL OUTLAY	-	-	-	392,344	19,810	-	-	19,645
OTHER	-	185,206	65,780	-	-	-	-	-
TOTAL EXPENDITURES	7,640	185,206	65,780	491,534	209,811	19,292	72,334	19,645
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,231)	-	71,457	(379,462)	(136,786)	(8,132)	(26,761)	62,437
OTHER FINANCING SOURCES (USES)								
TRANSFERS IN	-	-	-	-	121,550	-	25,000	-
TRANSFERS OUT	(131,347)	-	-	-	-	-	-	(51,500)
PROCEEDS FROM THE SALE OF ASSETS	-	-	-	242,407	1,615	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(131,347)	-	-	242,407	123,165	-	25,000	(51,500)
NET CHANGE IN FUND BALANCE	(138,578)	-	71,457	(137,055)	(13,621)	(8,132)	(1,761)	10,937
FUND BALANCE - BEGINNING	240,922	-	50,965	347,780	437,957	321,994	8,010	474,941
FUND BALANCE - ENDING	\$ 102,344	\$ -	\$ 122,422	\$ 210,725	\$ 424,336	\$ 313,862	\$ 6,249	\$ 485,878

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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, 2012

	DA CO PROG	CLERK'S FUND	FEDERAL FOREST	HEALTH PROGRAMS	BLDG INSPEC	HRC CF	COUNTY BK COSTS	TRANSIENT ROOM TAX
REVENUES								
PROPERTY TAXES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,704	\$ -
OTHER TAXES	-	-	5,014	-	-	-	-	234,051
INTERGOVERNMENTAL	123,364	-	318,301	852,630	-	622,006	-	-
FINES AND FEES	1,703	2,221	-	277,336	232,139	4,260	-	-
INVESTMENT EARNINGS	393	195	6	535	295	1,094	-	317
DONATIONS & CONTRIBUTIONS	-	-	-	6,597	-	-	-	-
OTHER REVENUE	-	-	-	-	-	20,000	-	-
TOTAL REVENUES	125,460	2,416	323,321	1,137,098	232,434	647,360	6,704	234,368
EXPENDITURES								
CURRENT OPERATING:								
PERSONAL SERVICES	152,841	-	-	950,301	136,351	281,494	-	-
MATERIALS & SERVICES	68,481	1,383	-	213,782	120,554	98,680	6,704	-
CAPITAL OUTLAY	-	1,093	-	-	-	-	-	-
OTHER	-	-	244,691	34,431	-	210,759	-	234,368
TOTAL EXPENDITURES	221,322	2,476	244,691	1,198,514	256,905	590,933	6,704	234,368
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(95,862)	(60)	78,630	(61,416)	(24,471)	56,427	-	-
OTHER FINANCING SOURCES (USES)								
TRANSFERS IN	48,270	2,500	-	-	100,000	-	-	-
TRANSFERS OUT	-	-	(78,550)	-	(35,000)	-	-	-
PROCEEDS FROM THE SALE OF ASSETS	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	48,270	2,500	(78,550)	-	65,000	-	-	-
NET CHANGE IN FUND BALANCE	(47,592)	2,440	80	(61,416)	40,529	56,427	-	-
FUND BALANCE - BEGINNING	80,777	19,181	1,304	226,818	25,051	90,919	-	26
FUND BALANCE - ENDING	\$ 33,185	\$ 21,621	\$ 1,384	\$ 165,402	\$ 65,580	\$ 147,346	\$ -	\$ 26

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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, 2012

	COURT ASSMT	VIDEO LOTTERY	ECONOMIC DEVELP	COUNTY FAIR	EMPLOYEE FUND	TOTAL NON-MAJOR SPECIAL REVENUE FUNDS
REVENUES						
PROPERTY TAXES	\$ -	\$ -	\$ (7,704)	\$ -	\$ -	\$ (1,000)
OTHER TAXES	-	-	-	-	-	239,065
INTERGOVERNMENTAL	136,443	159,429	-	50,002	-	2,537,016
FINES AND FEES	-	-	-	319,627	232	940,264
INVESTMENT EARNINGS	2,955	295	159	406	53	23,569
DONATIONS & CONTRIBUTIONS	-	-	-	14,500	-	119,280
OTHER REVENUE	-	-	-	-	-	174,128
TOTAL REVENUES	139,398	159,724	(7,545)	384,535	285	4,032,322
EXPENDITURES						
CURRENT OPERATING:						
PERSONAL SERVICES	-	-	-	118,943	-	1,833,568
MATERIALS & SERVICES	73,685	-	5,844	234,275	469	1,018,676
CAPITAL OUTLAY	-	-	-	34,338	-	467,230
OTHER	-	-	-	521	-	975,756
TOTAL EXPENDITURES	73,685	-	5,844	388,077	469	4,295,230
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	65,713	159,724	(13,389)	(3,542)	(184)	(262,908)
OTHER FINANCING SOURCES (USES)						
TRANSFERS IN	-	-	-	-	-	297,320
TRANSFERS OUT	(45,600)	(110,000)	-	-	-	(451,997)
PROCEEDS FROM THE SALE OF ASSETS	-	-	-	-	-	244,022
TOTAL OTHER FINANCING SOURCES (USES)	(45,600)	(110,000)	-	-	-	89,345
NET CHANGE IN FUND BALANCE	20,113	49,724	(13,389)	(3,542)	(184)	(173,563)
FUND BALANCE - BEGINNING	296,200	24,211	53,030	45,208	5,461	2,750,755
FUND BALANCE - ENDING	\$ 316,313	\$ 73,935	\$ 39,641	\$ 41,666	\$ 5,277	\$ 2,577,192

HOOD RIVER COUNTY, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	EQUIPMENT REPLCMT	PW EQUIP REPLCMT	CAPITAL PROJECTS	TOTAL NON-MAJOR CAPITAL PROJECTS FUNDS
REVENUES				
INTERGOVERNMENTAL	\$ -	\$ -	\$ 18,786	\$ 18,786
INVESTMENT EARNINGS	422	4,546	1,745	6,713
TOTAL REVENUES	422	4,546	20,531	25,499
EXPENDITURES				
CURRENT OPERATING:				
CAPITAL OUTLAY	-	214,842	24,063	238,905
TOTAL EXPENDITURES	-	214,842	24,063	238,905
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	422	(210,296)	(3,532)	(213,406)
OTHER FINANCING SOURCES				
TRANSFERS IN	18,500	200,000	-	218,500
TRANSFERS OUT	(8,800)	-	-	(8,800)
PROCEEDS FROM THE SALE OF ASSETS	1,700	-	41,732	43,432
TOTAL OTHER FINANCING SOURCES	11,400	200,000	41,732	253,132
NET CHANGE IN FUND BALANCE	11,822	(10,296)	38,200	39,726
FUND BALANCE - BEGINNING	93,747	1,147,872	397,949	1,639,568
FUND BALANCE - ENDING	\$ 105,569	\$ 1,137,576	\$ 436,149	\$ 1,679,294

HOOD RIVER COUNTY, OREGON
NONMAJOR DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012

REVENUES	
PROPERTY TAXES	\$ 329,605
INVESTMENT EARNINGS	1,713
TOTAL REVENUES	331,318
EXPENDITURES	
CURRENT OPERATING:	
DEBT SERVICE	722,252
TOTAL EXPENDITURES	722,252
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(390,934)
OTHER FINANCING SOURCES	
PERS IN LIEU	384,255
NET CHANGE IN FUND BALANCE	(6,679)
FUND BALANCE - BEGINNING	69,459
FUND BALANCE - ENDING	\$ 62,780

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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ -	\$ -	\$ 409	\$ 409
TOTAL REVENUES	-	-	409	409
EXPENDITURES				
CURRENT OPERATING:				
MATERIALS & SERVICES	246,100	114,750	7,640	(107,110)
TOTAL EXPENDITURES	246,100	114,750	7,640	(107,110)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(246,100)	(114,750)	(7,231)	107,519
OTHER FINANCING SOURCES				
TRANSFERS OUT	-	(131,350)	(131,347)	(3)
TOTAL OTHER FINANCING SOURCES	-	(131,350)	(131,347)	(3)
NET CHANGE IN FUND BALANCE	(246,100)	(246,100)	(138,578)	107,522
FUND BALANCE - BEGINNING	246,100	246,100	240,922	(5,178)
FUND BALANCE - ENDING	\$ -	\$ -	\$ 102,344	\$ 102,344

HOOD RIVER COUNTY, OREGON
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ -	\$ 400,000	\$ 185,206	\$ (214,794)
TOTAL REVENUES	<u>-</u>	<u>400,000</u>	<u>185,206</u>	<u>(214,794)</u>
EXPENDITURES				
CURRENT OPERATING:				
OTHER EXPENDITURES	400,000	400,000	185,206	(214,794)
TOTAL EXPENDITURES	<u>400,000</u>	<u>400,000</u>	<u>185,206</u>	<u>(214,794)</u>
NET CHANGE IN FUND BALANCE	(400,000)	-	-	-
FUND BALANCE - BEGINNING	<u>400,000</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 500	\$ 500	\$ 816	\$ 316
OTHER REVENUE	55,000	85,000	136,421	51,421
TOTAL REVENUES	<u>55,500</u>	<u>85,500</u>	<u>137,237</u>	<u>51,737</u>
EXPENDITURES				
CURRENT OPERATING:				
SPECIAL PAYMENTS	105,500	135,500	65,780	(69,720)
TOTAL EXPENDITURES	<u>105,500</u>	<u>135,500</u>	<u>65,780</u>	<u>(69,720)</u>
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	71,457	121,457
FUND BALANCE - BEGINNING	<u>50,000</u>	<u>50,000</u>	<u>50,965</u>	<u>965</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,422</u>	<u>\$ 122,422</u>

HOOD RIVER COUNTY, OREGON
MUSEUM IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 3,000	\$ 3,000	\$ 415	\$ (2,585)
INVESTMENT EARNINGS	8,000	8,000	4,080	(3,920)
DONATIONS/CONTRIBUTIONS	209,500	238,500	89,870	(148,630)
OTHER REVENUE	510,000	510,000	17,707	(492,293)
TOTAL REVENUES	<u>730,500</u>	<u>759,500</u>	<u>112,072</u>	<u>(647,428)</u>
EXPENDITURES				
CURRENT OPERATING:				
MATERIALS & SERVICES	76,500	155,500	99,190	(56,310)
CAPITAL OUTLAY	1,000,000	1,000,000	392,344	(607,656)
TOTAL EXPENDITURES	<u>1,076,500</u>	<u>1,155,500</u>	<u>491,534</u>	<u>(663,966)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(346,000)	(396,000)	(379,462)	171,673
OTHER FINANCING SOURCES				
PROCEEDS FROM THE SALE OF ASSETS	-	50,000	242,407	192,407
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>50,000</u>	<u>242,407</u>	<u>192,407</u>
NET CHANGE IN FUND BALANCE	(346,000)	(346,000)	(137,055)	208,945
FUND BALANCE - BEGINNING	<u>346,000</u>	<u>346,000</u>	<u>347,780</u>	<u>1,780</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,725</u>	<u>\$ 210,725</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 76,335	\$ 76,335	\$ 54,927	\$ (21,408)
FINES AND FEES	27,000	19,000	14,011	(4,989)
INVESTMENT EARNINGS	4,650	4,650	3,887	(763)
DONATIONS/CONTRIBUTIONS	-	-	200	200
TOTAL REVENUES	<u>107,985</u>	<u>99,985</u>	<u>73,025</u>	<u>(26,960)</u>
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	160,200	160,200	123,645	(36,555)
MATERIALS & SERVICES	235,340	235,340	66,356	(168,984)
CAPITAL OUTLAY	150,000	150,000	19,810	(130,190)
CONTINGENCY	156,950	156,950	-	(156,950)
TOTAL EXPENDITURES	<u>702,490</u>	<u>702,490</u>	<u>209,811</u>	<u>(492,679)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(594,505)	(602,505)	(136,786)	465,719
OTHER FINANCING SOURCES				
TRANSFERS IN	113,550	121,550	121,550	-
PROCEEDS FROM THE SALE OF ASSETS	-	-	1,615	1,615
TOTAL OTHER FINANCING SOURCES	<u>113,550</u>	<u>121,550</u>	<u>123,165</u>	<u>1,615</u>
NET CHANGE IN FUND BALANCE	(480,955)	(480,955)	(13,621)	467,334
FUND BALANCE - BEGINNING	480,955	480,955	437,957	(42,998)
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 424,336</u>	<u>\$ 424,336</u>

HOOD RIVER COUNTY, OREGON
ANIMAL FACILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 3,000	\$ 3,000	\$ 3,047	\$ 47
DONATIONS/CONTRIBUTIONS	8,000	8,000	8,113	113
TOTAL REVENUES	<u>11,000</u>	<u>11,000</u>	<u>11,160</u>	<u>160</u>
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	7,500	7,500	6,792	(708)
MATERIALS & SERVICES	24,010	24,010	12,500	(11,510)
CONTINGENCY	50,000	50,000	-	(50,000)
TOTAL EXPENDITURES	<u>81,510</u>	<u>81,510</u>	<u>19,292</u>	<u>(62,218)</u>
NET CHANGE IN FUND BALANCE	(70,510)	(70,510)	(8,132)	62,378
FUND BALANCE - BEGINNING	<u>320,000</u>	<u>320,000</u>	<u>321,994</u>	<u>1,994</u>
FUND BALANCE - ENDING	<u>\$ 249,490</u>	<u>\$ 249,490</u>	<u>\$ 313,862</u>	<u>\$ 64,372</u>

HOOD RIVER COUNTY, OREGON
WEED AND PEST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 40,500	\$ 40,500	\$ 34,708	\$ (5,792)
FINES AND FEES	21,000	21,000	10,856	(10,144)
INVESTMENT EARNINGS	-	-	9	9
TOTAL REVENUES	<u>61,500</u>	<u>61,500</u>	<u>45,573</u>	<u>(15,927)</u>
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	63,360	63,360	63,201	(159)
MATERIALS & SERVICES	23,640	23,640	9,133	(14,507)
TOTAL EXPENDITURES	<u>87,000</u>	<u>87,000</u>	<u>72,334</u>	<u>(14,666)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(25,500)	(25,500)	(26,761)	(1,261)
OTHER FINANCING SOURCES				
TRANSFERS IN	25,000	25,000	25,000	-
TOTAL OTHER FINANCING SOURCES	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(500)	(500)	(1,761)	(1,261)
FUND BALANCE - BEGINNING	500	500	8,010	7,510
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,249</u>	<u>\$ 6,249</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 14,000	\$ 14,000	\$ -	\$ (14,000)
FINES AND FEES	65,000	65,000	77,464	12,464
INVESTMENT EARNINGS	5,000	5,000	4,618	(382)
TOTAL REVENUES	<u>84,000</u>	<u>84,000</u>	<u>82,082</u>	<u>(1,918)</u>
EXPENDITURES				
CURRENT OPERATING:				
MATERIALS AND SERVICES	8,000	8,000	-	(8,000)
CAPITAL OUTLAY	60,000	60,000	19,645	(40,355)
CONTINGENCY	88,000	88,000	-	(88,000)
TOTAL EXPENDITURES	<u>156,000</u>	<u>156,000</u>	<u>19,645</u>	<u>(136,355)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(72,000)	(72,000)	62,437	134,437
OTHER FINANCING USES				
TRANSFERS OUT	(51,500)	(51,500)	(51,500)	-
NET CHANGE IN FUND BALANCE	(123,500)	(123,500)	10,937	134,437
FUND BALANCE - BEGINNING	458,000	458,000	474,941	16,941
FUND BALANCE - ENDING	<u>\$ 334,500</u>	<u>\$ 334,500</u>	<u>\$ 485,878</u>	<u>\$ 151,378</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 132,289	\$ 145,564	\$ 123,364	\$ (22,200)
FINES AND FEES	16,100	16,100	1,703	(14,397)
INVESTMENT EARNINGS	1,500	1,500	393	(1,107)
DONATIONS/CONTRIBUTIONS	3,000	3,000	-	(3,000)
TOTAL REVENUES	<u>152,889</u>	<u>166,164</u>	<u>125,460</u>	<u>(40,704)</u>
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	155,519	157,619	152,841	(4,778)
MATERIALS AND SERVICES	113,210	113,210	68,481	(44,729)
CONTINGENCY	10,530	23,805	-	(23,805)
TOTAL EXPENDITURES	<u>279,259</u>	<u>294,634</u>	<u>221,322</u>	<u>(73,312)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(126,370)	(128,470)	(95,862)	32,608
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>48,270</u>	<u>48,270</u>	<u>48,270</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(78,100)	(80,200)	(47,592)	32,608
FUND BALANCE - BEGINNING	<u>78,100</u>	<u>80,200</u>	<u>80,777</u>	<u>577</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,185</u>	<u>\$ 33,185</u>

HOOD RIVER COUNTY, OREGON
 CLERKS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET & ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 2,200	\$ 2,200	\$ 2,221	\$ 21
INVESTMENT EARNINGS	200	200	195	(5)
TOTAL REVENUES	<u>2,400</u>	<u>2,400</u>	<u>2,416</u>	<u>16</u>
EXPENDITURES				
CURRENT OPERATING:				
MATERIALS AND SERVICES	19,900	19,900	1,383	(18,517)
CAPITAL OUTLAY	3,000	3,000	1,093	(1,907)
TOTAL EXPENDITURES	<u>22,900</u>	<u>22,900</u>	<u>2,476</u>	<u>(20,424)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,500)	(20,500)	(60)	20,440
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(18,000)	(18,000)	2,440	20,440
FUND BALANCE - BEGINNING	<u>18,000</u>	<u>18,000</u>	<u>19,181</u>	<u>1,181</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,621</u>	<u>\$ 21,621</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 303,365	\$ 311,365	\$ 318,301	\$ 6,936
OTHER TAXES	6,000	12,000	5,014	(6,986)
INVESTMENT EARNINGS	-	-	6	6
TOTAL REVENUES	<u>309,365</u>	<u>323,365</u>	<u>323,321</u>	<u>(44)</u>
EXPENDITURES				
CURRENT OPERATING:				
OTHER	235,875	249,875	244,691	(5,184)
TOTAL EXPENDITURES	<u>235,875</u>	<u>249,875</u>	<u>244,691</u>	<u>(5,184)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	73,490	73,490	78,630	5,140
OTHER FINANCING USES				
TRANSFERS OUT	(78,550)	(78,550)	(78,550)	-
NET CHANGE IN FUND BALANCE	(5,060)	(5,060)	80	5,140
FUND BALANCE - BEGINNING	<u>5,060</u>	<u>5,060</u>	<u>1,304</u>	<u>(3,756)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,384</u>	<u>\$ 1,384</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 864,785	\$ 857,786	\$ 852,630	\$ (5,156)
FINES AND FEES	266,470	287,469	277,336	(10,133)
DONATIONS/CONTRIBUTIONS	7,450	7,450	6,597	(853)
INVESTMENT EARNINGS	-	-	535	535
TOTAL REVENUES	<u>1,138,705</u>	<u>1,152,705</u>	<u>1,137,098</u>	<u>(15,607)</u>
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	983,695	1,011,761	950,301	(61,460)
MATERIALS & SERVICES	319,840	330,318	213,782	(116,536)
OTHER EXPENDITURES	20,500	34,931	34,431	(500)
TOTAL EXPENDITURES	<u>1,324,035</u>	<u>1,377,010</u>	<u>1,198,514</u>	<u>(178,496)</u>
NET CHANGE IN FUND BALANCE	(185,330)	(224,305)	(61,416)	162,889
FUND BALANCE - BEGINNING	<u>185,330</u>	<u>224,305</u>	<u>226,818</u>	<u>2,513</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,402</u>	<u>\$ 165,402</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 500,300	\$ 225,300	\$ 232,139	\$ 6,839
INVESTMENT EARNINGS	-	-	295	295
TOTAL REVENUES	<u>500,300</u>	<u>225,300</u>	<u>232,434</u>	<u>7,134</u>
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	159,280	159,280	136,351	(22,929)
MATERIALS & SERVICES	211,020	155,785	120,554	(35,231)
CONTINGENCY	68,000	-	-	-
TOTAL EXPENDITURES	<u>438,300</u>	<u>315,065</u>	<u>256,905</u>	<u>(58,160)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	62,000	(89,765)	(24,471)	(65,294)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	-	100,000	100,000	-
TRANSFERS OUT	(65,000)	(35,000)	(35,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(65,000)</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(3,000)	(24,765)	40,529	65,294
FUND BALANCE - BEGINNING	3,000	24,765	25,051	286
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,580</u>	<u>\$ 65,580</u>

HOOD RIVER COUNTY, OREGON
 COMMISSION ON CHILDREN AND FAMILIES (HRCCF) FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET & ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 521,995	\$ 626,613	\$ 622,006	\$ (4,607)
FINES AND FEES	6,500	6,500	4,260	(2,240)
INVESTMENT EARNINGS	2,000	2,000	1,094	(906)
OTHER REVENUE	33,000	33,000	20,000	(13,000)
TOTAL REVENUES	<u>563,495</u>	<u>668,113</u>	<u>647,360</u>	<u>(20,753)</u>
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	280,755	285,885	281,494	(4,391)
MATERIALS & SERVICES	60,185	113,292	98,680	(14,612)
OTHER	223,560	269,941	210,759	(59,182)
CONTINGENCY	53,995	53,995	-	(53,995)
TOTAL EXPENDITURES	<u>618,495</u>	<u>723,113</u>	<u>590,933</u>	<u>(132,180)</u>
NET CHANGE IN FUND BALANCE	(55,000)	(55,000)	56,427	111,427
FUND BALANCE - BEGINNING	<u>55,000</u>	<u>55,000</u>	<u>90,919</u>	<u>35,919</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,346</u>	<u>\$ 147,346</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
CURRENT YEAR TAXES	\$ -	\$ 1,330	\$ 1,328	\$ (2)
PRIOR YEAR TAXES	5,000	5,380	5,376	(4)
TOTAL REVENUES	<u>5,000</u>	<u>6,710</u>	<u>6,704</u>	<u>(6)</u>
EXPENDITURES				
CURRENT OPERATING:				
MATERIALS & SERVICES	5,000	6,710	6,704	(6)
TOTAL EXPENDITURES	<u>5,000</u>	<u>6,710</u>	<u>6,704</u>	<u>(6)</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
OTHER TAXES	\$ 200,000	\$ 250,000	\$ 234,051	\$ (15,949)
INVESTMENT EARNINGS	-	400	317	(83)
TOTAL REVENUES	<u>200,000</u>	<u>250,400</u>	<u>234,368</u>	<u>(16,032)</u>
EXPENDITURES				
CURRENT OPERATING:				
SPECIAL PAYMENTS	200,000	250,400	234,368	(16,032)
TOTAL EXPENDITURES	<u>200,000</u>	<u>250,400</u>	<u>234,368</u>	<u>(16,032)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 26</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 110,500	\$ 163,400	\$ 136,443	\$ (26,957)
INVESTMENT EARNINGS	2,525	2,625	2,955	330
TOTAL REVENUES	<u>113,025</u>	<u>166,025</u>	<u>139,398</u>	<u>(26,627)</u>
EXPENDITURES				
CURRENT OPERATING:				
MATERIALS & SERVICES	85,650	138,650	73,685	(64,965)
CAPITAL OUTLAY	50,000	50,000	-	(50,000)
CONTINGENCY	168,500	168,500	-	(168,500)
TOTAL EXPENDITURES	<u>304,150</u>	<u>357,150</u>	<u>73,685</u>	<u>(283,465)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(191,125)	(191,125)	65,713	256,838
OTHER FINANCING (USES)				
TRANSFERS OUT	(64,000)	(64,000)	(45,600)	(18,400)
TOTAL OTHER FINANCING (USES)	<u>(64,000)</u>	<u>(64,000)</u>	<u>(45,600)</u>	<u>(18,400)</u>
NET CHANGE IN FUND BALANCE	(255,125)	(255,125)	20,113	275,238
FUND BALANCE - BEGINNING	<u>255,125</u>	<u>255,125</u>	<u>296,200</u>	<u>41,075</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,313</u>	<u>\$ 316,313</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL INVESTMENT EARNINGS	\$ 100,000	\$ 100,000	\$ 159,429 295	\$ 59,429 295
TOTAL REVENUES	<u>100,000</u>	<u>100,000</u>	<u>159,724</u>	<u>59,724</u>
OTHER FINANCING (USES)				
TRANSFERS OUT	<u>(110,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>-</u>
TOTAL OTHER FINANCING (USES)	<u>(110,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(10,000)	(10,000)	49,724	59,724
FUND BALANCE - BEGINNING	<u>20,000</u>	<u>20,000</u>	<u>24,211</u>	<u>4,211</u>
FUND BALANCE - ENDING	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 73,935</u>	<u>\$ 63,935</u>

HOOD RIVER COUNTY, OREGON
ECONOMIC DEVELOPMENT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES	\$ 1,500	\$ 1,500	\$ (7,704)	\$ (9,204)
INVESTMENT EARNINGS	-	-	159	159
TOTAL REVENUES	<u>1,500</u>	<u>1,500</u>	<u>(7,545)</u>	<u>(9,045)</u>
EXPENDITURES				
CURRENT OPERATING:				
MATERIALS & SERVICES	54,500	54,500	5,844	(48,656)
TOTAL EXPENDITURES	<u>54,500</u>	<u>54,500</u>	<u>5,844</u>	<u>(48,656)</u>
NET CHANGE IN FUND BALANCE	(53,000)	(53,000)	(13,389)	39,611
FUND BALANCE - BEGINNING	<u>53,000</u>	<u>53,000</u>	<u>53,030</u>	<u>30</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,641</u>	<u>\$ 39,641</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 49,675	\$ 49,675	\$ 50,002	\$ 327
FINES AND FEES	264,300	281,130	319,627	38,497
INVESTMENT EARNINGS	1,000	1,000	406	(594)
DONATIONS/CONTRIBUTIONS	14,500	14,500	14,500	-
TOTAL REVENUES	<u>329,475</u>	<u>346,305</u>	<u>384,535</u>	<u>38,230</u>
EXPENDITURES				
CURRENT OPERATING:				
PERSONAL SERVICES	118,100	119,600	118,943	(657)
MATERIALS & SERVICES	215,850	237,845	234,275	(3,570)
CAPITAL OUTLAY	24,425	35,930	34,338	(1,592)
OTHER	9,500	4,500	521	(3,979)
TOTAL EXPENDITURES	<u>367,875</u>	<u>397,875</u>	<u>388,077</u>	<u>(9,798)</u>
NET CHANGE IN FUND BALANCE	(38,400)	(51,570)	(3,542)	48,028
FUND BALANCE - BEGINNING	<u>38,400</u>	<u>51,570</u>	<u>45,208</u>	<u>(6,362)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,666</u>	<u>\$ 41,666</u>

HOOD RIVER COUNTY, OREGON
EMPLOYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
FINES AND FEES	\$ 300	\$ 300	\$ 232	\$ (68)
INVESTMENT EARNINGS	75	75	53	(22)
TOTAL REVENUES	<u>375</u>	<u>375</u>	<u>285</u>	<u>(90)</u>
EXPENDITURES				
CURRENT OPERATING:				
MATERIALS & SERVICES	6,125	6,125	469	(5,656)
TOTAL EXPENDITURES	<u>6,125</u>	<u>6,125</u>	<u>469</u>	<u>(5,656)</u>
NET CHANGE IN FUND BALANCE	(5,750)	(5,750)	(184)	5,566
FUND BALANCE - BEGINNING	<u>5,750</u>	<u>5,750</u>	<u>5,461</u>	<u>(289)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,277</u>	<u>\$ 5,277</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ -	\$ -	\$ 422	\$ 422
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>422</u>	<u>422</u>
EXPENDITURES				
CURRENT OPERATING:				
CAPITAL OUTLAY	108,235	107,935	-	(107,935)
TOTAL EXPENDITURES	<u>108,235</u>	<u>107,935</u>	<u>-</u>	<u>(107,935)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(108,235)	(107,935)	422	108,357
OTHER FINANCING SOURCES				
TRANSFERS IN	10,000	18,500	18,500	-
TRANSFERS OUT	-	(8,800)	(8,800)	-
PROCEEDS FROM THE SALE OF ASSETS	-	-	1,700	1,700
TOTAL OTHER FINANCING SOURCES	<u>10,000</u>	<u>9,700</u>	<u>11,400</u>	<u>1,700</u>
NET CHANGE IN FUND BALANCE	(98,235)	(98,235)	11,822	110,057
FUND BALANCE - BEGINNING	<u>98,235</u>	<u>98,235</u>	<u>93,747</u>	<u>(4,488)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,569</u>	<u>\$ 105,569</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ -	\$ -	\$ 4,546	\$ 4,546
TOTAL REVENUES	-	-	4,546	4,546
EXPENDITURES				
CURRENT OPERATING:				
CAPITAL OUTLAY	480,000	480,000	214,842	(265,158)
TOTAL EXPENDITURES	480,000	480,000	214,842	(265,158)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(480,000)	(480,000)	(210,296)	269,704
OTHER FINANCING SOURCES				
TRANSFERS IN	200,000	200,000	200,000	-
TOTAL OTHER FINANCING SOURCES	200,000	200,000	200,000	-
NET CHANGE IN FUND BALANCE	(280,000)	(280,000)	(10,296)	269,704
FUND BALANCE - BEGINNING	1,110,000	1,110,000	1,147,872	37,872
FUND BALANCE - ENDING	\$ 830,000	\$ 830,000	\$ 1,137,576	\$ 307,576

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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 500,000	\$ 500,000	\$ 18,786	\$ (481,214)
INVESTMENT EARNINGS	-	-	1,745	1,745
TOTAL REVENUES	<u>500,000</u>	<u>500,000</u>	<u>20,531</u>	<u>(479,469)</u>
EXPENDITURES				
CURRENT OPERATING:				
CAPITAL OUTLAY	892,000	892,000	24,063	(867,937)
TOTAL EXPENDITURES	<u>892,000</u>	<u>892,000</u>	<u>24,063</u>	<u>(867,937)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(392,000)	(392,000)	(3,532)	388,468
OTHER FINANCING SOURCES				
PROCEEDS FROM THE SALE OF ASSETS	-	-	41,732	41,732
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>41,732</u>	<u>41,732</u>
NET CHANGE IN FUND BALANCE	(392,000)	(392,000)	38,200	430,200
FUND BALANCE - BEGINNING	<u>392,000</u>	<u>392,000</u>	<u>397,949</u>	<u>5,949</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 436,149</u>	<u>\$ 436,149</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
PROPERTY TAXES	\$ 333,000	\$ 333,000	\$ 329,605	\$ (3,395)
INVESTMENT EARNINGS	1,500	1,500	1,713	213
TOTAL REVENUES	<u>334,500</u>	<u>334,500</u>	<u>331,318</u>	<u>(3,182)</u>
EXPENDITURES				
CURRENT OPERATING:				
PRINCIPAL	340,000	340,000	340,000	-
INTEREST	382,260	382,260	382,252	(8)
TOTAL EXPENDITURES	<u>722,260</u>	<u>722,260</u>	<u>722,252</u>	<u>(8)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(387,760)	(387,760)	(390,934)	(3,174)
OTHER FINANCING SOURCES				
PERS IN LIEU	379,660	379,660	384,255	4,595
NET CHANGE IN FUND BALANCE	(8,100)	(8,100)	(6,679)	1,421
FUND BALANCE - BEGINNING	<u>61,400</u>	<u>61,400</u>	<u>69,459</u>	<u>8,059</u>
FUND BALANCE - ENDING	<u>\$ 53,300</u>	<u>\$ 53,300</u>	<u>\$ 62,780</u>	<u>\$ 9,480</u>

HOOD RIVER COUNTY, OREGON
RESERVES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INVESTMENT EARNINGS	\$ 2,000	\$ 2,000	\$ 8,997	\$ 6,997
TOTAL REVENUES	<u>2,000</u>	<u>2,000</u>	<u>8,997</u>	<u>6,997</u>
EXPENDITURES				
CURRENT OPERATING:				
OTHER EXPENDITURES	673,000	673,000	-	(673,000)
CONTINGENCY	259,400	129,400	-	(129,400)
TOTAL EXPENDITURES	<u>932,400</u>	<u>802,400</u>	<u>-</u>	<u>(802,400)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(930,400)	(800,400)	8,997	809,397
OTHER FINANCING SOURCES				
TRANSFERS IN	30,000	-	-	-
TRANSFERS OUT	<u>(250,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>(220,000)</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,150,400)	(1,150,400)	(341,003)	809,397
FUND BALANCE - BEGINNING	<u>1,150,400</u>	<u>1,150,400</u>	<u>1,159,246</u>	<u>8,846</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 818,243</u>	<u>\$ 818,243</u>

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

HOOD RIVER COUNTY, OREGON
CLEAN ENERGY PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
REVENUES				
INTERGOVERNMENTAL	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
TOTAL REVENUES	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
EXPENDITURES				
CURRENT OPERATING:				
MATERIALS & SERVICES	20,000	20,000	-	(20,000)
TOTAL EXPENDITURES	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</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
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	CASH	PROPERTY TAXES RECEIVABLE	ACCOUNTS RECEIVABLE	TOTAL ASSETS AND AMOUNTS HELD IN TRUST
CITIES				
CITY OF HOOD RIVER	\$ 8,933,785	\$ 223,090	\$ -	\$ 9,156,875
CITY OF CASCADE LOCKS	1,240	13,259	-	14,499
TOTAL CITIES	<u>8,935,025</u>	<u>236,349</u>	<u>-</u>	<u>9,171,374</u>
PORT DISTRICTS				
PORT OF HOOD RIVER	230	3,831	-	4,061
PORT OF CASCADE LOCKS	19	206	-	225
TOTAL PORT DISTRICTS	<u>249</u>	<u>4,037</u>	<u>-</u>	<u>4,286</u>
SCHOOL DISTRICTS				
MT. HOOD COMMUNITY COLLEGE	358	3,785	-	4,143
HOOD RIVER COUNTY SCHOOL DISTRICT	89,982	940,009	-	1,029,991
REGION 9 EDUCATIONAL SCHOOL DISTRICT	4,343	56,996	-	61,339
COLUMBIA GORGE COMMUNITY COLLEGE	6,178	76,016	-	82,194
TOTAL SCHOOL DISTRICTS	<u>100,861</u>	<u>1,076,806</u>	<u>-</u>	<u>1,177,667</u>
FIRE DISTRICTS				
STATE FIRE PATROL	1,142	12,230	-	13,372
DEE RURAL FIRE DISTRICT	-	34	-	34
ODELL RURAL FIRE DISTRICT	2,212	21,728	-	23,940
PARKDALE RURAL FIRE DISTRICT	2,301	24,239	-	26,540
PINE GROVE RIURAL FIRE DISTRICT	148	3,176	-	3,324
WESTSIDE RURAL FIRE DISTRICT	431,841	23,948	-	455,789
TOTAL FIRE DISTRICTS	<u>437,644</u>	<u>85,355</u>	<u>-</u>	<u>522,999</u>
IRRIGATION DISTRICTS				
DEE IRRIGATION DISTRICT	256	3	-	259
EAST FORK IRRIGATION DISTRICT	486,636	5	-	486,641
MIDDLE FORK IRRIGATION DISTRICT	-	3	-	3
MT. HOOD IRRIGATION DISTRICT	-	1	-	1
TOTAL IRRIGATION DISTRICTS	<u>486,892</u>	<u>12</u>	<u>-</u>	<u>486,904</u>
SANITARY DISTRICTS				
ODELL SANITARY DISTRICT	264,290	14,231	-	278,521
PARKDALE SANITARY DISTRICT	77,662	-	-	77,662
TOTALSANITARY DISTRICTS	<u>341,952</u>	<u>14,231</u>	<u>-</u>	<u>356,183</u>
LIBRARY DISTRICT				
HOOD RIVER COUNTY LIBRARY	391,394	23,378	-	414,772
PARKS AND RECREATION DISTRICT				
PARKS & RECREATION DISTRICT	549,945	54,560	-	604,505
PARKS & RECREATION SDC COLLECTIONS	411,558	-	-	411,558
TOTAL PARKS & RECREATION DISTRICT	<u>961,503</u>	<u>54,560</u>	<u>-</u>	<u>1,016,063</u>
TRANSPORTATION DISTRICT				
HOOD RIVER TRANSPORATION DISTRICT	670,129	8,907	-	679,036
REGIONAL JAIL				
NORTHERN OREGON CORRECTIONS	3,231	34,363	-	37,594
PROPERTY TAX MISCELLANEOUS				
UNSEGREGATED TAXES	-	-	-	-
ADVANCE PREPAYMENT ON TAXES	50,025	-	-	50,025
COUNTY ASSESSMENT & TAX FUNDING ASSISTANCE	46,182	-	52,816	98,998
MOBILE HOME OMBUDSMAN	22	239	-	261
TOTAL PROPERTY TAX MISCELLANEOUS	<u>96,229</u>	<u>239</u>	<u>52,816</u>	<u>149,284</u>
MISCELLANEOUS AGENCY FUNDS				
ALTERNATIVE DISPUTE RESOLUTION	-	-	-	-
MISCELLANEOUS REVOLVING	4,866	-	-	4,866
STATE MARRIAGE LICENSES	778	-	75	853
DEQ SURCHARGES	843	-	60	903
BUILDING INSPECTION SURCHARGES	5,076	-	-	5,076
DCBS MANUFACTURED STRUCTURES FEES	45	-	55	100
RESTITUTION	1,204	-	-	1,204
COURT ORDERED LAB FEES	879	-	-	879
UNCLAIMED PROPERTY	-	-	-	-
TOTAL MISCELLANEOUS AGENCY FUNDS	<u>13,691</u>	<u>-</u>	<u>190</u>	<u>13,881</u>
TOTAL FUNDS HELD IN TRUST	<u>\$ 12,438,800</u>	<u>\$ 1,538,237</u>	<u>\$ 53,006</u>	<u>\$ 14,030,043</u>

HOOD RIVER COUNTY, OREGON
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BALANCE JUNE 30, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
CITIES				
Cash and investments	\$ 6,579,549	\$ 3,380,391	\$ 1,024,915	\$ 8,935,025
Receivables:				
Property taxes	200,652	236,349	200,652	236,349
Total Assets	\$ 6,780,201	\$ 3,616,740	\$ 1,225,567	\$ 9,171,374
Due to Districts	\$ 6,780,201	\$ 3,616,740	\$ 1,225,567	\$ 9,171,374
Total Liabilities	\$ 6,780,201	\$ 3,616,740	\$ 1,225,567	\$ 9,171,374
PORT DISTRICTS				
Cash and investments	\$ 304	\$ 57,787	\$ 57,842	\$ 249
Receivables:				
Property taxes	3,317	4,037	3,317	4,037
Total Assets	\$ 3,621	\$ 61,824	\$ 61,159	\$ 4,286
Due to Districts	\$ 3,621	\$ 61,824	\$ 61,159	\$ 4,286
Total Liabilities	\$ 3,621	\$ 61,824	\$ 61,159	\$ 4,286
SCHOOL DISTRICTS				
Cash and investments	\$ 105,723	\$ 15,551,945	\$ 15,556,807	\$ 100,861
Receivables:				
Property taxes	881,946	1,076,806	881,946	1,076,806
Total Assets	\$ 987,669	\$ 16,628,751	\$ 16,438,753	\$ 1,177,667
Due to Districts	\$ 987,669	\$ 16,628,751	\$ 16,438,753	\$ 1,177,667
Total Liabilities	\$ 987,669	\$ 16,628,751	\$ 16,438,753	\$ 1,177,667
FIRE DISTRICTS				
Cash and investments	\$ 335,269	\$ 1,343,855	\$ 1,241,480	\$ 437,644
Receivables:				
Property taxes	70,691	85,355	70,691	85,355
Total Assets	\$ 405,960	\$ 1,429,210	\$ 1,312,171	\$ 522,999
Due to Districts	\$ 405,960	\$ 1,429,210	\$ 1,312,171	\$ 522,999
Total Liabilities	\$ 405,960	\$ 1,429,210	\$ 1,312,171	\$ 522,999
IRRIGATION DISTRICTS				
Cash and investments	\$ 325,172	\$ 456,720	\$ 295,000	\$ 486,892
Receivables:				
Property taxes	12	12	12	12
Total Assets	\$ 325,184	\$ 456,732	\$ 295,012	\$ 486,904
Due to Districts	\$ 325,184	\$ 456,732	\$ 295,012	\$ 486,904
Total Liabilities	\$ 325,184	\$ 456,732	\$ 295,012	\$ 486,904
SANITARY DISTRICTS				
Cash and investments	\$ 317,566	\$ 266,447	\$ 242,061	\$ 341,952
Receivables:				
Property taxes	9,001	14,231	9,001	14,231
Total Assets	\$ 326,567	\$ 280,678	\$ 251,062	\$ 356,183
Due to Districts	\$ 326,567	\$ 280,678	\$ 251,062	\$ 356,183
Total Liabilities	\$ 326,567	\$ 280,678	\$ 251,062	\$ 356,183
LIBRARY DISTRICT				
Cash and investments	\$ -	\$ 671,394	\$ 280,000	\$ 391,394
Receivables:				
Property taxes	-	23,378	-	23,378
Total Assets	\$ -	\$ 694,772	\$ 280,000	\$ 414,772
Due to District	\$ -	\$ 694,772	\$ 280,000	\$ 414,772
Total Liabilities	\$ -	\$ 694,772	\$ 280,000	\$ 414,772

HOOD RIVER COUNTY, OREGON
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BALANCE JUNE 30, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
PARKS AND RECREATION				
Cash and investments	\$ 685,269	\$ 849,904	\$ 573,670	\$ 961,503
Receivables:				
Property taxes	45,462	54,560	45,462	54,560
Total Assets	<u>\$ 730,731</u>	<u>\$ 904,464</u>	<u>\$ 619,132</u>	<u>\$ 1,016,063</u>
Due to District	<u>\$ 730,731</u>	<u>\$ 904,464</u>	<u>\$ 619,132</u>	<u>\$ 1,016,063</u>
Total Liabilities	<u>\$ 730,731</u>	<u>\$ 904,464</u>	<u>\$ 619,132</u>	<u>\$ 1,016,063</u>
TRANSPORTATION DISTRICT				
Cash and investments	\$ 516,582	\$ 153,547	\$ -	\$ 670,129
Receivables:				
Property taxes	7,323	8,907	7,323	8,907
Total Assets	<u>\$ 523,905</u>	<u>\$ 162,454</u>	<u>\$ 7,323</u>	<u>\$ 679,036</u>
Due to District	<u>\$ 523,905</u>	<u>\$ 162,454</u>	<u>\$ 7,323</u>	<u>\$ 679,036</u>
Total Liabilities	<u>\$ 523,905</u>	<u>\$ 162,454</u>	<u>\$ 7,323</u>	<u>\$ 679,036</u>
REGIONAL JAIL				
Cash and investments	\$ 2,643	\$ 485,395	\$ 484,807	\$ 3,231
Receivables:				
Property taxes	28,800	34,363	28,800	34,363
Total Assets	<u>\$ 31,443</u>	<u>\$ 519,758</u>	<u>\$ 513,607</u>	<u>\$ 37,594</u>
Due to District	<u>\$ 31,443</u>	<u>\$ 519,758</u>	<u>\$ 513,607</u>	<u>\$ 37,594</u>
Total Liabilities	<u>\$ 31,443</u>	<u>\$ 519,758</u>	<u>\$ 513,607</u>	<u>\$ 37,594</u>
PROPERTY TAX MISCELLANEOUS				
Cash and investments	\$ 42,728	\$ 27,075,444	\$ 27,021,943	\$ 96,229
Receivables:				
Property taxes	200	239	200	239
Accounts	45,008	52,816	45,008	52,816
Total Assets	<u>\$ 87,936</u>	<u>\$ 27,128,499</u>	<u>\$ 27,067,151</u>	<u>\$ 149,284</u>
Due to Districts	<u>\$ 87,936</u>	<u>\$ 27,128,499</u>	<u>\$ 27,067,151</u>	<u>\$ 149,284</u>
Total Liabilities	<u>\$ 87,936</u>	<u>\$ 27,128,499</u>	<u>\$ 27,067,151</u>	<u>\$ 149,284</u>
MISCELLANEOUS AGENCY FUNDS				
Cash and investments	\$ 59,421	\$ 40,658	\$ 86,388	\$ 13,691
Receivables:				
Accounts	3,433	190	3,433	190
Total Assets	<u>\$ 62,854</u>	<u>\$ 40,848</u>	<u>\$ 89,821</u>	<u>\$ 13,881</u>
Due to Others	<u>\$ 62,854</u>	<u>\$ 40,848</u>	<u>\$ 89,821</u>	<u>\$ 13,881</u>
Total Liabilities	<u>\$ 62,854</u>	<u>\$ 40,848</u>	<u>\$ 89,821</u>	<u>\$ 13,881</u>
TOTAL ALL AGENCY FUNDS				
Cash and investments	\$ 8,970,226	\$ 50,333,487	\$ 46,864,913	\$ 12,438,800
Receivables:				
Property taxes	1,247,404	1,538,237	1,247,404	1,538,237
Accounts	48,441	53,006	48,441	53,006
Total Assets	<u>\$ 10,266,071</u>	<u>\$ 51,924,730</u>	<u>\$ 48,160,758</u>	<u>\$ 14,030,043</u>
Due to Others	<u>\$ 10,266,071</u>	<u>\$ 51,924,730</u>	<u>\$ 48,160,758</u>	<u>\$ 14,030,043</u>
Total Liabilities	<u>\$ 10,266,071</u>	<u>\$ 51,924,730</u>	<u>\$ 48,160,758</u>	<u>\$ 14,030,043</u>

HOOD RIVER COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
FOR THE YEAR ENDED JUNE 30, 2012

LEVY YEAR ENDED JUNE 30,	BALANCES BEGINNING OF YEAR	2012 TAX LEVY	DISCOUNTS & ADJUSTMENTS	TAXES COLLECTED	BALANCES END OF YEAR
2012	\$ -	\$ 3,041,265	\$ (87,998)	\$ 2,853,913	\$ 99,354
2011	92,882		(8,366)	30,805	53,711
2010	41,332		(8,063)	(1,197)	34,466
2009	23,074		(381)	12,848	9,845
2008	5,217		(248)	2,521	2,448
2007 AND PRIOR	3,023		(328)	(36)	2,731
	<u>\$ 165,528</u>	<u>\$ 3,041,265</u>	<u>\$ (105,384)</u>	2,898,854	<u>\$ 202,555</u>
OTHER TAXES, INTEREST ON TAXES, AND RELATED RECEIPTS COLLECTED				<u>35,255</u>	
TOTAL TAX RECEIPTS				<u><u>\$ 2,934,109</u></u>	

HR County and HRC Library Bond

**HOOD RIVER COUNTY, OREGON
SCHEDULE OF ACCOUNTABILITY OF ELECTED OFFICIALS
YEAR ENDED JUNE 30, 2012**

	SHERIFF	JUSTICE OF THE PEACE
CASH & INVESTMENTS, BEGINNING BALANCE	\$ 17,855	\$ 62,794
RECEIPTS	2,968	933,474
TURNOVERS AND DISBURSEMENTS		
TURNOVERS		
Hood River County Finance Department	1,113	323,745
Court Assessments Fund	-	149,290
State of Oregon	-	430,041
City of Cascade Locks	-	-
DISBURSEMENTS		
Payments related to Sheriff activities	143	25,461
Bank charges and fees	-	4,196
TOTAL TURNOVERS & DISBURSEMENTS	1,256	932,733
CASH & INVESTMENTS, ENDING BALANCE	\$ 19,567	\$ 63,534



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.	99
Revenue Capacity These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.	104
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.	108
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.	112
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.	113

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 ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Primary government Invested in capital assets, net of related debt	\$ 81,803,518	\$ 81,651,715	\$ 83,961,324	\$ 83,731,998	\$ 81,806,547	\$ 81,325,927	\$ 81,127,247	\$ 80,343,045	\$ 80,007,278	\$ 79,155,959
Restricted	14,826,711	18,250,787	3,237,036	308,165	247,063	278,162	264,798	1,855,695	1,817,196	381,208
Unrestricted	15,148,664	11,289,732	28,674,780	33,627,813	34,554,855	33,934,233	32,612,843	30,569,377	31,049,656	29,237,720
Total governmental activities net assets	\$ 111,778,893	\$ 111,192,234	\$ 115,873,140	\$ 117,667,976	\$ 116,608,465	\$ 115,538,322	\$ 114,004,888	\$ 112,768,117	\$ 112,874,130	\$ 108,774,887

Source: Current and prior year financial statements

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES										
Governmental activities:										
General government	\$ 3,791,414	\$ 5,730,939	\$ 2,977,085	\$ 2,897,561	\$ 2,656,587	\$ 2,234,513	\$ 1,999,220	\$ 2,305,288	\$ 2,396,993	\$ 2,685,828
Sheriff	3,415,074	1,933,537	2,053,328	2,127,033	2,059,671	2,104,069	1,978,774	1,850,696	1,670,714	1,627,739
Public safety	986,027	2,289,355	2,492,275	2,512,637	3,432,871	3,407,649	3,014,469	2,819,465	2,688,286	2,797,811
District attorney	422,761	417,446	424,903	392,514	333,762	306,928	283,163	318,873	282,404	295,954
Public works	3,121,504	2,932,892	3,697,042	3,609,542	3,464,275	3,425,520	3,938,827	3,871,137	3,589,304	3,145,010
Health and sanitation	1,863,294	1,911,387	2,000,041	2,039,461	1,852,841	1,752,381	1,844,527	1,823,513	1,730,693	1,574,165
Forestry	891,664	912,046	894,404	1,015,630	779,349	775,818	778,753	759,944	733,548	752,338
Library	79,885	264,251	670,134	899,091	764,761	823,760	820,531	697,057	626,669	611,694
Parks	444,200	359,106	364,849	421,641	672,199	633,940	530,401	463,901	510,075	425,497
Planning	344,554	330,550	406,171	521,926	475,039	469,834	477,662	484,135	454,370	459,754
Veterans	32,059	31,869	43,650	89,127	75,372	73,363	58,037	66,930	72,728	64,511
County fair	375,840	354,181	306,314	286,249	274,726	263,360	213,534	231,141	184,567	208,288
Animal, weed and pest control	151,892	141,376	146,927	150,690	139,735	344,800	294,885	162,289	165,140	171,318
Building inspection	260,974	353,194	445,324	456,788	399,467	474,310	325,594	314,308	287,709	258,994
Emergency management	104,688	105,265	232,261	145,746	164,496	98,635	72,682	70,068	200,391	98,851
Economic development	5,844	-	147,977	161,210	199,563	144,004	152,739	153,970	137,883	75,561
Children and families	612,621	595,486	680,516	876,844	732,525	696,618	656,651	609,709	530,963	534,534
Education	231,801	467,194	516,976	542,233	629,977	629,786	622,012	853,258	678,502	808,954
Other	-	-	-	-	569,174	458,885	463,565	375,561	415,366	479,223
Bond issuance costs	-	-	-	-	-	-	-	-	1,382	-
Interest on long-term debt	-	29,934	72,970	98,970	109,220	118,720	127,645	135,783	142,420	148,458
Total primary government expenses	\$ 17,135,897	\$ 19,160,008	\$ 18,573,147	\$ 19,244,893	\$ 19,785,610	\$ 19,236,893	\$ 18,573,671	\$ 18,367,026	\$ 17,500,107	\$ 17,224,482
PROGRAM REVENUES										
Governmental activities:										
Charges for services:	\$ 3,521,460	\$ 3,153,361	\$ 3,476,460	\$ 3,289,451	\$ 3,412,741	\$ 4,066,099	\$ 3,865,190	\$ 4,472,181	\$ 4,444,376	\$ 3,901,623
Operating grants and contributions	5,851,244	6,355,463	6,647,678	9,362,659	8,236,011	6,653,516	6,805,954	5,372,089	5,539,916	5,375,438
Capital grants and contributions	147,966	169,629	100,949	1,242,016	433,960	93,846	57,587	56,392	283,673	711,343
Total primary government expenses	\$ 9,520,670	\$ 9,678,453	\$ 10,225,087	\$ 13,894,126	\$ 12,082,712	\$ 10,813,461	\$ 10,728,731	\$ 9,900,662	\$ 10,267,965	\$ 9,988,404
Total primary government net expense	\$ (7,615,227)	\$ (9,481,555)	\$ (8,348,060)	\$ (5,350,767)	\$ (7,702,898)	\$ (8,423,432)	\$ (7,844,940)	\$ (8,466,364)	\$ (7,232,142)	\$ (7,236,078)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Property taxes	\$ 2,949,136	\$ 2,839,052	\$ 2,734,364	\$ 2,582,051	\$ 3,291,146	\$ 3,103,782	\$ 2,863,711	\$ 2,804,447	\$ 2,622,243	
Public service taxes	703,563	449,453	400,741	428,144	524,802	463,049	498,332	405,470	431,471	
Loss on sale of assets	-	-	(111,257)	351,814	-	-	-	-	-	
Investment earnings	281,752	629,551	1,024,070	1,161,994	2,472,122	1,487,474	1,167,686	809,700	647,570	
Miscellaneous	69,277	305,668	229,332	190,150	206,820	54,091	53,183	432,609	225,539	
Timber sales	3,795,678	257,425	2,430,100	3,989,449	2,278,151	4,848,476	4,498,799	3,908,125	5,990,562	
Capital Contributions not restricted to specific program	361,896	-	(154,126)	3,989,449	2,278,151	4,848,476	4,498,799	3,908,125	5,990,562	
Total primary government	\$ 8,161,302	\$ 4,481,149	\$ 6,553,224	\$ 12,693,051	\$ 11,051,192	\$ 14,805,348	\$ 13,580,510	\$ 12,268,476	\$ 15,907,947	
CHANGE IN NET ASSETS	\$ 546,075	\$ (5,000,406)	\$ (1,794,836)	\$ 7,342,284	\$ 3,348,294	\$ 6,381,916	\$ 5,735,570	\$ 3,802,112	\$ 8,675,805	

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
2012	\$2,934,109	\$69,938	\$0	\$163	\$4,703	\$100,227	\$5,214	\$22,888	\$234,051	\$3,371,293
2011	2,810,665	67,878	0	70	5,717	89,227	4,874	23,457	224,377	3,226,265
2010	2,734,364	67,883	0	102	5,056	85,464	5,379	22,149	180,192	3,100,589
2009	2,582,051	92,850	0	271	3,999	90,657	5,297	23,641	175,741	2,974,507
2008	3,291,146	41,797	62,582	1,000	4,000	84,838	5,428	24,485	235,634	3,750,910
2007	3,103,782	42,092	57,311	1,065	4,257	84,524	5,264	26,772	224,410	3,549,477
2006	2,863,711	42,490	55,521	1,555	5,264	90,029	8,096	26,908	219,163	3,312,737
2005	2,804,447	41,534	48,881	387	4,027	74,404	1,197	24,336	210,704	3,209,917
2004	2,622,243	39,869	50,023	882	4,801	68,862	4,134	25,536	225,955	3,042,305
2003	2,575,586	40,521	51,113	0	10,185	66,996	3,804	26,694	224,872	2,999,771

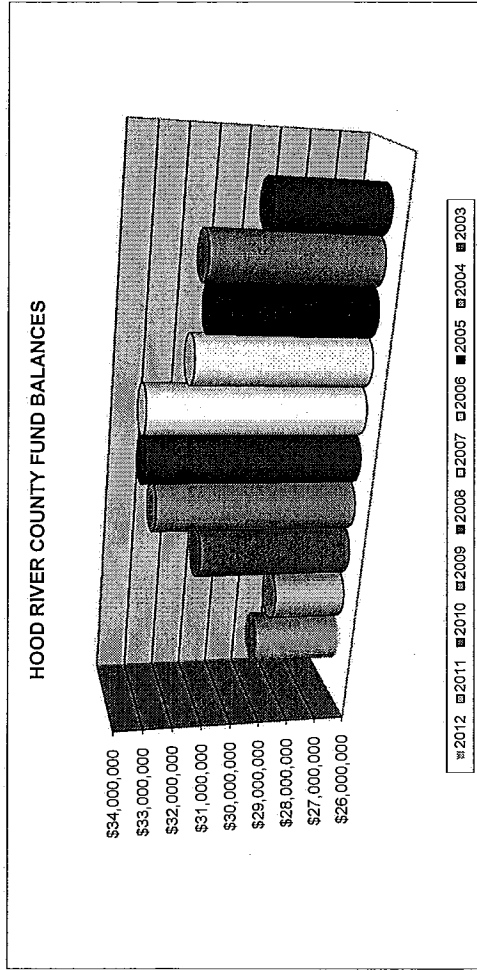
(1) Federal sources - Bureau of Land Management and National Scenic Area

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)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund, Unreserved	\$ -	\$ -	\$ 1,075,388	\$ 988,747	\$ 1,036,333	\$ 743,759	\$ 1,085,504	\$ 1,224,976	\$ 567,825	\$ 500,670
All other governmental funds	-	-	433,320	715,118	645,948	763,251	730,130	509,396	616,258	352,357
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	27,974,274	30,019,908	29,341,577	29,467,433	28,156,558	27,956,460	28,863,309	27,053,306
Capital projects funds	-	-	1,734,588	1,083,318	2,229,838	2,342,708	1,922,111	1,741,117	1,665,511	1,901,651
Nonspendable	330,462	381,988	-	-	-	-	-	-	-	-
Restricted	14,826,711	14,825,745	-	-	-	-	-	-	-	-
Assigned	12,482,460	12,347,645	-	-	-	-	-	-	-	-
Unassigned	1,317,248	888,547	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 28,956,881	\$ 28,443,925	\$ 31,217,590	\$ 32,807,091	\$ 33,253,696	\$ 33,317,151	\$ 31,894,303	\$ 31,431,949	\$ 31,712,903	\$ 29,807,984

Source: Current and prior year financial statements



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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
REVENUES										
Taxes	\$ 3,637,672	\$ 3,260,188	\$ 3,127,800	\$ 2,980,640	\$ 3,799,890	\$ 3,554,211	\$ 3,351,502	\$ 3,214,775	\$ 3,048,086	\$ 2,994,288
Intergovernmental	6,109,378	6,447,436	6,748,627	10,631,377	8,340,611	7,193,842	6,698,560	7,634,635	7,021,752	7,088,201
Timber sales	3,795,678	377,268	2,430,100	3,989,449	2,278,151	4,848,476	4,498,799	3,811,278	5,990,562	3,248,971
Investment earnings	281,752	289,681	813,933	850,568	1,654,680	1,487,330	1,167,676	906,601	647,254	813,866
Fines and fees	3,173,630	3,116,539	3,476,460	3,262,749	3,413,531	3,494,238	3,926,560	2,226,626	2,821,080	2,227,861
Miscellaneous	328,595	335,520	174,332	190,150	535,390	179,470	188,998	209,153	690,185	847,606
Total revenues	17,326,705	13,826,632	16,771,252	21,904,933	20,022,253	20,757,567	19,832,095	18,003,068	20,218,919	17,220,793
EXPENDITURES										
General government	3,893,252	3,390,768	3,430,750	3,178,752	2,855,897	2,790,614	2,568,971	2,516,072	2,714,547	5,616,100
Sheriff	3,217,255	1,817,233	2,023,831	2,094,420	1,967,994	2,027,984	1,971,586	1,840,259	1,805,816	1,710,170
Public safety	955,147	2,284,698	2,824,480	2,387,800	3,777,115	3,708,400	3,467,616	3,208,752	3,164,352	3,120,042
Public works	2,784,361	2,563,437	3,353,267	3,236,897	3,463,470	3,382,928	4,101,895	3,936,073	4,152,168	3,537,809
Health and sanitation	1,815,108	1,858,009	1,894,076	1,932,028	1,831,380	1,736,774	1,819,203	1,826,948	1,738,728	1,557,442
Forestry	879,024	899,594	874,565	992,002	769,452	762,792	795,068	754,607	766,237	7,574,061
Library	-	170,466	548,855	774,734	775,793	742,240	745,387	684,905	828,685	2,099,269
Parks	413,322	316,498	336,781	680,828	648,533	620,639	608,949	580,101	499,574	432,276
Planning	334,731	317,597	380,508	496,767	467,184	463,470	475,128	486,609	465,282	456,421
Veterans	32,059	31,869	43,043	81,795	69,362	67,689	72,540	64,920	72,263	61,612
County fair	353,739	310,689	301,226	270,218	305,596	272,001	229,681	250,111	202,593	221,380
Animal, weed and pest control	147,950	134,282	139,139	143,833	138,092	343,852	400,222	162,422	164,505	163,351
Building inspection	256,905	331,298	412,229	417,391	469,884	464,264	321,707	311,972	295,376	253,984
Emergency management	82,143	77,317	232,261	145,746	164,496	98,526	53,011	180,931	192,847	335,353
Economic development	5,844	-	140,493	155,496	197,511	142,485	152,677	155,083	137,712	75,426
Children and families	590,933	584,364	664,675	865,408	727,172	693,332	576,508	611,897	530,251	534,255
Education	244,691	467,194	516,976	542,233	629,977	629,786	622,012	853,258	678,502	808,954
Other	-	-	-	-	569,174	458,886	463,565	375,561	420,366	505,984
Capital projects	827,977	781,041	-	2,344,184	-	-	-	-	-	-
Debt service:										
Principal	340,000	295,000	255,000	220,000	205,000	190,000	170,000	155,000	135,000	115,000
Interest	382,252	396,416	409,148	419,924	429,385	437,854	446,322	456,501	256,631	148,458
Total expenditures	17,556,693	17,027,770	18,781,303	21,380,456	20,462,467	20,034,516	20,062,048	19,411,982	19,221,435	29,327,347
Excess of revenues over (under) expenditures	(229,988)	(3,201,138)	(2,010,051)	524,477	(440,214)	723,051	(229,953)	(1,408,914)	997,484	(12,106,554)
Other financing sources (uses)										
Transfers in	4,494,527	5,532,452	6,875,566	6,934,057	7,318,700	7,145,830	6,945,769	8,056,615	7,863,410	7,185,114
Transfers out	(4,494,527)	(5,532,452)	(6,875,566)	(6,934,057)	(7,318,700)	(7,145,830)	(6,945,769)	(8,056,615)	(7,863,410)	(7,185,114)
PERS in lieu	384,255	361,508	-	395,369	273,463	356,133	496,668	622,720	437,170	-
Sale of assets	318,105	5,965	420,550	234,587	103,301	288,666	195,640	505,240	243,152	357,260
Trades	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	5,355,000	-
Payment of unfunded liability	-	-	-	-	-	-	-	-	(5,127,886)	-
Issuance of Debt	-	60,000	-	500,000	-	55,000	-	-	-	-
Total other financing sources (uses)	702,360	427,473	420,550	1,129,956	376,764	699,799	692,308	1,127,960	907,436	357,260
Net change in fund balances	\$ 472,372	\$ (2,773,665)	\$ (1,589,501)	\$ 1,654,433	\$ (63,450)	\$ 1,422,850	\$ 462,355	\$ (280,954)	\$ 1,904,920	\$ (11,749,294)
Debt service as a percentage of non-capital expenditures	4.32%	4.26%	3.54%	3.36%	3.10%	3.13%	3.07%	3.15%	2.04%	0.90%

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					
2012	\$1,402,919,092	\$351,221,349	\$155,637,150	\$79,110,486	\$1,830,667,105	\$0.001603	\$3,293,619,089	57.98%
2011	\$1,350,827,775	\$331,257,211	\$135,869,225	\$63,458,819	\$1,754,495,392	\$0.001611	\$3,626,288,410	50.13%
2010	1,304,304,713	320,577,194	134,523,862	60,136,370	1,699,269,399	0.001611	3,475,925,360	50.62%
2009	1,180,165,699	347,209,562	122,000,238	50,191,762	1,599,183,737	0.001635	3,540,430,707	46.59%
2008	1,098,220,674	342,145,871	132,610,467	43,662,138	1,529,314,874	0.001635	3,403,320,580	46.22%
2007	1,060,239,430	301,318,600	127,124,064	41,821,466	1,446,860,628	0.001612	2,809,278,893	52.99%
2006	1,011,889,762	252,252,350	124,950,016	32,584,781	1,356,507,347	0.001633	2,407,471,280	57.70%
2005	952,772,482	239,921,084	126,090,493	29,143,866	1,289,640,193	0.001646	2,137,287,424	61.70%
2004	894,218,477	229,344,146	112,044,776	28,910,112	1,206,697,287	0.001660	1,872,880,865	65.97%
2003	846,945,140	221,392,152	111,376,599	26,275,348	1,153,438,543	0.001672	1,765,900,529	66.81%

*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			DEBT			CITIES			SCHOOL DISTRICT				SPECIAL DISTRICTS	
	MILLAGE	SERVICE	TOTAL	MILLAGE	SERVICE	TOTAL	OPERATING	SERVICE	DEBT	OPERATING	SERVICE	DEBT			MILLAGE
2012 (7)	1.4171	0.1959	1.6130	0.7974	0.0000	0.7974	5.5162	0.0000	6.3136	7.2917	2.2056	9.4973	6.7978	7.4599	24.2217
2011 (6)	1.4171	0.2029	1.6200	0.8404	0.0000	0.8404	6.3943	0.2556	7.2347	7.2917	2.1814	9.4731	7.4599	25.7877	
2010 (5)	1.4171	0.1971	1.6142	0.3842	0.0000	0.3842	6.3842	0.0000	6.6398	7.2917	2.2953	9.5870	5.8456	23.6866	
2009 (4)	1.4171	0.1936	1.6107	6.3701	0.0000	6.3701	6.3701	0.0000	6.3701	6.6117	2.2263	8.8380	6.5954	23.4142	
2008 (3)	1.4171	0.1635	1.5806	6.2780	0.0000	6.2780	6.2780	0.0000	6.2780	7.2917	2.2820	9.5737	5.8800	23.3123	
2007	1.4165	0.1958	1.6123	6.2114	0.0000	6.2114	6.2114	0.0000	6.2114	6.7917	2.2099	9.0016	7.3965	24.2218	
2006 (2)	1.4161	0.2171	1.6332	6.0690	0.0000	6.0690	6.0690	0.0000	6.0690	7.0417	2.5682	9.6099	9.1318	26.4439	
2005	1.4169	0.2295	1.6464	6.1370	0.0000	6.1370	6.1370	0.0000	6.1370	6.0417	2.1628	8.2045	7.4112	23.3991	
2004	1.4164	0.2431	1.6595	6.1521	0.0000	6.1521	6.1521	0.0000	6.1521	6.0417	2.2156	8.2573	7.3643	23.4332	
2003 (1)	1.4164	0.2557	1.6721	6.4341	0.0000	6.4341	6.4341	0.0000	6.4341	6.0417	2.2285	8.2702	8.0600	24.4364	

- (1) First year of community college levy in Hood River County
- (2) First year of community college bond, sanitary district bond and school district local option levy
- (3) School local option increase and new school district bond
- (4) First year of sewer district urban renewal
- (5) First year of waterfront urban renewal and city fire bond
- (6) Sanitary district bond reinstated
- (7) First year of HRC Library district levy

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

**HOOD RIVER COUNTY, OREGON
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2012**

TAXPAYER	2012			2003		
	TAXABLE ASSESSED	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED	TAXABLE ASSESSED	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED
	VALUE		VALUE	VALUE		VALUE
Cardinal IG Company	\$ 29,441,176	1	1.61%	-	-	-
CenturyLink/UTS	27,438,400	2	1.50%	\$ 21,792,440	2	1.89%
Mt. Hood Meadows, Oreg, LTD	27,116,980	3	1.48%	20,272,378	3	1.76%
Diamond Fruit Growers Inc	15,696,990	4	0.86%	23,066,876	1	2.00%
Union Pacific Railroad Co	14,547,300	5	0.79%	10,245,400	5	0.89%
Duckwall-Pooley Fruit Co, Inc	13,055,450	6	0.71%	9,542,855	6	0.83%
Pacificcorp	12,038,000	7	0.66%	17,124,000	4	1.48%
Port of Hood River	10,492,796	8	0.57%	-	-	0.00%
Cascade Commons, LLC	9,788,530	9	0.53%	8,481,817	7	0.74%
Longview Timberlands, LLC	6,304,887	10	0.34%	-	-	-
DMS Ranch, LLC	-	-	-	6,030,075	9	0.49%
Pan Pacific, LLC	-	-	-	5,210,935	10	0.49%
Northwest Natural Gas Co	-	-	-	6,742,600	8	0.58%
Totals	<u>\$165,920,509</u>		<u>9.06%</u>	<u>\$128,509,376</u>		<u>11.15%</u>

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
2012 (7)	\$3,041,265	\$2,853,913	93.84%	\$0	\$2,853,913	93.84%
2011 (6)	2,807,929	2,706,645	96.39%	275,208	2,745,527	97.78%
2010 (5)	2,773,577	2,682,418	96.71%	413,868	2,728,976	98.39%
2009 (4)	2,608,599	2,514,555	96.39%	692,721	2,584,147	99.06%
2008 (3)	2,515,437	2,443,265	97.13%	242,544	2,510,776	99.81%
2007	2,357,841	2,301,620	97.62%	110,518	2,352,066	99.76%
2006 (2)	2,248,883	2,204,861	98.04%	50,285	2,243,936	99.78%
2005	2,128,655	2,078,788	97.66%	49,916	2,124,710	99.81%
2004	2,005,242	1,955,204	97.50%	49,372	2,004,355	99.96%
2003 (1)	1,939,482	1,886,115	97.25%	53,896	1,938,454	99.95%

- (1) First year of community college levy in Hood River County
- (2) First year of community college bond, sanitary district bond and school district local option levy
- (3) School local option increase and new school district bond
- (4) First year of sewer district urban renewal
- (5) First year of waterfront urban renewal and city fire bond
- (6) Sanitary district bond reinstated
- (7) First year of HRC Library district levy

Total tax levies are those at 6/30/12 (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 (1)	PER CAPITA (1)
	GENERAL OBLIGATION BONDS	PENSION OBLIGATION BONDS	NOTES PAYABLE			
2012	\$ 990,000	\$ 5,250,000	\$ 705,387	\$ 6,945,387	N/A	N/A
2011	1,275,000	5,305,000	548,963	7,128,963	0.89%	312
2010	1,535,000	5,340,000	500,000	7,375,000	1.01%	330
2009	1,775,000	5,355,000	500,000	7,630,000	1.06%	351
2008	1,995,000	5,355,000	-	7,350,000	1.09%	340
2007	2,200,000	5,355,000	-	7,555,000	1.22%	351
2006	2,390,000	5,355,000	-	7,745,000	1.34%	363
2005	2,560,000	5,355,000	-	7,915,000	1.49%	374
2004 (2)	2,715,000	5,355,000	-	8,070,000	1.61%	383
2003	2,850,000	-	-	2,850,000	0.58%	139

(1) See the Schedule of Demographic and Economic Statistics on page 112 for personal income and population data.
(2) 2004 was the first year in which Hood River County incurred full faith and credit debt.

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	LESS; AMOUNTS AVAILABLE IN DEBT SERVICE FUND	NET	PERCENTAGE OF ESTIMATED TAXABLE VALUE OF PROPERTY (1)	PER CAPITA (2)
2012	\$ 990,000	\$ 45,325	\$ 944,675	0.05%	N/A
2011	1,275,000	62,862	1,212,138	0.07%	53
2010	1,535,000	50,575	1,484,425	0.09%	66
2009	1,775,000	49,641	1,725,359	0.11%	79
2008	1,995,000	62,953	1,932,047	0.13%	89
2007	2,200,000	47,349	2,152,651	0.15%	100
2006	2,390,000	70,984	2,319,016	0.17%	109
2005	2,560,000	70,722	2,489,278	0.19%	118
2004	2,715,000	68,004	2,646,996	0.22%	126
2003	2,850,000	57,754	2,792,246	0.24%	136

- (1) See the Schedule of Assessed Value and Estimated Market Value of Taxable Property in page 104 for property value data.
(2) See the Schedule of Demographic and Economic Statistics on page 112 for personal income and population data.

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, 2012

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt repaid with property taxes: Hood River County	\$ 6,240,000	100.00%	\$ 6,240,000
Total direct debt	<u>6,240,000</u>		<u>6,240,000</u>
City of Hood River	21,174,000	100.00%	21,174,000
Columbia Gorge Community College	19,610,620	51.27%	10,054,365
Hood River County School District	46,535,899	100.00%	46,535,899
Hood River Valley Parks & Rec District	1,995,000	100.00%	1,995,000
Mt. Hood Community College	68,968,749	0.52%	358,637
Northern Oregon Regional Corrections	5,860,000	37.49%	2,196,914
Odell Sanitary District	3,500,000	100.00%	3,500,000
Ice Fountain Water District	1,405,000	100.00%	1,405,000
Port of Hood River	265,000	100.00%	265,000
Total overlapping debt	<u>169,314,268</u>		<u>87,484,815</u>
Total direct and overlapping debt	<u>\$ 175,554,268</u>		<u>\$ 93,724,815</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.

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Estimated market value	\$ 3,293,619,089	\$ 3,626,288,410	\$ 3,475,925,360	\$ 3,540,430,707	\$ 3,403,320,580	\$ 2,809,278,893	\$ 2,407,471,280	\$ 2,137,287,424	\$ 1,872,880,865	\$ 1,765,900,529
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	65,872,382	72,525,768	69,518,507	70,808,614	68,066,412	56,185,578	48,149,426	42,745,748	37,457,617	35,318,011
Less bonded debt at June 30	(990,000)	(1,275,000)	(1,535,000)	(1,775,000)	(1,995,000)	(2,200,000)	(2,390,000)	(2,560,000)	(2,715,000)	(2,850,000)
Legal debt margin	\$ 64,882,382	\$ 71,250,768	\$ 67,983,507	\$ 69,033,614	\$ 66,071,412	\$ 53,985,578	\$ 45,759,426	\$ 40,185,748	\$ 34,742,617	\$ 32,468,011

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.

	2012	2011	2010	2009	2008	2007	2006	2005	2004 (1)	2003
Estimated market value	\$ 3,293,619,089	\$ 3,626,288,410	\$ 3,475,925,360	\$ 3,540,430,707	\$ 3,403,320,580	\$ 2,809,278,893	\$ 2,407,471,280	\$ 2,137,287,424	\$ 1,872,880,865	\$ 1,765,900,529
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	32,936,191	36,262,884	34,759,254	35,404,307	34,033,206	28,092,789	24,074,713	21,372,874	18,728,809	17,659,005
Less bonded debt at June 30	(990,000)	(1,275,000)	(1,535,000)	(1,775,000)	(1,995,000)	(2,200,000)	(2,390,000)	(2,560,000)	(2,715,000)	(2,850,000)
Legal debt margin	\$ 31,946,191	\$ 34,987,884	\$ 33,224,254	\$ 33,629,307	\$ 32,038,206	\$ 25,892,789	\$ 21,684,713	\$ 18,812,874	\$ 16,013,809	\$ 14,809,005

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

(1) 2004 was the first year in which Hood River County incurred full faith and credit debt.

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
2012	N/A	N/A	N/A	N/A	N/A	N/A	0.0%
2011	22,880	\$ 797,178,000	\$ 35,441	36	12	3,983	7.7%
2010	22,346	731,898,000	33,446	34	12	4,078	7.5%
2009	21,725	716,509,000	33,374	34	12	3,928	9.2%
2008	21,625	673,982,000	31,792	35	12	3,866	5.5%
2007	21,533	621,528,000	29,333	37	12	3,888	5.0%
2006	21,335	579,347,000	27,173	38	12	4,035	6.7%
2005	21,180	532,092,000	26,334	38	12	4,016	6.6%
2004	21,050	501,074,200	25,237	40	12	3,994	9.1%
2003	20,500	491,513,760	23,676	41	12	3,884	11.2%

N/A = Data for July 1, 2012 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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
FUNCTION										
General government	23	23	25	26	26	26	26	26	27	29
Sheriff	20	20	20	20	20	20	22	22	22	22
Public safety and justice	18	24	25	25	25	25	24	23	23	26
Public works/roads	19	19	22	22	22	25	27	29	29	29
Health services	21	22	23	23	23	22	23	25	26	22
Forestry	5	5	6	6	6	6	6	6	7	7
Community services	8	8	9	10	9	10	7	7	10	11
Library	0	0	3	3	4	4	4	4	4	4
Total full-time equivalents	114	121	133	135	135	138	139	142	148	150
COUNTY EMPLOYEES										
Non-bargaining	43	47	48	50	51	50	48	47	48	50
Bargaining units										
General AFSME	42	41	42	44	42	37	40	42	43	43
Public works/forestry AFSME	17	17	19	19	19	23	28	30	32	32
Law enforcement	20	20	20	21	22	22	22	24	24	24
Total bargaining units	79	78	81	84	83	82	90	96	99	99
Temporary employees	5	5	5	6	6	9	6	4	8	4
Total actual County employees	127	130	134	140	140	141	144	147	155	153

Source: Hood River County Department of Budget & Finance

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

FUNCTION	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government										
Number of registered voters	11,658	11,127	11,161	10,781	11,355	10,109	11,585	11,585	11,585	10,375
Percentage turnout in most recent general election	85%	87%	87%	87%	87%	86%	86%	86%	86%	50%
Number of tax accounts	12,149	12,270	12,075	12,902	12,902	13,898	13,678	13,369	13,231	13,156
Number of acres of County owned forest land	49,849	49,849	49,849	49,849	49,849	49,849	49,849	49,849	49,849	49,849
Sheriff										
Number of employees (sworn and civilian)	20	20	20	21	21	22	25	25	25	25
Number of arrests	406	371	378	442	451	434	680	525	684	555
Number of patrol units	22	22	22	20	19	19	20	20	18	18
Number of 911 dispatch calls	8,976	9,989	10,193	11,217	10,558	10,919	13,093	17,096	16,902	10,526
Jail facilities	Member - Northern Oregon Corrections four county jail consortium as of 1999									
Community justice										
Adult - number of supervised adults (1)	268	185	400	221	201	232	281	280	250	-
Adult - work crew hours completed (1)	4,300	3,134	4,941	7,155	5,158	6,066	8,174	9,062	-	-
Juvenile - number of unduplicated youth	142	155	172	184	218	217	229	237	246	232
Juvenile - number of law enforcement referrals	169	190	233	257	309	287	293	491	563	430
Juvenile - work crew hours completed	1,296	1,172	2,310	2,428	2,269	2,084	2,656	2,776	3,153	2,329
District Attorney										
Number of adult crime cases prosecuted	609	582	752	631	566	654	736	730	804	798
Number of juvenile delinquency cases prosecuted	70	67	72	87	88	83	120	140	146	119
Justice Court										
Number of traffic citations processed	4,230	4,958	7,083	4,888	4,761	4,780	4,925	4,425	4,633	6,199
Number of snow park violations processed	981	1,239	1,927	1,373	2,374	2,917	2,002	1,490	2,447	1,631
Public works/parks & buildings										
Miles of streets (unincorporated area)	210	210	210	210	210	210	210	210	210	210
Parks & playgrounds	12	12	12	12	12	12	12	12	12	12
Park acreage	156	156	156	156	156	156	156	156	156	156
Number of County buildings maintained (all types)	50	50	50	50	50	50	49	49	49	49
Health services										
Number of public health clients - all programs	6,022	5,634	7,685	5,673	5,378	5,353	9,759	8,837	9,291	10,760
Number of immunizations - all programs	3,068	3,893	3,889	4,449	3,798	5,018	4,256	4,007	2,785	2,425
Number of environmental health inspections	565	750	744	509	664	796	1,038	593	550	525
Number of WIC women, infants and children served	1,049	1,006	1,021	1,093	1,098	1,001	1,021	1,050	1,050	1,030
Community services										
Number of building permits issued	384	397	531	506	506	388	593	543	613	571
Number of planning/zoning fee filings	188	215	343	251	455	551	409	390	402	338
Library (2)										
Number of library cards issued annually	-	-	1,458	1,643	1,583	2,971	1,525	1,710	2,092	1,135
Number of books circulated	-	-	96,261	170,908	153,377	169,656	175,316	173,955	164,135	126,243
Number of branch locations	-	-	3	3	3	3	3	3	3	3

(1) Adult corrections department reorganized in 2004 - records prior to that time are not available
(2) 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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government										
Buildings (administrative and courthouse)	4	4	4	4	4	4	3	3	3	3
Vehicles	11	13	13	13	13	13	13	13	13	12
Sheriff										
Patrol vehicles	22	20	20	20	19	19	20	20	18	18
Search and rescue vehicles	5	5	5	4	4	4	4	3	3	3
Investigation and other services vehicles	15	15	15	14	14	13	13	10	10	5
Aircraft	3	3	3	3	3	3	3	3	3	2
Boats	3	3	3	3	3	3	3	3	3	3
Public Safety										
Vehicles	9	10	10	10	10	10	11	11	14	14
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
Vehicles (auto and light trucks)	12	12	12	12	12	12	12	12	12	11
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)	24	23	25	25	25	25	24	24	24	22
Heavy equipment (road maintenance)	54	55	55	46	46	42	42	43	42	42
Health services										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	5	5	5	5	6	6	6	6	6	6
Forestry										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	7	7	7	7	7	7	6	6	6	5
County Fair										
Buildings (all facilities included)	9	9	9	9	9	9	9	9	9	9

Source: Hood River County Department of Budget & Finance

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INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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December 1, 2012

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, 2012, and have issued our report thereon dated December 1, 2012. 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.

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in the schedule of findings and questioned costs on page S-7.

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.

Pauly, Rogers and Co., P.C.
PAULY, ROGERS AND CO., P.C.

GRANT COMPLIANCE REVIEW

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HOOD RIVER COUNTY, OREGON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Federal CFDA Number	Award Number	Current Year Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State of Oregon, Department of Administrative Services			
U.S. Forest Service - Reserves	10.665		\$ 1,033,341
Passed through State of Oregon, Department of Human Resources, Oregon Health Division:			
Special Food Supplement Program for Women, Infants and Children Nutrition	10.557	280559	143,341
Supplemental award - Breastfeeding Program	10.558	250650	<u>10,675</u>
Total Department of Agriculture			<u>1,187,357</u>
<u>U.S. Department of Health and Human Services</u>			
Direct program:			
Health Resources and Services Administration	93.887	C76HF09772	18,786
Drug Free Communities Support Mentoring Program	93.276	1H79SP13967-01	144,056
Passed through State of Oregon, Commission on Children & Families:			
Title XX Youth Investment	93.667		8,500
Title IV-B2 Family Support Services	93.556		5,672
Medical Assistance Program	93.778		215,125
Title V Delinquency Prevention	16.548		33,005
Passed through State of Oregon, Oregon Health Division:			
Family Planning Services	93.217	280558	39,441
Maternal and Child and Adolescent Health Child Health Services Block Grant	93.994	180514	20,382
TB Control and Aids	93.116	280549	1,056
HIV Block Grant	93.940	280646	6,303
Bioterrorism Preparedness & Response	93.069	280618	67,043
IPE - Youth Suicide Prevention	93.243	280582	25,114
CDC Immunization Program	93.268	280540	4,336
Passed through Oregon Health Sciences University			
Maternal and Child and Adolescent Health	93.994	4B04MC06604-01-04	<u>4,219</u>
Total Department of Health and Human Services			<u>593,038</u>
<u>U.S. Environmental Protection Agency</u>			
Passed through State of Oregon, Department of Human Resources, Oregon Health Division:			
Water Primacy	66.432	280557	3,200
DWP - EPA - Water Revolving Fund	66.468	280655	<u>1,435</u>
Total Environmental Protection Agency			<u>4,635</u>

HOOD RIVER COUNTY, OREGON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Federal CFDA Number	Award Number	Current Year Expenditures
<u>U.S. National Highway Traffic Safety Administration</u>			
Passed through Oregon State Sheriff's Association:			
Seabelt Enforcement Grant	20.602		2,575
DUII Enforcement Grant	20.601		7,162
Total National Highway Traffic Safety Administration			9,737
<u>U.S. Department of Homeland Security</u>			
Passed through State of Oregon, Oregon Military Department - OEM:			
Emergency Management Performance Grant	97.042	11-515	23,773
Interoperability Communications	97.073	10-258	2,858
Emergency Operations Planning	97.073	10-259	8,000
Active Shooter Functional Exercise	97.073	10-260	9,750
Passed through State of Oregon, Marine Board:			
Boating Safety Financial Assistance (Law Enforcement)	97.012		51,540
Total Federal Emergency Management Assistance			95,921
<u>U.S. Department of Justice</u>			
Passed through State of Oregon, Oregon Criminal Justice Commission:			
Edward Byrne Memorial Justice Assistance Grant	16.738		7,500
Victims of Crime Act	16.575	DAVAP-00046	5,865
Total Department of Justice			13,365
<u>U.S. Bureau of Land Management</u>			
Passed through State of Oregon, Department of Administrative Services			
Mineral Lands Leasing Act	15.214		3,990
Total Bureau of Land Management			3,990
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State of Oregon, Department of Housing and Community Services			
	14.228	HR104-01142	97,453
Total Housing and Urban Development			97,453
Total Federal Assistance			\$ 2,005,496



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

December 1, 2012

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

**Independent Auditors' 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 the financial statements of Hood River County, Oregon, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 1, 2012. 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.

Internal Control Over Financial Reporting

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 internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and 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*.

We noted certain matters that we reported to management of Hood River County, Oregon on the Schedule of Findings and Questioned Costs beginning on page S-7.

The responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Pauly, Rogers and Co., P.C.
PAULY, ROGERS AND CO., P.C.



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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 - (503) 620-2632 • FAX (503) 684-7523

December 1, 2012

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

Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Hood River County, Oregon with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2012. Hood River County, Oregon's major federal programs are identified in the Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of management. Our responsibility is to express an opinion on compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of compliance with those requirements.

In our opinion, Hood River County, Oregon complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

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 deficiencies, significant deficiencies or material weaknesses.

This report is intended solely for the information and use of management, the Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pauly, Rogers and Co., P.C.
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, 2012

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unqualified

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

Noncompliance to financial statements noted? 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: Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, section 510(a)? yes no

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
10.665	U.S. Forest Reserves

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS

2012-FS-1

CONDITION:

There is not a comprehensive written internal control procedure manual over all areas of financial accounting.

CRITERIA:

In applying SAS 115 the County should adopt formal policies/procedures for all accounting areas.

EFFECT:

Without adequate documentation of policies/procedures it is difficult for the board and management to ensure that County assets are being properly safeguarded.

CAUSE:

The County has yet to adopt and implement a written internal control document.

RECOMMENDATION:

We recommend that the County develop and implement an internal control document.

RESPONSE:

Each staff person has a procedure manual for their job duties that includes authorizations required. Due to the demands on staff with daily County operations, a general Budget & Finance policy and procedure manual has not been a priority project. This recommendation has been noted and the project will be taken on as time allows.

HOOD RIVER COUNTY, OREGON
HOOD RIVER, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

SECTION III – FEDERAL AWARD FINDINGS

NONE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Hood River County, Oregon and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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