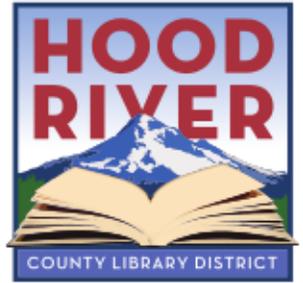


Board of Directors
Regular Meeting Agenda, Supplementary
 Tuesday, January 16, 2018, 7.00p
 Jeanne Marie Gaulke Community Meeting Room
 502 State St, Hood River
 Jean Sheppard President
 Notes prepared by Library Director Rachael Fox



I. Additions/deletions from the agenda (ACTION)	Sheppard
II. Actual or potential conflicts of interest	Sheppard
III. Consent agenda (ACTION)	Sheppard
i. Minutes from December 19, 2017 meeting	
ii. Invoice Pauly, Rogers and Co. P.C.	
IV. Audit presentation	Kamp
V. Open forum for the general public	Sheppard
VI. Staff Presentation Yeli Boots, Bilingual Outreach Specialist	Boots
VII. Reports	
i. Friends update	
ii. Foundation update	Fox
iii. December financial statements	Fox
iv. Director's report	Fox
VIII. Previous business	
i. Hood River County Reads update	Sheppard
IX. New business	
i. Special Districts Ethics training video	Sheppard
ii. Approval of recurring payments for 2017-18 (ACTION)	Sheppard
iii. Odell library services discussion	Sheppard
iv. Risk Management Visit discussion	Fox
X. Agenda items for next meeting	Sheppard
XI. Adjournment	Sheppard

Other matters may be discussed as deemed appropriate by the Board. If necessary, Executive Session may be held in accordance with the following. Bolded topics are scheduled for the current meeting's executive session.

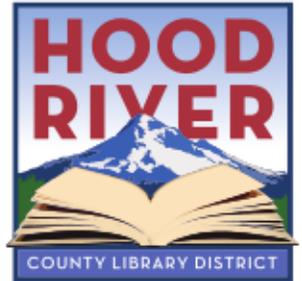
- ORS 192.660 (1) (d) Labor Negotiations
- ORS 192.660 (1) (e) Property
- ORS 192.660 (1) (h) Legal Rights
- ORS 192.660 (1) (i) Personnel

The Board of Directors meets on the 3rd Tuesday each month from 7.00 to 9.00p in the Jeanne Marie Gaulke Memorial Meeting Room at 502 State Street, Hood River, Oregon. Sign language interpretation for the hearing impaired is available if at least 48 hours notice is given.

502 State Street
 Hood River - OR 97031
541 386 2535

www.hoodriverlibrary.org

Board of Directors
Regular Meeting Agenda, Supplementary
Tuesday, January 16, 2018, 7.00p
Jeanne Marie Gaulke Community Meeting Room
502 State St, Hood River
Jean Sheppard President
Notes prepared by Library Director Rachael Fox



- I. **Additions/deletions from the agenda (ACTION)** Sheppard
- II. **Actual or potential conflicts of interest** Sheppard
- III. **Consent agenda (ACTION)** Sheppard

- i. **Minutes from December 19, 2017 meeting**

Attachments: III.i. Minutes from December 19, 2017 meeting

- ii. **Invoice Pauly, Rogers and Co. P.C.**

Attachments: III.ii. Invoice Pauly, Rogers and Co. P.C. for audit year 2016-17

- IV. **Audit presentation** Kamp

Attachments:

- IV.a. Audit 2016-17 – Communication to the governing body
 - IV.b. Audit 2016-17 – Financial report

Tara Kamp of Pauly Rogers and Co., PC, will present the District's 2016-17 fiscal year audit via conference call. The audit documents are attached (the letter to the governing body and the financial report). There are also bound copies for District Board members available at the front desk of the library. The letter to the governing body is an overview of the findings of the audit, while the financial report is the detailed findings and numbers themselves. Please bring any questions you have to the meeting.

- V. **Open forum for the general public** Sheppard

- VI. **Staff Presentation Yeli Boots, Bilingual Outreach Specialist** Boots

Attachment: VI.i. Odell Strategic Plan

Boots worked with Megan Winn to create a Strategic Plan for Odell. Winn also works as a Community and Youth Engagement Consultant for the Klickitat County Health Department. Boots will discuss the plan in detail at the meeting.

- VII. **Reports**

- i. **Friends update** Fox

- Co-President Suzanne Giovanni has resigned from her position with the Friends of the Library. Giovanni shared the position with Nadine Klebba. The Friends are seeking a new co-president to hold the position during the summer months, while Klebba is gone.
 - The Friends approved new Mission and Organization Statements.
 - The Friends' mission is to serve the library through volunteer efforts, materials and supporting the programs with funding.
 - The Friends of the Hood River Library, under the direction of the library, is a volunteer

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organization that supports the library services. The Friends also provides funds and materials for children, teens, and adult programs.

- The Friends also changed their By-Laws to approve their annual budget at their September meeting, instead of the June meeting.
- The annual Friends of the Library book sale will be held Thursday, May 31 through Saturday, June 2.

ii. Foundation update

Fox

- The Library Foundation received \$38,428.37 over the last two months. Of that \$17,001.07 was from the Elizabeth Barker bequest, \$6,825 was earmarked for the Yasui garden.
- Their end of year letter has generated \$13,602 so far which is about \$2,000 more than at the same time last year.
- The Yasui Garden campaign has raised over \$13,500. The funds will cover the design, installation, railing for steps leading to garden, and yearly maintenance costs for the Garden. The Hood River County Library building and property are on the National Register of Historic Places. I'm working on an application with the Oregon State Historic Preservation Office to approve the railing on the steps leading to the garden. We aim to complete the installation of the garden by mid-March.
- A former Hood River Valley resident, Elizabeth Kate (Katie) Barker passed away last year. Barker left the Foundation \$17,001.07. Barker was a teacher and lover of books. She believed strongly in the important role of libraries play in the life of a community. She loved the important role the Hood River Library plays in the Gorge community, especially for children. She took her children and grand children to libraries throughout their lives. During her lifetime Barker lived in briefly in Cascade Locks and she owned an orchard in Parkdale. The Hood River Valley was near and dear to her heart. Library Foundation President Jen Bayer has spoken to the family and thinks they would be excited to support library services in Odell.
- The new Executive Director Jill Burnette from The Gorge Community Foundation gave a short presentation at the January Foundation meeting. She gave a history of the foundation and an update regarding the two funds with The Gorge Community Foundation, which benefit the library.
 - Hood River Library Foundation Endowment fund – currently over \$100,000 in the fund.
 - Pat Hazelhurst Endowment Fund – currently has \$123,000 in the fund.
- The Library Foundation voted to not be the fiscal agent for the Dolly Parton Imagination Library project. All the members stated they wanted to focus their attention on raising funds which directly benefit the library. While there is a local champion who volunteered to do most of the administrative work and fund raise for the project, the contract would be between the Library Foundation and Dolly Parton Foundation. If the volunteer was unable to continue with the project, the Library Foundation would have to do the fundraising and maintenance. The Library Foundation discussing possibly donating funds to the project if another entity was the fiscal agent.
- The Feast of Words committee will meet every other week from now until the Feast of Words on Saturday, March 10. The proceeds this year will be devoted to the moving and

set up costs for the Cascade Locks Branch and to support services in Odell.

iii. December financial statements

Fox

Attachments: VII.iii. December financial statements

We are tracking well in all our funds for this time of the year. I will ask the accountant to make the budgeted transfer of \$28,000 from the General Fund to the Capital Fund.

iv. Director's report

Fox

Administration

- The supplemental budget has been postponed to the February meeting. There was an early deadline for posting the information in the paper and I did not meet it. We have sufficient time to approve the budget in February before any of the new expenses will occur.
- I have been working with Hood River School District librarian Matthew Gerlick and High School Librarian Ann Zuehlke to set up a simple process for high school and middle school students to obtain public library cards without the parent visiting the main library. The main goal will be the students can access our online databases for school assignments but they can also visit any of our library branches and check out materials.

With the aid of Yeli Boots translating our Library Card policy, the school district now has our library applications and library card policy in Spanish and English. The school district will send applications and policies home with students 15 and under. The parents will give permission to obtain a library card. Students 16 and 17 may obtain cards without parent permission, but must list a parent or guardian name on the application. Students 18 and up may obtain a library card without permission of a parent or guardian. The school district staff will confirm the address on the application with their school records. The applications will be sent to the Hood River Library and staff will create cards and return them to the schools.

Teen librarian Rachel Timmons and Bilingual Outreach Specialist Yeli Boots will also attend key events at the High School like Freshman orientation, where they can register students for library cards at the events.

Facilities

- The repair to the damaged awning on the east side of the Hood River building has been completed. The awning was damaged last Spring by a delivery driver.
- Upcoming projects:

All projects were budgeted for in the FY 2017-18 budget, and will be funded with either Capital funds or Foundation funds.

- Sidewalk replacement on Oak Street
 - I'm working on gathering bids for the for project.
- Regrading of the area outside children's library
 - This project will be completed this Spring.
- Cascade Locks branch remodel and move
 - Over the next month, I'll be gathering more quotes and should have a budget ready by the February board meeting. We hope to have the project completed by June 1, 2018.

- Legacy Garden
 - We to have the garden installed by Mid-March.

VIII.Previous business

i. Hood River County Reads update

Sheppard

The board will receive an update regarding the Hood River County Reads 2018 book Moreno Prieto Brown by Alejandro Jimenez.

IX. New business

i. Special Districts Ethics training video

Sheppard

Each year the District Board views the Special Districts Association Safe Personnel ethics training together. This month we'll watch a short video at the board meeting.

ii. Approval of recurring payments for 2017-18 (ACTION)

Sheppard

Attachment: IX.ii. Resolution 2017-18.05, approving recurring and online payments for 2017-18

Our auditors, Pauly Rogers & Co., recommend that the Board annually authorize the specific list of vendors whom we pay online and/or automatically. This mainly includes utilities and regular contract payments. The attached resolution provides this authorization. We usually update this list in June each year. Since we changed health insurance carries, we needed to remove PacificSource and add UnitedHealthcare.

iii. Odell library services discussion

Sheppard

Attachment: IX.iii. Mid-Valley Elementary School Library plans

Yeli Boots recently met with Kim Yasui the principal of Mid-Valley Elementary in Odell to discuss ways the library district can partner with the school district to provide library services in Odell. Boots discovered they are moving their library out of the main school into the St. Francis House, which will have a separate entrance for the public and it will be separate from the rest of the school. They have a room in the library which they did not have the funds to develop. The hope is the Library District can develop the space and place our materials inside. We could start by being open evening a week. There has not been a formal agreement yet.

They are in the final phases of finalizing the plans for the project so they are meeting with the architect on Thursday, January 11, 2018 to request a bid to sheet rock the room and install shelving. Kim Yasui mentioned naming the room after Elizabeth (Katie) Barker.

The undeveloped gray area in the plans is the proposed space. They want to use part of space as a storage closet, but they would make the storage area smaller and move it to the back of the room, so the door from the library would open into the HRCLD room.

Superintendent Dan Goldman has approved Kim Yasui to discuss renovating the space with architect and determining a proposed budget. I have contacted Dan Goldman to set up an appointment to discuss a formal agreement for using the space.

I have discussed this project with Library Foundation President Jen Bayer and she thinks this might be the perfect fit for the Elizabeth Katie Barker bequest. Once we determine the budget, Bayer will discuss the project with the Barker family and see if they are interested in their donation funding this project. Yasui suggested the room can be named after Elizabeth, which I would request approval from

Dan Goldman.

I request the board discuss this possible partnership in further detail.

iv. **Risk Management Visit discussion**

Fox

Attachment: IX.iv. Risk Management visit report

The Special District Insurance Services visited Hood River Library on Wednesday December 6, 2017 to conduct a safety inspection of the grounds. I requested the inspection since the District is focusing on safety this year.

They identified two areas in the library gardens we need to repair: the Foundation bricks that have sunken around the walkways and loose stones around the upper seating area, near State Street. We have 90 days to submit a plan to address these issues.

I discussed the Foundation bricks with the Library Foundation and board member Dale Hill has volunteered to have a work party in the Spring to dig up the bricks and place more sand underneath them to raise the bricks to the level of the sidewalk.

I propose we hire a local stone mason for the repair of the loose stones in the upper seating area. I can seek bids for the project. I had allocated \$10,000 for the Stoltz stonewall project and we used \$3,900, so we have sufficient funds to complete this project.

SDAO were unable to access the masonry which is deteriorating on the front of the building. I recently contacted the Oregon State Historic Preservation Office and was informed there are grants available to this do this type of preservation work and they have specific organizations they recommend. I will be investigating this further. After the Cascade Locks Branch move is complete, I plan to focus on applying for grants to complete the repairs on the Hood River building, which includes cleaning the moss off the brick and masonry.

X. Agenda items for next meeting

Sheppard

- Approve Addendum for the Contract for Gardens Maintenance Services
- Budget committee and calendar approval
- SDAO Conference Report
- Supplemental budget

XI. Adjournment

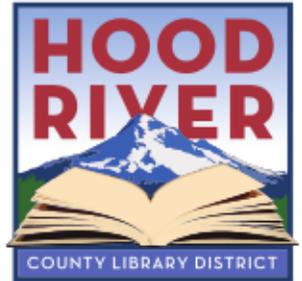
Sheppard

Other matters may be discussed as deemed appropriate by the Board. If necessary, Executive Session may be held in accordance with the following. Bolded topics are scheduled for the current meeting's executive session.

- ORS 192.660 (1) (d) Labor Negotiations
- ORS 192.660 (1) (e) Property
- ORS 192.660 (1) (h) Legal Rights
- ORS 192.660 (1) (i) Personnel

The Board of Directors meets on the 3rd Tuesday each month from 7.00 to 9.00p in the Jeanne Marie Gaulke Memorial Meeting Room at 502 State Street, Hood River, Oregon. Sign language interpretation for the hearing impaired is available if at least 48 hours notice is given.

Board of Directors
Regular Meeting Minutes
Tuesday, December 19, 2017, 7.00p
Jeanne Marie Gaulke Community Meeting Room
502 State St, Hood River
Jean Sheppard President



Present: Jean Sheppard, Megan Janik, Sara Marsden, Karen Bureker (conference call) Rachael Fox (staff)

I. Additions/deletions from the agenda (ACTION) Sheppard

Board President Jean Sheppard called the meeting to order 7:07pm. Janik moved to approve the agenda as presented. Marsden seconded. The motion carried unanimously.

II. Actual or potential conflicts of interest Sheppard

None stated.

III. Consent agenda (ACTION) Sheppard

i. Minutes from November 21, 2017 meeting

Attachments: III.i. Minutes from November 21, 2017 meeting

Marsden moved to approve the consent agenda as presented. Burkner seconded. The motion carried unanimously.

IV. Open forum for the general public Sheppard

None present.

V. Reports

i. Friends update Fox

There was nothing to add to the written report.

ii. Foundation update Fox

There was nothing to add to the written report.

iii. November financial statements Fox

Attachments: Vi.iii. November financial statements

There was nothing to add to the written report.

iv. Director's report Fox

In addition to the written report, there were the following updates.

- A Cascade Locks patron with a severe mental disabilities was trespassed indefinitely from the library district for masturbating in the Cascade Locks Library. No other patrons were present and a male staff member reported the incident to police.
- A Hood River patron who was trespassed indefinitely last year for aggressive behavior towards staff returned to the Hood River Library. The police escorted him off the grounds with no incident and he has not returned.

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- I will be taking a vacation December 26-29. Assistant Director Arwen Ungar will be in charge of the District.
- There is a staff member who was injured at work shelving library materials and is currently on light duty and covered by Workman's Compensation.
- The Special Districts Association of Oregon conducted a safety inspection and training at the Hood River Library. I will report the findings at the next board meeting.

VI. Previous business

VII. New business

i. Special Districts Ethics training video

Sheppard

There board decided to wait until the next session to watch the training video since one member was absent and another was on the phone.

ii. Budget discussion – Unappropriated Ending Fund Balance

Sheppard

The board will discuss the issue further at a budget committee meeting.

iii. Dental insurance renewal (ACTION)

Sheppard

Shepard asked the annual difference between Guardian and Sun Life. Fox reported the difference is \$1,670.76. Fox stated Sun Life covers 80% of most services and has less providers in the Gorge, while Guardian covers 100% of most services and has more providers. Sheppard stated the District will have to explore other options next year, if the rates for Guardian continue to increase at the current rate. Fox agreed. Janik moved to approve the Guardian renewal. Marsden seconded. The motion carried unanimously.

iv. Hood River County Reads discussion

Sheppard

The board discussed concerns raised about the Hood River County Reads 2018 book Moreno Prieto Brown by Alejandro Jimenez. Several high school teachers highly recommended the book to the Hood River Reads Committee. Sheppard stated the author Jimenez attended school in Hood River Valley and had difficulty and possible abuse from his teachers. Jimenez named a teacher in his book by her real name, although spelled slightly different and named Mrs. instead of Miss. The teacher currently lives in Parkdale. Superintendent of the Hood River County School District Dan Goldman expressed concern for distributing the book in the schools with a teacher being named who can not defend themselves. Fox dropped off a copy of the book for his review. Sheppard stated the stance of the library would not ask the author to censor their materials. The rest of the Board members agreed.

The Board discussed it could be a healing experience with the teacher. Marsden stated what if she denies it. Sheppard stated that is a possibility the author could have made up the situation or exaggerated. Bureker says in this political climate victims are speaking out. At this point, the Board decided to not make any decisions and watch how the situation unfolds.

Fox and Sheppard have contacted Goldman to set up a meeting to discuss the issue further. Sheppard will provide an update at the next board meeting.

VIII. Agenda items for next meeting

Sheppard

- Supplemental budget
- Audit presentation
- Staff presentation – Bilingual Outreach Specialist Yeli Boots
- SDAO – Ethics video

IX. Adjournment

Sheppard

The meeting was adjourned at 8:04pm.

Other matters may be discussed as deemed appropriate by the Board. If necessary, Executive Session may be held in accordance with the following. Bolded topics are scheduled for the current meeting's executive session.

ORS 192.660 (1) (d) Labor Negotiations

ORS 192.660 (1) (e) Property

ORS 192.660 (1) (h) Legal Rights

ORS 192.660 (1) (i) Personnel

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Pauly, Rogers and Co., P.C.

12700 SW 72nd Ave, Tigard, OR 97223
 Phone (503) 620-2632 Fax (503) 684-7523
 Website: www.paulyrogersandcpcpas.com

Hood River County Library District
 502 State St.
 Hood River, OR 97031

DATE	INVOICE #
12/22/2017	10897

Mission Statement: Pauly, Rogers and Co., P.C., provides high quality, timely and cost effective auditing and consulting services to meet our clients' needs with an emphasis on improving their performance and accountability.

Invoice

DESCRIPTION	CONTRACT PRICE	PRIOR BILLS	AMOUNT DUE
June 30, 2017 Audit			8,100.00
Payments/Credits			\$0.00
Balance Due			\$8,100.00

PLEASE MAKE CHECKS PAYABLE TO:
 PAULY, ROGERS AND CO., P.C.

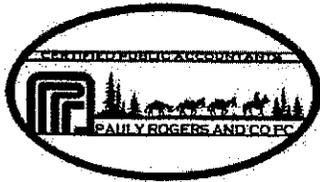
**HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON**

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEARS ENDED JUNE 30, 2017



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



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

December 19, 2017

To the Board of Directors
Hood River County Library District
Hood River County, Oregon

We have audited the basic financial statements of the governmental activities and each major fund of Hood River County Library District for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

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

- modified cash basis of accounting and generally accepted auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

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

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

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

Planned Scope and Timing of the Audit

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

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

Pauly, Rogers and Co., P.C.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a "clean" opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment, except as noted on page 29 of the report.
3. No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017, except for the implementation of GASB 77 – *Tax Abatement Disclosures*. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the basic financial statements is Management's estimate of Accounts Receivable, which is based on estimated collectability of receivables. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

Disagreements with Management

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

Pauly, Rogers and Co., P.C.

Management Representations

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

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

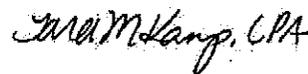
Supplementary Information

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

Other Information

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

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



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

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017



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

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

2016-17

<u>BOARD OF DIRECTORS</u>	<u>TERM EXPIRES</u>
Karen Bureker	June 2017
John Schoppert, Vice President	June 2019
Jean Sheppard	June 2019
Sara Duckwall Snyder, President	June 2017
Alexis Vaivoda	June 2017

All Board members receive mail at the District office address below:

REGISTERED OFFICE

Rachael Fox, Library Director
Hood River County Library District
502 State Street
Hood River, Oregon 97031

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HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY

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

December 19, 2017

To the Board of Directors
Hood River County Library District
Hood River County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Hood River County Library District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Hood River County Library District, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with, modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

The budgetary comparison schedules presented as Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The listing of board members containing their term expiration dates, located before the table of contents, management's discussion and analysis and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 19, 2017, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017

As management of Hood River County Library District (the District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2017. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes, and variances from the budget. We encourage readers to consider the information presented here in conjunction with the District's Financial Statements and Notes to Financial Statements, which follow this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

During the year, the District's net position decreased by \$53,664, from \$773,369 to \$719,705. At June 30, 2017, the District's governmental funds reported combined ending fund balances of \$687,415.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management has determined that the modified cash basis of accounting is appropriate for the District due to its lack of complexity and the necessity to account for, and plan for, the cash needed to operate the District.

The District's basic financial statements consist of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the basic financial statements.

This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements.

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

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

The Statement of Activities: The statement of activities presents information showing how the net position of the District changed over the year, tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported at the timing of the cash flows.

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

Governmental activities: The District's basic functions are shown here, such as personal services and materials & services. These activities are financed primarily through local, state, and federal grants, fees charged for services, intergovernmental agreements, and property taxes.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund Balance Sheet & Statement of Revenues and Expenditures & Changes in Fund Balance are reconciled to the government-wide Statements of Net Position & Statement of Activities.

The District maintained four individual governmental funds: General Fund, Grants Fund, Capital Equipment Reserve Fund, and Sage Library System Fund. The Sage Library System was added in fiscal year 2015-16 to handle costs and revenues associated with the District's employee provided by contract to the Sage Library System. The District employee left the Sage Library System in February 2017 and the SAGE Library System Fund was dissolved by Resolution No. 2016-17.08 by the Library District Board on April 18, 2017, and the remaining funds were transferred to the General Fund. The separate fund allowed the General Fund to more accurately represent District's chief operation of providing library services in Hood River.

Notes to the Basic Financial Statements

The notes provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A condensed statement of net position for 2016 and 2017 is listed below:

The revenues and expenses below explain the change in net position for the fiscal year ended June 30, 2016.

Net Position

ASSETS:	2016	2017
Cash and cash equivalents	\$752,835	\$688,292
Employee draws	\$450	\$0
Property Taxes Receivable	\$34,416	\$43,317
Total Assets	\$787,701	\$731,609
LIABILITIES:		
Compensated absences	\$12,502	\$11,027
Payroll liabilities	\$1,830	\$877
	\$14,332	\$11,904
NET POSITION:		
	\$773,369	\$719,705

Changes in Net Position

	Activities 2015-16	% of total	Activities 2016-17	% of total
Operating Revenues:				
Charges for services	\$13,061	1.3%	\$15,474	1.7%
Operating Grants and Contributions	\$84,852	8.5%	\$11,546	1.3%
Total Operating Revenues	\$97,913	9.86%	\$27,020	2.95%
General Revenues:				
Property Taxes	\$807,210	81.3%	\$840,487	90.8%
Interest on Investments	\$5,219	0.5%	\$7,106	0.8%
Other Revenues	\$82,768	8.3%	\$51,087	5.5%
Total General Revenues	\$895,197	90.1%	\$898,680	97.1%
Total Revenues	\$993,110		\$925,700	
Operating Expenditures:				
General Operations	\$1,005,352	100.00%	\$979,364	100.00%
Total Operating Expenditures	\$1,005,352		\$979,364	
Changes in Net Position	(12,242)		(53,664)	
Net Position, Beginning	\$785,611		\$773,369	
Net Position, Ending	\$773,369		\$719,705	

Revenues

During the 2016-17 fiscal year, 1.3% of the cost of the District's operations were funded by operating grants and contributions, compared to 8.5% in 2015-16. The remaining 98.7% came from property taxes, user fees, intergovernmental agreements, and other sources.

Fund Financial Analysis

The focus of the governmental funds is to provide information on inflows, outflows, and balances of spendable resources. Unreserved fund balance measures the District's net resources available to spend in the next fiscal year. These amounts are available to use, in accordance with applicable restrictions on the nature of the expenditures.

As of June 30, 2017, the District's governmental funds reported combined unassigned ending fund balance of \$533,024, a decrease of \$22,777 compared to 2016. It was \$185,758 more than the \$347,266 unappropriated ending fund balance budgeted for the 2016-17 fiscal year.

The General Fund had revenue and expenditures of \$853,377 and \$841,352 respectively. Revenues increased 2.9% and expenditures increased 2.5% over the 2016-17 fiscal year. Overall, the General Fund balance decreased from \$555,801 to \$533,024.

In addition, a transfer of \$40,000 was made to the Capital Equipment Reserve Fund.

The Grant Fund had revenues and expenditures of \$16,159 and \$52,903 respectively, leaving a fund balance of \$51,396.

The Capital Equipment Reserve Fund received a transfer from the General Fund of \$40,000. In addition, there was \$804 in interest revenue. expenditures were \$41,445, leaving a fund balance of \$102,995.

The Sage Library System Fund had revenues and expenditures of \$46,459 and \$45,139 respectively and a transfer of \$5,198 was made to the General Fund, leaving a fund balance of \$0.

Requests for Information

Our financial report is designed to provide our taxpayers, Hood River County residents, investors and creditors with an overview of the District's finances and to demonstrate District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Hood River County Library District, 502 State Street Hood River, OR 97031, 541-387-7062, info@hoodriverlibrary.org.



Rachael Fox, Library Director
Hood River County Library District

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF NET POSITION – MODIFIED CASH BASIS
June 30, 2017

ASSETS

Cash and cash equivalents	\$	688,292
Property taxes receivable		<u>43,317</u>

Total Assets		<u>731,609</u>
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LIABILITIES:

Payroll liabilities		877
Compensated absences		<u>11,027</u>

Total Liabilities		<u>11,904</u>
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NET POSITION:

Unrestricted		<u>719,705</u>
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Total Net Position	\$	<u><u>719,705</u></u>
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See accompanying notes to basic financial statements

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
 For the Year Ended June 30, 2017

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
General Operations	\$ 979,364	\$ 15,474	\$ 11,546	\$ (952,344)
Total Governmental Activities	<u>\$ 979,364</u>	<u>\$ 15,474</u>	<u>\$ 11,546</u>	<u>(952,344)</u>
General Revenues:				
				840,487
				7,106
				<u>51,087</u>
				<u>898,680</u>
				(53,664)
				<u>773,369</u>
				<u>\$ 719,705</u>

See accompanying notes to basic financial statements

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

BALANCE SHEET – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
 June 30, 2017

	<u>GENERAL</u>	<u>GRANTS FUND</u>	<u>CAPITAL EQUIPMENT RESERVE FUND</u>	<u>SAGE LIBRARY SYSTEM FUND</u>	<u>TOTAL</u>
ASSETS:					
Cash and investments	\$ 533,901	\$ 51,396	\$ 102,995	\$ -	\$ 688,292
Property taxes receivable	43,317	-	-	-	43,317
Total Assets	<u>\$ 577,218</u>	<u>\$ 51,396</u>	<u>\$ 102,995</u>	<u>\$ -</u>	<u>\$ 731,609</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE:					
Liabilities:					
Payroll liabilities	\$ 877	\$ -	\$ -	\$ -	\$ 877
Total Liabilities	<u>877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>877</u>
Deferred Inflows:					
Unavailable revenue	43,317	-	-	-	43,317
Total Deferred Inflows	<u>43,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,317</u>
Fund Balance:					
Assigned	-	51,396	102,995	-	154,391
Unassigned	533,024	-	-	-	533,024
Total Fund Balance	<u>533,024</u>	<u>51,396</u>	<u>102,995</u>	<u>-</u>	<u>687,415</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$ 577,218</u>	<u>\$ 51,396</u>	<u>\$ 102,995</u>	<u>\$ -</u>	<u>\$ 731,609</u>

See accompanying notes to basic financial statements

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2017

Total Fund Balances - Governmental Funds	\$	687,415
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.		43,317
Accrued compensated absences are not due and payable in the current period and accordingly are not reported as a fund liability.		<u>(11,027)</u>
Net Position	\$	<u><u>719,705</u></u>

See accompanying notes to basic financial statements

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS –
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	GENERAL	GRANTS FUND	CAPITAL EQUIPMENT RESERVE FUND	SAGE LIBRARY SYSTEM FUND	TOTAL
REVENUES:					
From Local Sources:					
Taxes	\$ 831,586	\$ -	\$ -	\$ -	\$ 831,586
Earnings On Investments	6,302	-	804	-	7,106
Donations and Grants	15	11,531	-	-	11,546
Other Local Sources	15,474	4,628	-	46,459	66,561
Total Revenues	853,377	16,159	804	46,459	916,799
EXPENDITURES:					
Personal Services	539,229	69	-	45,011	584,309
Materials and Services	302,123	39,614	-	128	341,865
Capital Outlay	-	13,220	41,445	-	54,665
Total Expenditures	841,352	52,903	41,445	45,139	980,839
Excess of Revenues Over, (Under) Expenditures	12,025	(36,744)	(40,641)	1,320	(64,040)
OTHER FINANCING SOURCES (USES)					
Transfers In	5,198	-	40,000	-	45,198
Transfers Out	(40,000)	-	-	(5,198)	(45,198)
Total Other Financing Sources (Uses)	(34,802)	-	40,000	(5,198)	-
Net Change in Fund Balance	(22,777)	(36,744)	(641)	(3,878)	(64,040)
Fund Balance, Beginning	555,801	88,140	103,636	3,878	751,455
Fund Balance, Ending	<u>\$ 533,024</u>	<u>\$ 51,396</u>	<u>\$ 102,995</u>	<u>\$ -</u>	<u>\$ 687,415</u>

See accompanying notes to basic financial statements

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2017

Total Net Changes in Fund Balances - Governmental Funds	\$ (64,040)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	8,901
Compensated absences are recognized as expenditures in the governmental funds when they are paid. In the Statement of Activities, these liabilities are recognized as expenditures when earned.	<u>1,475</u>
Change in Net Position of Governmental Activities	<u>\$ (53,664)</u>

See accompanying notes to basic financial statements

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Hood River County Library District (the District) have been prepared on the modified cash basis which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The District is a municipal corporation established under ORS 357 and 198, and is governed by an elected five member board. Generally accepted accounting principles in the United States of America require that these basic financial statements present the District (the primary government) and all component units, if any. Component units, as established by the Government Accounting Standards Board (GASB) Statement No. 61, are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District and a financial benefit/burden. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

B. BASIS OF PRESENTATION - FUND ACCOUNTING

Financial operations are accounted for in the following funds:

GENERAL FUND

This fund accounts for all financial revenues and expenditures, except those required to be accounted for in another fund. The principal revenue source is property taxes.

GRANTS FUND

This fund accounts for revenue and expenditures for specific educational projects or programs. Principal revenue sources are donations and grants.

CAPITAL EQUIPMENT RESERVE FUND

The capital projects fund accounts for all resources to be used for the construction or acquisitions of designated capital assets.

SAGE LIBRARY SYSTEM FUND

This fund accounts for carrying out activities called for by an intergovernmental agreement among members of the District's library resource sharing network.

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF ACCOUNTING

The modified cash basis of accounting is followed. Under the modified cash basis of accounting, revenue are recorded when received and expenditures are recorded as paid in cash or by check. Modifications to the cash basis include: (1) Property taxes uncollected at year-end are shown as a receivable but are not included in revenues, and are offset by a liability entitled unavailable property taxes receivable, and (2) payroll-related items are considered to be a liability when incurred. This basis of accounting is applied to both the government-wide financial statements and the fund financial statements uniformly.

This basis of accounting is not equivalent to the generally accepted accounting principles (GAAP) basis of accounting. Under GAAP the fund financial statements require that revenues be recorded as they become susceptible to accrual (i.e. when they become measurable and available) and expenditures recorded as goods and services received. For the government-wide statements GAAP requires that the accrual basis of accounting be applied. Under the accrual basis of accounting the cost of capital assets are capitalized and depreciated over their estimated useful lives, debt is recorded as incurred, revenues are recorded when earned irrespective of the collection of cash, and expenses, including depreciation, are recorded when incurred. Management believes the modified cash basis of accounting is preferable due to the District's small size and the necessity of assessing available cash resources. The modified cash basis of accounting is allowed under Oregon Local Budget Law (ORS 294.445).

D. GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

The government-wide statements report information irrespective of fund activity.

The statement of activities demonstrates the degree to which the direct expenditure of a given function or segments is offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific function or segment. Program revenues include 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 program revenues are reported instead as general revenues.

E. CASH AND CASH EQUIVALENTS

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

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

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

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. CASH AND CASH EQUIVALENTS (CONTINUED)

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

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

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

F. BUDGET

A budget is prepared and legally adopted for each fund on the modified cash basis of accounting in the main program categories required by the Oregon Local Budget Law. The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is adopted and appropriations are made no later than June 30.

Expenditure budgets are appropriated at the following levels for each fund:

LEVEL OF CONTROL

Personal Services
Materials and Services
Capital Outlay
Operating Contingency
Transfers

Expenditures cannot legally exceed the appropriation levels. Appropriations lapse at fiscal year end. Supplemental appropriations may occur if the board approves them due to a need which was not determined at the time the budget was adopted.

Budget amounts shown in the financial statements reflect the original and final budgeted amounts. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2017, except for the follow: Grants Fund – Personal Services by \$69 and Sage Library System Fund – Transfers Out by \$5,198.

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. PROPERTY TAXES RECEIVABLE

Ad valorem property taxes are a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent by management.

Uncollected property taxes are shown in the combined balance sheet. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. The remaining balance of taxes receivable is recorded as unavailable revenue because it is not deemed available to finance operations of the current period.

H. ACCRUED COMPENSATED ABSENCES

It is Hood River County Library District policy to permit employees to accumulate earned but unused vacation time. Liabilities for unused vacation pay are recorded in the Statement of Net Position when vested or earned by employees. A liability for these amounts is reported in governmental funds only if it has matured, for example, because of employee resignations or retirements.

I. UNAVAILABLE REVENUES

Property taxes receivable are recorded as assets, but are offset by a corresponding unavailable revenues liability and, accordingly, have not been recognized as revenue in the governmental funds.

J. RETIREMENT PLANS

All of the full time employees are participants in the District's 403(b) plan. Contributions to the 403(b) plan are made on a current basis as required by the plan and are charged to expenditures as funded.

K. FUND BALANCE

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

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. FUND BALANCE (CONTINUED)

- 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. Authority has not been 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.

There were no nonspendable, restricted and committed fund balances at year end.

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

L. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers.

M. ESTIMATES

The preparation of financial statements in conformity with modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises under modified cash basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS

DEPOSITS

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

CREDIT RISK – DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. As of June 30, 2017, all of the bank balance of \$60,815 was insured by FDIC.

INVESTMENTS

State statutes governing cash management are followed. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Hood River County's Investment Pool.

Cash and Investments at June 30, 2017, (recorded at fair value) consisted of:

		2017	
Bank Demand Deposits - Checking	\$	44,340	
Investments		643,536	
Petty Cash		416	
Total	\$	688,292	

<u>Investment Type</u>	Investment Maturities (in months)		
	Fair Value	Less than 3	More than 3
Hood River County's Investment Pool	\$ 643,536	\$ 643,536	\$ -
Total	\$ 643,536	\$ 643,536	\$ -

INTEREST RATE RISK

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

CREDIT RISK

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

CUSTODIAL CREDIT RISK

In the case of deposits, this is the risk that in the event of bank failure, the deposits may not be returned. There is no deposit policy for custodial risk. As of June 30, 2017, none of the bank balance was exposed to custodial credit risk because it was either insured or collateralized.

INVESTMENTS

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

CONCENTRATION OF CREDIT RISK

At June 30, 2017, 100% of total investments were in the Hood River County's Investment Pool. State statutes do not limit the percentage of investments in this instrument. Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2017, there was compliance with all percentage restrictions.

3. DEFERRED COMPENSATION PLAN

Employees are offered a deferred compensation plan created in accordance with Internal Revenue Code Section 403. An employee may enter into an agreement to defer a portion of their compensation, subject to certain limitations provided by law, by means of payroll deduction. Contributions to the plan and earnings thereon are deferred until the employee is separated from service. The District has no liability for losses under the plan. A third party holds the assets for the exclusive benefit of plan participants and their beneficiaries.

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. RISK MANAGEMENT

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

5. PROPERTY TAX LIMITATIONS

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

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction was accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

6. POSTEMPLOYMENT LIABILITY

Management has determined, based upon the District's small impact on the state wide pool, that no material implicit rate subsidy exists and therefore is no OPEB obligation for implicit post-employment benefits.

7. OPERATING LEASES

The District has four operating leases – the first operating lease began in the 2011-2012 fiscal year. The District entered into a lease agreement with ABS Finance to lease a copier for 60 months. The yearly payment is \$840 and the lease term is 5 years. The final payment for this contract will occur in October 2016, and a new lease to replace this copier has been entered into for 60 months with a yearly payment of \$782 to begin next fiscal year.

The second lease is with Parkdale Community Center for the space currently used for the Parkdale Branch Library. The lease term ends in 2019 and has a yearly payment of \$1,600.

The third lease the District entered into is a lease with Hood River County for the Hood River library building. The yearly payment is \$500 and the lease term is 5 years. The last payment for this contract was paid in June 2016.

The fourth lease the District entered into is a lease with the City of Cascade Locks for the Cascade Locks Library Branch of the Hood River County Library District. The yearly payment is \$1,600 and lease term is on a year-to-year basis. At June 30, 2017, the total lease expense was \$4,800.

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OPERATING LEASES (CONTINUED)

Future lease payments are as follows:

<u>FYE</u>	<u>Minimum Payment</u>
2017-2018	\$ 3,981
2018-2019	2,382
2019-2020	782
2020-2021	782
2021-2022	261
Total	<u>\$ 8,188</u>

8. INTERFUND TRANSFERS

Operating transfers between funds were made to fund various programs and activities as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 5,198	\$ 40,000
Sage Library System Fund	-	5,198
Capital Equipment Reserve Fund	40,000	-
	<u>\$ 45,198</u>	<u>\$ 45,198</u>

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HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 MODIFIED CASH BASIS – ACTUAL AND BUDGET
 For the Year Ended June 30, 2017

GENERAL FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Property Taxes	\$ 819,956	\$ 819,956	\$ 831,586	\$ 11,630
Interest	3,500	3,500	6,302	2,802
Fees & Fines	12,000	12,000	15,474	3,474
Donations and Grants	-	-	15	15
Miscellaneous	500	500	-	(500)
	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Total Revenues	<u>\$ 835,956</u>	<u>\$ 835,956</u>	<u>\$ 853,377</u>	<u>\$ 17,421</u>

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
MODIFIED CASH BASIS – ACTUAL AND BUDGET
For the Year Ended June 30, 2017

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
EXPENDITURES:				
Personal Services	\$ 614,840	\$ 614,840 (1)	\$ 539,229	\$ 75,611
Materials and Services	341,750	341,750 (1)	302,123	39,627
Special Payment	12,500	12,500 (1)	-	12,500
Contingency	100,000	100,000 (1)	-	100,000
	<u>1,069,090</u>	<u>1,069,090</u>	<u>841,352</u>	<u>227,738</u>
Total Expenditures				
Excess of Revenues Over, (Under) Expenditures	(233,134)	(233,134)	12,025	245,159
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	5,198	(5,198)
Transfers Out	(40,000)	(40,000) (1)	(40,000)	-
	<u>(40,000)</u>	<u>(40,000)</u>	<u>(34,802)</u>	<u>(5,198)</u>
Total Other Financing Sources, (Uses)				
Net Change in Fund Balance	(273,134)	(273,134)	(22,777)	250,357
Fund Balance - Beginning	575,000	575,000	555,801	(19,199)
Fund Balance - Ending	<u>\$ 301,866</u>	<u>\$ 301,866</u>	<u>\$ 533,024</u>	<u>\$ 231,158</u>

(1) Appropriation Level

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 MODIFIED CASH BASIS – ACTUAL AND BUDGET
 For the Year Ended June 30, 2017

<u>GRANTS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Donations and Grants	\$ 211,000	\$ 211,000	\$ 11,531	\$ (199,469)
Intergovernmental Revenue	-	-	4,628	4,628
Total Revenues	<u>211,000</u>	<u>211,000</u>	<u>16,159</u>	<u>(194,841)</u>
EXPENDITURES:				
Personal Services:	-	-	(1) 69	(69)
Materials and Services	79,500	79,500	(1) 39,614	39,886
Capital Outlay	175,000	175,000	(1) 13,220	161,780
Total Expenditures	<u>254,500</u>	<u>254,500</u>	<u>52,903</u>	<u>201,597</u>
Net Change in Fund Balance	(43,500)	(43,500)	(36,744)	6,756
Fund Balance - Beginning	<u>43,500</u>	<u>43,500</u>	<u>88,140</u>	<u>44,640</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,396</u>	<u>\$ 51,396</u>
(1) Appropriation Level				

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
MODIFIED CASH BASIS – ACTUAL AND BUDGET
For the Year Ended June 30, 2017

CAPITAL EQUIPMENT RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Interest Revenue	\$ 400	\$ 400	\$ 804	\$ 404
Total Revenues	400	400	804	404
EXPENDITURES:				
Capital Outlay	75,000	75,000 (1)	41,445	33,555
Total Expenditures	75,000	75,000	41,445	33,555
Excess of Revenues Over, (Under) Expenditures	(74,600)	(74,600)	(40,641)	33,959
OTHER FINANCING SOURCES (USES)				
Transfers In	40,000	40,000	40,000	-
Total Other Financing Sources, (Uses)	40,000	40,000	40,000	-
Net Change in Fund Balance	(34,600)	(34,600)	(641)	33,959
Fund Balance - Beginning	80,000	80,000	103,636	23,636
Fund Balance - Ending	<u>\$ 45,400</u>	<u>\$ 45,400</u>	<u>\$ 102,995</u>	<u>\$ 57,595</u>

(1) Appropriation Level

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 MODIFIED CASH BASIS – ACTUAL AND BUDGET
 For the Year Ended June 30, 2017

<u>SAGE LIBRARY SYSTEM FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Intergovernmental Revenue	\$ 68,698	\$ 68,698	\$ 46,459	\$ (22,239)
Total Revenues	<u>68,698</u>	<u>68,698</u>	<u>46,459</u>	<u>(22,239)</u>
EXPENDITURES:				
Personal Services:	57,398	57,398 (1)	45,011	12,387
Materials and Services	6,300	6,300 (1)	128	6,172
Contingency	5,000	5,000 (1)	-	5,000
Total Expenditures	<u>68,698</u>	<u>68,698</u>	<u>45,139</u>	<u>23,559</u>
Excess of Revenues Over, (Under) Expenditures	-	-	1,320	1,320
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	- (1)	(5,198)	(5,198)
Total Other Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>(5,198)</u>	<u>(5,198)</u>
Net Change in Fund Balance	-	-	(3,878)	(3,878)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>3,878</u>	<u>3,878</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(1) Appropriation Level				

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2017

<u>GENERAL FUND</u>						
<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED AT JULY 1, 2016</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED AT JUNE 30, 2017</u>
Current:						
2016-17	\$ 856,356	\$ 21,773	\$ (1,462)	\$ -	\$ 814,681	\$ 18,440
Prior Years:						
2015-16	15,563	(2)	(219)	-	5,960	9,386
2014-15	8,665	-	(93)	-	2,642	5,930
2013-14	5,249	-	(54)	-	1,735	3,460
2012-13	3,225	-	(52)	-	1,333	1,840
2011-12 & Prior	1,714	(1)	2,742	-	196	4,261
Total Prior	34,416	(3)	2,324	-	11,866	24,877
Total	<u>\$ 890,772</u>	<u>\$ 21,770</u>	<u>\$ 862</u>	<u>\$ -</u>	<u>\$ 826,547</u>	<u>\$ 43,317</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above

Accrual of Receivables:

Taxes in Lieu

Total Revenue

GENERAL FUND

\$	826,547
	<u>5,039</u>
\$	<u>831,586</u>

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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December 19, 2017

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Hood River County Library District as of and for the year ended June 30, 2017, and have issued our report thereon dated December 19, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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

1. Expenditures exceeded appropriation levels as noted on page 16.
2. Quotes were not obtained for one invoice exceeding \$10,000.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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

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

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

Hood River County Library : Bilingual Outreach Work Plan 2018-2019, Year 1

Strategic Goal	Objectives	Rational
Create a stable and permanent presence in Odell.	1. Targeted outreach to Latinx and Latinx serving organizations	To be seen as good partners in the community and to not duplicate services taking time to do targeted outreach is optimal.
	2. Build/Reinforce Community Relationship	Community relationships are the building block for sustainability and community building.
	3. Build capacity among Latinx community members to facilitate library usage.	Some members of the Latinx community experience unique barriers that prohibit library use.

Objective 1: Target outreach to Latinx serving organizations

Organization	Activities	Metrics	Time-Line
Mercado de Valley/ Gorge Grown	<ol style="list-style-type: none"> 1. Library Card Sign up 2. Mobile Library 3. Performers 4 per year 4. Special learn and play groups with a focus on healthy eating. (potential partnership) 5. Summer Reading Program 	<ol style="list-style-type: none"> 1. Increase Odell library card holder 2. Track the number of books being checked out at the market 3. Market Attendance 4. Summer Reading numbers 	June-September 1st and 3rd Thursdays
St. Francis House	<ol style="list-style-type: none"> 1. Coordinate special events and celebrations 2. After school reading club 	<ol style="list-style-type: none"> 1. Event attendance/Demographics 	<ol style="list-style-type: none"> 1. Quarterly Events (4 per year)
Mid Valley Elementary and Preschool/MCCC	<ol style="list-style-type: none"> 1. Assist library with Spanish language books (Recommendation for school district) 2. Bilingual Story Time 	<ol style="list-style-type: none"> 1. Number of books purchased by the school based on staff recommendation 2. Story Time Attendance 	<ol style="list-style-type: none"> 1. Quarterly 2. Twice a month

Objective 2: Build/reinforce community relationships

Activities	Metrics	Time-Line
Regional Early Childhood Committee	Attend Meetings, serve on committees as relevant to Odell work	As scheduled
Gorge Grown	Mercado de Valle	June-September 1st and 3rd Thursdays
Mid Valley and Wy'East	Mid Valley Carnival Odell Events	As scheduled Goal: 4 per/year
Radio Tierra	On-Air or pre-recorded story time	As scheduled

Objective 3: Build capacity among Latinx community members

Activities	Overview	Metrics	Time-Line
Mobile Library in Odell	Find a location for Mobile Library. Library Card Sign up, check out materials, provide internet access.	Create capacity in Odell for community accessibility.	October - May
Adult Literacy Classes "Leamos Juntos"	Develop a 10 week adult literacy class designed to increase adult literacy and reading rituals into households.	Event attendance Pre/Post Surveys Increase Spanish language book check out	Jan-March- Program Planning/Curriculum search/Development April-June- Pilot program July/August
Citizenship Classes	Provide classes for people wishing to gain citizenship in the United States	Event attendance Pre/Post Surveys Increase Spanish language library patrons	Jan-Feb- Planning Feb-Dec- Classes offered
Workforce/ Technology Classes	A variety of workshops designed to help Latinx community members build work and job related skills.	Event attendance Pre/Post Surveys Increase Spanish language library patrons	Jan-March- Planning/Scheduling April- Dec- Classes offered Sept- Dec- Program evaluation/ needs assessment
Saturday Bus	Continue to provide a bus from Odell to Hood River to assist people with limited transportation with getting to the library.	Event attendance Pre/Post Surveys Increase Spanish language book check out	Jan-March- Planning/Scheduling April- August- Bus offered Sept- Program Evaluation

**HOOD RIVER COUNTY
LIBRARY DISTRICT**

**Compiled Financial Statements
December 31, 2017**

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Onstott, Broehl & Cyphers, P.C.
Certified Public Accountants

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JAMES T. BROEHL, c.p.a.
RICK M. CYPHERS, c.p.a.

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Hood River County Library District
Hood River, Oregon

Management is responsible for the accompanying financial statements of Hood River County Library District, which comprise the balance sheet – cash basis as of December 31, 2017, and the related statement of revenues, expenditures and changes in fund balance – cash basis for the one month and six months then ended, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures and the statement of cash flows ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the District's assets, liabilities, equity, revenues, and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information contained on pages 4 through 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Onstott, Broehl & Cyphers, P.C
January 10, 2018

Hood River County Library District
Balance Sheet - Cash Basis
December 31, 2017

ASSETS

	General Fund	Grants Fund	Capital Equipment Reserve Fund	Total
Current Assets:				
Cash in bank - Columbia State Bank	\$61,162			\$61,162
Cash with Hood River County	959,147	\$81,941	\$99,783	1,140,871
Petty cash	416			416
Accounts receivable	1,714			1,714
Total Current Assets	1,022,439	81,941	99,783	1,204,163
TOTAL ASSETS	\$1,022,439	\$81,941	\$99,783	\$1,204,163

LIABILITIES & FUND BALANCES

Liabilities				
Current Liabilities				
Payroll liabilities	\$1,467			\$1,467
Total Current Liabilities	1,467	0	0	1,467
Total Liabilities	1,467	0	0	1,467
Fund Balances:				
Unassigned	1,020,972	81,941	99,783	1,202,696
TOTAL LIABILITIES & FUND BALANCES	\$1,022,439	\$81,941	\$99,783	\$1,204,163

See Independent Accountants' Compilation Report

HOOD RIVER COUNTY LIBRARY
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Cash Basis
For the Six Months Ended December 31, 2017

	General Fund	Grants Fund	Capital Equipment Reserve Fund	Total
Revenues:				
Donations and grants	\$82,945	\$52,900		\$135,845
Property tax revenues - current year	790,040			790,040
Property tax revenues - prior year	8,028			8,028
Fines and fees	7,908			7,908
Intergovernmental revenue		4,965		4,965
Interest revenue	3,966		\$688	4,654
Miscellaneous	0			0
Total Revenues	<u>892,887</u>	<u>57,865</u>	<u>688</u>	<u>951,440</u>
Expenditures:				
Personal services:				
Wages and salaries	208,228			208,228
Employee benefits	63,444			63,444
Total Personal Services	<u>271,672</u>	<u>0</u>	<u>0</u>	<u>271,672</u>
Materials and services:				
Bank charges	83			83
Building rental	2,544			2,544
Building maintenance	3,950	6,034		9,984
HVAC	6,495			6,495
Elevator	965			965
Telephone	1,897			1,897
Internet	2,619			2,619
Collection development	28,191	7,926		36,117
Technology	3,320	129		3,449
Accounting and auditing	8,175			8,175
Courier	754			754
Custodial services	10,938			10,938
Technical services	3,029			3,029
Library consortium	11,914			11,914
Copiers	501			501
Elections expense	0			0
Furniture and equipment	511	5,246		5,757
Insurance	0			0
Georgiana Smith Memorial Garden	12,687		3,900	16,587
Legal services	1,052			1,052
Professional services	48			48
Dues and subscriptions	1,765			1,765
Miscellaneous	355			355
Postage and freight	359			359
Printing	145			145
Programs	5,716	7,911		13,627
Advertising	324			324
Supplies - office	6,416	74		6,490
Travel	1,331			1,331
Training	1,335			1,335
Board development	284			284
Parking reimbursement	200			200
Electricity	10,395			10,395
Garbage	720			720
Natural gas	1,397			1,397
Water & sewer - building	2,852			2,852
Total Materials and Services	<u>133,267</u>	<u>27,320</u>	<u>3,900</u>	<u>164,487</u>
Capital outlay	0	0	0	0
Total Expenditures	<u>404,939</u>	<u>27,320</u>	<u>3,900</u>	<u>436,159</u>
Revenues Over Expenditures	<u>487,948</u>	<u>30,545</u>	<u>(3,212)</u>	<u>515,281</u>
Other Financing Sources (Uses)				
Operating transfers in	0		0	0
Operating transfers out	0			0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenues and Other Financing Sources (Uses) Over Expenditures	<u>487,948</u>	<u>30,545</u>	<u>(3,212)</u>	<u>515,281</u>
Fund Balance - July 1, 2017	533,024	51,396	102,995	687,415
Fund Balance - December 31, 2017	<u>\$1,020,972</u>	<u>\$81,941</u>	<u>\$99,783</u>	<u>\$1,202,696</u>

See Independent Accountants' Compilation Report

HOOD RIVER COUNTY LIBRARY DISTRICT
General Fund
Statement of Revenues and Expenditures - Cash Basis
For the One Month and Six Months Ended
December 31, 2017

	<u>Current Period</u> <u>Actual</u>	<u>Year to Date</u> <u>Actual</u>	<u>Annual</u> <u>Budget</u>
Revenues:			
Tax revenues - current	\$9,796	\$790,040	\$834,953
Tax revenues - prior year	392	8,028	15,000
Fines and fees	957	7,908	12,000
Interest revenue	1,213	3,966	4,000
Donations	0	82,945	0
Miscellaneous	0	0	0
Total Revenues	<u>12,358</u>	<u>892,887</u>	<u>865,953</u>
Expenditures:			
Personal services:			
Wages and salaries:			
Library clerk I	461	3,074	6,858
Library clerk II	7,815	44,938	88,353
Library assistant I	3,187	20,287	48,751
Library assistant II	6,892	46,946	89,302
Librarian I	5,389	31,358	65,957
Librarian II	4,417	26,412	52,998
Library director	5,888	35,213	70,658
Other	0	0	0
Payroll taxes and benefits:			
Retirement	8,146	16,378	34,364
Social security	2,616	15,872	32,350
Workers' compensation	23	(168)	1,072
Health insurance	(159)	29,236	99,000
Unemployment insurance	316	2,126	5,497
Total Personal Services	<u>44,991</u>	<u>271,672</u>	<u>595,160</u>
Materials and services:			
Bank charges	0	83	250
Building rental	2,544	2,544	9,000
Building maintenance	1,309	3,950	15,000
HVAC	0	6,495	12,000
Elevator	325	965	2,000
Telephone	334	1,897	4,000
Internet	427	2,619	5,500
Collection development	3,450	28,191	55,000
Technology	280	3,320	10,000
Accounting and auditing	0	8,175	25,000
Courier	35	754	3,000
Custodial services	1,823	10,938	24,000

See Independent Accountants' Compilation Report

HOOD RIVER COUNTY LIBRARY DISTRICT
General Fund
Statement of Revenues and Expenditures - Cash Basis
For the One Month and Six Months Ended
December 31, 2017

	Current Period <u>Actual</u>	Year to Date <u>Actual</u>	Annual <u>Budget</u>
Technical services	0	3,029	4,000
Library consortium	0	11,914	12,000
Copiers	78	501	1,500
Elections expense	0	0	0
Furniture and equipment	70	511	2,000
Insurance	0	0	11,500
Georgiana Smith Memorial Garden	1,162	12,687	21,000
Legal services	0	1,052	3,000
Professional services	16	48	0
Dues and subscriptions	157	1,765	4,000
Miscellaneous	250	355	1,000
Postage and freight	16	359	1,000
Printing	0	145	1,000
Programs	478	5,716	20,000
Advertising	28	324	1,000
Supplies - office	867	6,416	15,000
Travel	261	1,331	5,000
Training	18	1,335	1,500
Board development	0	284	1,500
Parking reimbursement	0	200	1,000
Electricity	1,383	10,395	20,000
Garbage	120	720	1,500
Natural gas	0	1,397	10,000
Water & sewer - building	395	2,852	4,700
Total Materials and Services	<u>15,826</u>	<u>133,267</u>	<u>307,950</u>
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
Contingency	0	0	100,000
Total Expenditures	<u>60,817</u>	<u>404,939</u>	<u>1,003,110</u>
Other Financing Sources (Uses)			
Operating transfers In	0	0	0
Operating transfers out	0	0	(28,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(28,000)</u>
Change in Fund Balance	<u><u>(\$48,459)</u></u>	<u><u>\$487,948</u></u>	<u><u>(\$165,157)</u></u>

See Independent Accountants' Compilation Report

HOOD RIVER COUNTY LIBRARY DISTRICT
Grants Fund
Statement of Revenues and Expenditures - Cash Basis
For the One Month and Six Months Ended
December 31, 2017

	<u>Current Period</u> <u>Actual</u>	<u>Year to Date</u> <u>Actual</u>	<u>Annual</u> <u>Budget</u>
Revenues:			
Donations and grants	\$375	\$52,900	\$226,000
Intergovernmental revenue	4,965	4,965	0
Total Revenues	<u>5,340</u>	<u>57,865</u>	<u>226,000</u>
Expenditures:			
Personal services	0	0	0
Materials and services:	7,966	27,320	125,000
Capital outlay	0	0	146,000
Total Expenditures	<u>7,966</u>	<u>27,320</u>	<u>271,000</u>
Change in Fund Balance	<u><u>(\$2,626)</u></u>	<u><u>\$30,545</u></u>	<u><u>(\$45,000)</u></u>

See Independent Accountants' Compilation Report

HOOD RIVER COUNTY LIBRARY DISTRICT
Capital Equipment Reserve Fund
Statement of Revenues and Expenditures - Cash Basis
For the One Month and Six Months Ended
December 31, 2017

	<u>Current Period Actual</u>	<u>Year to Date Actual</u>	<u>Annual Budget</u>
Revenues:			
Interest revenue	\$135	\$688	\$400
Other Financing Sources			
Transfer from General Fund	0	0	28,000
Total Revenues and Other Sources	<u>135</u>	<u>688</u>	<u>28,400</u>
Expenditures:			
Materials and services	0	3,900	0
Capital outlay	0	0	60,000
Total Expenditures	<u>0</u>	<u>3,900</u>	<u>60,000</u>
Change in Fund Balance	<u><u>\$135</u></u>	<u><u>(\$3,212)</u></u>	<u><u>(\$31,600)</u></u>

See Independent Accountants' Compilation Report

HOOD RIVER COUNTY LIBRARY
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Cash Basis
Grants Funds

For the Six Months Ended December 31, 2017

	Newspaper Digitization	SDAO Safety 2016	Foundation Grants	Programs Fund	Friends of the Library	MCMC Grant	RTR 2017	RTR 2018	Total
Revenues:									
Donations and grants	\$0	\$0	\$50,083	\$1,417	\$1,400	\$0	\$0	\$0	\$52,900
Intergovernmental revenue							\$4,965		4,965
Total Revenues	0	0	50,083	1,417	1,400	0	0	4,965	57,865
Expenditures:									
Personal services:									
Wages and salaries:									0
Library assistant II									0
Employee benefits:									0
Retirement									0
FICA									0
Workers compensation									0
Health insurance									0
Unemployment insurance									0
Total Personal Services	0	0	0	0	0	0	0	0	0
Materials and services:									
Building maintenance			6,034						6,034
Collection development			4,276		3,188		462		7,926
Technology			129						129
Programs			1,057	793	2,016		4,045		7,911
Furniture and equipment			5,246						5,246
Georgiana Smith Memorial Garden									0
Office supplies									74
Miscellaneous									0
Printing			74						74
Total Materials and Services	0	0	16,816	793	5,204	0	4,507	0	27,320
Capital outlay	0	0	0	0					0
Total Expenditures	0	0	16,816	793	5,204	0	4,507	0	27,320
Net Change in Fund Balance	0	0	33,267	624	(3,804)	0	(4,507)	4,965	30,545
Fund Balance - July 1, 2017	2,642	3,000	33,876	523	6,798	50	4,507		51,396
Fund Balance - December 31, 2017	\$2,642	\$3,000	\$67,143	\$1,147	\$2,994	\$50	\$0	\$4,965	\$81,941

See Independent Accountants' Compilation Report

Resolution No. 2017-18.05

Resolution authorizing vendors for online and automatic payment of bills in 2017-18

WHEREAS, many companies allow paying for products and services electronically; and

WHEREAS, paying online and automatically rather than by paper check would save the Hood River County Library District time and money; and

WHEREAS, Hood River County Library District's Financial Management policy allows for such online payments;

Now, therefore be it RESOLVED, that the Hood River County Library District Board of Directors authorizes the following vendors for online payments and deposits in 2017-18.

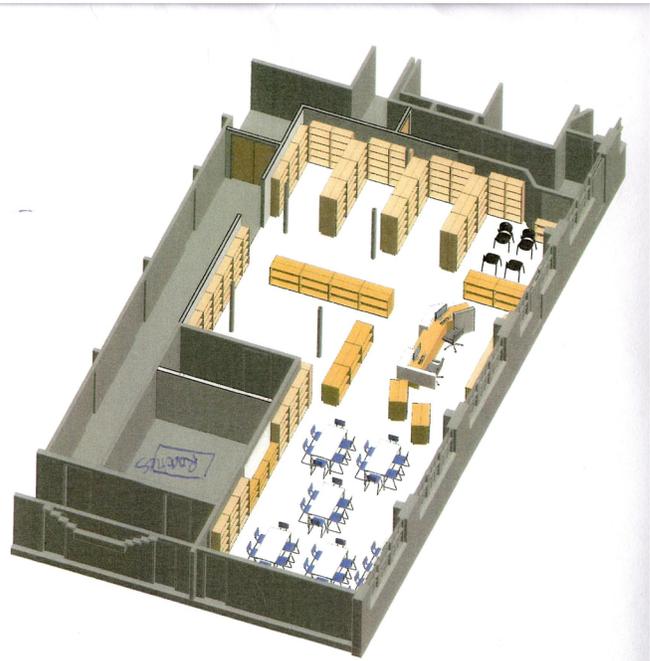
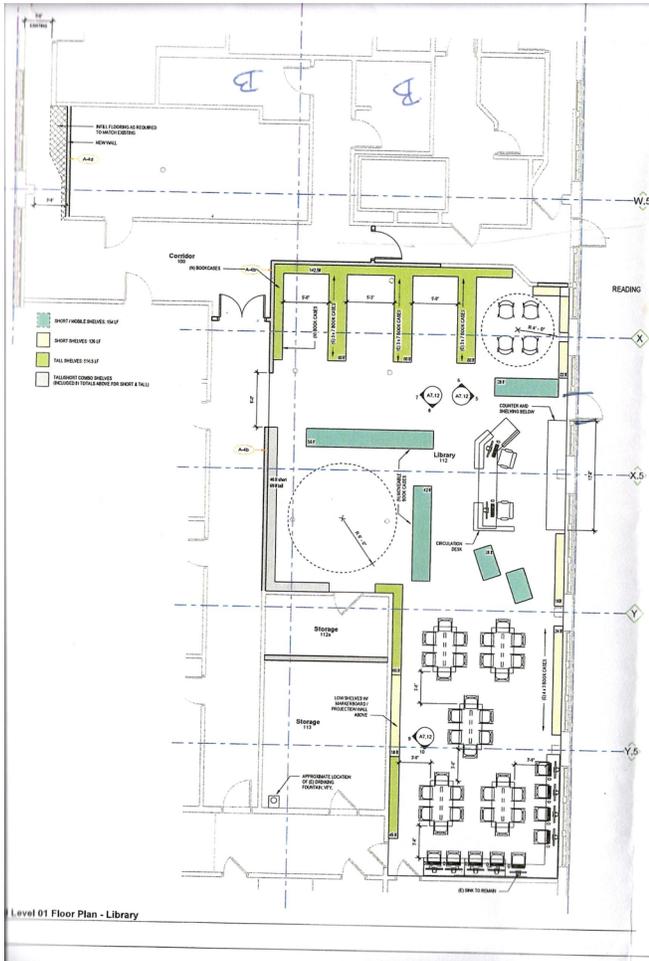
- AT&T (telecommunications)
- CenturyLink (telecommunications)
- City of Hood River (water)
- Columbia Bank (bank fees, payroll deposits, and employee reimbursements)
- Gorge.net (telecommunications)
- Guardian Life Insurance Company of America (dental insurance)
- Harland Clarke (bank checks, deposit slips, and other documents)
- Hood River Electric Co-op (telecommunications)
- HRA VEBA (employee in-lieu health benefits)
- NW Natural (natural gas)
- Oregon Department of Revenue (state taxes)
- Pacific Power (electricity)
- Ricoh (copier lease)
- Stamps.com (postage)
- T. Rowe Price (employee retirement)
- ThyssenKrup Elevator Corp. (building maintenance)
- UnitedHealthcare (medical and vision insurance)
- US Treasury (federal taxes)
- Waste Connections/Hood River Garbage (garbage/recycling)

Adopted by the Board of Directors of Hood River County Library District this 16th day of January, 2018.

ATTEST:

Jean Sheppard, President

Rachael Fox, Library Director



2 | Library - Axonometric

December 12, 2017

Rachael Fox
Hood River County Library District
502 State St
Hood River OR 97031

Subject: 12/6/17 Risk Management Visit

Dear Rachael:

It was a pleasure meeting with you to discuss the district's operations. Please also thank Arwen and Mo for their time as well.

A risk management visit was recently conducted at the District. There were recommendations developed during this visit that require the district to follow up with the consultant. The district staff should work with their board to develop a plan that addresses these items.

To help the district develop a plan, these recommendations have been prioritized using the following guidelines:

- **Major Risk:** Items in this category contain the potential for catastrophic injuries, extensive property damage, or substantial legal losses that are highly likely to occur and will result in considerable financial loss and negative publicity. Organizations should consider whether to eliminate **OR** substantially modify these activities with proactive risk management strategies.
- **Moderate Risk:** Items in this category contain potential for serious injury, crucial infrastructure property damage or legal concerns that are likely to result in meaningful financial and/or reputation loss. Organizations should consider ways to modify risks through the application of proactive risk management strategies.
- **Minor Risk:** Items in this category contain some level of risk due to injury, property damage, or legal concerns. Organizations should consider what can be done to manage the risk to prevent any negative outcomes.

To assist in fulfilling its obligation to the SDIS Trust, the Risk Management department requests that the district return the recommendation page within 90 days documenting that plan to sgalaway@sdao.com.

Thank you for your time. If you have any questions, please don't hesitate to contact me at 800-285-5461.

Sincerely,

Greg Jackson
Risk Management Consultant
gjackson@sdao.com

cc: Columbia River Insurance

Voluntary Risk Management Consultation

District: **Hood River County Library District**

Date of Visit: **12/6/17**

Key Contact: **Rachael Fox**

Consultant: **Greg Jackson**

Thank you for the opportunity to meet with Library Director Rachael Fox. Please also thank Arwen Ungar and Mo Burford for their time as well. The purpose of the visit was to conduct a voluntary risk management consultation. We were able to discuss district operations, toured the facility, went over SDIS services and covered the Loss Control Plan. Recommendations are included with this report that require the district to follow up with the consultant.

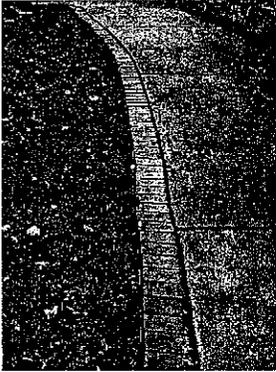
During this visit the SDIS Loss Prevention Toolkit was presented to Rachael and staff. The consultant shared the importance of returning the **Self-insured LCP Annual Evaluation** to SDAO to safeguard the district from a potential OSHA citation. Additionally, the toolkit gives you additional resources to more thoroughly examine your risk management program. If you have any questions regarding the evaluation or the toolkit, please do not hesitate to contact me.

The district did not seem to have the policy nor had they been able to complete the annual evaluation. I shared with them our sample policy and were able to complete it during the visit. I have included a copy of the policy with this report. We then reviewed and completed the self-evaluation. We went through each question and then they rated themselves. I explained this evaluation should be completed annually and could be done by the safety committee or during staff meetings. I have included a copy of the completed evaluation with this this report. If there are any questions regarding the loss control program, please let me know.

We discussed SDIS services. Rachael was familiar with pre-loss legal services. I discussed the Matching Safety Grant and I was informed they had not applied for anything this year. I reminded them this grant is offered annually and to be looking for it next year. Rachael stated the district was able to complete all items for the Best Practices.

The district is in the process of revamping their safety committee. I was able to provide a safety committee training for most of the members. They shared with me their quarterly inspections forms. The forms are very detailed and very good. I shared some information on how they could condense the information and still be able to accomplish their inspections. We discussed a few safety plans and I have sent them our sample plan for bloodborne pathogens as they will be hiring in-house custodial services. I have emailed this information along with sample safety committee bylaws, safety committee recommendations form and our light duty policy. I discussed return to work with Rachael, explaining how the program works and the benefits associated with bringing injured employees back to work. I also explained that SDAO has hired a return to work consultant that will be able to assist the members with this process.

Arwen and I were able to review the districts last inspection of the facilities. There were two concerns they had located outside of the library. The first area was their lower sidewalk where they have laid a row of bricks along one side. These bricks have begun to sink leaving an uneven edge. After speaking to our claims department, it is our recommendation that the bricks either be removed or they will need to be levelled with the sidewalk. We believe the library may have some liability if an injury occurred due to this.



The second area we looked was in the upper sitting area. There is a rock wall that surrounds the area and there are stones that have come loose on the top. While this wall is not a walkway, the top is flush with the ground level. Therefore, we feel this area could be a danger if someone were to step/walk on and fall. The district should secure these loose rocks as we feel there could be some liability.



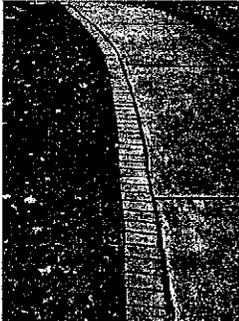
I appreciate Rachael, Arwen and Mo for taking the time to meet with me and discussing district operations and concerns. If there are any questions regarding the report or the recommendations, please let me know.

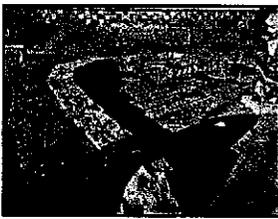
The recommendations made in this report are for the benefit of the district. They are based on the experience of the SDIS pool and the losses they have incurred. Ultimately, the board and district management will need to make decisions on how to address these issues. If you need further assistance regarding this report, please contact the risk management consultant gjackson@sdao.com or riskmanagement@sdao.com.

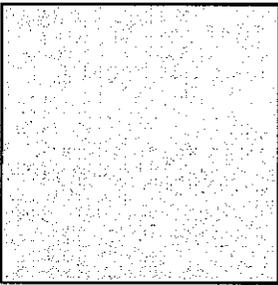
To help the district develop a plan, these recommendations have been prioritized using the following guidelines:

- **Major Risk:** Items in this category contain the potential for catastrophic injuries, extensive property damage, or substantial legal losses that are highly likely to occur and will result in considerable financial loss and negative publicity. Organizations should consider whether to eliminate **OR** substantially modify these activities with proactive risk management strategies.
- **Moderate Risk:** Items in this category contain potential for serious injury, crucial infrastructure property damage or legal concerns that are likely to result in meaningful financial and/or reputation loss. Organizations should consider ways to modify risks through the application of proactive risk management strategies.
- **Minor Risk:** Items in this category contain some level of risk due to injury, property damage, or legal concerns. Organizations should consider what can be done to manage the risk to prevent any negative outcomes.

To assist in fulfilling its obligation to the SDIS Trust, the Risk Management department requests that the district return the recommendation page within 90 days to document that plan of action to sgalaway@sdao.com.

Location:		Item #: 17-01
Risk Description: Lower Sidewalk lined by bricks Recommendation: Due to the bricks along the edge of the sidewalk sinking, it has created a space between them and a trip hazard. The bricks should be removed or raised to be flush with the sidewalk edge.		
[To be completed by the district:] District Plan of Action:		Completed Date: / /

Location:		Item #: 17-02
Risk Description: Upper Sitting Area Recommendation: The rock wall surrounding the sitting area have rocks that come loose. The district should secure the loose rocks so that if someone was walking on the wall they would not slip or fall.		
[To be completed by the district:] District Plan of Action:		Completed Date: / /

Location:		Item #:
Risk Description: Recommendation:		
[To be completed by the district:] District Plan of Action:		Completed Date: / /

- **Major Risk:** Items in this category contain the potential for catastrophic injuries, extensive property damage, or substantial legal losses that are highly likely to occur and will result in considerable financial loss and negative publicity.
- **Moderate Risk:** Items in this category contain potential for serious injury, crucial infrastructure property damage or legal concerns that are likely to result in meaningful financial and/or reputation loss.
- **Minor Risk:** Items in this category contain some level of risk due to injury, property damage, or legal concerns.

Disclaimer: The loss control recommendations generated by this visit should be used as a risk management tool only and are to the best of the writer's knowledge authentic and reliable. Special Districts Insurance Services makes no guarantee of results, and assumes no liability in connection with either the information or safety recommendations herein contained. The recommendations do not mitigate or protect the district from OR-OSHA compliance and/or monetary penalties. It can not be assumed that every acceptable safety procedure or hazardous condition across the entire district is contained herein, or that abnormal or unusual circumstances may not warrant or require further or additional procedures or follow-up.

Hood River County Library District Safety and Health Program

The safety and health of all workers/employees is a shared goal of all who work for this District. The District's policy is that managers, supervisors, and all other employees share responsibility for taking reasonable steps to engender a safe and healthful workplace.

The District has a safety committee consisting of management and labor representatives. The goal of the committee is to assist in identifying hazards and unsafe work practices, mitigating obstacles to accident prevention, and evaluating the District's safety program.

The District expects all management and hourly employees to focus on the following:

- Striving to achieve zero accidents and injuries.
- Taking reasonable steps to improve safety and health rules.
- Assisting loss control efforts aimed at identifying and mitigating industrial hygiene and/or safety hazards.
- Identifying reasonable and appropriate mechanical and physical safeguards.
- Conducting reasonable safety and health inspections.
- Training workers as needed in safe work practices and procedures.
- Providing employees with personal protective equipment as appropriate to specific job tasks, and training employees in its appropriate care and use.
- Using appropriate personal protective equipment.
- Reporting hazards, unsafe work practices, and accidents.
- Assisting in the identification of the cause of on the job injuries, and in the identification of reasonable methods to prevent similar occurrences.
- Supervising workers in safe work practices.
- Enforcing applicable safe work rules.
- Disciplining workers that fail to work safely.
- Participating in and supporting safety committee activities.
- Reviewing the District's safety and health program annually or as needed.

Discipline up to and including termination could result from a failure to pay reasonable attention to any of the above.

IF LOSS PREVENTION ASSISTANCE IS NEEDED AT ANY TIME, CONTACT:

Scott Neufeld, Loss Control Manager
SDAO: 1-800-285-5461
sneufeld@sdao.com

Self-Insured Annual Evaluation



Date: 12/6/17 District: Hood River Library District

Person(s) Conducting the Evaluation: Greg Jackson

Self-Insured Annual Evaluation		
1 Needs improvement	2 No concerns, but could be improved	3 Excellent
Performance Measure	Effectiveness	Ideas for Improvement
How effectively is the District implementing its written policy concerning Management's Commitment to Health and Safety ?	1 2 3	Communicating to staff about Safety Committee and continue with training
How effective is the District's health and safety accountability system for Management and Employees?	1 2 3	Evaluations and getting them done one time
How effective are the District's training practices and follow-up ?	1 2 3	
How effectively is the District conducting hazard assessments and controlling identified hazards ?	1 2 3	
How effectively is the District implementing its system for investigating all recordable occupational injuries and illnesses , including formulating written findings and taking corrective action ?	1 2 3	Improve our documentation
How effective is the District's system for evaluating, obtaining, and maintaining personal protective equipment ?	1 2 3	
How effectively is the District using on-site routine industrial hygiene and safety evaluations to detect physical and chemical hazards, and how well is it implementing engineering or administrative controls when such hazards are identified?	1 2 3	No real exposure
How effectively is the District evaluating workplace design, layout and operation , and how well is it addressing any identified concerns through measures including assistance with job site modifications ?	1 2 3	
How effectively is the District engaging its employees in the overall health and safety effort ?	1 2 3	
Has the District utilized SDIS Risk Management Services in the past year?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Comments:		

Note: Ideas for improvement should be given for all areas where effectiveness has been rated at "1." Evaluators should also strive to give ideas for improvement for all areas where effectiveness has been rated at "2." These ideas for improvement should be discussed with Management safety and health leadership.