

Board of Directors
Regular Meeting Agenda
Tuesday, January 16, 2024, 7:00pm
Library Meeting Room and Zoom
502 State St, Hood River

Library Board:

Board President: Brian Hackett, *Board Vice-President:* Karen Bureker, *Board members:* Megan Janik, Sara Marsden, and Jean Sheppard.

The Hood River County Library District will hold this meeting by offering a hybrid format. Participants can attend in-person or on Zoom Conferencing. Please use the following phone number or video link:

1-253-215-8782, <https://us02web.zoom.us/j/88987942233>, Meeting ID: 889 8794 2233

| Agenda Items | | Action | Responsible |
|--------------|---|--------|----------------------|
| I. | Call to Order | | Brian Hackett |
| II. | Approval of the agenda (additions/corrections/deletions) | Motion | Brian Hackett |
| III. | Approval of the consent agenda i. Minutes from the December 16, special board meeting ii. Minutes from the December 19, regular board meeting | Motion | Brian Hackett |
| IV. | Actual or potential conflicts of interest | | Brian Hackett |
| V. | I. Audit presentation | | Pauly Rogers and Co. |
| VI. | Public comment (3 minutes each) | | Brian Hackett |
| VII. | Reports | | |
| | i. Friends and Foundation update | | Rachael Fox |
| | ii. Friends update | | Rachael Fox |
| | iii. Foundation update | | Rachael Fox |

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| | iv. November and December Financial Statements | | Rachael Fox |
| | iv. Director's report | | Rachael Fox |
| VIII. | Old Business | | |
| IX. | New Business | | |
| | i. Auditing bids 2024-2026 (Action) | Motion | Rachael Fox |
| | ii. Budget Committee positions discussion | | Rachael Fox |
| IX. | Announcements | | |
| | i. Comments from board members | | All |
| | ii. Requests/Comments from Library Director | | Rachael Fox |
| X. | Agenda items for next meeting | | Brian Hackett |
| XI. | Adjournment regular meeting | | Brian Hackett |

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 7:00pm to 9:00pm 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 Agenda
Supplementary information
Tuesday, January 16, 2024, 7:00pm
Library Meeting Room and Zoom
502 State St, Hood River

Library Board:

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The Hood River County Library District will hold this meeting by offering a hybrid format. Participants can attend in-person or on Zoom Conferencing. Please use the following phone number or video link:

1-253-215-8782, <https://us02web.zoom.us/j/88987942233>, Meeting ID: 889 8794 2233

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|--------------|---|---------------|---------------|
| I. | Call to Order | | Brian Hackett |
| II. | Approval of the agenda (additions/corrections/deletions) | Motion | Brian Hackett |
| III. | Approval of the consent agenda i. Minutes from the December 16, special board meeting <ul style="list-style-type: none">◦ Attachment: III.i. Minutes from the December 16, 2023 special board meeting ii. Minutes from the December 19, regular board meeting <ul style="list-style-type: none">◦ Attachment: III.ii. Minutes from the December 19, 2023 regular board meeting. | Motion | Brian Hackett |
| IV. | Actual or potential conflicts of interest | | Brian Hackett |
| V. | I. Audit presentation Kamp Attachments: i. V.i. Audit 2022-23 – Communication to the governing body ii. V.ii. Audit 2022-23 – Financial report A representative from Pauly Rogers and Co., PC, will present | | |

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| | <p>the District's 2022-23 fiscal year audit via Zoom. The audit documents are attached (the letter to the governing body and the financial report).</p> <p>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.</p> | | |
| VI. | Public comment (3 minutes each) | | Brian Hackett |
| VII. | Reports | | |
| | <p>i. Friends and Foundation update</p> <ul style="list-style-type: none"> I have a virtual meeting scheduled with Library Strategies consultants and the Friends and Foundation Board on January 16th from 5:00 to 7:00 for our concluding session. During this meeting, consultants Sharon and David will discuss observations and insights gathered from individual retreats. Additionally, they will provide valuable input on the fundamentals and best practices of Memorandum of Agreement (MOAs or MOUs) between libraries and their support organizations. | | Rachael Fox |
| | <p>ii. Friends update</p> <ul style="list-style-type: none"> I was unable to attend the Friends of the Library meeting on Monday, January 8. However, I submitted a Director's report. I'll present an update on Friends activities during the library board meeting on Tuesday, February 20. | | Rachael Fox |
| | <p>iii. Foundation update</p> <ul style="list-style-type: none"> There was no Foundation meeting scheduled for December. Ferment Brewing Fundraising for Hood River Library District Library Foundation <p>On Wednesday, January 17th Ferment Brewing will be featuring the Hood River Library District as their Locals Supporting Locals Fundraiser. 20% of all sales for that day will be donated. From 5-7pm the bookmobile will at the event giving tours and we will be doing a family storytime.</p> | | Rachael Fox |
| | <p>iv. November and December Financial Statements</p> <p>Attachment:</p> <ul style="list-style-type: none"> VI.iii.a. November 2023 Financial Statements | | Rachael Fox |

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| | <ul style="list-style-type: none"> VI.iii.b. December 2023 Financial Statements <p>With the November property tax deadline, the District now has received about 93% of the current taxes for the 2023-24 fiscal year. We will receive the rest of the funds in two installments in February and May when tax payers complete their payment plans. As of December 31, 2023 we have \$1,622,686 in total current assets. This includes \$1,440,472 for the General Fund, \$87,927 for the Grants Fund, and \$94,287 for the Capital Equipment Reserve fund.</p> <p>This month we will transfer the \$10,000 planned transfer from the General Fund into the Capital Equipment Reserve Fund.</p> | | |
| | <p>iv. Director's report</p> <p><u>Administration</u></p> <ul style="list-style-type: none"> We are seeking a part-time Public Service Clerk to work at Cascade Locks, Hood River, Parkdale, and Bookmobile during days, evenings and Saturdays. Good customer service skills are required. Spanish speaking skills a plus. The position is open until filled. I am currently in the process of updating our Code of Conduct policy. After conducting further research, I have determined that it would be prudent to have our legal counsel, Ruben Cleveland, review the policy before presenting it to the library staff committee and subsequently to the board. This approach, starting with a draft approved by legal counsel, is designed to streamline the process, saving time and energy that might otherwise be spent on back-and-forth revisions. The policy has been forwarded to Cleveland for review, and we are on track to discuss it at the February 20 library board meeting. <p>Additionally, I have made updates to the Use Restrictions Policy, which is referenced in our Code of Conduct. This updated policy has also been sent to Cleveland for review.</p> <p>The policy classified as an Ordinance due to its inclusion of the library gardens, will undergo a two-month review process.</p> <ul style="list-style-type: none"> In March and April, a public hearing notice will be published in the Columbia Gorge News. A public hearing is an integral part of this meeting, where the | | Rachael Fox |

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| | <p>floor will be open for testimony on the proposed ordinance. The Board may choose to set a time limit for speaking.</p> <ul style="list-style-type: none"> ◦ The first reading of the ordinance will take place at the March meeting, along with a mandatory public hearing. ◦ The second reading of the ordinance, along with a mandatory public hearing, is scheduled for the April meeting. Following the reading and hearing, the Board will vote on the ordinance. ◦ If the vote is affirmative, the ordinance will become effective thirty days after the April meeting. <ul style="list-style-type: none"> • Public meeting law training requirement update <ul style="list-style-type: none"> ◦ Special Districts Association of Oregon issued the following statement on January 11, 2024: On January 1, 2024, HB 2805 went into effect adding a new mandatory public meetings training requirement for every member of a governing body of a public body with total expenditures of \$1 million or more per fiscal year. These governing body members must receive Public Meetings Law training at least once during their term of office. <p>The Oregon Government Ethics Commission (OGEC) planned to begin providing Public Meetings Law trainings this month. SDAO recently shared in our weekly email update that they had added these webinars to their website with information about how to register. Unfortunately, the webinars have been removed from their site and are no longer available.</p> <p>SDAO recently learned that OGEC has delayed the review and approval of the Public Meetings Law trainings offered by outside agencies, including SDAO, until later this year. While we can continue to take SDAO trainings on this topic, they will not fulfill the training requirement because they have not yet been approved by OGEC.</p> <p>It's important to note that only trainings reviewed and approved by OGEC will fulfill the training requirement. However, the training requirement does not need to be satisfied immediately. It only needs to be completed once per term.</p> <p>SDAO will continue to keep us updated and will notify us as soon as they know about the availability of OGEC</p> | | |
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| | <p>trainings and the approval of SDAO trainings.</p> <ul style="list-style-type: none"> • <u>Statistics: Fiscal Year July 1, 2022 – June 30, 2023</u> • Library cardholders: 10,299 • Library cardholders added: 1,456 • Physical items: <ul style="list-style-type: none"> ◦ Print items: 67,496 ◦ Print items added: 5,758 ◦ Audio items: 3,585 ◦ Audio items added: 234 ◦ Video items: 7,844 ◦ Video items added: 614 ◦ Other library materials (Library of Things): 387 ◦ Other library materials added (Library of Things): 131 ◦ Spanish language items: 5,837 • Digital items: <ul style="list-style-type: none"> ◦ Ebook units in Library2Go: 60,044 ◦ Ebook units Added to Library2Go: 10,916 ◦ Digital audiobook units in Library2Go: 37,391 ◦ Digital audiobook units added in Library2Go: 5,254 ◦ Digital Spanish language items: 2,008 • Circulation <ul style="list-style-type: none"> ◦ Adult materials <ul style="list-style-type: none"> ▪ First time circulation: 37,832 ▪ Renewals: 27,957 ◦ Young Adult materials <ul style="list-style-type: none"> ▪ First time circulation: 2,453 ▪ Renewals: 1,722 ◦ Children's materials <ul style="list-style-type: none"> ▪ First time circulation: 44,555 ▪ Renewals: 27,744 ◦ Other library materials (Library of Things) <ul style="list-style-type: none"> ▪ First time circulation: 1,400 ▪ Renewals: 499 ◦ Total circulation physical items: 144,162 ◦ Library2Go (Ebooks and audiobooks) <ul style="list-style-type: none"> ▪ 26,049 ◦ Kanopy (vidoe) and Tumblebooks (ebooks) | | |
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| | <ul style="list-style-type: none"> ▪ 4,261 ○ Total digital items: 30,310 ○ Total circulation physical and digital items: 174,472 • Meeting room <ul style="list-style-type: none"> ○ 471 meetings • Programs <ul style="list-style-type: none"> ○ Children programs ages 0-5 <ul style="list-style-type: none"> ▪ 91 programs ▪ 1,461 attendees ○ Children's programs ages 6-11 <ul style="list-style-type: none"> ▪ 140 programs ▪ 8,743 attendees ○ Young adult programs ages 12-18 <ul style="list-style-type: none"> ▪ 83 programs ▪ 518 attendees ○ Adult programs Age 19 or older <ul style="list-style-type: none"> ▪ 91programs ▪ 1,787 attendees ▪ All ages programs <ul style="list-style-type: none"> • 24 programs • 2,920 attendees ○ Programs live at a library location <ul style="list-style-type: none"> ▪ 359 programs ▪ 6,290 attendees ○ Programs live, outreach in the community <ul style="list-style-type: none"> ▪ 46 programs ▪ 6,219 attendees • Number of self-directed activities (Take and Make activities and passive programming) <ul style="list-style-type: none"> ○ 1,500 • Volunteer hours <ul style="list-style-type: none"> ○ 1,800 • Website visits <ul style="list-style-type: none"> ○ 360,226 • Library visits <ul style="list-style-type: none"> ○ 63,000 | | |
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Facilities/Gardens

- The ADA parking space in our driveway has encountered erosion beneath the concrete surface. We are planning to have the space renovated the week of January 15.
- There's a leak detected in the wall of the children's library. I've had a local roofer inspect the area, and they suspect that water intrusion might be happening through the masonry. I've reached out to the company that previously repaired the front entrance of the library, and they will assess the leak during the week of January 15.

Programs and Services

- The Hood River Library participated for the second year in the Hood River Outreach Christmas Project. We were able to serve approximately 1,000 families in Hood River County this year and give away over 700 all age books!
- The Hood River holiday party at the Hood River Library had between 200-250 patrons attend! We also had parties at the Cascade Locks and Parkdale locations.
- The program staff have been working hard to provide creative programming for this fall. Please check out the [newsletter](#) for a full list January programs.

- **All Ages**

- Every month, we will highlight nationally recognized heritage months and holidays at our library, providing a platform for celebration and exploration. Many libraries across the nation also participate in honoring these same occasions.

The Hood River County Library District provides free and equitable access to cultural and educational experiences. The library celebrates ideas, promotes creativity, connects people, and enriches lives, with an emphasis on promoting literacy and equity in library collections, services, and programs.

Discover the diverse range of materials available in our collection. Visit the library, search our

[online catalog](#), download [ebooks and audiobooks](#) or stream [movies](#).

- **National Poverty Awareness Month**

January is Poverty in America Awareness Month, a month-long initiative to raise awareness and call attention to the growth of poverty. In the United States, the official poverty rate is 11.6 percent of the population, with 37.9 million people in poverty. Many of these Americans live without hope for a better future or access to good, family-supporting job.

- **Family Game Night** First Saturday, January 6, 4-6pm Hood River Library Theater. Join us for rad retro cabinet arcade games and other electronic offerings for fans of all ages to enjoy.
- **Family Movie Matinee** Saturday, January 20, 2pm, Hood River Library Theater. The Hood River Library will be showing the movie *Luca*. This will be an all ages event. Snacks and drinks will be provided.

- **Adult programs**

- **Adult Chess League**, Fridays, Jan. 12th - Feb. 9th, 6:30pm & 7:30p. Working Hands Brewing (1021 12th St.) Would you like to join our chess league FOR FREE? We will play Fridays at 6:30pm at Working Hands Brewing from January 12- February 9. Sign up through [Hood River Valley Parks and Recreation](#).
- **Yoga for Adults**, Saturdays at 10:30am, Hood River Library Meeting Room. This winter the Hood River Library is happy to be hosting a weekly yoga classes taught by Snapdragon Yoga. Open to adults, the program is available as a drop-in course throughout January and February every Saturday at 10:30am, beginning January 6th.

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| | <ul style="list-style-type: none"> • Edward Jones Financial Workshop Series, An Investor's Tour of Mutual Funds, Saturday, Jan. 20th, 10am, Meeting Room. • Hood River Book Club meets the second Wednesday of the month at 12:30 p.m. Hood River Library Meeting Room & Zoom. January's book club selection is <i>Lessons in Chemistry</i> by Bonnie Garmus.. • Cascade Locks Book Club meets the Fourth Thursday of the month from 5:15 to 7:00 p.m. at the Cascade Locks Library. The January's book club selection is <i>Chicken Sisters</i> by KJ Dell'Antonia. • Writing Group: Every Wednesday at 3 pm in the Hood River Library Columbia Room. Creative writing together! Join with fellow writers to work on your craft through prompts and (sometimes) share the results. For more information, please contact Patty Kaplan (310.710.3822). ○ Teen programs <ul style="list-style-type: none"> • Karoke Night, Friday Jan. 26th, 6pm, Hood River Library Teen Area. Add some sparkle to a dark winter night with after hours karaoke! Sound system, song list, disco ball, and snacks provided. Ages 13 to 18. • <u>Storyplay - Youth Storytelling Series</u> In partnership with Gorge Speakeasy, over four Saturdays, teens will meet in the library to learn how to be a fantastic storyteller. They'll learn from storytelling pros about how to craft a story that makes impact, how to present it to hold audience attention, how to improvise instead of memorize, and how to be more comfortable speaking in front of others. Grades 6-8: registration form / Grades 7-12: registration form • Magic the Gathering, 2nd and 4th | | |
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| | <p>Fridays of the month at 4pm in the Library Theater.</p> <ul style="list-style-type: none"> • Library Teen Council, 2nd and 4th Saturdays of the month at 2pm in the Hood River Library Theater. Join the team and earn volunteer hours, help out at the library and eat snacks! <p>○ Children’s programs</p> <ul style="list-style-type: none"> • Storytimes <ul style="list-style-type: none"> • Family Storytime – Hood River Library Thursdays at 10:30 a.m. <ul style="list-style-type: none"> ○ The storytime is open to all ages. Storytime will feature stories, songs and fun! Literacy enrichment will be at the heart of every session. Children will learn pre-reading skills, develop an increased vocabulary, and nurture a lifelong love of reading! • Weekly playgroup and monthly storytime – Parkdale <ul style="list-style-type: none"> • Looking for something fun to do with your children that haven't yet started school? We are starting playgroups at our Parkdale Library! Each Friday from 10:30-11:30 we invite parents to come with their children to explore the library, help kids build social skills, and make new friends. • The first Friday of the month in Parkdale we will have a librarian led storytime. <p>○ Bookmobile route</p> <ul style="list-style-type: none"> • Pine Grove, 1st Thursday of the month <ul style="list-style-type: none"> • Early Intervention Pine Grove School 1:30am-1pm <p>○ Hood River</p> <ul style="list-style-type: none"> • 2nd Thursday of the month, 2:30-6:00pm • Neighborhoods behind Rosauers <ul style="list-style-type: none"> • 2:30p-3:30p Pacific Ave (street parking) | | |
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| | <ul style="list-style-type: none"> • 3:30p-4:30p Sieverkropp Dr (street parking) • 5:00p-6:00p Wyeast Vista Apartments 1800 8th st. <ul style="list-style-type: none"> ○ Hood River <ul style="list-style-type: none"> • 3rd Thursday of the month, 2:30-6:00pm <ul style="list-style-type: none"> • Apartments and Mobile Home Parks on Cascade Ave. <ul style="list-style-type: none"> ○ 2:30p-3:30p Hood River Mobile Manor (next to Les Schwab) 3300 Cascade Ave. . ○ 3:30-4:30p Hood River Crossings Apartments 3145 Cascade Ave. ○ 5:00p-6:00p Columbia View Apartments 1695 Oak St. ○ Hood River <ul style="list-style-type: none"> • Every 4th Thursday of the month, 3:00-4:00pm <ul style="list-style-type: none"> • Hood River Rockford Grange ○ Senior facilities <ul style="list-style-type: none"> • 1st Friday of the month, 10am-12:30pm ○ Odell <ul style="list-style-type: none"> • 2nd and 4th Saturdays <ul style="list-style-type: none"> • 10:30a-12:00p Mobile Home Park/AGA RD | | |
| VIII. | Old Business | | |
| IX. | New Business | | |
| | <p>i. Auditing bids 2024-2026 (Action)</p> <p><i>Attachments:</i></p> <ul style="list-style-type: none"> • IX.i. Audit proposal from Pauly Rogers & Co. <p>I sought competitive price quotes from three qualified independent certified public accounting firms for conducting the annual audit of the financial statements for the fiscal years ending in June 2024, 2025, and 2026. We received a single proposal.</p> <p>The proposal came from Pauly Rogers & Co., our current auditors. Pauly Rogers is also responsible for auditing Hood River County, the City of Hood River, Port of Hood River, and Hood River County School District.</p> <p>Our experience with Pauly Rogers has been exceptional. They have proven to be excellent auditors, making collaboration easy. They have provided valuable recommendations for improving our internal processes, and their professionalism is noteworthy. Additionally, they willingly address my inquiries</p> | Motion | Rachael Fox |

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| | <p>throughout the year without charging an additional hourly rate.</p> <p>Their previous audit fees were as follows:</p> <ul style="list-style-type: none"> • 2012, 2013, and 2014: \$8,100, \$8,400, and \$8,600. • 2015, 2016, and 2017: \$7,800, \$7,900, and \$8,000. • 2018, 2019, and 2020: \$8,340, \$8,590, \$8,860. • 2021, 2022, and 2023: \$8,950, \$9,050, and \$9,150. <p>For the upcoming years, Pauly Rogers proposes the following charges:</p> <ul style="list-style-type: none"> • 2024: \$9,700 • 2025: \$10,175 • 2026: \$10,650 | | |
| | <p>ii. Budget Committee positions discussion</p> <p>Two positions on our budget committee are nearing the end of their terms. In February, we will kick off the recruitment process by promoting the available openings. Interested candidates will have access to an online form for completion. During the library board meeting on February 20, the board will assess and select candidates. I will inform our current board members with expiring terms, Lani Roberts and Monica Zorza, urging them to engage in the new process and apply for the positions if they are interested.</p> <p>Here are the questions that have been posed in the past in the online form:</p> <ul style="list-style-type: none"> • Why are you interested in serving on the budget committee? • Have you served in similar capacities in the past and, if so, under what circumstances? • Please provide us with a brief resume of your background and your activities in the community. <p>During the meeting, we can deliberate on whether to include additional questions or implement any other adjustments to the process.</p> | | Rachael Fox |
| IX. | Announcements | | |
| | i. Comments from board members | | All |
| | ii. Requests/Comments from Library Director | | Rachael Fox |
| X. | <p>Agenda items for next meeting</p> <ul style="list-style-type: none"> • Code of Conduct and Use Restriction policy review • Budget Officer, Budget Committee and Budget Calendar approval | | Brian Hackett |

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| | <ul style="list-style-type: none"> • Presentation: Outreach and Bookmobile services, Bilingual Outreach Librarian Yelitza Vargas-Boots and Bookmobile Specialist Jasmin Martinez | | |
| XI. | Adjournment regular meeting | | Brian Hackett |

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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HOOD RIVER COUNTY LIBRARY DISTRICT BOARD OF DIRECTORS

SPECIAL MEETING MINUTES

DATE: December 16, 2023; 3 P.M.

The Hood River County Library District Board of Directors held a Special Meeting at 3:00 P.M. on December 16, 2023. The meeting was opened at 3:00 P.M. by Board President, Brian Hackett. Present were Board Members Brian Hackett, Jean Sheppard, Karen Bureker, and Sara Marsden. Board Member Megan Janik attended via Zoom. Also present were Ruben Cleaveland, Attorney for the District and Mo Burford, Assistant Director.

1. The meeting was opened in regular session at 3:00 P.M.
2. The Board moved into executive session at 3:05 P.M. with an announcement that the meeting would be held pursuant to ORS 192.660(2)(f): To consider information or records that are exempt by law from public inspection. Mo Burford exited the meeting while the executive session was held. During the executive session, the Board and Attorney Cleaveland reviewed a document that was exempt from disclosure pursuant to ORS 192.502(9) and ORS 40.225.
3. The Board returned to open session at 3:39 P.M. Mo Burford rejoined the meeting at this time. During open session, Jean Sheppard made the following motion: I move that we approve paid administrative leave for complainant and authorize Board President Hackett to employ HR Answers to conduct an investigation into the complaint received by District. The motion was seconded by Sara Marsden. A vote was conducted and the motion passed unanimously.
4. The meeting was adjourned at 3:41 P.M.

Brian Hackett, Board President

Board of Directors
Regular Meeting Minutes
Tuesday, December 19, 2023, 7:00pm
Library Meeting Room and Zoom
502 State St, Hood River

Library Board:

Present: Board President: Brian Hackett, *Board Vice-President:* Karen Bureker, *Board members:* Sara Marsden.

Staff members: Library Director Rachael Fox and Assistant Director Mo Burford.

Members of the public: None present.

Meeting minutes by Mo Burford and Rachael Fox

| Agenda Items | | Action | Responsible |
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| I. | Call to Order Board President Brian Hackett called the meeting to order at 7:03pm. | | Brian Hackett |
| II. | Approval of the agenda (additions/corrections/deletions) The Executive Session was removed from the agenda. Marsden made a motion to approve the amended agenda. Bureker seconded. The motion carried unanimously. | Motion | Brian Hackett |
| III. | Approval of the consent agenda i. Minutes from the November 21, regular board meeting Bureker moved to accept the consent agenda, encompassing the minutes of the November 21, 2023 regular board meeting. Marsden provided the second. The motion passed with unanimous approval. | Motion | Brian Hackett |
| IV. | Actual or potential conflicts of interest None stated. | | Brian Hackett |
| V. | Public comment (3 minutes each) None present. | | Brian Hackett |
| VI. | Reports | | |

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| | i. Friends update <ul style="list-style-type: none"> The Friends of the Library had approximately 35 Friends members attend their holiday gathering. | | Rachael Fox |
| | iii. Foundation update <ul style="list-style-type: none"> There was nothing to add to the written report. | | Rachael Fox |
| | iv. November Financial Statements There was nothing to add to the written report. | | Rachael Fox |
| | iv. Director's report <ul style="list-style-type: none"> Alongside the report, Fox mentioned that Lucy Burnett, the Public Service Clerk, has accepted a position with Hood River County and will be departing in January. Consequently, the District will be in the process of searching for a part-time Public Service Clerk for 19.5 hours per week. <p>Fox sought the library board's input on the acquisition of a new outdoor phone. The plan is to procure a weatherproof phone with a protective hood to shield users from inclement weather.</p> <p>Burford highlighted the success of the Christmas Project, noting that the library distributed hundreds of free books.</p> | | Rachael Fox |
| | VII. Old Business | | |
| | VIII. New Business | | |
| | i. 2024 SDIS Property/Casualty Insurance Renewal Fox stated that our insurance agent recommended reviewing the adequacy of our coverage for the contents of the library buildings. While SDAO accessed this information, Fox suggested conducting our own examination. Fox will look further into this matter. Additionally, Fox pointed out that the District secured approval for \$50,000 in Cyber Security Insurance coverage, aligning with the other ten accessed districts. Fox did not propose obtaining extra coverage, citing our low risk and the secure management of our records by the consortium Sage. Marsden made a motion to approve the 2024 SDIS property liability insurance from Special Districts Insurance Services for \$20,671. Bureker seconded. The motion carried unanimously. | Motion | Rachael Fox |
| | ii. Code of Conduct discussion The board discussed the preview of the process as noted in the meeting agenda. | | Rachael Fox |

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| IX. | Announcements | | |
| | i. Comments from board members Hackett mentioned that the fact-finding investigation is expected to conclude around the first of the year. Bureker inquired about any concerns regarding the employee's health. Hackett expressed confidence in their decision, and when board members questioned the timeline, Fox explained that the investigating firm is closed during the last week of December, contributing to the extended duration. | | All |
| | ii. Requests/Comments from Library Director Fox is scheduled to be on her previously arranged vacation during the last week of December. However, she will remain available in case Assistant Director Mo Burford requires assistance and will conduct payroll. | | Rachael Fox |
| X. | Agenda items for next meeting <ul style="list-style-type: none"> • Code of Conduct policy review • Audit report and presentation FY 2022-23 | | Brian Hackett |
| XI. | Adjournment regular meeting The meeting was adjourned at 7:31pm. | | Brian Hackett |

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(2)(f): To consider information or records that are exempt by law from public inspection.

ORS 192.660 (1) (i) Personnel

The Board of Directors meets on the 3rd Tuesday each month from 7:00pm to 9:00pm 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.



PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
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November 15, 2023

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 the Hood River County Library District for the year ended June 30, 2023. 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 the modified cash basis of 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 government 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 government or to acts by management or employees acting on behalf of the government. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

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

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used 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 2023. 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. A sensitive estimate affecting the basic financial statements were 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 financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, there were no uncorrected misstatements noted during the audit which were discussed with management. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the 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

We were not engaged to report on the other information, which accompanies the basic financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters – Future Accounting and Auditing Issues

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

GASB 99 – OMNIBUS 2023

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB 100 – ACCOUNTING CHANGES AND ERROR CORRECTIONS – an amendment of GASB 62

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB 101 – COMPENSATED ABSENCES

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

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.

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

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

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

For the Year Ended June 30, 2023

FINANCIAL REPORT



12700 SW 72nd Ave.
Tigard, OR 97223

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

2022-23

FINANCIAL REPORT

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

2022-23

BOARD OF DIRECTORS

TERM EXPIRES

Karen Bureker, Vice President

June 30, 2025

Brian Hackett

June 30, 2023

Jean Sheppard, President

June 30, 2023

Sara Marsden

June 30, 2025

Megan Janik

June 30, 2025

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

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

TABLE OF CONTENTS

PAGE
NUMBER

| | |
|--|----|
| INDEPENDENT AUDITORS' REPORT | 1 |
| <u>OTHER INFORMATION</u> | |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 4 |
| <u>BASIC FINANCIAL STATEMENTS</u> | |
| Government-Wide Financial Statements: | |
| Statement of Net Position – Modified Cash Basis | 8 |
| Statement of Activities – Modified Cash Basis | 9 |
| Fund Financial Statements: | |
| Balance Sheet – Modified Cash Basis – Governmental Funds | 10 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | 11 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis – Governmental Funds | 12 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities | 13 |
| Notes to Basic Financial Statements | 14 |
| <u>SUPPLEMENTARY INFORMATION</u> | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis – Actual and Budget: | |
| General Fund | 23 |
| Grants Fund | 25 |
| Capital Equipment Reserve Fund | 26 |
| <u>REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS</u> | |
| INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS | 27 |



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November 15, 2023

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

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying modified cash basis 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, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in modified cash basis financial position for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hood River County Library District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – 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.

Responsibilities of Management 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 as described in Note 1, and for 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hood River County Library District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hood River County Library District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 15, 2023, 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.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. 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 increased by \$45,127, from \$1,160,205 to \$1,205,332. At June 30, 2023, the District's governmental funds reported combined ending fund balances of \$1,187,495.

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.

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 2022 and 2023 is listed below:

The revenues and expenses below explain the change in net position for the fiscal year ended June 30, 2023.

Net Position

| | 2022 | 2023 |
|---------------------------|--------------------|--------------------|
| ASSETS: | | |
| Cash and cash equivalents | \$1,150,715 | \$1,189,681 |
| Employee draws | \$0 | \$0 |
| Property Taxes Receivable | \$29,832 | \$33,299 |
| Total Assets | \$1,180,547 | \$1,222,980 |
| LIABILITIES: | | |
| Compensated absences | \$20,171 | \$15,462 |
| Payroll liabilities | \$171 | \$2,186 |
| | \$20,342 | \$17,648 |
| NET POSITION: | | |
| | \$1,160,205 | \$1,205,332 |

Changes in Net Position

| | Activities 2021-22 | % of total | Activities 2022-23 | % of total |
|-------------------------------------|-----------------------|--------------|-----------------------|--------------|
| Operating Revenues: | | | | |
| Charges for services | \$3,361 | 0.3% | \$3,573 | 0.26% |
| Operating Grants and Contributions | \$84,607 | 7.1% | \$99,835 | 7.20% |
| Total Operating Revenues | \$87,968 | 7.37% | \$103,408 | 7.45% |
| General Revenues: | | | | |
| Property Taxes | \$1,090,118 | 91.3% | \$1,173,853 | 84.61% |
| Interest on Investments | \$6,810 | 0.6% | \$28,344 | 2.04% |
| Other Revenues | \$8,768 | 0.7% | \$81,786 | 5.89% |
| Total General Revenues | \$1,105,696 | 92.6% | \$1,283,983 | 92.5% |
| Total Revenues | \$1,193,664 | | \$1,387,391 | |
| Operating Expenditures: | | | | |
| General Operations | \$1,293,703 | 100.00% | \$1,342,264 | 100.00% |
| Total Operating Expenditures | \$1,293,703 | | \$1,342,264 | |
| Changes in Net Position | (100,039) | | 45,127 | |
| Net Position, Beginning | \$1,260,244 | | \$1,160,205 | |
| Net Position, Ending | \$1,160,205 | | \$1,205,332 | |

Revenues

During the 2022-23 fiscal year, 7.2% of the cost of the District's operations were funded by operating grants and contributions, compared to 7.1% in 2021-22. The remaining 92.8% 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, 2023, the District's governmental funds reported combined unassigned ending fund balance of \$931,305 an increase of \$23,703 compared to 2022. It was \$264,753 more than the \$666,552 unappropriated ending fund balance budgeted for the 2022-23 fiscal year.

The General Fund had revenue and expenditures of \$1,199,628 and \$1,155,925 respectively. Revenues increased 6.4% and expenditures increased 11.1% over the 2021-22 fiscal year. Overall, the General Fund balance increased from \$907,602 to \$931,305.

In addition, a transfer of \$20,000 was made to the Capital Equipment Reserve Fund.

The Grant Fund had revenues and expenditures of \$181,435 and \$158,158 respectively, leaving a fund balance of \$134,034.

The Capital Equipment Reserve Fund received a transfer from the General Fund of \$20,000. In addition, there was \$2,861 in interest revenue and expenditures were \$32,890, leaving a fund balance of \$122,156.

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

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF NET POSITION – MODIFIED CASH BASIS
June 30, 2023

ASSETS:

| | |
|---------------------------|----------------------|
| Cash and cash equivalents | \$ 1,189,681 |
| Property taxes receivable | <u>33,299</u> |
| Total Assets | <u>1,222,980</u> |

LIABILITIES:

| | |
|-----------------------|-------------------|
| Payroll liabilities | 2,186 |
| Compensated absences | <u>15,462</u> |
| Total Liabilities | <u>17,648</u> |

NET POSITION:

| | |
|------------------------|--------------------------------|
| Restricted | 256,190 |
| Unrestricted | <u>949,142</u> |
| Total Net Position | <u><u>\$ 1,205,332</u></u> |

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, 2023

| FUNCTIONS | DISBURSEMENTS | PROGRAM RECEIPTS | | NET (DISBURSEMENT) RECEIPT AND CHANGES IN NET POSITION |
|----------------------------------|---------------------|----------------------------|--|--|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | |
| General Operations | \$ 1,342,264 | \$ 3,573 | \$ 99,835 | \$ (1,238,856) |
| Total Governmental Activities | <u>\$ 1,342,264</u> | <u>\$ 3,573</u> | <u>\$ 99,835</u> | <u>(1,238,856)</u> |
| General Receipts: | | | | |
| Property taxes | | | | 1,173,853 |
| Interest and investment earnings | | | | 28,344 |
| Other receipts | | | | <u>81,786</u> |
| Total General Receipts | | | | <u>1,283,983</u> |
| Changes in Net Position | | | | 45,127 |
| Net Position - Beginning | | | | <u>1,160,205</u> |
| Net Position - Ending | | | | <u>\$ 1,205,332</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, 2023

| | GENERAL | GRANTS FUND | CAPITAL EQUIPMENT RESERVE FUND | TOTAL |
|--|-------------------|-------------------|---|---------------------|
| ASSETS: | | | | |
| Cash and investments | \$ 933,491 | \$ 134,034 | \$ 122,156 | \$ 1,189,681 |
| Property taxes receivable | 33,299 | - | - | 33,299 |
| Total Assets | <u>\$ 966,790</u> | <u>\$ 134,034</u> | <u>\$ 122,156</u> | <u>\$ 1,222,980</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE: | | | | |
| Liabilities: | | | | |
| Payroll liabilities | \$ 2,186 | \$ - | \$ - | \$ 2,186 |
| Total Liabilities | <u>2,186</u> | <u>-</u> | <u>-</u> | <u>2,186</u> |
| Deferred Inflows: | | | | |
| Unavailable revenue | <u>33,299</u> | <u>-</u> | <u>-</u> | <u>33,299</u> |
| Total Deferred Inflows | <u>33,299</u> | <u>-</u> | <u>-</u> | <u>33,299</u> |
| Fund Balance: | | | | |
| Restricted | - | 134,034 | 122,156 | 256,190 |
| Unassigned | <u>931,305</u> | <u>-</u> | <u>-</u> | <u>931,305</u> |
| Total Fund Balance | <u>931,305</u> | <u>134,034</u> | <u>122,156</u> | <u>1,187,495</u> |
| Total Liabilities, Deferred Inflows, and Fund Balance | <u>\$ 966,790</u> | <u>\$ 134,034</u> | <u>\$ 122,156</u> | <u>\$ 1,222,980</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, 2023

| | |
|--|---------------------|
| Total Fund Balances - Governmental Funds | \$ 1,187,495 |
| Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's disbursements, and therefore are unavailable in the funds. | 33,299 |
| Accrued compensated absences are not due and payable in the current period and accordingly are not reported as a fund liability. | <u>(15,462)</u> |
| Net Position | <u>\$ 1,205,332</u> |

See accompanying notes to basic financial statements

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS –
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

| | GENERAL | GRANTS FUND | CAPITAL EQUIPMENT RESERVE FUND | TOTAL |
|--|--------------|----------------|---|--------------|
| RECEIPTS: | | | | |
| From Local Sources: | | | | |
| Taxes | \$ 1,170,386 | \$ - | \$ - | \$ 1,170,386 |
| Earnings On Investments | 25,483 | - | 2,861 | 28,344 |
| Donations and Grants | - | 99,835 | - | 99,835 |
| Other Local Sources | 3,759 | 81,600 | - | 85,359 |
| Total Receipts | 1,199,628 | 181,435 | 2,861 | 1,383,924 |
| DISBURSEMENTS: | | | | |
| Personal Services | 733,410 | 1,125 | - | 734,535 |
| Materials and Services | 422,515 | 153,043 | - | 575,558 |
| Capital Outlay | - | 3,990 | 32,890 | 36,880 |
| Total Disbursements | 1,155,925 | 158,158 | 32,890 | 1,346,973 |
| Excess of Receipts Over, (Under) Disbursements | 43,703 | 23,277 | (30,029) | 36,951 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 20,000 | 20,000 |
| Transfers Out | (20,000) | - | - | (20,000) |
| Total Other Financing Sources (Uses) | (20,000) | - | 20,000 | - |
| Net Change in Fund Balance | 23,703 | 23,277 | (10,029) | 36,951 |
| Fund Balance, Beginning | 907,602 | 110,757 | 132,185 | 1,150,544 |
| Fund Balance, Ending | \$ 931,305 | \$ 134,034 | \$ 122,156 | \$ 1,187,495 |

See accompanying notes to basic financial statements

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

Reconciliation of the Governmental Funds
Statement of Receipts, Disbursements and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2023

| | | |
|---|----|--------|
| Total Net Changes in Fund Balances - Governmental Funds | \$ | 36,951 |
|---|----|--------|

| | | |
|--|--|-------|
| Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's disbursements, and therefore are unavailable in the funds. | | 3,467 |
|--|--|-------|

| | | |
|---|--|--------------|
| Compensated absences are recognized as disbursements in the governmental funds when they are paid. In the Statement of Activities, these liabilities are recognized as disbursements when earned. | | <u>4,709</u> |
|---|--|--------------|

| | | |
|---|----|----------------------|
| Change in Net Position of Governmental Activities | \$ | <u><u>45,127</u></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.

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

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 (CONTINUED)

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

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)

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)

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, 2023.

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.

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. ACCRUED COMPENSATED ABSENCES

It is Hood River County Library District's 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.
- 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.

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)

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 INFLOWS OF RESOURCES

In addition to liabilities, the governmental balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance 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.

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, 2023, the District had deposits of \$200,744, all of which is insured by FDIC.

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

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, 2023, (recorded at fair value) consisted of:

| | 2023 |
|---------------------------------|--------------|
| Bank Demand Deposits - Checking | \$ 153,357 |
| Investments | 1,035,908 |
| Petty Cash | 416 |
| | <hr/> |
| Total | \$ 1,189,681 |

| <u>Investment Type</u> | <u>Investment Maturities (in months)</u> | | |
|-------------------------------------|--|--------------------|--------------------|
| | <u>Fair Value</u> | <u>Less than 3</u> | <u>More than 3</u> |
| Hood River County's Investment Pool | \$ 1,035,908 | \$ 1,035,908 | \$ - |
| | <hr/> | <hr/> | <hr/> |
| Total | \$ 1,035,908 | \$ 1,035,908 | \$ - |

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.

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, 2023, 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

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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, 2023, 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, 2023, 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.

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.

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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 that no material implicit rate subsidy exists and therefore is no OPEB obligation for implicit post-employment benefits.

7. OPERATING LEASES

The District has three operating leases – the first operating lease is with Parkdale Community Center for the space currently used for the Parkdale Branch Library. The lease term ends in 2024 and has a yearly payment of \$2,000.

The second lease the District entered into is a lease with the Hood River County School District Library Branch of the Hood River County Library District. The lease began July,1 2021 and ends June 30, 2023 and the monthly payment is \$1,115.

The third lease the District entered into a printer lease with the Solutions Yes, LLC. The lease began August 2019 and ends August 2024, and the monthly payment is \$160.

The total lease expense as of June 30, 2023 is \$18,303.

Future lease payments are as follows:

| FYE | Minimum Payment |
|-----------|-----------------|
| 2023-2024 | \$ 5,128 |
| 2024-2025 | 1,368 |
| 2025-2026 | 1,209 |
| 2026-2027 | 1,209 |
| 2027-2028 | 1,061 |
| Total | <u>\$ 9,975</u> |

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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 | \$ - | \$ (20,000) |
| Capital Equipment Reserve Fund | <u>20,000</u> | <u>-</u> |
| | <u>\$ 20,000</u> | <u>\$ (20,000)</u> |

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SUPPLEMENTARY INFORMATION

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE –
MODIFIED CASH BASIS - ACTUAL AND BUDGET
For the Year Ended June 30, 2023

GENERAL FUND

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE TO FINAL BUDGET</u> |
|-------------------|----------------------------|-------------------------|---------------------|---|
| RECEIPTS: | | | | |
| Property Taxes | \$ 1,123,210 | \$ 1,123,210 | \$ 1,170,386 | \$ 47,176 |
| Interest | 7,000 | 7,000 | 25,483 | 18,483 |
| Intergovernmental | - | - | 186 | 186 |
| Fees & Fines | <u>3,000</u> | <u>3,000</u> | <u>3,573</u> | <u>573</u> |
| Total Receipts | <u>\$ 1,133,210</u> | <u>\$ 1,133,210</u> | <u>\$ 1,199,628</u> | <u>\$ 66,418</u> |

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE –
MODIFIED CASH BASIS - ACTUAL AND BUDGET
For the Year Ended June 30, 2023

| | <u>GENERAL FUND</u> | | | |
|--|----------------------------|-------------------------|-------------------|-------------------------------------|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE TO FINAL BUDGET</u> |
| DISBURSEMENTS: | | | | |
| Personal Services | \$ 822,003 | \$ 822,003 | (1) \$ 733,410 | \$ 88,593 |
| Materials and Services | 422,655 | 422,655 | (1) 422,515 | 140 |
| Contingency | 112,000 | 112,000 | (1) - | 112,000 |
| | <u>1,356,658</u> | <u>1,356,658</u> | <u>1,155,925</u> | <u>200,733</u> |
| Total Disbursements | | | | |
| Excess of Receipts Over, (Under) Disbursements | (223,448) | (223,448) | 43,703 | 267,151 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (20,000) | (20,000) | (1) (20,000) | - |
| | <u>(20,000)</u> | <u>(20,000)</u> | <u>(20,000)</u> | <u>-</u> |
| Total Other Financing Sources, (Uses) | | | | |
| Net Change in Fund Balance | (243,448) | (243,448) | 23,703 | 267,151 |
| Fund Balance - Beginning | 910,000 | 910,000 | 907,602 | (2,398) |
| Fund Balance - Ending | <u>\$ 666,552</u> | <u>\$ 666,552</u> | <u>\$ 931,305</u> | <u>\$ 264,753</u> |
| (1) Appropriation Level | | | | |

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE –
MODIFIED CASH BASIS - ACTUAL AND BUDGET

For the Year Ended June 30, 2023

| | <u>GRANTS FUND</u> | | | |
|----------------------------|----------------------------|-------------------------|-------------------|-------------------------------------|
| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE TO FINAL BUDGET</u> |
| RECEIPTS: | | | | |
| Donations and Grants | \$ 170,000 | \$ 170,000 | \$ 99,835 | \$ (70,165) |
| Intergovernmental | 150,000 | 150,000 | 81,600 | (68,400) |
| Total Receipts | <u>320,000</u> | <u>320,000</u> | <u>181,435</u> | <u>(138,565)</u> |
| DISBURSEMENTS: | | | | |
| Personal Services: | 11,600 | 11,600 (1) | 1,125 | 10,475 |
| Materials and Services | 278,400 | 278,400 (1) | 153,043 | 125,357 |
| Capital Outlay | 100,000 | 100,000 (1) | 3,990 | 96,010 |
| Total Disbursements | <u>390,000</u> | <u>390,000</u> | <u>158,158</u> | <u>231,842</u> |
| Net Change in Fund Balance | (70,000) | (70,000) | 23,277 | 93,277 |
| Fund Balance - Beginning | <u>70,000</u> | <u>70,000</u> | <u>110,757</u> | <u>40,757</u> |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 134,034</u> | <u>\$ 134,034</u> |
| (1) Appropriation Level | | | | |

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE –
MODIFIED CASH BASIS - ACTUAL AND BUDGET
For the Year Ended June 30, 2023

CAPITAL EQUIPMENT RESERVE FUND

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE TO FINAL BUDGET |
|--|--------------------|-----------------|------------|-----------------------------|
| RECEIPTS: | | | | |
| Interest Earnings | \$ 1,000 | \$ 1,000 | \$ 2,861 | \$ 1,861 |
| Total Receipts | 1,000 | 1,000 | 2,861 | 1,861 |
| DISBURSEMENTS: | | | | |
| Capital Outlay | 125,000 | 125,000 (1) | 32,890 | 92,110 |
| Total Disbursements | 125,000 | 125,000 | 32,890 | 92,110 |
| Excess of Receipts Over, (Under) Disbursements | (124,000) | (124,000) | (30,029) | 93,971 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 20,000 | 20,000 | 20,000 | - |
| Total Other Financing Sources, (Uses) | 20,000 | 20,000 | 20,000 | - |
| Net Change in Fund Balance | (104,000) | (104,000) | (10,029) | 93,971 |
| Fund Balance - Beginning | 141,000 | 141,000 | 132,185 | (8,815) |
| Fund Balance - Ending | \$ 37,000 | \$ 37,000 | \$ 122,156 | \$ 85,156 |

(1) Appropriation Level

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



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

November 15, 2023

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, 2023, and have issued our report thereon dated November 15, 2023. 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.

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.

Tara M. Kamp, CPA

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

HOOD RIVER COUNTY LIBRARY DISTRICT

Compiled Financial Statements November 30, 2023

TABLE OF CONTENTS

| | |
|---|-----|
| Independent Accountants' Compilation Report | 1 |
| Balance Sheet – Cash Basis | 2 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Cash Basis. | 3 |
| Supplementary Information: | |
| Statement of Revenues and Expenditures – Cash Basis: | |
| General Fund. | 4-5 |
| Grants Fund. | 6 |
| Capital Equipment Reserve Fund | 7 |
| Schedule of Revenues and Expenditures and Changes in Fund Balance – Cash Basis – Grants Funds. | 8 |

Onstott, Broehl & Cyphers, P.C.

Certified Public Accountants

KENNETH L. ONSTOTT, c.p.a.
JAMES T. BROEHL, c.p.a.
RICK M. CYPHERS, c.p.a.

MEMBERS:
American Institute of c.p.a.'s
Oregon Society of c.p.a.'s

OFFICE:

100 EAST FOURTH STREET
THE DALLES, OREGON 97058
Telephone: (541) 296-9131
Fax: (541) 296-6151

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

Management is responsible for the accompanying interim financial statements of Hood River County Library District, which comprise the balance sheet – cash basis as of November 30, 2023, and the related statement of revenues, expenditures and changes in fund balance – cash basis for the one month and five 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 8 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
December 20, 2023

Hood River County Library District
Balance Sheet - Cash Basis
November 30, 2023

ASSETS

| | General Fund | Grants Fund | Capital Equipment Reserve Fund | Total |
|-----------------------------|---------------------------|-------------------------|---|---------------------------|
| Current Assets: | | | | |
| Cash in bank - Umpqua Bank | \$31,242 | | | \$31,242 |
| Cash with Hood River County | 1,478,919 | \$101,535 | \$94,228 | 1,674,682 |
| Petty cash | 416 | | | 416 |
| Other | 1,102 | | | 1,102 |
| Total Current Assets | <u>1,511,679</u> | <u>101,535</u> | <u>94,228</u> | <u>1,707,442</u> |
| TOTAL ASSETS | <u><u>\$1,511,679</u></u> | <u><u>\$101,535</u></u> | <u><u>\$94,228</u></u> | <u><u>\$1,707,442</u></u> |

LIABILITIES & FUND BALANCES

| | | | | |
|-----------------------------------|---------------------------|-------------------------|------------------------|---------------------------|
| Liabilities | | | | |
| Current Liabilities | | | | |
| Payroll liabilities | \$1,756 | | | \$1,756 |
| Total Current Liabilities | <u>1,756</u> | <u>0</u> | <u>0</u> | <u>1,756</u> |
| Total Liabilities | <u>1,756</u> | <u>0</u> | <u>0</u> | <u>1,756</u> |
| Fund Balances: | | | | |
| Unassigned | <u>1,509,923</u> | <u>101,535</u> | <u>94,228</u> | <u>1,705,686</u> |
| TOTAL LIABILITIES & FUND BALANCES | <u><u>\$1,511,679</u></u> | <u><u>\$101,535</u></u> | <u><u>\$94,228</u></u> | <u><u>\$1,707,442</u></u> |

See Independent Accountants' Compilation Report

HOOD RIVER COUNTY LIBRARY
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Cash Basis
For the Five Months Ended November 30, 2023

| | General Fund | Grants Fund | Capital Equipment Reserve Fund | Total |
|--|--------------------|------------------|---|--------------------|
| Revenues: | | | | |
| Donations and grants | \$0 | \$8,380 | | \$8,380 |
| Property tax revenues - current year | 1,069,642 | | | 1,069,642 |
| Property tax revenues - prior year | 5,889 | | | 5,889 |
| Fines and fees | 1,913 | | | 1,913 |
| Intergovernmental revenue | 246 | | | 246 |
| Interest revenue | 12,107 | | \$1,694 | 13,801 |
| Miscellaneous | (697) | | | (697) |
| Total Revenues | 1,089,100 | 8,380 | 1,694 | 1,099,174 |
| Expenditures: | | | | |
| Personal services: | | | | |
| Wages and salaries | 254,386 | | | 254,386 |
| Employee benefits | 82,329 | | | 82,329 |
| Total Personal Services | 336,715 | 0 | 0 | 336,715 |
| Materials and services: | | | | |
| Bank charges | 128 | | | 128 |
| Bookmobile | 415 | | | 415 |
| Building rental | 8,246 | | | 8,246 |
| Building maintenance | 12,844 | | | 12,844 |
| HVAC | 0 | | | 0 |
| Elevator | 1,167 | | | 1,167 |
| Telephone | 2,898 | 29 | | 2,927 |
| Internet | 4,523 | | | 4,523 |
| Collection development | 34,819 | 11,204 | | 46,023 |
| Technology | 3,899 | | | 3,899 |
| Accounting and auditing | 19,365 | | | 19,365 |
| Courier | 0 | | | 0 |
| Custodial services | 10,549 | | | 10,549 |
| Technical services | 3,627 | | | 3,627 |
| Library consortium | 16,309 | | | 16,309 |
| Copiers | 6,786 | | | 6,786 |
| Elections expense | 2,637 | | | 2,637 |
| Furniture and equipment | 1,118 | 4,346 | | 5,464 |
| Insurance | 0 | | | 0 |
| Georgiana Smith Memorial Garden | 5,094 | | | 5,094 |
| Legal services | 1,487 | | | 1,487 |
| Professional services | 1,305 | | | 1,305 |
| Dues and subscriptions | 1,994 | | | 1,994 |
| Miscellaneous | 1,897 | | | 1,897 |
| Postage and freight | 436 | | | 436 |
| Printing | 190 | | | 190 |
| Programs | 8,976 | 25,112 | | 34,088 |
| Advertising | 119 | | | 119 |
| Supplies - office | 8,066 | 188 | | 8,254 |
| Travel | 1,334 | | | 1,334 |
| Training | 1,251 | | | 1,251 |
| Board development | 795 | | | 795 |
| Electricity | 8,055 | | | 8,055 |
| Garbage | 827 | | | 827 |
| Natural gas | 428 | | | 428 |
| Water & sewer - building | 2,183 | | | 2,183 |
| Total Materials and Services | 173,767 | 40,879 | 0 | 214,646 |
| Capital outlay | 0 | 0 | 29,622 | 29,622 |
| Total Expenditures | 510,482 | 40,879 | 29,622 | 580,983 |
| Revenues Over Expenditures | 578,618 | (32,499) | (27,928) | 518,191 |
| Other Financing Sources (Uses) | | | | |
| Operating transfers in | | | 0 | 0 |
| Operating transfers out | 0 | | | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 |
| Revenues and Other Financing Sources (Uses) Over Expenditures | 578,618 | (32,499) | (27,928) | 518,191 |
| Fund Balance - July 1, 2023 | 931,305 | 134,034 | 122,156 | 1,187,495 |
| Fund Balance - November 30, 2023 | \$1,509,923 | \$101,535 | \$94,228 | \$1,705,686 |

See Independent Accountants' Compilation Report

HOOD RIVER COUNTY LIBRARY DISTRICT
General Fund
Statement of Revenues and Expenditures - Cash Basis
For the One Month and Five Months Ended
November 30, 2023

| | Current Period Actual | Year to Date Actual | Annual Budget |
|--------------------------------|--------------------------|------------------------|------------------|
| Revenues: | | | |
| Tax revenues - current | \$1,006,372 | \$1,069,642 | \$1,199,267 |
| Tax revenues - prior year | 1,901 | 5,889 | 25,000 |
| Interest revenue | 1 | 12,107 | 10,000 |
| Fines and fees | 559 | 1,913 | 3,500 |
| Intergovernmental revenue | 0 | 246 | 0 |
| Miscellaneous | (797) | (697) | 0 |
| Total Revenues | <u>1,008,036</u> | <u>1,089,100</u> | <u>1,237,767</u> |
| Expenditures: | | | |
| Personal services: | | | |
| Wages and salaries: | | | |
| Library clerk I | 714 | 3,410 | 9,042 |
| Library clerk II | 2,054 | 59,970 | 142,958 |
| Library assistant I | 5,936 | 30,778 | 72,945 |
| Library assistant II | 9,163 | 35,111 | 108,829 |
| Librarian I | 21,047 | 56,685 | 149,488 |
| Librarian II | 5,717 | 28,406 | 69,971 |
| Library director | 8,086 | 40,026 | 94,644 |
| Payroll taxes and benefits: | | | |
| Retirement | 4,281 | 20,639 | 51,473 |
| Social security | 3,968 | 19,195 | 49,965 |
| Workers' compensation | 22 | 396 | 1,300 |
| Health insurance | 11,636 | 40,326 | 165,750 |
| Unemployment insurance | 569 | 1,773 | 4,572 |
| Paid family and medical leave | 0 | 0 | 6,479 |
| Total Personal Services | <u>73,193</u> | <u>336,715</u> | <u>927,416</u> |
| Materials and services: | | | |
| Bank charges | 16 | 128 | 300 |
| Bookmobile | 0 | 415 | 5,000 |
| Building rental | 1,227 | 8,246 | 17,500 |
| Building maintenance | 2,155 | 12,844 | 20,000 |
| HVAC | 0 | 0 | 15,000 |
| Elevator | 195 | 1,167 | 2,500 |
| Telephone | 75 | 2,898 | 6,300 |
| Internet | 235 | 4,523 | 8,000 |
| Collection development | 7,569 | 34,819 | 90,000 |
| Technology | 1,787 | 3,899 | 14,000 |
| Accounting and auditing | 5,145 | 19,365 | 32,000 |
| Courier | 0 | 0 | 2,300 |

See Independent Accountants' Compilation Report

HOOD RIVER COUNTY LIBRARY DISTRICT
General Fund
Statement of Revenues and Expenditures - Cash Basis
For the One Month and Five Months Ended
November 30, 2023

| | Current Period Actual | Year to Date Actual | Annual Budget |
|---|--------------------------|------------------------|------------------------|
| Custodial services | 306 | 10,549 | 29,000 |
| Technical services | 0 | 3,627 | 4,000 |
| Library consortium | 0 | 16,309 | 16,500 |
| Copiers | 1,401 | 6,786 | 5,000 |
| Elections expense | 0 | 2,637 | 0 |
| Furniture and equipment | 0 | 1,118 | 4,000 |
| Insurance | 0 | 0 | 20,000 |
| Georgiana Smith Memorial Garden | 838 | 5,094 | 20,000 |
| Legal services | 315 | 1,487 | 4,000 |
| Professional services | 0 | 1,305 | 0 |
| Membership dues | 829 | 1,994 | 4,000 |
| Miscellaneous | 665 | 1,897 | 2,500 |
| Postage and freight | 20 | 436 | 1,500 |
| Printing | 110 | 190 | 1,000 |
| Programs | 1,917 | 8,976 | 20,000 |
| Advertising | 0 | 119 | 2,500 |
| Office supplies | 1,180 | 8,066 | 14,000 |
| Travel | 0 | 1,334 | 4,000 |
| Training | 61 | 1,251 | 3,000 |
| Board development | 705 | 795 | 1,500 |
| Parking reimbursement | 0 | 0 | 500 |
| Electricity | 1,425 | 8,055 | 20,000 |
| Garbage | 152 | 827 | 2,000 |
| Natural gas | 258 | 428 | 10,000 |
| Water & sewer - building | 433 | 2,183 | 5,600 |
| Total Materials and Services | 29,019 | 173,767 | 407,500 |
| Capital Outlay | 0 | 0 | 0 |
| Contingency | 0 | 0 | 100,000 |
| Total Expenditures | 102,212 | 510,482 | 1,434,916 |
| Other Financing Sources (Uses) | | | |
| Operating transfers In | 0 | 0 | 0 |
| Operating transfers out | 0 | 0 | (10,000) |
| Total Other Financing Sources (Uses) | 0 | 0 | (10,000) |
| Change in Fund Balance | \$905,824 | \$578,618 | (\$207,149) |

See Independent Accountants' Compilation Report

HOOD RIVER COUNTY LIBRARY DISTRICT
Grants Fund
Statement of Revenues and Expenditures - Cash Basis
For the One Month and Five Months Ended
November 30, 2023

| | Current Period <u>Actual</u> | Year to Date <u>Actual</u> | Annual <u>Budget</u> |
|-------------------------------|---------------------------------|-------------------------------|---------------------------|
| Revenues: | | | |
| Donations and grants | \$0 | \$8,380 | \$270 |
| Intergovernmental revenue | 0 | 0 | 0 |
| Total Revenues | <u>0</u> | <u>8,380</u> | <u>270</u> |
| Expenditures: | | | |
| Personal services | 0 | 0 | 11,000 |
| Materials and services: | 7,376 | 40,879 | 269,000 |
| Capital outlay | 0 | 0 | 100,000 |
| Total Expenditures | <u>7,376</u> | <u>40,879</u> | <u>380,000</u> |
| Change in Fund Balance | <u><u>(\$7,376)</u></u> | <u><u>(\$32,499)</u></u> | <u><u>(\$379,730)</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 Five Months Ended
November 30, 2023

| | <u>Current Period</u> <u>Actual</u> | <u>Year to Date</u> <u>Actual</u> | <u>Annual</u> <u>Budget</u> |
|--------------------------------|--|--------------------------------------|--------------------------------|
| Revenues: | | | |
| Interest revenue | \$0 | \$1,694 | \$2,000 |
| Other Financing Sources | | | |
| Transfer from General Fund | 0 | 0 | 10,000 |
| Total Revenues and | | | |
| Other Sources | <u>0</u> | <u>1,694</u> | <u>12,000</u> |
| Expenditures: | | | |
| Materials and services | 0 | 0 | 0 |
| Capital outlay | 0 | 29,622 | 75,000 |
| Total Expenditures | <u>0</u> | <u>29,622</u> | <u>75,000</u> |
| Change in Fund Balance | <u><u>\$0</u></u> | <u><u>(\$27,928)</u></u> | <u><u>(\$63,000)</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 Five Months Ended November 30, 2023

| | Newspaper Digitization | Foundation Grants | Other Grants | Friends of the Library | Pat Hazelhurst | CARES Act | R2R 2023 | HR Cultural Trust | Safety Grant | Total |
|----------------------------------|---------------------------|----------------------|-----------------|---------------------------|-------------------|-----------|----------|----------------------|-----------------|-----------|
| Revenues: | | | | | | | | | | |
| Donations and grants | \$0 | \$0 | \$2,380 | \$6,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$8,380 |
| Intergovernmental revenue | | | | | | | | | | 0 |
| Total Revenues | 0 | 0 | 2,380 | 6,000 | 0 | 0 | 0 | 0 | 0 | 8,380 |
| Expenditures: | | | | | | | | | | |
| Personal services: | | | | | | | | | | |
| Wages and salaries | | | | | | | | | | 0 |
| Employee benefits | | | | | | | | | | 0 |
| Total Personal Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Materials and services: | | | | | | | | | | |
| Telephone | | | | | 29 | | | | | 29 |
| Supplies - office | | 188 | | | | | | | | 188 |
| Collection development | | 8,026 | | 1,627 | 1,066 | | 485 | | | 11,204 |
| Programs | | 10,457 | 799 | 7,455 | 1,972 | | 4,429 | | | 25,112 |
| Furniture & equipment | | 3,340 | | | 530 | | | | 476 | 4,346 |
| Total Materials and Services | 0 | 22,011 | 799 | 9,082 | 3,597 | 0 | 4,914 | 0 | 476 | 40,879 |
| Capital outlay | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 22,011 | 799 | 9,082 | 3,597 | 0 | 4,914 | 0 | 476 | 40,879 |
| Net Change in Fund Balance | 0 | (22,011) | 1,581 | (3,082) | (3,597) | 0 | (4,914) | 0 | (476) | (32,499) |
| Fund Balance - July 1, 2023 | 338 | 102,259 | 3,052 | 4,381 | 14,093 | 1,781 | 5,154 | 2,500 | 476 | 134,034 |
| Fund Balance - November 30, 2023 | \$338 | \$80,248 | \$4,633 | \$1,299 | \$10,496 | \$1,781 | \$240 | \$2,500 | \$0 | \$101,535 |

See Independent Accountants' Compilation Report

HOOD RIVER COUNTY LIBRARY DISTRICT

Compiled Financial Statements December 31, 2023

TABLE OF CONTENTS

| | |
|---|-----|
| Independent Accountants' Compilation Report | 1 |
| Balance Sheet – Cash Basis | 2 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Cash Basis. | 3 |
| Supplementary Information: | |
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| Grants Fund. | 6 |
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Onstott, Broehl & Cyphers, P.C.

Certified Public Accountants

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

Management is responsible for the accompanying interim financial statements of Hood River County Library District, which comprise the balance sheet – cash basis as of December 31, 2023, 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.

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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 8 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, 2024

Hood River County Library District
Balance Sheet - Cash Basis
December 31, 2023

ASSETS

| | General Fund | Grants Fund | Capital Equipment Reserve Fund | Total |
|-----------------------------|---------------------------|------------------------|---|---------------------------|
| Current Assets: | | | | |
| Cash in bank - Umpqua Bank | \$213,023 | | | \$213,023 |
| Cash with Hood River County | 1,235,136 | \$87,927 | \$94,287 | 1,417,350 |
| Petty cash | 416 | | | 416 |
| Total Current Assets | <u>1,448,575</u> | <u>87,927</u> | <u>94,287</u> | <u>1,630,789</u> |
| TOTAL ASSETS | <u><u>\$1,448,575</u></u> | <u><u>\$87,927</u></u> | <u><u>\$94,287</u></u> | <u><u>\$1,630,789</u></u> |

LIABILITIES & FUND BALANCES

| | | | | |
|-----------------------------------|---------------------------|------------------------|------------------------|---------------------------|
| Liabilities | | | | |
| Current Liabilities | | | | |
| Payroll liabilities | \$8,103 | | | \$8,103 |
| Total Current Liabilities | <u>8,103</u> | <u>0</u> | <u>0</u> | <u>8,103</u> |
| Total Liabilities | <u>8,103</u> | <u>0</u> | <u>0</u> | <u>8,103</u> |
| Fund Balances: | | | | |
| Unassigned | <u>1,440,472</u> | <u>87,927</u> | <u>94,287</u> | <u>1,622,686</u> |
| TOTAL LIABILITIES & FUND BALANCES | <u><u>\$1,448,575</u></u> | <u><u>\$87,927</u></u> | <u><u>\$94,287</u></u> | <u><u>\$1,630,789</u></u> |

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, 2023

| | General Fund | Grants Fund | Capital Equipment Reserve Fund | Total |
|--|--------------------|-----------------|---|--------------------|
| Revenues: | | | | |
| Donations and grants | \$0 | \$8,380 | | \$8,380 |
| Property tax revenues - current year | 1,104,322 | | | 1,104,322 |
| Property tax revenues - prior year | 6,667 | | | 6,667 |
| Fines and fees | 2,235 | | | 2,235 |
| Intergovernmental revenue | 246 | | | 246 |
| Interest revenue | 17,555 | | \$2,660 | 20,215 |
| Miscellaneous | 100 | | | 100 |
| Total Revenues | 1,131,125 | 8,380 | 2,660 | 1,142,165 |
| Expenditures: | | | | |
| Personal services: | | | | |
| Wages and salaries | 310,147 | | | 310,147 |
| Employee benefits | 90,849 | | | 90,849 |
| Total Personal Services | 400,996 | 0 | 0 | 400,996 |
| Materials and services: | | | | |
| Bank charges | 144 | | | 144 |
| Bookmobile | 415 | | | 415 |
| Building rental | 9,473 | | | 9,473 |
| Building maintenance | 13,715 | | | 13,715 |
| HVAC | 1,781 | | | 1,781 |
| Elevator | 1,167 | | | 1,167 |
| Telephone | 3,840 | 29 | | 3,869 |
| Internet | 4,935 | | | 4,935 |
| Collection development | 47,211 | 19,869 | | 67,080 |
| Technology | 6,871 | | | 6,871 |
| Accounting and auditing | 28,765 | | | 28,765 |
| Courier | 0 | | | 0 |
| Custodial services | 13,702 | | | 13,702 |
| Technical services | 3,627 | | | 3,627 |
| Library consortium | 16,309 | | | 16,309 |
| Copiers | 7,500 | | | 7,500 |
| Elections expense | 2,637 | | | 2,637 |
| Furniture and equipment | 2,241 | 6,730 | | 8,971 |
| Insurance | 0 | | | 0 |
| Georgiana Smith Memorial Garden | 6,381 | | | 6,381 |
| Legal services | 1,571 | | | 1,571 |
| Professional services | 1,305 | | | 1,305 |
| Dues and subscriptions | 2,128 | | | 2,128 |
| Miscellaneous | 2,312 | | | 2,312 |
| Postage and freight | 456 | | | 456 |
| Printing | 465 | | | 465 |
| Programs | 11,768 | 27,592 | | 39,360 |
| Advertising | 129 | | | 129 |
| Supplies - office | 11,786 | 267 | | 12,053 |
| Travel | 1,820 | | | 1,820 |
| Training | 1,372 | | | 1,372 |
| Board development | 795 | | | 795 |
| Electricity | 9,560 | | | 9,560 |
| Garbage | 979 | | | 979 |
| Natural gas | 1,193 | | | 1,193 |
| Water & sewer - building | 2,609 | | | 2,609 |
| Total Materials and Services | 220,962 | 54,487 | 0 | 275,449 |
| Capital outlay | 0 | 0 | 30,529 | 30,529 |
| Total Expenditures | 621,958 | 54,487 | 30,529 | 706,974 |
| Revenues Over Expenditures | 509,167 | (46,107) | (27,869) | 435,191 |
| Other Financing Sources (Uses) | | | | |
| Operating transfers in | | | 0 | 0 |
| Operating transfers out | 0 | | | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 |
| Revenues and Other Financing Sources (Uses) Over Expenditures | 509,167 | (46,107) | (27,869) | 435,191 |
| Fund Balance - July 1, 2023 | 931,305 | 134,034 | 122,156 | 1,187,495 |
| Fund Balance - December 31, 2023 | \$1,440,472 | \$87,927 | \$94,287 | \$1,622,686 |

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, 2023

| | Current Period Actual | Year to Date Actual | Annual Budget |
|--------------------------------|--------------------------|------------------------|------------------|
| Revenues: | | | |
| Tax revenues - current | \$35,478 | \$1,104,322 | \$1,199,267 |
| Tax revenues - prior year | 778 | 6,667 | 25,000 |
| Interest revenue | 5,448 | 17,555 | 10,000 |
| Fines and fees | 322 | 2,235 | 3,500 |
| Intergovernmental revenue | 0 | 246 | 0 |
| Miscellaneous | 0 | 100 | 0 |
| Total Revenues | 42,026 | 1,131,125 | 1,237,767 |
| Expenditures: | | | |
| Personal services: | | | |
| Wages and salaries: | | | |
| Library clerk I | 700 | 4,110 | 9,042 |
| Library clerk II | 13,038 | 73,008 | 142,958 |
| Library assistant I | 6,375 | 37,153 | 72,945 |
| Library assistant II | 9,350 | 44,460 | 108,829 |
| Librarian I | 12,497 | 69,182 | 149,488 |
| Librarian II | 5,716 | 34,122 | 69,971 |
| Library director | 8,086 | 48,112 | 94,644 |
| Payroll taxes and benefits: | | | |
| Retirement | 0 | 20,638 | 51,473 |
| Social security | 4,212 | 23,407 | 49,965 |
| Workers' compensation | 23 | 420 | 1,300 |
| Health insurance | 3,700 | 44,026 | 165,750 |
| Unemployment insurance | 584 | 2,358 | 4,572 |
| Paid family and medical leave | 0 | 0 | 6,479 |
| Total Personal Services | 64,281 | 400,996 | 927,416 |
| Materials and services: | | | |
| Bank charges | 16 | 144 | 300 |
| Bookmobile | 0 | 415 | 5,000 |
| Building rental | 1,227 | 9,473 | 17,500 |
| Building maintenance | 871 | 13,715 | 20,000 |
| HVAC | 1,781 | 1,781 | 15,000 |
| Elevator | 0 | 1,167 | 2,500 |
| Telephone | 942 | 3,840 | 6,300 |
| Internet | 412 | 4,935 | 8,000 |
| Collection development | 12,316 | 47,211 | 90,000 |
| Technology | 2,173 | 6,871 | 14,000 |
| Accounting and auditing | 9,400 | 28,765 | 32,000 |
| Courier | 0 | 0 | 2,300 |

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, 2023

| | Current Period Actual | Year to Date Actual | Annual Budget |
|---|--------------------------|------------------------|------------------------|
| Custodial services | 3,153 | 13,702 | 29,000 |
| Technical services | 0 | 3,627 | 4,000 |
| Library consortium | 0 | 16,309 | 16,500 |
| Copiers | 714 | 7,500 | 5,000 |
| Elections expense | 0 | 2,637 | 0 |
| Furniture and equipment | 1,123 | 2,241 | 4,000 |
| Insurance | 0 | 0 | 20,000 |
| Georgiana Smith Memorial Garden | 1,288 | 6,381 | 20,000 |
| Legal services | 84 | 1,571 | 4,000 |
| Professional services | 0 | 1,305 | 0 |
| Membership dues | 134 | 2,128 | 4,000 |
| Miscellaneous | 414 | 2,312 | 2,500 |
| Postage and freight | 20 | 456 | 1,500 |
| Printing | 276 | 465 | 1,000 |
| Programs | 2,769 | 11,768 | 20,000 |
| Advertising | 10 | 129 | 2,500 |
| Office supplies | 3,696 | 11,786 | 14,000 |
| Travel | 486 | 1,820 | 4,000 |
| Training | 121 | 1,372 | 3,000 |
| Board development | 0 | 795 | 1,500 |
| Parking reimbursement | 0 | 0 | 500 |
| Electricity | 1,505 | 9,560 | 20,000 |
| Garbage | 152 | 979 | 2,000 |
| Natural gas | 764 | 1,193 | 10,000 |
| Water & sewer - building | 426 | 2,609 | 5,600 |
| Total Materials and Services | 46,273 | 220,962 | 407,500 |
| Capital Outlay | 0 | 0 | 0 |
| Contingency | 0 | 0 | 100,000 |
| Total Expenditures | 110,554 | 621,958 | 1,434,916 |
| Other Financing Sources (Uses) | | | |
| Operating transfers In | 0 | 0 | 0 |
| Operating transfers out | 0 | 0 | (10,000) |
| Total Other Financing Sources (Uses) | 0 | 0 | (10,000) |
| Change in Fund Balance | (\$68,528) | \$509,167 | (\$207,149) |

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, 2023

| | Current Period Actual | Year to Date Actual | Annual Budget |
|-------------------------------|--------------------------|--------------------------|---------------------------|
| Revenues: | | | |
| Donations and grants | \$0 | \$8,380 | \$270 |
| Intergovernmental revenue | 0 | 0 | 0 |
| Total Revenues | <u>0</u> | <u>8,380</u> | <u>270</u> |
| Expenditures: | | | |
| Personal services | 0 | 0 | 11,000 |
| Materials and services: | 13,429 | 54,487 | 269,000 |
| Capital outlay | 0 | 0 | 100,000 |
| Total Expenditures | <u>13,429</u> | <u>54,487</u> | <u>380,000</u> |
| Change in Fund Balance | <u><u>(\$13,429)</u></u> | <u><u>(\$46,107)</u></u> | <u><u>(\$379,730)</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, 2023

| | <u>Current Period</u> <u>Actual</u> | <u>Year to Date</u> <u>Actual</u> | <u>Annual</u> <u>Budget</u> |
|--------------------------------|--|--------------------------------------|--------------------------------|
| Revenues: | | | |
| Interest revenue | \$966 | \$2,660 | \$2,000 |
| Other Financing Sources | | | |
| Transfer from General Fund | 0 | 0 | 10,000 |
| Total Revenues and | | | |
| Other Sources | <u>966</u> | <u>2,660</u> | <u>12,000</u> |
| Expenditures: | | | |
| Materials and services | 0 | 0 | 0 |
| Capital outlay | 906 | 30,529 | 75,000 |
| Total Expenditures | <u>906</u> | <u>30,529</u> | <u>75,000</u> |
| Change in Fund Balance | <u><u>\$60</u></u> | <u><u>(\$27,869)</u></u> | <u><u>(\$63,000)</u></u> |

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HOOD RIVER COUNTY LIBRARY

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Cash Basis

Grants Funds

For the Six Months Ended December 31, 2023

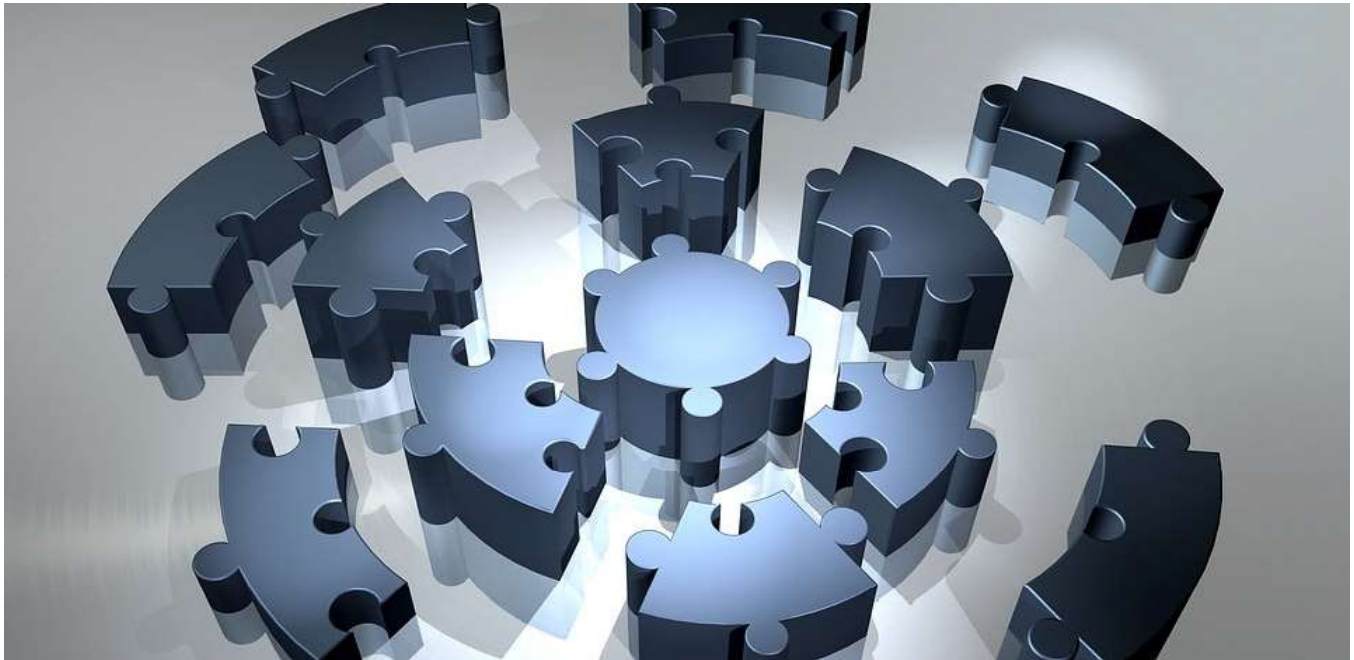
| | Newspaper Digitization | Foundation Grants | Other Grants | Friends of the Library | Pat Hazelhurst | CARES Act | R2R 2023 | HR Cultural Trust | Safety Grant | Total |
|---|---------------------------|----------------------|-----------------|---------------------------|-------------------|----------------|--------------|----------------------|-----------------|-----------------|
| Revenues: | | | | | | | | | | |
| Donations and grants | \$0 | \$0 | \$2,380 | \$6,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$8,380 |
| Intergovernmental revenue | | | | | | | | | | 0 |
| Total Revenues | <u>0</u> | <u>0</u> | <u>2,380</u> | <u>6,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>8,380</u> |
| Expenditures: | | | | | | | | | | |
| Personal services: | | | | | | | | | | |
| Wages and salaries | | | | | | | | | | 0 |
| Employee benefits | | | | | | | | | | 0 |
| Total Personal Services | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Materials and services: | | | | | | | | | | |
| Telephone | | | | | 29 | | | | | 29 |
| Supplies - office | | 267 | | | | | | | | 267 |
| Collection development | | 11,342 | | 1,627 | 3,915 | | 485 | 2,500 | | 19,869 |
| Programs | | 11,882 | 1,854 | 7,455 | 1,972 | | 4,429 | | | 27,592 |
| Furniture & equipment | | 5,724 | | | 530 | | | | 476 | 6,730 |
| Total Materials and Services | <u>0</u> | <u>29,215</u> | <u>1,854</u> | <u>9,082</u> | <u>6,446</u> | <u>0</u> | <u>4,914</u> | <u>2,500</u> | <u>476</u> | <u>54,487</u> |
| Capital outlay | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Expenditures | <u>0</u> | <u>29,215</u> | <u>1,854</u> | <u>9,082</u> | <u>6,446</u> | <u>0</u> | <u>4,914</u> | <u>2,500</u> | <u>476</u> | <u>54,487</u> |
| Net Change in Fund Balance | 0 | (29,215) | 526 | (3,082) | (6,446) | 0 | (4,914) | (2,500) | (476) | (46,107) |
| Fund Balance - July 1, 2023 | 338 | 102,259 | 3,052 | 4,381 | 14,093 | 1,781 | 5,154 | 2,500 | 476 | 134,034 |
| Fund Balance - December 31, 2023 | <u>\$338</u> | <u>\$73,044</u> | <u>\$3,578</u> | <u>\$1,299</u> | <u>\$7,647</u> | <u>\$1,781</u> | <u>\$240</u> | <u>\$0</u> | <u>\$0</u> | <u>\$87,927</u> |

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PAULY, ROGERS AND CO., P.C.

Certified Public Accountants

The Leaders in Oregon Municipal Auditing



Auditing Services Proposal for:

Hood River County Library District

January 11, 2024

Pauly, Rogers and Co., P.C.
Tara Kamp, CPA
12700 SW 72nd Ave.
Tigard, OR 97223
(503) 620-2632
(503) 684-7523 FAX
TaraK@rascpas.com

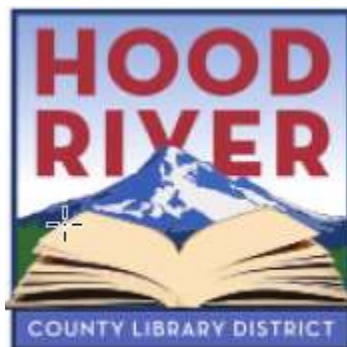
PAULY, ROGERS AND CO., P.C.

Certified Public Accountants

The Leaders in Oregon Municipal Auditing

TABLE OF CONTENTS

| | |
|--|----|
| Letter of Transmittal..... | 1 |
| Profile of the Proposer..... | 3 |
| Experience with Special District Audits..... | 4 |
| Staffing: Size, Training and Experience..... | 5 |
| Approach to the Examination..... | 11 |
| Audit Fees..... | 15 |
| Appendix A: Peer Review Letter..... | 16 |





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

January 11, 2024

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

Thank you for the opportunity to present our qualifications to continue to serve as auditors for the Hood River County Library District for the years ending June 30, 2024, 2025, and 2026. We believe this proposal provides all the information you will find necessary about our firm and its services. We also hope this proposal shows our enthusiasm and eagerness to be your auditors.

Pauly, Rogers and Co., P.C. has been proud to provide auditing services to Oregon governmental and non-profit clients in many industries since 1947. Our experience and longevity in auditing Oregon Special Districts has put us in the forefront of the audit industry in our state. We audit more than 200 Oregon governments annually, making us one of the largest municipal auditing firms in the state. We believe an audit should not be a rote exercise. On the contrary, it should help our client develop and enhance the capabilities of their staff and help meet the challenges of the future. We believe the audit process can be a powerful tool in helping the District increase the effectiveness and efficiency of internal controls, reduce unnecessary and costly procedures, provide clear and compliant financial reports and develop best practices for financial oversight. We will not just write up audit findings and let your staff decide how to best fix the issue; instead we will work with staff to provide options on how to resolve complex audit issues in an efficient manner.

In order to best serve you, our audit provides:

- **A complete understanding of the work to be performed.** We will ensure that you are apprised of requirements, standards, and rulings that impact financial accounting and reporting, and related compliance. We will communicate during all phases of fieldwork including a discussion of all audit findings. We are committed to clear communication and do not surprise our clients with audit findings that were not fully discussed with Management on multiple occasions.
- **A large audit staff to handle all of your needs.** Our highly experienced staff will include a lead auditor on your job for all years noted above. We have over 25 auditors dedicated to auditing in the State of Oregon.

- **A commitment to servicing Special Districts in the State of Oregon.** Pauly, Rogers and Co, P.C. has a deep commitment to servicing Special Districts in the State of Oregon. We have made presentations at the Special Districts Association of Oregon conference as well as many other statewide organizations. Our commitment to servicing our state and understanding the complexities of Oregon keeps us in the forefront of auditing in the state.
- **Delivery of audit reports in a timely fashion.** We will meet your deadlines. We understand the investment you make in the audit relationship in terms of dollars and time, and we are committed to providing value with every interaction. In order to meet your deadlines we perform interim work before your books are closed, and we have a large enough staff to perform our final fieldwork at any time. Our proposed timeline is flexible and will meet your needs!
- **Free assistance with questions.** Our willingness to provide minor technical assistance throughout the year without billing for additional services has been one of the trademarks of Pauly, Rogers and Co., P.C. A great deal of discussion is expected to occur during the year, all of which helps the auditors, as well as the District properly deal with issues as they arise.

We are confident you will find our firm has the experience and ability to provide the excellent auditing and advisory services you require. You need a firm that understands how Special Districts operate. We are on the leading edge of governmental auditing in the state of Oregon, serving more entities than any other firm. We want to continue to be Hood River County Library District's auditors!

Tara Kamp, CPA, as signer of this letter, is authorized to make representations and to execute a personal services contract on behalf of the firm. This proposal is a firm and irrevocable offer for sixty (60) days from the date of submission on January 11, 2024. We may be reached at TaraK@rascpas.com or at the address and the telephone number listed on page one (1) of this letter should you have any questions.

Very truly yours,



Tara Kamp, Engagement Partner
PAULY, ROGERS AND CO., P.C.

Properly Licensed/Independence

All Shareholders are licensed by the Oregon State Board of Accountancy as Certified Public Accountants. We are members of the AICPA. All members of the firm are independent of the Hood River County Library District as defined by generally accepted accounting standards, as required by the rules of conduct of the AICPA. We require all staff members to make annual independence representations.

History and Location

Pauly, Rogers and Co., P.C. is a local firm that has been providing quality accounting services since 1947. Our Mission is to provide high quality personnel and cost effective services to meet our clients' needs with an emphasis on improving our clients' performance, profitability and accountability. We are located at 12700 SW 72nd Avenue in Tigard, Oregon.

Peer Review

Our firm underwent a peer review for the year ended April 2017, which included a review of specific government engagements. The reviewing firm issued a review rating of pass. A copy of the report is included in the Appendix.

Personnel

All four partners at Pauly, Rogers are licensed as municipal auditors dedicated to auditing Oregon governments. We also have ten Senior Managers, eighteen Associates, and four support staff, all available to meet the District's needs. Our partners value our relationships with Management and Boards, and we demonstrate this by having experienced Managers on site for fieldwork. Tiffany Elvrum will be the District's lead auditor. This approach allows for high-level communication between our staff and yours, and allows for decisions and audit issues to be resolved face to face, which results in a more efficient and effective audit experience for all involved.

Client Base and Range of Services

Our firm specializes in providing auditing and accounting services to not-for-profit and government organizations. We have a sister Company, *RAS Group, LLC*, which provides a wide range of financial, consulting and tax services to individuals and corporations. We have very experienced tax personnel who can assist with any of your needs. Having a full-service tax business under the same roof as our auditing and accounting business ensures a smooth transition for clients wishing to engage both sets of services.

Insurance

Our firm has adequate insurance coverage and can provide documentation upon request.

Sustainability

Our firm uses a paperless audit system in order to reduce our use of our precious natural resources. We also use a Sharefile portal system for the secure transfer of audit documentation between both parties. This portal system also reduces travel costs and reduces the amount of time spent in cars traveling to our audit clients, which reduces our firms' carbon footprint.

Equal Employment Opportunity

Pauly, Rogers and Co., P.C. provides equal employment opportunity to all persons regardless of age, national origin, citizenship status, physical or mental disability, race, religion, creed, gender, sex, sexual orientation, gender identity and/or expression, genetic information, marital status, status with regard to public assistance, veteran status, or any other characteristic protected by federal, state or local law.

Audit Experience

| Audit Client | Service Population Estimated | Years Audited | Contact and Title | Telephone |
|--------------------|------------------------------|---------------|--|--------------|
| City of Hood River | 7,806 | 10+ | Chris Longinetti, Finance Director | 541-387-5214 |
| Port of Hood River | 7,806 | 8 | Debbie Smith-Wagar, CPA Chief Finance Officer | 541-386-6651 |
| City of Coos Bay | 16,415 | 10+ | Melissa Olson Finance Director | 541-269-1181 |
| City of Troutdale | 16,379 | 10+ | Erich Mueller Chief Finance Officer | 503-674-7231 |

This is only a partial list of audit clients that have similar needs. Since we perform well over 200 total engagements in the state of Oregon we did not include them all. Please contact us if you would like additional listings of our clients.

Staffing

Tara Kamp will act as the Engagement Partner. Roy Rogers will act as a Concurring Partner on the audit. We have found this review procedure essential in providing quality audit reports for our clients. Lanae Phelps will act as our compliance manager on the audit. The audit manager will be directly involved in managing and performing all aspects of the audit. Resumes have been provided for key staff members involved in the audit, including their credentials and history with the firm. We also do not rotate staff so you can expect, barring turnover, to have the same managers and staff on your audit.

Experience in Conducting Audits of Oregon Special Districts

Our firm has over 70 years of serving Oregon and its local governments. Our extensive experience with Oregon governments has allowed us to develop procedures and practices that allow us to stay at the forefront of governmental auditing in our state.

We have also developed specialized audit programs and procedures to ascertain compliance with the many requirements of the Single Audit Act Amendments of 1996 and OMB Uniform Guidance, the Oregon Revised Statutes and other state and federal audit and reporting requirements. Our professional library contains all available specialized audit programs for federal financial assistance programs. Over 30 of our current engagements have Single Audits.

The GFOA Certificate of Achievement for Excellence requires strict conformity with professional standards and requires additional information about the municipality in the program. For the year ended June 30, 2023, we had a total of 20 clients who submitted to GFOA. Two of our partners have been GFOA reviewers. If you desire to get your GFOA certification, our staff will assist in obtaining this award.

Tara Kamp, CPA

Engagement Partner

Profile



Tara joined Pauly, Rogers and Co., P.C. after having graduated with honors from Portland State University with a Bachelor of Science in Business Administration with an emphasis in Accounting. Tara focuses solely on municipal auditing which has led her to become an expert in the field. She has been in a leadership position for more than 11 years at the firm and has been involved in hundreds of municipal audits. During that time she has developed strong relationships with her audit clients as she goes to great lengths throughout the year to answer questions and help solve problems.

Presentations

- Speaker at the Oregon Association for School Business Officials on a variety of topics, including Internal Controls and Best Practices
- Speaker at Zone Meetings for Educational Service Districts on key accounting internal controls, and GASB Statements

Education, Designations, and Professional Memberships

- Bachelor of Science Degree in Business Administration from Portland State University
- Certified Public Accountant
- Licensed Oregon Municipal Audit
- OSCP Member
- AICPA Member
- Oregon Government Finance Officers Association Member
- Oregon Association of School Business Officials Member
- Past GFOA Technical Reviewer for the ACFR Program
- Past OSCP Education Foundation Board of Directors

Similar Clients Serviced

- Hood River County Library District
- Hood River County School District
- Scappoose Public Library District
- Coos County Airport District

Roy Rogers, CPA, CGFM

Concurring Partner

Profile



Roy R. Rogers is the Managing Partner of Pauly, Rogers and Co., P.C. During his tenure, the firm has grown from a staff of four to over 30 employees. He has extensive experience auditing local governments, as well as hundreds of not-for-profit entities. His work currently includes fieldwork, report preparation, planning, supervision and final reviews.

Roy has been the Engagement Partner on numerous compliance and financial audits, as well as various consulting engagements. He has over 40 years of direct experience in accounting, auditing and consulting to governmental entities. He manages the firm's engagements to document, evaluate and make recommendations for improvement in internal control systems.

Roy has performed peer reviews for other firms, as well as risk assessments and internal control evaluations. He also speaks at state and international events on leadership and organizational excellence.

Professional Achievements

- Past AICPA Council and Committee member
- OSCP Past President
- Oregon State Board of Accountancy Liaison
- Tigard Rotary Past President
- Past Mayor of Tualatin

Education, Designations, and Professional Memberships

- Bachelor of Science Degree in Accounting, from Portland State University
- Certified Public Accountant
- Licensed Oregon Municipal Auditor
- Certified Government Financial Manager
- Certified Global Management Accountant
- OSCP and AICPA Member
- Past GFOA Technical Reviewer for the ACFR Program

Similar Clients Serviced

- Silver Falls Library District
- Tigard Tualatin Aquatic District
- Josephine Community Library
- North Lincoln Rural Fire Protection District

Lanae Phelps, CPA
Senior Manager**Profile**

Lanae received a Bachelor Degree in both Accounting and Business: Finance from George Fox University. Since joining Pauly, Rogers and Co., P.C., she has been involved in hundreds of audit engagements with both municipal and not-for-profit clients. She has extensive audit and review experience, including completing all phases of the audit and review process. She has been at the firm for over nine years, and has been in a leadership position for seven years. During that time she led an audit team with over 30 clients and ensured each audit report was issued in a timely manner and that each client was satisfied with their audit experience. She enjoys interacting with clients and works hard to ensure that the audit process goes as smoothly as possible with minimal disruptions to the client.

As the Compliance Manager, Lanae will assist with researching any difficult accounting and reporting issues and will provide technical support for the engagement team with implementing new audit standards. She spends significant time researching standards and regulations to ensure the firm is in compliance with the proper rules and regulations. She will review the audit report and financial report after they have been prepared for accuracy. Lanae is always available for the engagement staff and clients to answer questions and help solve problems.

Presentations

- Speaker at the 2015 Oregon Association for School Business Officials on the topic of Preparing for an Audit and ACFR
- Presenter at a multitude of board meetings to discuss client audit reports with the board
- Presenter at internal continuing professional education trainings for staff on various topics

Education, Designations, and Professional Memberships

- Bachelor of Art Double Degree in Accounting and Business: Finance from George Fox University, with a Minor in Spanish
- Certified Public Accountant #15304
- Licensed Oregon Municipal Auditor #1633

Tiffany Elvrum
Manager**Profile**

Tiffany Elvrum graduated from Washington State University with a Bachelor of Arts degree in Business Administration with an emphasis in Accounting. Since joining Pauly, Rogers and Co., P.C., she has worked on several engagements of various sizes and complexity. Tiffany would take the role of leading the engagement from performing and organizing field work to completing financials. She understands the auditing and financial standards associated with municipal agencies ensuring that each aspect and requirement is met.

When managing between clients and staff, Tiffany ensures that there is open communication and understanding to achieve quality and efficiency for any engagement.

Education, Designations, and Professional Memberships

- Bachelor of Arts degree in Business Administration from Washington State University

Similar Clients Serviced

- Hood River County Library District
- Coos Bay/North Bend Visitor and Convention Bureau
- Coos County Airport
- Charleston Sanitary District

Information Technology Applications

We encourage the use of our secure electronic delivering system, "Sharefile", which is very similar to Dropbox in that it is any easy and convenient way to send and receive information much more securely than email. This system enables us to receive information as it becomes available and will help in making the audit more efficient. We also request that we be given read only remote access (or backup file) to your general ledger system. This will allow us to pull reports directly from your general ledger, which provides for a more valid and efficient audit, and it also reduces your staff time devoted to audit requests.

Our firm has developed computerized audit techniques that will be used for analytical review purposes and sampling. These procedures will be a standard part of fieldwork. These techniques allow us to increase sample sizes and decrease detection risk. This benefits our clients by providing a timely product and the increased efficiency provides the product at a competitive fee. In addition to computer assisted audit techniques, Pauly, Rogers and Co., P.C. uses a software package to assist with auditing that allows us to increase audit efficiency while reducing the use of almost all paper.

Expertise Outside Traditional Audit Functions

Our firm prides itself on being an expert in the industry of governmental accounting and auditing. We understand the industry and the operations beyond financial reporting. As a result of our experience, we have been asked by many of our clients to perform agreed-upon procedures engagements for circumstances which fall outside the scope of the financial audit. We encourage all of our clients to tap into our extensive knowledge base whenever the need arises for a financial study to be performed. Should the District select us as its auditors, we can provide additional training for staff in the following areas: New GASB Standards, Actuarial Standards of Practice (ASOP) No. 6 – as it relates to implicit rate subsidies in Oregon, OMB Uniform Guidance, HB 2174, amending Municipal Audit Law in 2015, Internal Control studies, payroll reviews, accounting procedure development and many more.

Value Added Services

As one of the largest municipal auditing firms in the State of Oregon we have developed and seen various best-practices across the State. We will share these best practices with the District which allows the District to implement the most efficient and effective policies and procedures. We pride ourselves in viewing our role as advisors to the District in reducing your overall financial risks, rather than providing a commodity based service of providing you with your opinion letters once a year. We strive to build a partnership with the District and will stay in regular contact to ensure all accounting and auditing related issues are addressed in real time.

Professional Development Program

All assigned staff have received a minimum of 24 hours of continuing education in governmental accounting and auditing within the past year, and at least 40 hours within the past two years. In addition, all audit staff members meet the GAO's *Government Auditing Standards* "yellow book" education requirements. Our firm employs a wide range of professional development resources available through the Oregon Society of Certified Public Accountants, the Association of Governmental Accountants, the American Institute of Certified Public Accountants and local colleges and universities. This program offers diversity to staff members and allows the firm to acquire specialized knowledge in key areas such as accounting and auditing.

Approach to the Engagement

Planning

Annually, our firm develops and updates audit programs for all of our audit clients, specifically tailored for Oregon Special Districts. This process involves the firm's Partners, Managers and Senior Associates, and is designed to develop programs that meet all professional standards of the American Institute of Certified Public Accountants and the *Minimum Standards for Audits of Oregon Municipal Corporations*. During this time, Tiffany Elvrum would contact the District's personnel to discuss areas of emphasis, timing of fieldwork and reporting or other ways our firm can better meet the needs of the District.

To help provide timely audit reports, we normally perform interim work during a mutually agreeable time. We will send an "Audit Itinerary" early in the fiscal year which includes your audit team contact information as well as interim and final audit preparation lists.

Understanding Hood River County Library District's Internal Controls

During interim work, we perform a review of the accounting records in use and conduct an evaluation of internal control as required by generally accepted auditing standards and, when applicable, *Government Auditing Standards*. Our process of gaining an understanding of internal control entails interviewing various accounting staff to develop written walkthrough documents that highlight key controls and control weakness, filling out control checklists, as well as discussions with supervisory staff on areas where controls may be lacking. Any deficiencies encountered in the accounting records or internal control, together with our recommendations, will be discussed with Management at that time. This procedure may permit implementation of corrective action prior to issuance of the audit report and management letter. The work to be performed would include documentation of our understanding of the District's system of internal accounting controls, initial testing of the accounts payable controls and payroll controls, and initial testing of management's reconciliation procedures for higher risk balance sheet accounts such as cash and investments. Our audit procedures will be developed to target risks identified during our risk assessment of all account balances and transaction classes.

If you ever need an audit in accordance with the Single Audit Act, we would begin our study and evaluation of the internal control system governing the federal financial assistance programs and begin to assess control risk. This is performed using checklists and procedures developed through years of experience and the most current authoritative guidance. We will also thoroughly research the federal grants selected and use all the OMB circulars and compliance supplements for all areas that we test. Samples are taken and tests performed to ensure processing of data in accordance with prescribed policies and procedures and good management practices. All samples will be the product of "random" sampling, and sample sizes are in accordance with GAO's government auditing standards requirements and will be large enough to assess the control risk at the low level.

Also, we can document the District's compliance with many of the laws and regulations applicable to a Single Audit such as allowable cost, Davis-Bacon Act and procurement procedures. Any problems encountered during our interim tests will be discussed with Management at the conclusion of our on-site interim fieldwork.

Analytical Procedures and Substantive Audit Tests

In conjunction with the District's personnel, we will schedule a period of time to complete the final work at the District. The audit team would usually consist of two to three accountants. During this time, we will complete our testing of the internal control system and begin substantive testing of the District's accounts.

Once we get a copy of the final general ledger we will perform an initial analytic review that will highlight areas where there may be significant changes from prior years. We will then determine if these changes are reasonable and this will dictate the level of risk and testing to be applied to each area of the audit.

The substantive testing will include independent confirmations where practical and needed, or examination of subsequent activity, when efficient. Our procedures will include testing the reconciliation of the District's property tax receipts with those of the County Treasurer, confirmation of revenues received from the State of Oregon and confirmation of any other significant grants or revenues. Tests of expenditures will include sampling of both accounts payable and payroll cycles to ensure adequate coverage. On certain accounts we will perform detailed analytic work that would entail predicting the ending account balance and comparing that with the actual balances, and then determining if the difference is reasonable. If not, we would perform additional tests on that account. We will also perform detailed substantive tests on all other significant balance sheet and income statement accounts.

If there are any audit adjustments we will discuss this with management and give you our reasoning before we proceed with the adjustment. We won't surprise you with journal entries that are not discussed!

We would complete the grant compliance review during this phase, if necessary. Our program guides will be completed and conclusions documented relating to the assertions implicit in grant compliance and financial reporting.

Financial Reporting Review and Analysis

The reporting phase of the engagement will be initiated in the field and completed in our office after completion of on-site fieldwork. The reporting phase would be handled by Tiffany Elvrum. This phase of the audit will include completion of our audit files, analysis and comparisons, as well as a detailed review of the financial statements.

The review component of the audit includes a review of all workpapers, documents and the financial reports by the team involved in the audit, as well as the compliance manager and manager on the job. At a minimum your audit file and financial statements have three different reviews. The Concurring Partner also performs a technical review of the financial statements and reviews the workpapers for completeness and reviews any important accounting issues, the communication of internal control matters and communication with the governing body, if applicable, and the attorney letter.

Use of Hood River County Library District's Personnel

This proposal is based on the anticipated cooperation of District's personnel and the assumption that the District's books will be balanced, reconciled and all accruals made. It is also understood that the District will prepare all mutually agreed-upon internal financial schedules, and upload all requested files to our secure Sharefile portal. The schedules we request the District to prepare are no more than those which would be required to prepare a hard, well-documented close of the books at year-end. We request the District prepare all confirmation letters, retrieve documents, answer questions and, of course, prepare the financial statements as early in the audit process as possible so that we can audit the financials.

We do not foresee any anticipated issues with the audit of the District. However, it is possible that issues will arise during the course of the audit. We will keep you up to date of any major audit issues as we become aware of them.

Ability and Willingness to Provide Constructive Suggestions

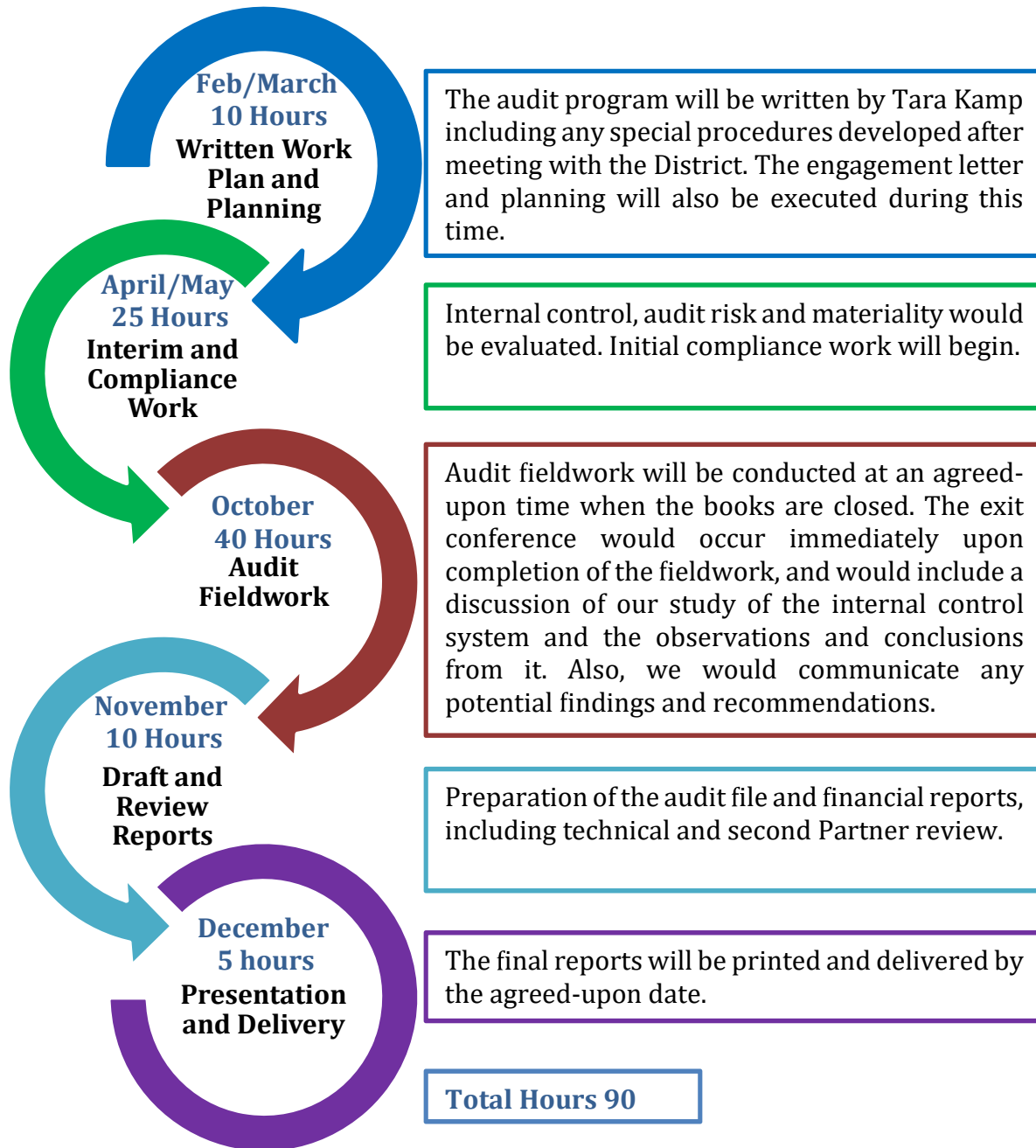
Due to our extensive experience with Oregon governmental audits, we are able to focus on the critical areas and perform the audit in the most efficient manner possible. We can offer valuable suggestions to the District, as well as compare your procedures with other similar entities. These advantages have kept us in the forefront of municipal auditing in Oregon. As we audit and advise clients, major issues are addressed and solved. We then rely on conversations with client management to address minor issues, and advise upper management and Governing Bodies of our clients when major issues arise. We are not shy in discussing sensitive topics with any level of management. We never blind-side our clients with un-reviewed management letter comments, and are agreeable to modifying language that does not dilute the message but enhances readers' understanding of the issues.

Board of Directors

Annually in the planning phase we will send a letter to the Board of Directors requesting information on potential audit areas of interest that we should delve into further. We find that this questionnaire is essential in designing our audit tests. For each issue identified in the questionnaire we will gain a better understanding of the issue and address it as part of our audit process. Upon completion of the audited financial report we will send the Board a letter detailing the findings of our audit as well as a description of key audit areas and future accounting and auditing pronouncements.

Timeline for Completing the Engagements

Note: These hours are an estimate based upon our experience auditing municipal governments. Since we do not bill by the hour, other than for special projects, we will spend whatever amount of time is necessary to meet professional standards and perform the audit in accordance with the proposal. Below is the timeline for the audit noted in the RFP.



Audit Fees

Our not-to-exceed fees for the years ending June 30, 2024, 2025, and 2026 for the Hood River County Library District are listed below. The fees are based on the anticipated cooperation of the District’s staff, and on the assumption that the books will be closed, balanced and all appropriate accounts reconciled to the detail and the trial balance will have been prepared and made available to us before we begin our final fieldwork. The fees also assume that the client will use our **Sharefile Portal** to upload all requested audit documents. The portal allows us to keep audit fees low and perform a great deal of the audit work remotely. We anticipate that about 20-30% of our work will be done on site. It also includes the auditing standards in effect for this year, but not changes in standards or potential scope of work changes that might occur in future years for standards not yet issued. These fees are inclusive of all staff time, all services outlined below and all of our out-of-pocket expenses for travel and supplies.

Telephone calls and emails from the District seeking advice or assistance are welcomed anytime during the year, and such calls are anticipated as part of the total proposed fee. Our willingness to provide minor technical assistance throughout the year without billing for additional services has been one of the trademarks of Pauly, Rogers and Co., P.C. A great deal of discussion is expected to occur during the year, all of which helps the auditors, as well as the District properly deal with issues as they arise.

Rates for Additional Professional Services

Pauly, Rogers and Co., P.C. can provide the District with a variety of services in addition to the annual audit. Special reports, projects or other work undertaken at the client’s request is billed at the following hourly rates for 2024: Managing Partner \$250, Partner \$200, Manager \$150, Senior Associate \$120, Associate and Staff Accountant \$110 and Support Staff \$55. At the time of the request, we would estimate the fee to be charged and seek written approval of that fee. Special projects could be unit-priced or receive a reduced fee if they were scheduled at times when we are less busy with audit work.

| Services | For Year Ending June 30, 2024 | For Year Ending June 30, 2025 | For Year Ending June 30, 2026 |
|----------------------|----------------------------------|----------------------------------|----------------------------------|
| Annual Audit | \$8,200 | \$8,600 | \$9,050 |
| Financial Statements | \$1,500 | \$1,575 | \$1,600 |
| Total | \$9,700 | \$10,175 | \$10,650 |

Emerald CPA Group, LLP

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Eugene, OR 97401

Report on the Firm's System of Quality Control

August 29, 2017

To the Shareholders of
Pauly, Rogers and Co., P.C.
and the Peer Review Committee of the Oregon Society of CPAs

We have reviewed the system of quality control for the auditing and accounting practice of Pauly, Rogers and Co., P.C. (the firm) in effect for the year ended April 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Phone 541 255 2888 Fax 541 345 3358
www.emeraldcpa.com

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, compliance audits under the Single Audit Act, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Pauly, Rogers and Co., P.C. in effect for the year ended April 30, 2017 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Pauly, Rogers and Co., P.C. has received a peer review rating of *pass*.

Emerald CPA Group, LLP