

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

For the Year Ended June 30, 2021

FINANCIAL REPORT



12700 SW 72nd Ave.
Tigard, OR 97223

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

2020-21

FINANCIAL REPORT

HOOD RIVER COUNTY LIBRARY DISTRICT
HOOD RIVER COUNTY, OREGON

2020-21

BOARD OF DIRECTORS

TERM EXPIRES

Karen Bureker, Vice President

June 30, 2021

Brian Hackett

June 30, 2023

Jean Sheppard, President

June 30, 2023

Sara Marsden

June 30, 2021

Megan Janik

June 30, 2021

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

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November 19, 2021

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Hood River County Library District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Hood River County Library District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with modified cash basis of accounting described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 19, 2021, 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 black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive style.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021. 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 \$320,592, from \$939,652 to \$1,260,244. At June 30, 2021, the District's governmental funds reported combined ending fund balances of \$1,222,585.

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 2020 and 2021 is listed below:

The revenues and expenses below explain the change in net position for the fiscal year ended June 30, 2021.

Net Position

	2020	2021
ASSETS:		
Cash and cash equivalents	\$893,369	\$1,226,078
Employee draws	\$2,550	\$0
Property Taxes Receivable	\$62,684	\$54,525
Total Assets	\$958,603	\$1,280,603
LIABILITIES:		
Compensated absences	\$18,951	\$16,866
Payroll liabilities	\$0	\$3,493
	\$18,951	\$20,359
NET POSITION:	\$939,652	\$1,260,244

Changes in Net Position

	Activities 2019-20	% of total	Activities 2020-21	% of total
Operating Revenues:				
Charges for services	\$12,299	1.1%	\$1,087	0.1%
Operating Grants and Contributions	\$55,423	5.2%	\$181,365	13.9%
Total Operating Revenues	\$67,722	6.30%	\$182,452	14.00%
General Revenues:				
Property Taxes	\$976,189	90.8%	\$1,081,078	83.0%
Interest on Investments	\$18,537	1.7%	\$7,136	0.5%
Other Revenues	\$12,105	1.1%	\$32,119	2.5%
Total General Revenues	\$1,006,831	93.7%	\$1,120,333	86.0%
Total Revenues	\$1,074,553		\$1,302,785	
Operating Expenditures:				
General Operations	\$1,080,190	100.00%	\$982,193	100.00%
Total Operating Expenditures	\$1,080,190		\$982,193	
Changes in Net Position			\$320,592	

Revenues

During the 2020-21 fiscal year, 13.9% of the cost of the District's operations were funded by operating grants and contributions, compared to 5.2% in 2019-20. The remaining 86.1% 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, 2021, the District's governmental funds reported combined unassigned ending fund balance of \$845,453, an increase of \$173,921 compared to 2020. It was \$338,044 more than the \$507,409 unappropriated ending fund balance budgeted for the 2020-21 fiscal year.

The General Fund had revenue and expenditures of \$1,101,326 and \$907,405 respectively. Revenues increased 9.7% and expenditures increased 0.3% over the 2019-20 fiscal year. Overall, the General Fund balance increased from \$671,532 to \$845,453.

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

The Grant Fund had revenues and expenditures of \$208,981 and \$71,699 respectively, leaving a fund balance of \$251,794.

The Capital Equipment Reserve Fund received a transfer from the General Fund of \$20,000. In addition, there was \$637 in interest revenue and expenditures were \$5,174, leaving a fund balance of \$125,338.

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, 2021

ASSETS

Cash and cash equivalents	\$ 1,226,078
Property taxes receivable	<u>54,525</u>
Total Assets	<u>1,280,603</u>

LIABILITIES:

Payroll liabilities	3,493
Compensated absences	<u>16,866</u>
Total Liabilities	<u>20,359</u>

NET POSITION:

Unrestricted	<u>1,260,244</u>
Total Net Position	<u>\$ 1,260,244</u>

See accompanying notes to basic financial statements