

**HOOD RIVER VALLEY PARK
AND RECREATION DISTRICT
Hood River, Oregon
ANNUAL FINANCIAL REPORT
For Year Ended June 30, 2022**

ONSTOTT, BROEHL & CYPHERS, P.C.
Certified Public Accountants
100 East 4th Street
The Dalles, Oregon 97058

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

Names and Addresses of Officers
and Members of the Board of Directors
June 30, 2022

MEMBERS OF THE BOARD OF DIRECTORS

Anna Cavaleri 1712 Prospect Avenue Hood River, Oregon 97031	President
Mike McCarthy 8405 Clear Creek Road Parkdale, Oregon 97041	Vice President
Suzanne Cross 406 24 th Street Hood River, Oregon 97031	Secretary
Martha Ortega-Verduzco 7230 Baseline Drive Parkdale, Oregon 97041	Board Member
Nan Noteboom 3125 Fairwig Road Odell, Oregon 97031	Board Member

OTHER OFFICERS

Mark Hickok, District Director
Registered Office
1601 May Street
Hood River, Oregon 97031

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

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FINANCIAL SECTION

Onstott, Broehl & Cypfers, P. C.

Certified Public Accountants

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

WILLIAM S. ROOPER, c.p.a. retired

MEMBERS:

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

OFFICES:

100 EAST FOURTH STREET
THE DALLES, OREGON 97058
Telephone: (541) 296-9131
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hood River Valley Park and Recreation District

Opinion

We have audited the accompanying modified cash basis financial statements of governmental activities and each major fund of Hood River Valley Park and Recreation District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Hood River Valley Park and Recreation District's 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 modified cash basis financial position of the governmental activities and each major fund of Hood River Valley Park and Recreation District, as of June 30, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hood River Valley Park and Recreation 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 opinion.

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 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.

Auditor's 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 auditor's report that includes our opinion. 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 Valley Park and Recreation 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 Valley Park and Recreation 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 15, 2022, on our consideration of Hood River Valley Park and Recreation District's internal control over financial reporting and on our tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-240 to 162-10-320. The purpose of that report is to describe our evaluation of internal control over financial reporting and the scope of our testing of compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance.

Onstott, Broehl & Cyphers, P.C.

By: Kenneth Onstott, a Shareholder
The Dalles, Oregon
December 15, 2022

BASIC FINANCIAL STATEMENTS

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

Statement of Net Position- Modified Cash Basis

June 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$2,165,480
Capital assets (net of accumulated depreciation):	
Land	1,900,325
Buildings and improvements	249,163
Equipment	33,863
Skate park improvements	99,063
Parks and improvements	3,452,862
Trails and improvements	454,583
Construction in progress	<u>3,331</u>
 Total Assets	 <u><u>\$8,358,670</u></u>
 LIABILITIES AND NET POSITION	
Liabilities:	
Payroll taxes withheld	<u>\$8,747</u>
 Total Liabilities	 <u>8,747</u>
 NET POSITION	
Net investment in capital assets	6,193,190
Restricted for:	
System development	771,189
Unrestricted	<u>1,385,544</u>
 Total Net Position	 <u>8,349,923</u>
 Total Liabilities and Net Position	 <u><u>\$8,358,670</u></u>

The notes to the financial statements are an integral part of this statement.

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

Statement of Activities - Modified Cash Basis

Year Ended June 30, 2022

Functions/Programs	Expenses	Charges for Services	Program Revenues Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:				
General government	363,580	\$8,316		(\$355,264)
Operations and maintenance - pool facility	619,985	344,018		(275,967)
Parks and trails	287,914			(287,914)
Recreation program	88,631	135,593		46,962
	\$1,360,110	\$487,927	\$0	(872,183)
Total Governmental Activities				
				956,901
				379,164
				750,000
				11,318
				2,097,383
				1,225,200
				7,124,723
				\$8,349,923

General Revenues:

Property taxes
System development charges
Loan proceeds
Unrestricted investment earnings

Total General Revenues

Change in Net Position

Net Position - July 1, 2021

Net Position - June 30, 2022

The notes to the financial statements are an integral part of this statement.

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT
 Balance Sheet - Modified Cash Basis
 Governmental Funds
June 30, 2022

	General Fund	System Development Charge Fund	Improvement Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$1,008,815	\$771,189	\$385,476	\$2,165,480
Total Assets	\$1,008,815	\$771,189	\$385,476	\$2,165,480
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Payroll liabilities	\$8,747	—	—	\$8,747
Total Liabilities	8,747	0	0	8,747
DEFERRED INFLOWS OF RESOURCES	0	—	—	0
FUND BALANCES				
Fund Balances:				
Restricted to:				
System development		771,189		771,189
Assigned to - capital improvements			385,476	385,476
Unassigned	1,000,068	—	—	1,000,068
Total Fund Equity	1,000,068	771,189	385,476	2,156,733
Total Liabilities, Deferred Inflows of Resources, and Fund Equity	\$1,008,815	\$771,189	\$385,476	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 6,193,190

\$8,349,923

The notes to the financial statements are an integral part of this statement.

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Modified Cash Basis
Year Ended June 30, 2022

	<u>General Fund</u>	<u>System Development Charge Fund</u>	<u>Improvement Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$956,901			\$956,901
Pool receipts	344,018			344,018
Interest on investments	9,872	\$1,446		11,318
System development charges		379,164		379,164
Recreation revenue	135,593			135,593
Donations and other	8,316			8,316
	<u>1,454,700</u>	<u>380,610</u>	<u>0</u>	<u>1,835,310</u>
Total Revenues				
EXPENDITURES				
Current:				
General administration	356,110	6,840		362,950
Operations and maintenance - pool facility	562,836			562,836
Parks & trails	171,597			171,597
Recreation program	88,631			88,631
Debt service		73,751		73,751
Capital outlay		1,647,037		1,647,037
	<u>1,179,174</u>	<u>1,727,628</u>	<u>0</u>	<u>2,906,802</u>
Total Expenditures				
Revenues Over (Under) Expenditures	<u>275,526</u>	<u>(1,347,018)</u>	<u>0</u>	<u>(1,071,492)</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds		750,000		750,000
Operating transfers in			35,000	35,000
Operating transfers out	(35,000)			(35,000)
	<u>(35,000)</u>	<u>750,000</u>	<u>35,000</u>	<u>750,000</u>
Total Other Financing Sources (Uses)				
Revenues and Other Sources (Uses) Over (Under) Expenditures	240,526	(597,018)	35,000	(321,492)
FUND BALANCE - July 1, 2021	<u>759,542</u>	<u>1,368,207</u>	<u>350,476</u>	<u>2,478,225</u>
FUND BALANCE - June 30, 2022	<u>\$1,000,068</u>	<u>\$771,189</u>	<u>\$385,476</u>	<u>\$2,156,733</u>

The notes to the financial statements are an integral part of this statement.

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds
 To the Statement of Activities - Modified Cash Basis
Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	(\$321,492)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

The difference between these two amounts is:

Capitalized expenditures	\$1,662,831	
Depreciation expense	<u>(116,139)</u>	<u>1,546,692</u>

Change in net position of governmental activities	<u><u>\$1,225,200</u></u>
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The notes to the financial statements are an integral part of this statement.

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Hood River Valley Park and Recreation District (the District) is a municipal corporation governed by a five-member board of directors elected by the citizens of the District. Administrative functions are delegated to individuals who report to and are responsible to the board. The chief administrative officer is the District director.

The accompanying financial statements present all funds and component units for which the District is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of these criteria, the District is a primary government with no includable component units.

As discussed later, these financial statements are presented 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 (GAAP). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

Government-wide and Fund Financial Statements

The government-wide financials statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among programs revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus

The government-wide financial statements are presented using the modified cash basis of accounting. Revenues are recorded when received and expenses are recorded when paid. As discussed later in these notes to the financial statements, capital assets are recorded as stated in the notes.

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Governmental fund financial statements are reported using the modified cash basis of accounting. Revenues are recognized when received and expenses are recorded when paid. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statement of net position or fund balance sheet, events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such balances might include certain receivables, payables, capital assets and related depreciation, and long-term liabilities arising from cash transactions or events.

The District reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *system development charge fund* accounts for the fees received from the permits issued by the District and County for new dwellings constructed within the District. The proceeds from these charges are for development of recreation facilities within the District.

Non-major funds:

Capital projects funds that account for financial resources to be used for the acquisition or construction of major capital facilities. The *improvement fund* is considered a non-major fund.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities, and Net Position or Equity

Cash and Investments

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

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Oregon Revised Statutes authorize the District to invest in obligations of the U.S. Treasury and its agencies, certain bonded obligations of Oregon municipalities, certificates of deposit, certain commercial paper, banker's acceptance, corporate debt, bank repurchase agreements, and the Oregon State Treasurer's Local Government Investment Pool. The District has no formal investment policy that further restricts its investment choices.

Investments for the District are reported at cost, which approximates fair value.

Capital Assets

Capital assets, which include land, buildings and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life extending beyond a single reporting period. Such assets are stated at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The District's policy is to capitalize material interest costs as part of the cost of capital assets based on the borrowing costs incurred. Such costs were not considered material in 2022.

Property, plant, and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	3-30
Equipment	3-10
Skate park improvements	10-20
Parks and improvements	3-20

Fund Equity

The District's government-wide financial statements report net position into three different classifications. The classifications are net investment in capital assets, restricted, and unrestricted net position.

The District's fund balances are maintained under the current GASB Standards. These standards establish fund balance classifications for governmental funds. In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following classifications describe the relative strength of the spending constraints:

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

- Nonspendable fund balance—amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., District Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Property Taxes

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

Use of Estimates

In preparing the District's financial statements, management is required 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 reported amounts of revenues and expenditures and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DETAILED NOTES ON ALL FUNDS

Deposits

Cash and investments are reflected on the government-wide Statement of Net Position as follows:

Cash in bank	\$468,021
Cash with Hood River County	1,697,159
Cash on hand	<u>300</u>
Total cash and cash equivalents	<u><u>\$2,165,480</u></u>

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

Notes to Financial Statements

June 30, 2022

At June 30, 2022 the District's investment balance was as follows:

	<u>Carrying Amount</u>	<u>Reported Amount/ Fair Value</u>
Cash with Hood River County	<u>\$ 1,697,159</u>	<u>\$ 1,697,159</u>

Deposits with financial institutions are comprised of bank demand deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. For deposits in excess of federal depository insurance, Oregon Revised Statutes require that public officials report to the Office of the State Treasurer all bank depositories in which they deposit public funds and bank depositories will then report financial information and total public funds deposits quarterly to OST. OST will then calculate the required collateral that must be pledged by the bank based on this information and the depository's assigned capitalization category. Bank depositories will then have a shared liability in the event of a bank loss. At June 30, 2022, the carrying amount of the District's deposits was \$469,055 and the bank balance was \$226,776. Of the bank balance, all was covered by federal depository insurance. Investments in external investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Investments

The District has delegated investment responsibilities to the District Director, who is primarily responsible for implementing investment policy. The District has no formal written investment policy.

Cash on deposit with Hood River County is subject to the same regulatory oversight as all deposits of the County.

Concentration of Credit Risk

The District's only investments are maintained by Hood River County, Oregon, which, as an Oregon municipality, is governed by the same investment restrictions as the District. This external investment pool is unrated as to its credit quality.

Interest Rate Risk

The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 2 – DETAILED NOTES ON ALL FUNDS – continued

Capital assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balances July 1, 2020	Additions	Deletions	Balances June 30, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$2,324,054	\$1,657,344		\$3,981,398
Construction in progress	3,331			3,331
Total capital assets not being depreciated	2,327,385	1,657,344	0	3,984,729
Capital assets, being depreciated:				
Buildings and improvements	2,059,322			2,059,322
Equipment	148,098			148,098
Skate park improvements	423,889			423,889
Parks and improvements	2,353,703			2,353,703
Trails and improvements	50,638	5,487		56,125
Total capital assets being depreciated	5,035,650	5,487	0	5,041,137
Less accumulated depreciation for:				
Buildings and improvements	(1,754,196)	(55,963)		(1,810,159)
Equipment	(102,543)	(11,692)		(114,235)
Skate park improvements	(307,429)	(17,397)		(324,826)
Parks and improvements	(529,983)	(28,202)		(558,185)
Trails and improvements	(22,386)	(2,885)		(25,271)
Total accumulated depreciation	(2,716,537)	(116,139)	0	(2,832,676)
Total capital assets, being depreciated, net	2,319,113	(110,652)	0	2,208,461
Governmental activities capital assets, net	\$4,646,498	\$1,546,692	\$0	\$6,193,190

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
General administration	\$630
Operations and maintenance - pool facility	57,149
Parks and trails	58,360
Total depreciation expense - governmental activities	\$116,139

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 2 – DETAILED NOTES ON ALL FUNDS – continued

Interfund Transfers

The District routinely makes transfers between funds, primarily to other funds for future major capital purchases. Interfund transfers for the year were as follows:

	Transfer In	
Transfer Out:	Improvement	Total
General	\$35,000	\$35,000

Long-term Debt

During the year the District incurred bank debt to finance the purchase of future park sites in the amount of \$750,000. Annual payments of \$68,182 plus interest are required with an annual interest rate of 1.65%. Future maturities at June 30, 2022 are as follows:

Year	Principal	Interest	Total
2022-23	\$68,182	\$11,250	\$79,432
2023-24	68,182	10,125	78,307
2024-25	68,182	9,000	77,182
2025-26	68,182	7,875	76,057
2026-27	68,182	6,750	74,932
2027-32	340,910	16,313	357,223
Total	\$681,820	\$61,313	\$743,133

Changes in loans payable during the year are as follows:

Balance July 1, 2021	\$0
Increases	750,000
Principal payments	(68,182)
Balance June 30, 2022	\$681,818

NOTE 3 – OTHER INFORMATION

Risk Management

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

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT

Notes to Financial Statements

June 30, 2022

Employee Retirement Plan

The District participates in the Oregon Savings Growth Plan (a 457b plan). Under this plan employees can contribute up to \$18,000 annually (with catch-up provisions for individuals age 50 and above) with the District matching 3% of the total income each employee contributes to the plan (up to the maximum allowed by law).

Total contributions for the fiscal year ended June 30, 2022, were \$17,541 by the District and \$23,535 by employees. The Board of Directors has the authority to establish or amend the District's retirement plan.

Subsequent Events

Subsequent events were evaluated through December 15, 2022, which is the date the financial statements were available to be issued.

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OTHER INFORMATION

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 General Fund - Modified Cash Basis
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	\$837,822	\$837,822	\$956,901	\$119,079
General admission	209,808	209,808	166,364	(43,444)
Innovative revenues	20,839	20,839	14,305	(6,534)
Lessons	47,630	47,630	30,669	(16,961)
Merchandise sales	17,794	17,794	34,507	16,713
Recreation revenue	-	93,500	125,135	31,635
Interest on investments	7,000	7,000	9,872	2,872
Rentals	69,805	69,805	57,294	(12,511)
Grants	1,875	1,875	53,111	51,236
Miscellaneous	1,200	1,200	6,542	5,342
Total Revenues	<u>1,213,773</u>	<u>1,307,273</u>	<u>1,454,700</u>	<u>147,427</u>
EXPENDITURES				
Personal Services:				
Payroll expenses	771,486	816,486	709,977	106,509
Total Personal Services	<u>771,486</u>	<u>816,486</u>	<u>709,977</u>	<u>106,509</u>
Materials and Services:				
Audit services	11,600	11,600	0	11,600
Bank charges	1,200	1,200	1,039	161
Chemicals, gasses and fuel	21,197	21,197	22,669	(1,472)
Credit card and processing fees	5,540	5,540	5,649	(109)
Dues and fees	10,509	10,509	14,139	(3,630)
Furniture and equipment	6,000	11,500	30,853	(19,353)
Insurance - workers compensation and liability	17,500	17,500	23,327	(5,827)
Legal services	5,500	5,500	8,920	(3,420)
Meetings and conferences	2,500	2,500	1,123	1,377
Merchandise purchases	10,800	10,800	11,657	(857)
Miscellaneous	0	0	318	(318)
Office expenses	5,000	10,000	13,816	(3,816)
Professional fees	25,000	25,000	37,928	(12,928)
Promotional and marketing	8,500	13,500	4,006	9,494
Rent or lease	2,536	8,536	3,682	4,854
Repairs and maintenance	92,000	92,000	50,596	41,404
Staff wellness	2,200	2,200	2,596	(396)
Stationery and printing	1,200	1,200	861	339
Subcontractors	14,000	34,000	34,417	(417)
Supplies	21,500	27,500	41,747	(14,247)
Taxes, licenses and fees	0	0	1,017	(1,017)
Tools	8,250	8,250	12,779	(4,529)
Travel and training	11,500	12,000	6,431	5,569
Uniforms	5,300	5,800	6,752	(952)
Utilities	139,255	139,255	127,755	11,500
Volunteer stipend	0	0	5,120	(5,120)
Total Materials and Services	<u>428,587</u>	<u>477,087</u>	<u>469,197</u>	<u>7,890</u>
Capital Outlay	13,000	13,000	0	13,000
Contingency	35,700	35,700	0	35,700
Total Expenditures	<u>1,248,773</u>	<u>1,342,273</u>	<u>1,179,174</u>	<u>163,099</u>
Revenues Over (Under) Expenditures	(35,000)	(35,000)	275,526	(15,672)
OTHER FINANCING (USES) - Operating transfers out				
	(35,000)	(35,000)	(35,000)	0
Revenues and Other (Uses) Over (Under) Expenditures	(70,000)	(70,000)	240,526	(15,672)
FUND BALANCE - July 1, 2021	245,000	245,000	759,542	514,542
FUND BALANCE - June 30, 2022	<u>\$175,000</u>	<u>\$175,000</u>	<u>\$1,000,068</u>	<u>\$498,870</u>

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 System Development Charge Fund - Modified Cash Basis
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Investment earnings	\$7,500	\$7,500	\$1,446	(\$6,054)
License, fees, & permits	303,850	303,850	379,164	75,314
Total Revenues	<u>311,350</u>	<u>311,350</u>	<u>380,610</u>	<u>69,260</u>
EXPENDITURES				
Materials and services:				
Bank charges	300	300	6,840	(6,540)
Legal and professional fees	50,000	50,000	0	50,000
Total Materials and Services	<u>50,300</u>	<u>50,300</u>	<u>6,840</u>	<u>43,460</u>
Debt service	0	0	73,751	(73,751)
Capital outlay	1,536,050	2,376,050	1,647,037	729,013
Total Expenditures	<u>1,586,350</u>	<u>2,426,350</u>	<u>1,727,628</u>	<u>698,722</u>
Revenues Over (Under) Expenditures	(1,275,000)	(2,115,000)	(1,347,018)	767,982
OTHER FINANCING SOURCES				
Loan proceeds	0	750,000	750,000	0
Revenues and Other Sources Over Expenditures	(1,275,000)	(1,365,000)	(597,018)	767,982
FUND BALANCE - July 1, 2021	<u>1,275,000</u>	<u>1,365,000</u>	<u>1,368,207</u>	<u>3,207</u>
FUND BALANCE - June 30, 2022	<u>\$0</u>	<u>\$0</u>	<u>\$771,189</u>	<u>\$771,189</u>

HOOD RIVER VALLEY PARK AND RECREATION DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Improvement Fund - Modified Cash Basis
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES - Miscellaneous	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
EXPENDITURES			
Materials and Services - Tools	50,000		50,000
Capital outlay	<u>335,000</u>	<u>0</u>	<u>335,000</u>
Total Expenditures	<u>385,000</u>	<u>0</u>	<u>385,000</u>
Revenues Over (Under) Expenditures	(385,000)	0	385,000
OTHER FINANCING SOURCES			
Transfers in	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Revenues and Other Sources Over (Under) Expenditures	(350,000)	35,000	385,000
FUND BALANCE - July 1, 2021	<u>350,000</u>	<u>350,476</u>	<u>476</u>
FUND BALANCE - June 30, 2022	<u><u>\$0</u></u>	<u><u>\$385,476</u></u>	<u><u>\$385,476</u></u>

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**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

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.

WILLIAM S. ROOPER, c.p.a. retired

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of the Hood River Park and Recreation District as of and for the year ended June 30, 2022 and have issued our report thereon dated December 15, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS 294).
- Insurance and fidelity bond in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS 294).
- Public contracts and purchasing (ORS 279A, 279B, and 279C).

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

Oregon Local Budget Law Compliance

The results of our tests disclosed no instances of noncompliance with Oregon Local Budget Law

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the District's internal control over financial

reporting as a basis for determining our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control. We have issued a separate management letter outlining deficiencies and suggestions for improvements in internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

This report is intended solely for the information of Hood River Valley Park and Recreation District's management, and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Onstott, Broehl & Cyphers, PC
December 15, 2022