

**HOOD RIVER COUNTY TRANSPORTATION DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**June 30, 2025**

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

## BOARD OF DIRECTORS

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<u>Name</u>	<u>Term Expires</u>
Greg Pack – Board Chair	June 30, 2029
Megan Ramey – Board Vice-Chair	June 30, 2029
Tamra Taylor – Board Secretary-Treasurer	June 30, 2027
Gisela Ayala-Echeverria – Director	June 30, 2027
Eleazar Reyes – Director	June 30, 2027
Matt Althoff - Director	June 30, 2029
Meghan Larivee	June 30, 2025

*Board members receive all District communications at the address below.*

Executive Director

Amy Schlappi

Address

224 Wasco Loop  
Hood River, OR 97031

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the modified cash basis financial statements of the governmental activities and the major fund of the Hood River County Transportation District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and the major fund of the District, as of June 30, 2025, 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 2.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 2 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 the financial statements in accordance with the modified cash basis of accounting described in Note 2, 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 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 GAAS and *Government Auditing Standards* will always detect material misstatements 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government 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 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 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 District's basic financial statements. The schedule of revenues, expenditures and changes in fund balance – budget to actual – General Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 2.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis but does not include the basic financial statements and our auditor's 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Board of Directors  
Hood River County Transportation District  
Independent Auditor's Report  
August 26, 2025

***Other Reporting Required by Oregon State Regulations***

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated August 26, 2025 on our consideration of the District's 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.

*Singer Lewak LLP*

August 26, 2025

By:

A handwritten signature in dark ink, appearing to read 'B. Bingenheimer', written over a light blue horizontal line.

Bradley G. Bingenheimer, Partner

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Hood River County Transportation District

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2025



As management of Hood River County Transportation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025, within the limitation of the District's modified cash basis of accounting. Please read it in conjunction with the District's financial statements and notes to the financial statements which follow.

#### ***Financial Highlights***

- In the Statement of Activities, the District's revenues exceeded their expenses by \$397,764 this year, increasing the net position by that same amount. This was largely due to acquiring two new buses and a piece of property, which were largely reimbursed with grant moneys in the current year, but only partially depreciated.
- The District increased their total revenue by 12% in the current year, while mitigating inflationary increases in wages with operational efficiencies.
- The District's expenditures remained within budget for the fiscal year ended June 30, 2025, as shown in the Schedule of Revenues, Expenditures, and Changes in Fund Balance.
- The District remains debt free.

#### ***Overview of the Financial Statements***

**Basis of Accounting** – The District has elected to present its financial statements on a modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles (GAAP). In the cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when funds are received or paid, rather than when the goods or services are provided or incurred, as under the accrual basis of accounting. Modifications to the cash basis of accounting are as follows:

- **Government-Wide Financial Statements** – In the government wide financial statements, the only modification to the full cash basis of accounting is the recording of capital assets, credit card and payroll liabilities, and related expenses. The two statements issued on this basis of accounting are the Statement of Net Position and the Statement of Activities.
- **Fund Financial Statements** – In the fund financial statements, the only modification to the full cash basis of accounting is the recording credit card and payroll liabilities and their related expenses. In line with the cash basis of accounting, capital assets are expended when purchased and not depreciated over time, as in the government-wide financial statements. As the District only has one fund, the general fund, there are three statements issued on this basis – the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances in the basic financial statements and the Budget to Actual Statement in the supplementary information.

#### ***Government Wide Financial Statement Analysis***

**Statement of Net Position** – Net position may serve over time as a useful indicator of the District's financial position. As of June 30, 2025, the District's assets exceeded their liabilities by \$4,955,418, a 9% increase from the prior year. The District ended the year with a restricted net position of \$324,481, or 7% of the total net position. These funds are amounts restricted by agreement or law, which are restricted for specific purposes.

**Condensed Statement of Net Position**

Modified cash basis	As of		Increase/ (Decrease)
	6/30/2025	6/30/2024	
Assets			
Cash and equivalents	\$ 1,391,274	\$ 1,618,396	\$ (227,122)
Capital assets	3,565,670	2,945,237	620,433
Total assets	4,956,944	4,563,633	393,311
Liabilities	1,526	5,979	(4,453)
Net position			
Net investment in capital assets	3,565,670	2,945,237	620,433
Restricted net position	324,481	270,351	54,130
Unrestricted net position	1,065,267	1,342,066	(276,799)
Total net position	4,955,418	4,557,654	397,764
Total liabilities and net position	\$ 4,956,944	\$ 4,563,633	\$ 393,311

This District's largest assets remain their capital assets, which are comprised of land, buildings, and equipment, as outlined in the notes to the financial statements, and represent 72% of the District's total assets as of June 30, 2025. The District made several large capital asset purchases in FY25, resulting in a \$620,433 increase in net capital assets and a \$227,122 decrease in cash.

*Statement of Activities* – For the last two fiscal years, the District's net position changed as follows:

**Comparative Statement of Activity**

Modified cash basis	For the fiscal year ended		Variance
	6/30/2025	6/30/2024	+ / (-)
Revenue			
Charges of services	\$ 308,729	\$ 329,979	\$ (21,250)
Federal grants	916,449	903,848	12,601
State grants	1,788,261	1,465,858	322,403
Tax revenues	276,714	269,501	7,213
Interest income	68,449	53,096	15,353
Miscellaneous revenue	46,020	5,344	40,676
Total revenue	3,404,622	3,027,626	376,996
Expenditures			
Materials and services	(1,117,030)	(766,864)	(350,166)
Personnel expense	(1,592,463)	(1,586,915)	(5,548)
Capital asset related activity	(297,365)	(232,981)	(64,384)
Total expenditures	(3,006,858)	(2,586,760)	(420,098)
Change in net position	397,764	440,866	\$ (43,102)
Net position - beginning	4,557,654	4,116,788	
Net position - ending	\$ 4,955,418	\$ 4,557,654	

The District increased their total revenues by \$376,996. The largest portion of this revenue remains federal and state grants, which accounted for 78% and 79% of total revenues in the last two fiscal years.

Total expenditure increased by \$420,098 for the fiscal year ended June 30, 2025 compared to the prior year. Personnel expense, which includes payroll and all related taxes and retirement contributions, remained the District's largest expense, accounting for 61% and 53% of the total expenditures over the last two years.

For the fiscal year ended June 30, 2025, the District increased its net position by \$397,764, from \$4,557,654 to \$4,955,418. These figures represent the amount the District's assets exceeded its liabilities at the end of the last two fiscal years.

### ***Fund Financial Statement Analysis***

*General Fund Budgetary Highlights* – The District only operates one fund, the General Fund, which is budgeted for by organizational unit. The District maintains two organizational units – administrative and operating. The budget expenditures were below the legal appropriations for these categories, by \$316,045 and \$2,847,385, respectively. A summary of expenses by object classification and organizational unit for the year is as follows:

### **Condensed Schedule of Revenues, Expenditures, and Changes in Fund Balance**

Modified cash basis	For the fiscal year ended June 30, 2025		
	Actual	Adopted Budget	Under/(Over) Budget
Revenue	\$ 3,408,142	\$ 6,733,900	\$ 3,325,758
Expenditures			
Administrative			
Materials & services	242,548	547,200	304,652
Personnel expense	293,533	304,926	11,393
Capital outlay	-	-	-
Total administrative	536,081	852,126	316,045
Operating			
Materials & services	874,482	920,352	45,870
Personnel expense	1,298,930	1,609,110	310,180
Capital outlay	921,318	3,412,653	2,491,335
Total operating	3,094,730	5,942,115	2,847,385
Total expenditures	3,630,811	6,794,241	3,163,430
Net change in fund balance	(222,669)	\$ (60,341)	\$ 162,328
Fund balance - beginning	1,612,417		
Fund balance - ending	\$ 1,389,748		

The most major difference between the budgeted and actual expenditures this last fiscal year was the \$3.4M budgeted for several large property and equipment purchases, of which only a portion were acquired by the end of the year. See the overview of next year's budget below for further information regarding these assets.

The fund balance represents the amount of current financial resources the District has available to meet future obligations. Capital assets are therefore not included in the calculation of fund balance, which is the only major difference between the District's modified cash basis calculation of fund balance and net position. The District decreased its fund balance by \$222,669 in the current year, which is a 14% decrease from \$1,612,417 to \$1,389,748.

### ***Economic Factors and Next Year's Budget***

The FY26 budget will allow CAT to maintain current services and begin implementation of facility site development projects identified in the Transit Master Plan 2023 Update. However, due to federal funding and economic uncertainties, this will be contingent on receiving federal funding reimbursements each quarter. The revenues and expenditures of the District for the next fiscal year are expected to remain consistent with the most recent year. The District anticipates receiving several buses which were ordered but have not yet been received. Most of the cost of these buses will be covered by reimbursement grants. As payment is not due until the assets are received, both the expenditures and the related grant revenues associated with these assets are anticipated to be accounted for in the next fiscal year.

### ***Request for Information***

This financial report is designed to demonstrate the District's accountability by presenting the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances. Additional information, including our service schedules, interactive service maps, affiliated partners, fare information, and an overview of the Board members and minutes, is available on our website at [www.ridecatbus.org](http://www.ridecatbus.org).

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's office at 224 Wasco Loop, Hood River, Oregon 97031 or by calling the District at (541) 386-4202.

## **BASIC FINANCIAL STATEMENTS**

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

## STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2025

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### Assets

#### Current assets

Cash and cash equivalents	\$ 1,391,274
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Total current assets	<u>1,391,274</u>
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#### Capital assets:

Nondepreciable, land	758,634
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Capital assets, net	<u>2,807,036</u>
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Total capital assets	<u>3,565,670</u>
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Total assets	<u>4,956,944</u>
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### Liabilities

Credit card payable	<u>1,526</u>
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Total liabilities	<u>1,526</u>
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### Net position

Net investment in capital assets	3,565,670
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Restricted for capital improvements	324,481
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Unrestricted	<u>1,065,267</u>
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<b>Total net position</b>	<b><u><u>\$ 4,955,418</u></u></b>
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See notes to financial statements

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

## STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

Year Ended June 30, 2025

Functions/Programs	Expenses	PROGRAM REVENUES			Net Expenses/ Revenues and changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental activities:</b>					
Administration	\$ 536,081	\$ -	\$ -	\$ -	\$ (536,081)
Public transportation	<u>2,470,777</u>	<u>308,729</u>	<u>2,225,351</u>	<u>527,418</u>	<u>590,721</u>
Total governmental activities	<b><u>\$ 3,006,858</u></b>	<b><u>\$ 308,729</u></b>	<b><u>\$ 2,225,351</u></b>	<b><u>\$ 527,418</u></b>	<u>54,640</u>
		General revenues			
		Property taxes			228,655
		Interest income			68,449
		Miscellaneous			<u>46,020</u>
		Total general revenues			<u>343,124</u>
		Change in net position			397,764
		Net position – beginning			<u>4,557,654</u>
		<b>Net position – ending</b>			<b><u>\$ 4,955,418</u></b>

See notes to financial statements

**HOOD RIVER COUNTY TRANSPORTATION DISTRICT**  
**BALANCE SHEET - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**June 30, 2025**

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	<u>General</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,391,274
<b>Total assets</b>	<b><u>\$ 1,391,274</u></b>
<b>Liabilities</b>	
Credit card payable	\$ 1,526
Total liabilities	<u>1,526</u>
<b>Fund balances</b>	
Restricted:	
Capital projects	324,481
Unassigned	<u>1,065,267</u>
Total fund balances	<u>1,389,748</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,391,274</u></b>

See notes to financial statements

**HOOD RIVER COUNTY TRANSPORTATION DISTRICT**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**June 30, 2025**

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

Total fund balances - total governmental funds	\$ 1,389,748
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	<u>3,565,670</u>
<b>Net position of governmental activities</b>	<b><u>\$ 4,955,418</u></b>

See notes to financial statements

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS GOVERNMENTAL FUNDS Year Ended June 30, 2025

	<u>General</u>
<b>Revenues</b>	
Property taxes	\$ 228,655
Charges for services	308,729
Intergovernmental	2,752,769
Interest	68,449
Miscellaneous	<u>46,020</u>
Total revenues	<u>3,404,622</u>
<b>Expenditures</b>	
Current:	
Administration	536,081
Operating	2,173,412
Capital outlay	<u>921,318</u>
Total expenditures	<u>3,630,811</u>
Excess of revenues over expenditures	<u>(226,189)</u>
<b>Other financing sources</b>	
Proceeds from sale of assets	<u>3,520</u>
Total other financing sources	<u>3,520</u>
Net change in fund balances	(222,669)
Fund balances at beginning of year	<u>1,612,417</u>
<b>Fund balance at end of year</b>	<b><u>\$ 1,389,748</u></b>

See notes to financial statements

**HOOD RIVER COUNTY TRANSPORTATION DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2025**

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

Net change in fund balances - total governmental funds \$ (222,669)

Governmental funds report the acquisition of capital assets as  
expenditures while governmental activities report depreciation  
expense to allocate those expenditures over the life of the assets.

The difference between those two amounts is:

Acquisition of capital assets	921,318	
Loss on disposals	(6,285)	
Depreciation	<u>(294,600)</u>	
		<u>620,433</u>

**Change in net position of governmental activities \$ 397,764**

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – FINANCIAL REPORTING ENTITY

Hood River County Transportation District (the “District”) was established as a subdivision of state government and functions as a local unit. The District was formed on July 1, 1993, organized under the provisions of Oregon Revised Statutes (ORS) Chapter 267, and established to provide transportation services to riders within Hood River County, Oregon. The District is authorized to levy taxes and charge fares to fund the operations of the District and issue general obligation bonds and revenue bonds.

The accompanying basic financial statements present the activities and funds 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 this criteria, the District is a primary government with no includable component units.

### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation – Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and other nonexchange transactions are reported together with fees and charges for support.

The government-wide financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

Only cash and cash equivalents and items that involve the receipt or disbursement of cash or cash equivalents during the period are recognized, except for the following modifications: 1) capital assets; 2) credit card payable; and 3) payroll processed as of the year ended.

As a result of the use of this modified cash basis of accounting, certain transactions are not presented in the financial statements. For example, accounts receivable for billed or provided services that are not yet received by the District are not accrued as revenue or receivables. Additionally, long-term liabilities such as compensated absences are not presented.

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. 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.

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of Presentation – Government-Wide Financial Statements (continued)

Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, which are presented on the modified cash basis of accounting. The District always reports its only fund as a major fund:

General - accounts for all financial resources of the District, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, intergovernmental grants, and charges for services. Expenditures are primarily for general operations and administration.

If the District utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

The District's policy, although not in accordance with accounting principles generally accepted in the United States of America, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

#### Budget Policies and Budgetary Control

Annual budgets for all funds are adopted on a basis consistent with ORS 294 – Local Budget Law. The budget is prepared on the current resources, modified cash basis of accounting for each fiscal year July 1 to June 30.

The budget process includes a series of notices and publications culminating with the budget hearing. After the public hearing has been held, the Board enacts the resolutions to adopt the budget, make appropriations, and declare the ad valorem tax levy for all funds. The Appropriations Resolution contains amounts for personal services, materials and services, capital outlay, debt service, interfund transfers and operating contingency. This is the level of control for authorized expenditures. The level of expenditures is monitored throughout the year. Transfers are made from operating contingency or between the major object classifications of the appropriation for each fund as required to prevent an over-expenditure. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget requires hearings before the public, publication in newspapers, and approval by the Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the level of controls. Such transfers require the approval of the Board of Directors.

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Budget Policies and Budgetary Control (continued)

Expenditures cannot legally exceed the appropriation levels. Appropriations for all funds lapse at the end of the fiscal year.

#### Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

#### Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Replacements, which improve or extend the lives of property, are capitalized. Interest incurred during construction is not capitalized on capital assets. Maintenance, repairs and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Multi-modal facility	40
Building and improvements	7 – 25
Transit improvements	10 – 20
Vehicles and buses	5 – 10
Office equipment	3 – 7

#### Net Position

On the statement of net position, equity is classified as net position and displayed in three components:

*Net investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

*Unrestricted net position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Net Position (continued)

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.

#### Fund Balance

##### *Governmental fund balance*

Governmental fund balance is reported within one of the fund balance categories listed below:

*Non-spendable* — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* — Fund balance amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority, which includes resolutions. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned* — Consists of amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The authority for assigning fund balance is expressed by the Board of Directors, or their designee.

*Unassigned* — the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

### NOTE 3 – CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents at June 30, 2025 were as follows:

Deposits with financial institutions	\$ 26,700
State of Oregon Local Government Investment Pool	1,363,691
Hood River County Treasurer	783
Cash on hand	<u>100</u>
Total cash and cash equivalents	<u>\$ 1,391,274</u>

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

#### Deposits with Financial Institutions

*Custodial Credit Risk – Deposits with Financial Institutions:* This is the risk that in the event of a bank failure, the District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest-bearing accounts and the aggregate of all interest-bearing accounts at each financial institution.

Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failure of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the District's deposits. As of June 30, 2025, deposit balance with financial institutions was \$117,464, of which none was exposed to custodial credit risk.

#### State of Oregon Local Government Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

*Credit risk:* Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

*Concentration of Credit Risk:* The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100% of the District's investments are in the State of Oregon State and Local Investment Pool.

*Interest Rate Risk:* The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

State of Oregon Local Government Investment Pool (continued)

*Custodial Credit Risk – Investments:* This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy which limits the amount of investments that can be held by counterparties.

### NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balances July 1, 2024	Increases	Decreases and Reclassifications	Balance June 30, 2025
Capital assets not being depreciated				
Land	\$ 436,003	\$ 322,631	\$ -	\$ 758,634
Total capital assets not being depreciated	<u>436,003</u>	<u>322,631</u>	<u>-</u>	<u>758,634</u>
Capital assets being depreciated				
Buildings and improvements	2,319,561	-	-	2,319,561
Transit improvements	828,907	-	-	828,907
Vehicles and equipment	<u>1,142,603</u>	<u>598,687</u>	<u>(170,509)</u>	<u>1,570,781</u>
Total capital assets being depreciated	<u>4,291,071</u>	<u>598,687</u>	<u>(170,509)</u>	<u>4,719,249</u>
Less accumulated depreciation for:				
Buildings and improvements	799,457	62,898	-	862,355
Transit improvements	398,851	43,813	-	442,664
Vehicles and equipment	<u>583,529</u>	<u>187,889</u>	<u>(164,224)</u>	<u>607,194</u>
Total accumulated depreciation	<u>1,781,837</u>	<u>294,600</u>	<u>(164,224)</u>	<u>1,912,213</u>
Total capital assets being depreciated, net	<u>2,509,234</u>	<u>304,087</u>	<u>(6,285)</u>	<u>2,807,036</u>
Capital assets, net	<u>\$ 2,945,237</u>	<u>\$ 626,718</u>	<u>\$ (6,285)</u>	<u>\$ 3,565,670</u>

Depreciation expense of \$294,600 was charged to operations for the year ended June 30, 2025.

# **HOOD RIVER COUNTY TRANSPORTATION DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

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### **NOTE 5 – RETIREMENT PLAN**

The District has adopted a deferred compensation plan and a matching and contribution plan under sections 457(b) and 401(a) of the Internal Revenue Code (IRC), respectively. The plan is administered by AIG Valic. Employees who complete one year of service and whose compensation is at least \$5,000 per year are eligible to participate in the plan. Eligible employees may elect to defer eligible compensation subject to limits established by IRC Section 567(b) immediately upon hire and the District matches employee deferrals up to 4% of annual compensation. The District Board of Directors has the authority to establish or amend the plan's provisions and contribution requirements. For the year ended June 30, 2025, the District contributed \$23,406 to the Plan and employees contributed a total of \$29,823.

### **NOTE 6 – 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, injuries to employees; and natural disasters. The District purchases commercial insurance for most hazards. No losses were incurred during the past three fiscal years ended June 30, 2025 that exceeded the District's insurance coverage.

### **NOTE 7 – COMMITMENTS AND CONTINGENT LIABILITIES**

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

## **SUPPLEMENTARY INFORMATION**

# HOOD RIVER COUNTY TRANSPORTATION DISTRICT

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL Year Ended June 30, 2025

	Budget		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 215,000	\$ 215,000	\$ 228,655	\$ 13,655
Charges for services	353,000	353,000	308,729	(44,271)
Intergovernmental	6,125,900	6,125,900	2,752,769	(3,373,131)
Interest	20,000	20,000	68,449	48,449
Miscellaneous	10,000	10,000	46,020	36,020
Total revenues	6,723,900	6,723,900	3,404,622	(3,319,278)
<b>Expenditures</b>				
Administration	852,126	852,126	536,081	316,045
Operating	5,942,115	5,942,115	3,094,730	2,847,385
Contingency	399,659	399,659	-	399,659
Total expenditures	7,193,900	7,193,900	3,630,811	3,563,089
Excess (deficiency) of revenues over expenditures	(470,000)	(470,000)	(226,189)	243,811
<b>Other financing sources</b>				
Sale of capital assets	10,000	10,000	3,520	(6,480)
Total other financing sources	10,000	10,000	3,520	(6,480)
Net change in fund balance	(460,000)	(460,000)	(222,669)	237,331
Fund balance at beginning of year	1,160,000	1,160,000	1,612,417	452,417
<b>Fund balance at end of year</b>	<b>\$ 700,000</b>	<b>\$ 700,000</b>	<b>\$ 1,389,748</b>	<b>\$ 689,748</b>

## **COMPLIANCE SECTION**

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY  
OREGON STATE REGULATIONS**

To the Members of the Board of Directors  
Hood River County Transportation District  
Hood River, Oregon

We have audited the basic financial statements of the Hood River County Transportation District (the "District") as of and for the year ended June 30, 2025, and have issued our report thereon dated August 26, 2025. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance and Other Matters**

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, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0230 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- 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 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 162-010-0230 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Board of Directors  
Hood River County Transportation District  
Independent Auditor's Report Required by Oregon State Regulations

**OAR 162-010-0230 Internal Control**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

**Restriction of Use**

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

*Singer Lewak LLP*

August 26, 2025

By:

A handwritten signature in dark ink, appearing to read 'B. Bingenheimer', written over a light blue horizontal line.

Bradley G. Bingenheimer, Partner

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities and the major fund of the Hood River County Transportation District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 26, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors  
Hood River County Transportation District  
Hood River, Oregon  
Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards*

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Singer Lewak LLP*

August 26, 2025

By:



Bradley G. Bingenheimer, Partner