



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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**HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Prepared by the Business Services Department of the
Hood River County School District

Rich Polkinghorn, Superintendent

Doug Holmes, Chief Financial Officer

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

2020-21

COMPREHENSIVE ANNUAL FINANCIAL REPORT

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

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HOOD RIVER COUNTY, OREGON

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HOOD RIVER COUNTY, OREGON

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HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2021

BOARD OF EDUCATION

TERM EXPIRES

Chrissy Reitz	June 30, 2023
Corinda Hankins Elliott	June 30, 2023
Julia Garcia-Ramirez, Vice Chair	June 30, 2021
Tom Scully	June 30, 2023
Brandi Sheppard	June 30, 2021
Rich Truax, Chair	June 30, 2021
David Russo	June 30, 2021

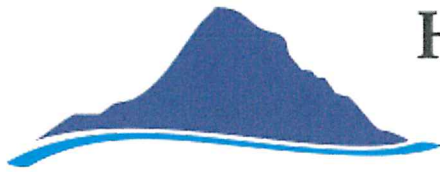
Board members receive mail at the District office address listed below

ADMINISTRATION

Rich Polkinghorn, Superintendent

Doug Holmes, Chief Financial Officer

1011 Eugene Street
Hood River, OR 97031



HOOD RIVER COUNTY SCHOOL DISTRICT

Excellence. Every student. Every day.

December 21, 2021

To Members of the Board of Education and Residents of Hood River County School District:

The Comprehensive Annual Financial Report of Hood River County School District (the District) for the year ended June 30, 2021 is hereby submitted. State law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. This report is published to fulfill the requirement for the fiscal year ended June 30, 2021, and consists of management's representations concerning the finances of the District together with the opinions of our auditor. This report includes all funds of the District.

The District's Business Services Department prepared this Comprehensive Annual Financial Report. Management assumes full responsibility for the completeness and reliability of the information presented in this report. The District's management has established and maintains a comprehensive internal control framework put in place to protect the assets from loss, theft, or misuse. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

These financial statements are presented to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

Pauly, Rogers and Co., P.C., Certified Public Accountants, have issued an unmodified opinion on the Hood River County School District's financial statements for the year ended June 30, 2021. The Independent Auditor's Report is located at the front of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditor's Report.

DISTRICT PROFILE

Hood River County School District, a kindergarten through twelfth grade district, was formed October 28, 1865. The District is a financially independent, special-purpose municipal corporation exercising financial accountability for all public education within its boundaries. As required by accounting

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principles generally accepted in the United States of America, all significant activities and organizations have been included in the financial statements.

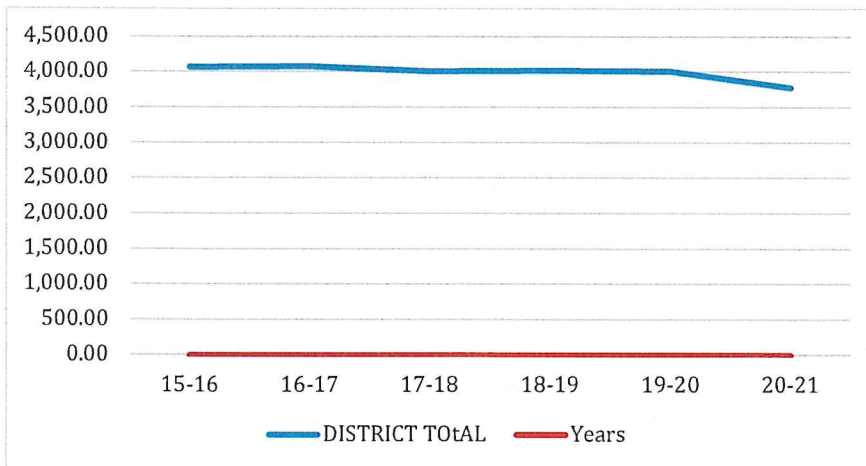
The District boundary is contiguous with Hood River County, located in the north central section of Oregon, on the eastern edge of the Cascade Range, and encompasses 533 square miles of land. It serves the residents of the incorporated cities of Hood River and Cascade Locks, and its rural communities. The population of 23,382 is concentrated in the Hood River Valley and along the Columbia River, with Hood River, Cascade Locks, Odell and Parkdale as the largest population centers.

Under Oregon State law, school districts are independent municipal corporations empowered to provide elementary and secondary educational services for the children residing within their boundaries. The District operates five elementary schools, two middle schools, one high school, and the Pine Grove campus, which houses early childhood programs. The average age of all school buildings is 66 years. One elementary school was replaced with new construction on the same site and opened in 2019. Elementary schools include kindergarten through grade 5. The two middle schools include grades 6 through 8, and the high school includes grades 9 through 12. Student enrollment for the fiscal year 2020-21, as measured by average daily membership (ADM), was 3,780 as shown below.

2020-21 Average Daily Membership (ADM) by Grade Level

<u>Grade Level</u>	<u>Number of Programs</u>	<u>Average Daily Membership</u>
Elementary School Programs	5	1,562
Middle School Programs	2	876
High School Program	<u>1</u>	<u>1,342</u>
Total Programs and Enrollment	8	3,780

Enrollment was 4,075 ADM in 2015-16 and the recent figure is 3,780.33 ADM in 2020-21, the District has experienced a slight decrease in enrollment over this span, averaging 1.5 percent, with Covid-19 being the major reason for the recent decline. The 10-year growth projections developed for the 2015 Facilities Assessment and Master Plan indicate a general county population gain of approximately 2 percent per year. With population growth projections, enrollment would be expected to grow from 1 to 2 percent per year and will depend on Hood River County demographic and economic conditions. It is believed that a lack of affordable housing for young families is limiting enrollment growth in the District. The following chart shows enrollment as measured by average daily membership of the past six years.



The demographics of our school district reflect the cultural diversity of the area. The District's enrollment includes 48 percent students of color and 54.83 percent of students qualify for free and reduced lunch status. Approximately 20.4 percent of students are, or were at one time, English Language Learners.

The Hood River County School District Board of Directors, elected by a majority of the voting electorate in their respective geographic zones, is the governing body responsible for the District's policy decisions. The seven-member Board has oversight responsibility and control over all activities related to the District. The Board is accountable for all fiscal matters that significantly influence operations. The seven Board members and seven appointed citizen members comprise the District's Budget Committee.

The Board's Finance Advisory and Bond Oversight Committee was established to improve the education of the students of the District by monitoring financial issues, legislative changes and trends facing the District. They serve an important role in the oversight of the capital improvement program by reviewing capital budgets and monitoring progress of the District's capital projects. They meet with the District's financial auditors annually to review the recommendations and results of the annual audit. The Committee is advisory to the Board of Directors and conducts its meetings in public, with agendas, reports and minutes available on the District's website. The committee is comprised of three Board members, three appointed community members, two bargaining unit representatives, three school administrators, superintendent and chief financial officer.

District management includes a superintendent, a cabinet consisting of a director of human resources, a director of curriculum and instruction, a director of student services, a director of communications, a director of equity and family partnerships, and a chief financial officer. In addition, management includes nine principals, eight assistant principals, and five district directors and supervisors. The District employs 524.9 full-time equivalent personnel including principals, vice-principals, administrators, directors, supervisors, licensed educators, instructional assistants, secretarial staff, custodians, maintenance personnel, bus drivers, cooks and other support staff.

ECONOMIC CONDITION

Hood River County is located in the middle of the Columbia River Gorge region, with the Columbia River as its northern border and Mount Hood and the Mount Hood National Forest to the south. The majestic snow-capped Mount Hood and the Columbia River Gorge provide the county's stunning backdrop, making it one of the most picturesque areas in the Northwest.

A top producer of pears, apples, and cherries, Hood River County grows more winter pears than any other county in the United States. This agricultural richness combined with the county's scenic, almost pastoral setting have made it a famous destination for visitors who come to drive or bike the famous Fruit Loop—a 35-mile tour that features family farms, fruit stands, wineries and other local attractions. Over time, the county has evolved into a hotspot for visitors and is a mecca for outdoor-enthusiasts who enjoy hiking, rock climbing, frequenting waterfalls, and more. It's also world-renowned for its strong, warm summer winds that draw crowds of windsurfers, kites, and paddle boarders. (*Source: Hood River County Community Profile*)

Per the Hood River County Community Profile, approximately 71 percent of land in Hood River County is owned & regulated by federal, local and state entities.

- 61 percent by the U.S. Forest Service
- 9 percent by the County
- 1 percent by the State of Oregon

- Land owned by the U.S. Forest Service arcs from the west of Hood River County to the southeast and is primarily designated as the Mt. Hood National Forest
- A majority of the private land in the county is zoned as either agricultural or forest land

The Hood River Valley is heavily dependent on agriculture, technology, tourism and the forest products industries. Local and national economic activity upswings have benefitted Hood River County, reporting an unemployment rate of 8.8 percent for June, 2021, decreasing from the prior year's rate of 9.9 percent. The County's seasonally adjusted unemployment rate for 2021 was 5.1 percent and is more favorable than the State of Oregon 5.6 percent or the nation 5.9 percent. Construction activity is up 18.6 percent in 2021 as measured by the number of building permits of 113 in 2020 and 140 in 2019. Per the U.S. Department of Commerce, per capita income in Hood River County increased by 6.9 percent in 2021, from \$60,225 to \$56,325.

Agriculture, forestry, fishing and hunting employment of 2,387 represents the largest percent of total employment in Hood River County and accounts for 19.34% of the total employment of 12,341 as of June 30, 2021. Education and health services employment of 1,740 and Manufacturing employment of 1,688 account for 14.1% and 13.68% of total employment, respectively. Retail trade employment of 1,416 account for 11.47% of total employment. These top four industry sectors together account for 58.59% of total employment in Hood River County. As compared to ten years earlier, no industry type dropped from the top ten industries.

LONG-TERM FINANCIAL PLANNING

The District's general fund balance at year-end was of \$12,233,585 or 23.5 percent of general fund operating revenue. The amount is above the policy guidelines set by Board policy for budgetary and planning purposes (a minimum of 5 percent of general fund operating revenue). The amount was above the 2020-21 adopted budget unappropriated ending fund balance of 8 percent of general fund operating revenue which was established to provide funding for program increases into the following biennium. Instruction and support services expenditure savings of 1.3 percent and 10.4 percent, respectively, contributed \$2,673,883 of the favorable variance and as a result, the budgeted transfer from the operating reserve of \$671,520 was not necessary.

Per Board policy, a contingency reserve of a minimum of 0.5 percent of the general fund operating revenue is planned in the budget with unspent funds rolling into the general fund balance at year-end.

The District's operating reserve fund balance at year-end was \$4,093,727 or 7.9 percent of general fund operating revenue. The operating reserve was budgeted to decrease in 2021-22 by \$2,125,887 from the projected ending fund balance to provide a balance of \$1,296,320 for use in the next biennium to support expenses of the District's employer contribution rates to the public employee retirement system and to provide for stability of core programs and legally required activities. The full amount of projected reduction in the fund for 2020-21 was not needed and resulted in a higher than budgeted ending fund balance.

After a comprehensive long range facilities and capital improvements planning process over two years, the District received voter approval in May 2016 to issue \$57,175,000 general obligation bonds to finance the following projects:

- Repairs to schools, including addressing failing roofs, heating and ventilation systems, plumbing, mechanical and electrical systems;
- Increase learning space;
- Energy efficiency improvements to decrease energy use;

- Improvements addressing deferred maintenance, worn out finishes, and replace old equipment;
- Technology improvements in every school for student learning opportunities;
- Safety and security updates at every school;
- New state-of-the-art science, engineering and math lab learning space at Wy'east Middle School;
- Replace, equip and furnish May Street Elementary School on the same site, providing maintenance and operational savings;
- Upgrade and improve athletic fields and tracks, including those used most by community members;
- Upgrade school playgrounds at Cascade Locks, Parkdale and Mid Valley Elementary Schools;
- Pay associated furnishing, equipping, demolition, site improvement and bond issuance costs.

Due to favorable market conditions, the bond issuance on September 13, 2016 resulted in bond premium for the general obligation bonds which added \$8.6 million for approved construction and capital improvements. The District also issued refunding bonds that resulted in \$694,230 of net present value savings to taxpayers.

In 2019-20, the District continues its construction and improvements phase of its long range facilities and capital improvements planning process with resources from the net proceeds of general obligation bonds totaling \$65,776,732, a state matching grant of \$4,499,478, and seismic grants of \$811,525 for Hood River Middle School (completed in 2018) and \$1,120,140 for Wy'east Middle School (completed in 2019). A third seismic grant in the amount of \$2,038,921 for Mid Valley Elementary School began planning activities in 2018-19 with construction ending in the fall of 2020. This construction and capital improvements phase spent 85 percent of bond proceeds within three years of the issuance date of September 13, 2016, and within all grant deadlines. By June 30, 2020, all bond proceeds had been expended. Remaining ongoing projects were completed in 2020-21. A new project to construct a secure entry and administrative space for Hood River Middle School is in the planning phase and is expected to begin construction in 2022 with funding from construction excise tax revenue.

MISSION STATEMENT AND PRIORITIES

Vision: Excellence. Every student. Every day.

Mission: Every student graduates with the knowledge and courage to learn, serve, and pursue their dreams

In 2020-21, the District completed the sixth year of implementation of the “20/20 Vision” strategic plan. In July, 2021 the Board of Directors adopted a new “2026 Strategic Plan” The plan was constructed with hundreds of responses from community members, HRCSD staff, students, and other stakeholders across our county. The 2026 Strategic Plan maintains the district’s vision of “Excellence. Every student. Every day.”, and the clear overarching district mission that “Every student graduate with the knowledge and courage to learn, serve, and pursue their dreams.” A 2026 Strategic Plan outlines five “Core Values” of:

1. Equity and Cultural Responsiveness
2. Student Learning and Growth
3. Community and Family Partnerships
4. Student and Staff Health and Wellness
5. Operational Safety.

The plan also adopted seven new goals:

1. Identify, target, and close opportunity and access gaps.

2. Graduate high school ready for college, career and community success,
3. Implement relevant, rigorous and engaging learning opportunities.
4. Goal: Establish high expectations for academic and personal growth for every student.
5. Goal: Strengthen partnerships with families and our community.
6. Goal: Prioritize health and safety as a critical component of school success
7. Goal: Develop a highly qualified, diverse and culturally proficient workforce.

Each of these seven goals is accompanied by specific strategies that form the basis for our budgeting and operating decisions and will continue to function as our roadmap into the future.

The plan and goals within the plan were developed with equity at its core. The district's equity stance is, "Hood River County School District is committed to ensuring student outcomes are not predictable by race, ethnicity, socioeconomic status or educational need. Our focus on equity, opportunity and access permeates every aspect of this strategic plan. We will identify, target and eliminate disparities in outcomes by ensuring all students have access to our outstanding educational opportunities so that each student can achieve their full potential.

Equity is the lens we collectively apply to all parts of our school district to ensure excellence for every student, every day. designed to ensure all students, regardless of their backgrounds, achieve at the highest levels."

FINANCIAL INFORMATION

Accounting Policies. Governmental funds are used to account for the District's general government activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available".) "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting, however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The accrual and modified accrual basis of accounting as utilized by Hood River County School District are in accordance with generally accepted accounting principles.

Budgetary Controls. The District is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive. The Oregon Local Budget Law requires the appointment of a budget committee to review and approve the budget. The budget committee consists of the seven members of the Board of Directors and seven electors of the District who are appointed by the Board of Directors. The administration proposes a budget to the budget committee, and the budget committee may modify or approve the proposed budget. The budget committee approves each of the property tax levies of the District. An opportunity for public comment is provided by the budget committee before approval of the budget and tax levies.

A summary of the approved budget, together with a notice of public hearing, is published on the District website and in a newspaper having general circulation in the District. A public hearing is held to receive comments from the public concerning the approved budget. The Board of Directors adopts the budget, makes appropriations, and levies taxes after the public hearing and before the beginning of the year for

which the budget has been prepared. After adoption, the budget may be revised through procedures specified in State statute and Board policy.

INDEPENDENT AUDIT

The Hood River County School District's financial statements have been audited by Pauly, Rogers and Co., P.C., of Tigard, Oregon, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2021, are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

The independent audit of the District's financial statements includes a federally mandated "Single Audit" designed to meet the special requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the District's internal control over financial reporting and on compliance and other matters, and on compliance related to the administration of federal awards. These reports are available in the Single Audit Section of this report.

AWARDS AND ACKNOWLEDGMENTS

Government Finance Officers Association of the United State and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Hood River County School District for its comprehensive annual financial report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to Hood River County School District for its Comprehensive Annual Financial Report for the year ended June 30, 2020. Receiving this Award is recognition that the District has met the highest standards of excellence in school financial reporting as adopted by ASBO. The District believes that the current Comprehensive Annual Financial Report, which will be submitted to ASBO for review, will also conform to these standards.

The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the staff of the Business Services Department. We would like to express our appreciation to all members of the department, who assisted and contributed to the preparation of this report.

We also thank the members of the Board of Directors for their support and dedication to the financial operations of the District.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rich Polkinghorn".

Rich Polkinghorn
Superintendent

A handwritten signature in black ink, appearing to read "Doug Holmes".

Doug Holmes
Chief Financial Officer



ORGANIZATIONAL CHART

VISION FOR THE FUTURE: *Every student graduates with the knowledge and courage to learn, serve, and pursue their dreams.*

BOARD OF DIRECTORS

SUPERINTENDENT OF SCHOOLS

Rich Polkinghorn

EXECUTIVE DIRECTOR -
HUMAN RESOURCES

Catherine Dalbey

DIRECTOR - FACILITIES
& OPERATIONS

Todd Rainwater

TRANSPORTATION
SUPERVISOR

Brian Hackett

EXECUTIVE DIRECTOR -
FINANCE

Doug Holmes

NUTRITION SERVICES
SUPERVISOR

Heidi Benson

EXECUTIVE DIRECTOR -
EQUITY & FAMILY
PARTNERSHIPS

Patricia Ortega Cooper

DIRECTOR -
COMMUNICATIONS

Stephanie Hoppe

DIRECTOR -
DISTRICT ATHLETICS

Trent Kroll

EXECUTIVE DIRECTOR -
CURRICULUM &
INSTRUCTION

Bill Newton

ASSISTANT DIRECTOR -
CURRICULUM &
INSTRUCTION

Amy McConnell

DIRECTOR -
TECHNOLOGY

Tod Hilstad

EXECUTIVE DIRECTOR -
STUDENT SERVICES

Anne Carlos

EI/ECSE -
LEAD TEACHER

Ann Cole

HOOD RIVER VALLEY HIGH SCHOOL

Columba Jones – Principal

MIDDLE SCHOOLS

Brent Emmons – Principal, Hood River
Sarah Braman-Smith – Principal, Wy'east

HOOD RIVER OPTIONS ACADEMY

Kelly Running – Principal

ELEMENTARY SCHOOLS

Adrienne Acosta – Principal, Cascade Locks
Kelly Beard – Principal, May Street
Kim Yasui – Principal, Mid Valley
Gus Hedberg – Principal, Parkdale
Ocean Kuykendall – Principal, Westside



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Hood River County School District
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Hood River County School District

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence.



W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

FINANCIAL SECTION



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

December 21, 2021

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hood River County School District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the

table of contents, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The introductory, statistical, and the compliance and other reports sections, as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our reports dated December 21, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HOOD RIVER COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

This section of Hood River County School District's (the District) Financial Statements presents a comparative analysis of the financial activities of the District for the fiscal years ended June 30, 2021 and 2020. This discussion and analysis have been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. This report is based on currently known facts, decisions, and conditions that existed at the date of the independent auditor's report.

NEW ACCOUNTING STANDARDS IMPLEMENTED

No new accounting standards were implemented in 2020-21.

FINANCIAL HIGHLIGHTS

- In the government-wide statement, the liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by \$18,261,771 (net position) at June 30, 2021. The District's total net position decreased by \$4,636,166 for the fiscal year, a decline in the District's financial position as compared to the prior year's restated net position. The decline in net position is primarily due to the pension-related deferrals, assets and liabilities.
- The District's governmental funds report combined ending fund balance of \$17,219,677 a decrease of \$3,311,313 from the prior year, primarily from capital projects expenditures. Approximately 17.96 percent of this total amount, \$3,093,579, is restricted for capital projects; 4.7 percent, \$807,766, is restricted for other purposes; 5.4 percent, \$924,706 is restricted for grants; .60 percent, \$98,314 is restricted for debt service; and 1.8 percent, \$316,467, is restricted for unemployment. The remaining fund balances are either non-spendable, assigned, or unassigned: \$87,847 for non-spendable prepaid and inventory, \$4,311,449 assigned for operating reserves and bus replacement, and \$7,579,549 for unassigned.
- At the end of the current fiscal year, the unrestricted ending fund balance (the total of assigned and unassigned components of fund balance) for the general fund was \$11,890,998. Of the total, \$4,093,727 was assigned to operational reserves and \$217,722 was assigned to bus replacement. The unassigned fund balance of \$7,579,549 decreased by \$111,163 as compared to the prior year's unassigned fund balance of \$7,690,712.
- Capital assets additions of \$3,293,072 were from vehicle and equipment purchase of \$266,070, land purchases of \$141,667, and construction in process of \$2,885,335. Accumulated depreciation is \$3,133,093. Note 6 of the Basic Financial Statements provides information about the capital assets.
- The District's outstanding long-term debt decreased by \$4,445,306 (4.9 percent) during the 2020-21 fiscal year due to debt service payments and amortized bond premiums.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category as *governmental activities*. The District's basic functions such as instruction, support services, community services, and interest on long-term debt are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

The government-wide financial statements are on pages 4 and 5 of this report.

Fund Financial Statements. The fund financial statements provide more detailed information about the District's funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Hood River County School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the District are governmental funds.

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

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District has three major government funds: General Fund, Grants Fund, and Capital Construction Fund. Other non-major governmental funds include special revenue funds of Food Service, Community Education, Student Body and the Debt Service fund. Information is presented separately in the governmental funds balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balance for the general fund, grants fund, capital construction fund, and other governmental funds. The District adopts the budget for each fund's function category, and for certain funds, at the fund level.

The basic governmental fund financial statements are on pages 6 through 9 of this report.

Notes to the basic financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are on pages 10 through 46 of this report.

Supplementary information. Schedules presenting detailed budgetary information for individual funds, schedules of the proportionate share of the net pension liability and contributions, schedules of funding progress and employer contributions of the early retirement program and of post-employment health care, and other supplementary information are on pages 47 through 66 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. As noted earlier, net position over time may serve as an indicator of a government's financial position. As of June 30, 2021, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$18,261,771. Net position declined from (\$13,625,605) as of June 30, 2020 to (\$18,261,771) by \$4,636,166. As shown on the Statement of Net Position, the decline in net position is primarily due to compliance with GASB Statement 68 which records the net pension asset or liability and pension-related deferred outflows and inflows of resources. It is difficult to predict future impacts to the District as these pension-related amounts depend solely on actions of the Oregon Public Employees Retirement System (PERS) Board, PERS statutes which set pension program benefit levels, pension investment returns, employer contributions, and PERS actuarial assumptions. Detailed information about the pension plan and the net pension asset are in Note 7 of the Basic Financial Statements.

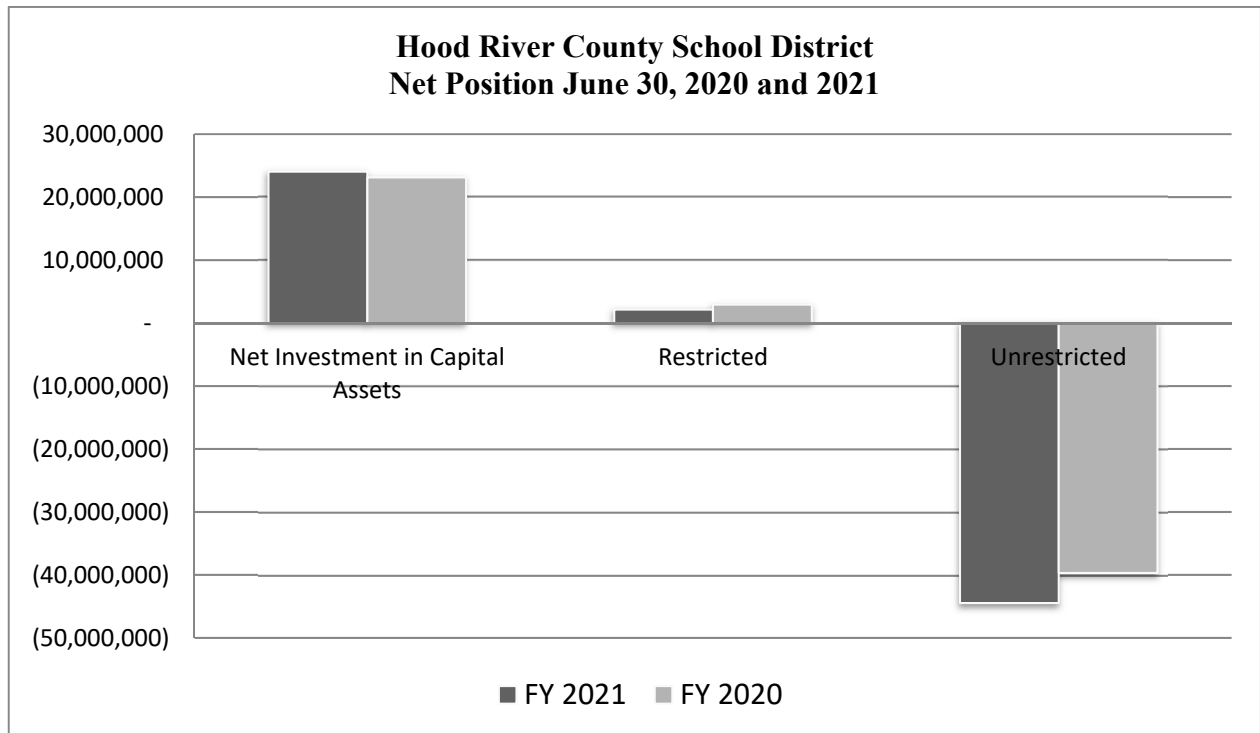
Capital assets, which consist of the District's land, buildings, building improvements, construction in process, vehicles, and equipment, represent 78.2 percent of total assets. This increase in capital assets as a percent of total assets from 76.7 percent to 78.2 percent as of June 30, 2021 is the result of the completion of multiple capital projects and associated expenses, primarily funded by the 2016 bonds and state capital projects grants. As the multi-year capital construction and improvements program continues into fiscal year 2021, capital assets will continue to grow. The remaining assets consist of cash and investments, property tax receivables, prepaid expenses and supply inventories.

The District's largest liability is for the repayment of general obligation and PERS bonds that represent 58.2 percent of total liabilities. The net pension liability represents 34.9 percent of total liabilities. Current liabilities include accounts payable, salaries and contracts payable, accrued interest payable, accrued vacation, and unearned revenue that represent 4.1 percent of total liabilities.

The largest portion of the District's net position of \$24,054,066 reflects its investment in capital assets (land, buildings, construction in process, improvements, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents, therefore, these assets are not available for future spending. Although

the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (primarily property taxes) since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position of \$2,147,253 represents resources that are subject to external restrictions on how they may be used. The District reports a negative unrestricted balance of \$44,463,090 due to the requirement to report capital assets net of related debt even though future related property taxes will be used to pay that debt. The District's net position decreased overall by \$4,636,166 in 2020-21.



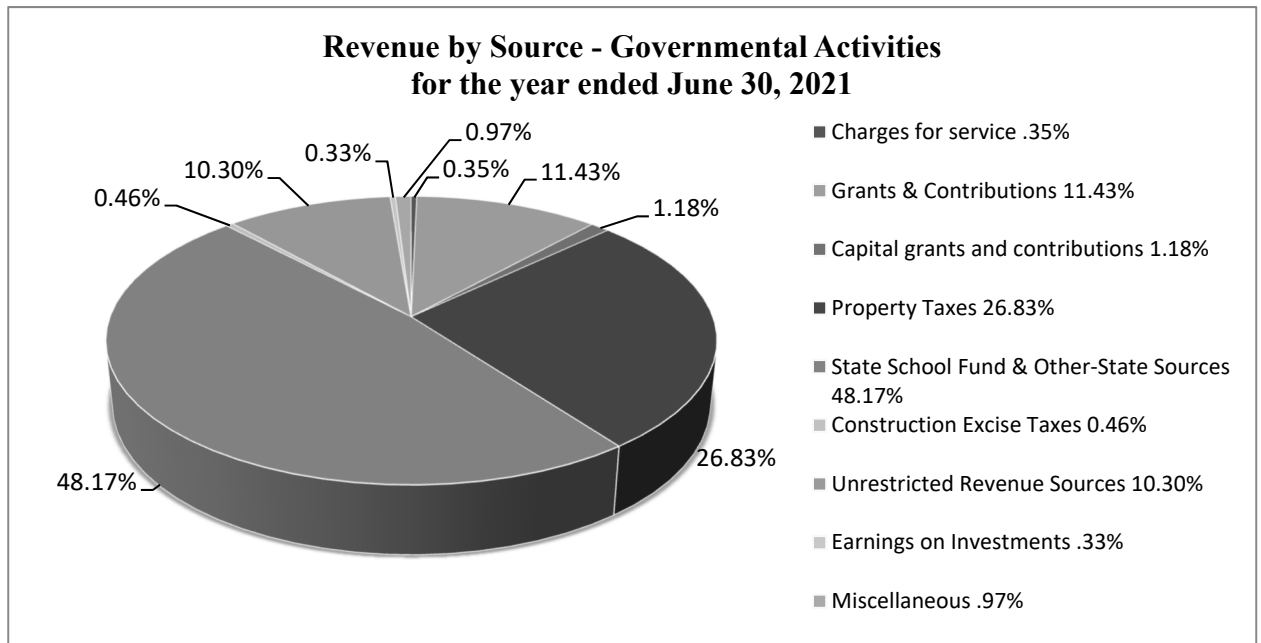
Net Position as of June 30, 2020 and June 30, 2021

	Governmental Activities		
	2021	2020	Incr (Decr)
Assets			
Current and other assets	\$ 24,986,849	\$ 27,227,061	\$ (2,240,212)
Capital assets	89,667,746	89,507,767	159,979
Total Assets	114,654,595	116,734,828	(2,080,233)
Deferred Outflows of Resources			
Pension related deferral	17,119,499	13,482,848	3,636,651
Total Deferred Outflows of Resources	17,119,499	13,482,848	3,636,651
Liabilities			
Long-term obligations	140,598,581	134,351,213	6,247,368
Other liabilities	6,044,464	5,228,582	815,882
Total Liabilities	146,643,045	139,579,795	7,063,250
Deferred Inflows of Resources			
Net deferred pension asset	3,392,820	4,263,486	(870,666)
Total Deferred Inflows of Resources	3,392,820	4,263,486	(870,666)
Net Position:			
Net investment in capital assets	24,054,066	23,127,704	926,362
Restricted for:			
Grants	924,706	953,206	(28,500)
Unemployment	316,467	391,130	(74,663)
Debt Service	98,314	560,603	(462,289)
Other	807,766	1,023,953	(216,187))
Unrestricted	(44,463,090)	(39,682,201)	(4,780,889)
Total Net Position	\$ (18,261,771)	\$ (13,625,605)	\$ (4,636,166)

Governmental Activities. During the current fiscal year, the District's overall financial position changed as indicated by decrease of \$3,887,827 in net position. When combined with the beginning net position of (\$9,737,778), the ending net position is (\$13,625,605). The key elements in this change are the following:

**Statement of Activities
For the Years Ended June 30, 2020 and June 30, 2021**

	Governmental Activities		
	FY 2021	FY 2020	Incr/(Decr)
Revenues			
Program revenues			
Charges for service	\$229,607	\$898,883	\$(669,276)
Operating grants and contributions	7,576,999	6,861,339	715,660
Capital grants and contributions	780,487	1,084,203	(303,716)
Total Program Revenues	8,587,093	8,844,425	(257,332)
General revenue			
Property taxes for general purposes	13,626,972	13,922,302	(295,330)
Property taxes for debt service	4,160,285	4,259,832	(99,547)
State school fund, general support	31,542,879	28,986,516	2,556,363
Common School fund	398,396	364,881	33,515
Construction excise tax	305,125	247,887	57,238
Unrestricted intermediate sources	1,978,458	1,844,492	133,966
Unrestricted state and local sources	4,777,188	6,328,110	(1,550,922)
Unrestricted federal revenue	71,846	0	71,846
Earnings on investments	216,067	775,396	(559,329)
Miscellaneous	642,586	1,267,575	(624,989)
Total General Revenue	57,719,802	57,996,991	(277,189)
Total Revenues	66,306,895	66,841,416	(534,521)
Expenses			
Instruction	43,238,821	42,496,868	741,953
Support services	25,208,263	23,570,640	1,637,623
Community services	1,823,704	3,145,588	(1,321,884)
Interest on long-term debt	672,273	1,516,149	(843,876)
Total Expenses	70,943,061	70,729,244	213,817
Increase (decrease) in net position	(4,636,166)	(3,887,827)	(748,339)
Net Position – July 1	(13,625,605)	(9,737,778)	(3,887,827)
Net Position – June 30	(\$18,261,771)	(\$13,625,605)	(\$4,636,166)

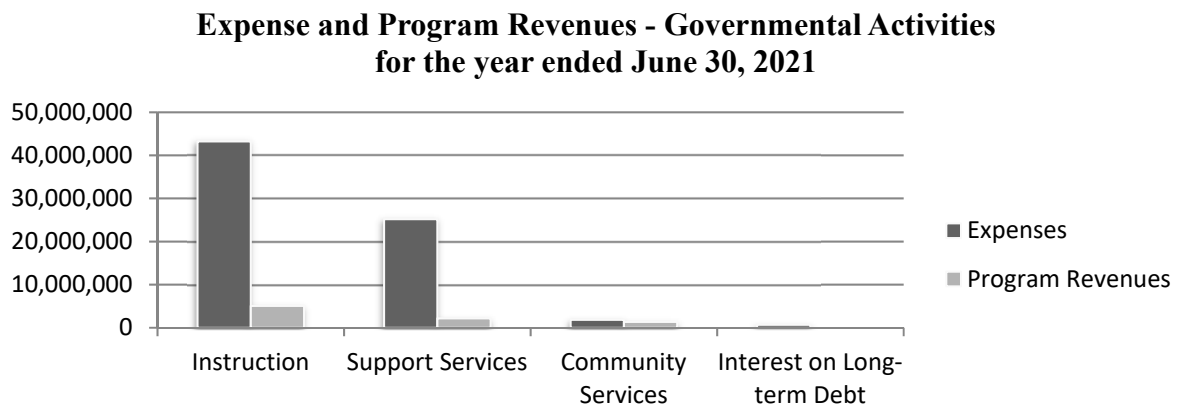


Program revenues decreased by \$257,332 in 2020-21, as a combination of an increase of \$715,660 in operating grants and contributions, a decrease of \$303,716 in state seismic capital grants, and a decrease of \$669,276 in charges for services primarily from decreases in instruction and community services program revenues.

General revenues decreased by \$277,189 in 2020-21 as a combination of an increase in unrestricted intermediate sources revenue of \$133,966; a decrease in earnings on investment of \$559,329; an increase in state school fund general support revenue of \$2,556,363; a decrease in unrestricted state and local sources of \$1,550,922; a decrease in miscellaneous revenue of \$624,989; and increases/decreases in other revenues.

Expenses increased overall by \$213,817 from the prior year, as shown in the Statement of Activities report. As compared to the prior year, instruction expenses increased by \$741,953, and support services expenses increased by \$1,637,623. Community services expenses decreased by \$1,321,884 due to community education programs being cancelled as a result of the COVID-19 pandemic. Interest on long-term debt decreased by \$843,876 as principal on outstanding debt declined.

The following chart shows the relationship between expenses and program revenues by function for the year.



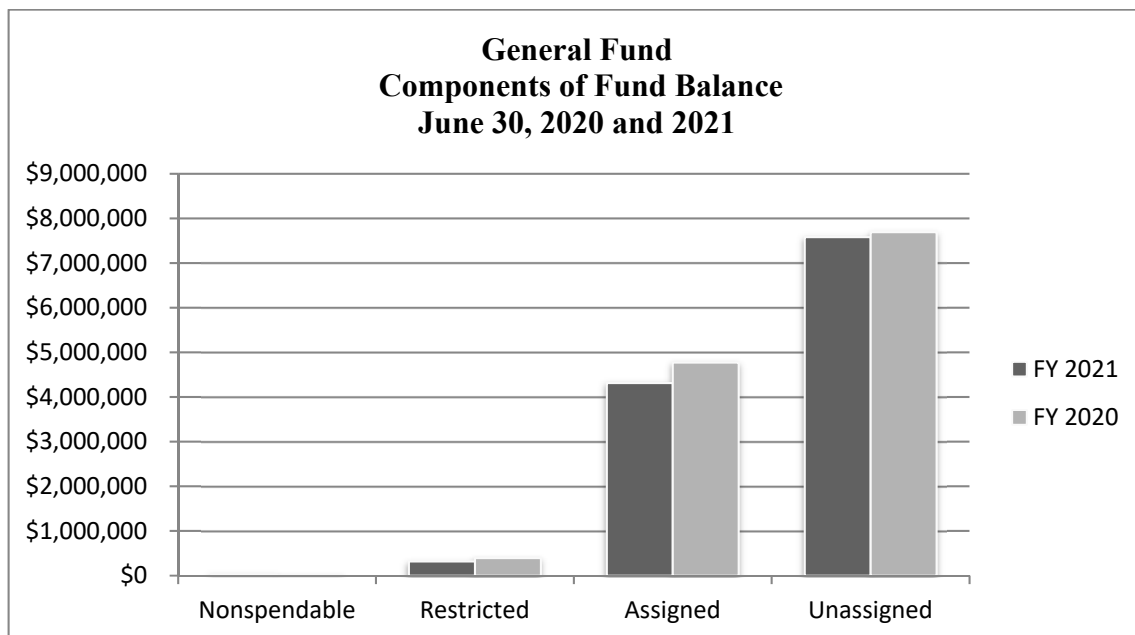
FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

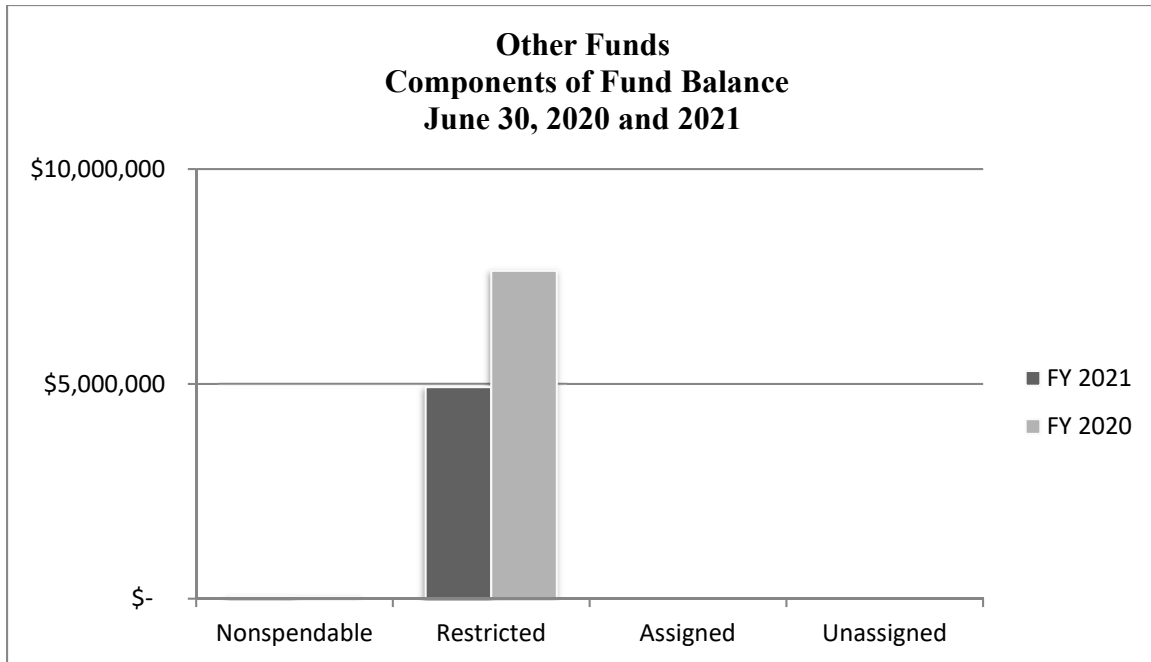
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of June 30, 2021, the District's governmental funds reported combined ending fund balances of \$17.2 million, a decrease of \$3.3 million in comparison with the prior year. Approximately \$5.3 million (30.9 percent) of the ending fund balances constitutes *non-spendable, restricted or committed balances*. Restricted or committed ending fund balances are constrained to specific purposes by bondholders or governing body. Approximately \$4.3 million (25 percent) of the ending fund balances is *assigned balances* for particular purposes, and represents balances for reserves and bus replacement. Approximately \$7.6 million (44 percent) is *unassigned fund balance*, which is available for spending at the District's discretion. Additional information on the District's fund balances is in Note 18 of the Basic Financial Statements.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2021, assigned fund balance was \$4,311,449 to fund the operating reserve of \$4,093,727 and the bus replacement reserve of \$217,722. Restricted General Fund balance was \$316,467 for unemployment. Unassigned General Fund balance was \$7,579,549 and decreased by \$111,163 as compared to the prior year. As a measure of the fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 14.4 percent of the total general fund expenditures, and total fund balance represents approximately 14.43 percent of that same amount. The following chart shows the components of General Fund balances for the current and prior year.





Grants Fund. The Grants Fund has a total fund balance of \$944,501, of which \$924,706 is restricted for grant expenditures. Federal, state, and local grants and contracts are segregated within the Grants Fund. Total revenue of \$7,461,309 fell short of total expenditures of \$7,470,014 by \$8,705 which decreased ending fund balance.

Capital Construction Fund. The Capital Construction fund has a total fund balance of \$3,093,579, of which \$3,093,579 is restricted for capital construction and improvement projects. Of the revenue for the year totaling \$1,275,278, \$780,487 was from the Seismic Rehabilitation Grant Program, \$305,125 was from the state school improvement construction excise tax and \$68,044 was Senate Bill 1149 energy projects funds received from utilities, and \$121,622 was from other local sources. Total expenditures for the year were \$3,274,201.

Other Funds. Other Funds have a total fund balance of \$948,012, of which \$41,932 is non-spendable prepaid and supplies inventory, \$342,046 the School Lunch Fund, \$28,227 the Community Education Fund, \$437,493 the Student Body funds, and \$98,314 the Debt Service Fund. The net change in fund balance of \$(682,340) resulted from revenue of \$5,742,882 exceeding expenditures of \$6,425,222 which decreased ending fund balances.

More information about revenues and expenditures is found in the Statement of Revenues, Expenditures and Changes in Fund Balances on page 8 of the report.

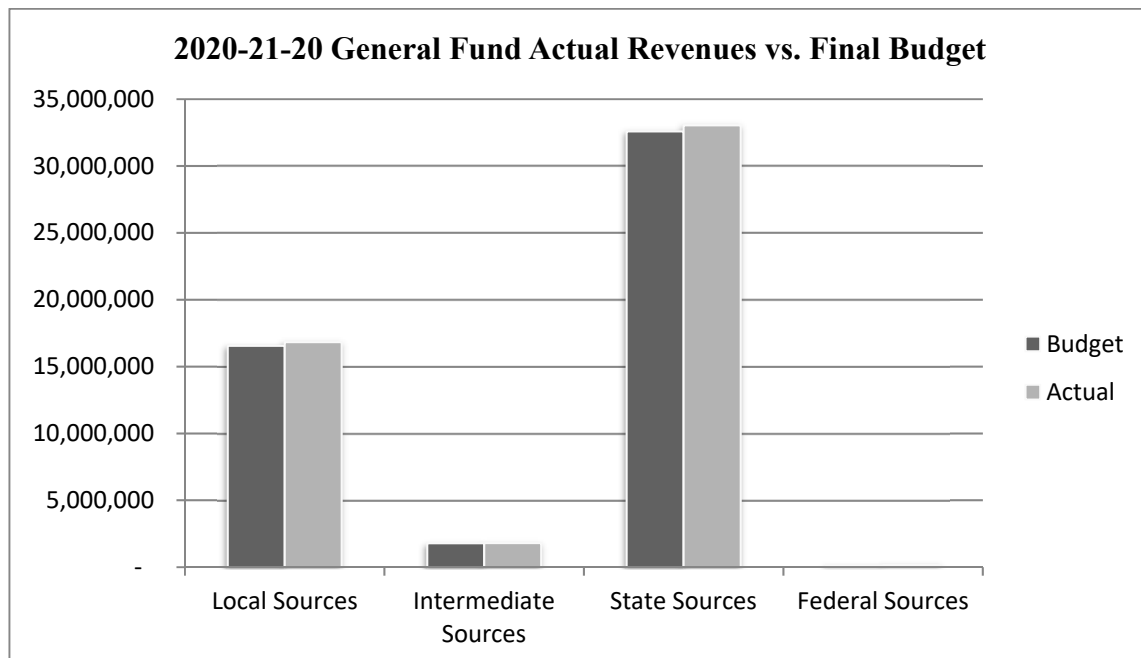
GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Revenues. General Fund actual revenues were more than the adopted budget by \$762,322 or 1.49 percent as shown in the following table. Local revenue sources of revenue provided a favorable revenue variance of \$260,513 or 1.57 percent, primarily from favorable variances in grant indirect charges and facilities rentals, which were mostly offset by unfavorable variances in transportation fees, interest earned, and other revenue. The intermediate revenue source, provided a favorable revenue variance of \$18,280 or 1.02 percent due to the collection of the Heavy Equipment Rental Tax (HERT). State sources provided a favorable revenue variance of \$456,625 or 1.4 percent, primarily from a favorable variance in the state school fund of \$322,725. Federal sources provided a favorable revenue variance of \$26,904, of which \$22,992 was from the E-Rate Schools & Libraries USF Program.

General Fund Actual Revenues vs. Budget for the Year Ended June 30, 2021

Revenue	Original Budget	Final Budget	Actual	Variance	Variance %
Local Sources	\$15,943,351	\$16,566,287	\$16,826,800	260,513	1.57%
Intermediate Sources	1,815,275	1,785,274	1,803,554	18,280	1.02%
State Sources	33,528,753	32,591,394	33,048,019	456,625	1.40%
Federal Sources	113,000	138,000	164,904	26,904	19.49%
Total	\$51,400,379	\$51,080,955	\$51,843,277	762,322	1.49%

The original budget for general fund local revenues was decreased to account for new estimates local option revenue from property taxes. The budget for intermediate sources was decreased to account for additional CGESD revenue primarily for pass-through revenue from the local service plan. The original budget for State sources was decreased due to new estimates in state school fund revenue, common school fund revenue, and the long-term care and treatment contract. The original budget for Federal sources was increased for E-Rate with no change to the \$100,000 estimate of federal forest fee revenue.



General Fund Expenditures. General Fund actual expenditures and transfers out were 5.3 percent less than budget, with Support Services budget savings accounting for 73 percent of the total budget variance. Instruction budget savings accounted for 14 percent of the total budget variance.

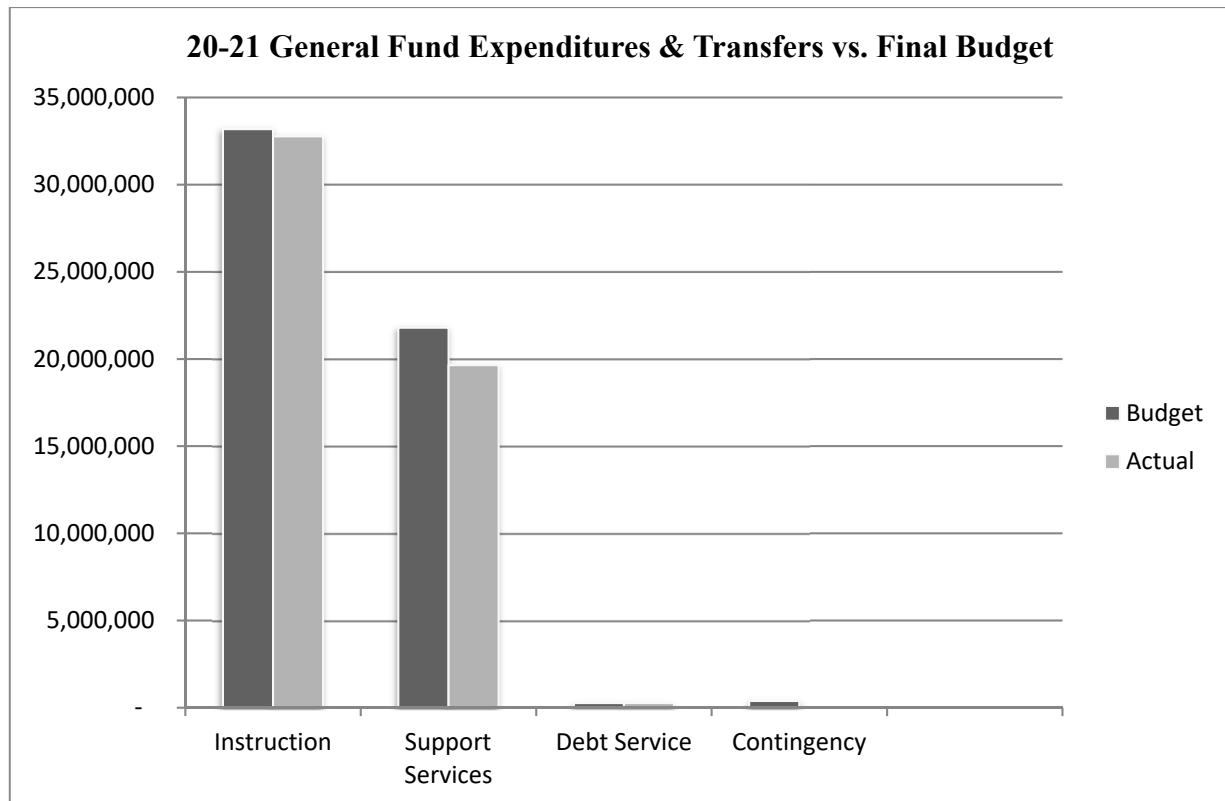
Instruction expenditures were \$411,816 or 1.24 percent less than budget; \$150,355 in budget savings were from the elementary K-5 programs and middle school programs; \$-28,574 in budget overspending were from high school programs; and \$290,035 in budget savings were from all other instruction functions. Within instruction, purchased services and supplies savings of \$402,409 accounted for 97.7 percent of the instruction budget variance.

Support services expenditures were \$2,152,266 or 9.87 percent less than budget; \$1,032,601 in budget savings were from care and upkeep of facilities, human resources, student transportation, technology services, office of the principal, and business services; \$827,391 in budget savings were from student support services and professional development, and \$292,274 in budget savings were from all other support services functions. Within support services, purchased services savings of \$822,480 accounted for 38.2 percent of the support services budget variance and salary and associated payroll costs savings of \$957,261 accounted for 44.5 percent of the support services budget variance.

**General Fund Actual Expenditures & Transfers vs. Budget
For the Year Ending June 30, 2021**

Expenditures	Original Budget	Final Budget	Actual	Variance	Variance %
Instruction	\$33,493,556	\$33,185,374	\$32,773,558	\$411,816	1.24%
Support Services	20,907,259	21,796,854	19,644,588	2,152,266	9.87%
Debt Service	263,958	263,958	263,958	-	0.00%
Contingency	384,531	384,531	-	-	0.00%
Community Srv	56,803	0	0	0	0.00%
Total	\$55,106,107	\$55,630,717	\$52,682,104	\$2,948,613	5.30%

The Board adopted one supplemental budget resolutions during the year to increase total appropriations by \$524,610 from the original budget of \$55,106,107 to the final budget of \$55,630,717 to account for program adjustments to support operations. One adopted budget resolution increased the budget by \$524,610 to increase instruction, \$456,098 and support services \$125,315 and decrease Community Services 56,803.



General Fund Balance. As shown in the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance on page 51, the General Fund balance as of June 30, 2021 of \$7,605,669 results from expenditures exceeding revenues by \$-838,827 plus other financing sources of \$753,292. The favorable variance to final budget is \$3,106,347, and is comprised of a favorable revenue variance of \$762,322, a favorable expenditure variance of \$2,948,613 from instruction and support services expenditures, and an unfavorable variance of \$604,588 of other financing sources. Within other financing sources, the budgeted transfer in from the operational reserve fund favorable variance of \$671,520 was retained for future use in the following year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2021, the District's investment in capital assets totaled \$89,667,746, net of accumulated depreciation, as shown in the following table.

Changes in Capital Assets For the Years Ending June 30, 2020 and 2021

	FY 2021	FY 2020	Increase (Decrease)
Land	\$4,384,475	\$4,242,808	\$141,667
Buildings and Improvements	97,148,435	82,754,590	14,393,845
Construction in Progress	28,860,458	40,368,968	-11,508,510
Vehicles and Equipment	9,120,199	9,285,119	-164,920
Total Capital Assets	139,513,567	136,651,485	2,862,082
Accumulated Depreciation	49,845,821	47,143,718	2,702,103
Total Net Capital Assets	\$89,667,746	\$89,507,767	\$159,979

In fiscal year 2020-21, the District's investment in capital assets increased by \$159,979. Major capital asset events for the year ended June 30, 2021 include the following:

- Building and improvements increased by \$14,393,845.
- Construction in progress decreased by \$11,508,510 for building construction and improvements at Hood River Valley High School, Hood River Middle School, Wy'east Middle School, Cascade Locks Elementary School, Mid Valley Elementary School, May Street Elementary School, Westside Elementary School, Parkdale Elementary School, and Transportation.
- Disposition of 6 busses and one student van totaling \$430,990.
- Construction in Progress was moved to Building Additions of \$14,393,845.
- Current year depreciation totaled \$3,133,093.

This was the fifth fiscal year of the current capital improvements program which is funded from the proceeds of general obligation bonds issued in 2016, a State match grant and three seismic project improvement grants

Additional information on the District's capital assets is in Note 6 of the Basic Financial Statements.

Long-term debt. At the end of the current year, the District had total long-term debt outstanding of \$85.3 million of the total \$140.6 million in long term obligations. The debt consisted of general obligation bonds, pension obligation bonds, full faith and credit obligation bonds, and unamortized bond premiums. The District made all scheduled debt payments for the year.

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total real market value. The current debt limit is \$414.6 million, which is significantly in excess of the District's outstanding general obligation debt. The current legal debt margin is \$329.3 million. The

percentage of general obligation debt to the debt limit increased from 17.08 percent in 2019-20 to 20.6 percent in 2020-21.

On January 25, 2019, Standard & Poor's Global Ratings raised the District's underlying rating to "AA-" from "A+" on its previously issued general obligation bonds and reported the outlook is stable for the District's G.O. bonds. The District received an "AA+" (Oregon School Bond Guaranty) rating from Standard and Poor's for general obligation (G.O.) debt for the G.O. bonds issued in 2016. This Oregon School Bond Guaranty pledges the full faith and credit of the State of Oregon for the District's bond issue.

For pension obligation debt, Oregon School Boards Association maintains an "Aa2" rating from Moody's on behalf of the District and other participating districts.

Additional information on the District's long-term debt activity may be found in Note 11 of the Basic Financial Statements.

Hood River County School District Outstanding Debt

	June 30, 2021	June 30, 2020	Increase (Decrease)
General obligation bonds	\$58,480,000	\$60,725,000	(\$2,245,000)
Pension obligation bonds	16,605,000	18,285,000	(1,680,000)
Full faith and credit obligation bonds	1,250,000	1,485,000	(235,000)
Unamortized bond premiums	8,977,259	9,262,565	(285,306)
Total Outstanding Debt	<u>\$85,312,259</u>	<u>\$89,757,565</u>	<u>(\$4,445,306)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Resources supporting District general fund operations are primarily from state and local revenues with additional revenue from federal, county and other sources. The largest revenue is determined by the State School Fund formula. The State School Fund formula revenue provided by the State to the District is based on the District's average daily membership of students with additional weights for students in certain programs and includes a remote elementary school correction. Total student enrollment in 2020-21 decreased by 5.7 percent from 2019-20. Enrollment is projected to increase slightly with an estimated increase of 3.7 percent in 2021-22 to 3,900. With dedicated state funding for Measure 98 programs, the District's alternative education program expansion, online school, career and technical education program expansion, college and career readiness program expansion, and drop-out prevention strategies was projected to support District enrollment, and improve student outcomes and graduation rates.

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2021, the State School Fund formula revenue provided 86.54 percent of General Fund total revenue. For 2021-22, the State School Fund formula revenue is projected to provide 88.1 percent of General Fund total revenue. State School funding for the 2019-21 biennium is based on the legislatively adopted budget of \$8.999 billion split 49%/51% between the two years of the biennium.

A local option renewal levy was approved by the voters May 15, 2018 for five years at a rate of up to \$1.25 per thousand. For 2021-22, the Board approved a levy rate of \$1.25 per thousand. The revenue from the local option levy and its associated state equalization grant is approximately 5.84 percent of 2020-21 general fund budget resources.

The District's operational reserve fund was established to reserve the portion of the state school fund distribution for the second year of the biennium and to reserve funds for future Oregon Public Employees

Retirement System (PERS) rate increases. For 2021-22, the adopted budget includes the beginning fund balance of \$3,422,207 and a transfer to the General Fund of \$2,125,887 to provide an ending fund balance of \$1,296,320 for use in the next biennium to support expenses of the District's employer contribution rates to the public employee retirement system and to provide for stability of core programs and legally required activities. The 2020-21 operational reserve ending fund balance is 7.9 percent of General Fund operating revenue.

The 2019-21 Public Employee Retirement System (PERS) employer contribution rates, adopted October 2018 by the PERS Board, resulted in significant increases in the District's employer contribution rates as compared to the previous biennium, as shown below, demonstrating the continued need for reserves to address these significant increases in the District's payroll costs. Tier One covers members hired before January 1, 1996; Tier Two covers members hired between January 1, 1996 and August 28, 2003; and OPSRP covers members hired on or after August 29, 2003.

Hood River County School District
2019-21 Net Employer Contribution Rates compared to 2017-19 Adopted Rates
(as a percent of salary)

Employee Membership Tier	2017-19 Adopted Rate	2019-21 Adopted Rate	Change to Contribution Rate	Percentage Increase
Tier 1/Tier 2	16.03%	20.03%	4.00%	25.0%
OPSRP	10.70%	14.58%	3.88%	36.3%

2021-22 Adopted Budget. In June 2021, the Board adopted the District budget for the fiscal year 2021-22. The adopted budget for the General Fund for the year ending June 30, 2022 is \$58,653,444. The following is a summary of the adopted budget requirements for all other funds. Additional information can be found in the District's Adopted Budget for fiscal year 2021-22.

Other Funds Total Budget Requirements

Fund	2021-22 Budget Requirements
200 Food Service Fund	\$2,091,000
204 Student Body Funds	1,710,476
205 Community Education Fund	70,375
207 Operational Reserve Fund	3,422,207
210 Unemployment Fund	297,725
212 Bus Replacement Fund	401,658
2XX Grant Funds	17,893,100
300 Debt Service Fund	4,693,900
4XX Capital Construction & Improvement Funds	3,539,514
Total Other Funds	\$34,119,955

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Chief Financial Officer, 1011 Eugene Street, Hood River, Oregon 97031.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

HOOD RIVER COUNTY SCHOOL DISTRICT

HOOD RIVER COUNTY, OREGON

STATEMENT OF NET POSITION

June 30, 2021

ASSETS		
Cash and investments	\$	18,919,853
Receivables		5,043,749
Prepaid expenses		45,915
Supply inventories		41,932
Total OPEB Asset for RHIA		935,400
Capital assets:		
Capital assets not being depreciated		33,244,933
Capital assets being depreciated, net		56,422,813
		<hr/>
Total assets		114,654,595
		<hr/>
DEFERRED OUTFLOWS OF RESOURCES		
PERS Pension related deferral		16,221,934
OPEB related deferral - Medical		782,755
OPEB related deferral - RHIA		110,506
District Pension related deferral		4,304
		<hr/>
Total deferred outflows		17,119,499
		<hr/>
LIABILITIES:		
Accounts payable		1,021,077
Salaries and contracts payable		4,592,409
Accrued interest payable		97,224
Unearned revenue		219,930
Accrued vacation, current portion		113,824
Long-term obligations due within one year		
Debt - current portion		4,540,000
Long-term obligations due in more than one year		
Debt - Due in more than one year		80,772,259
PERS Net Pension liability		51,215,828
District Pension liability		37,652
Total OPEB Liability - Medical		4,032,842
		<hr/>
Total liabilities		146,643,045
		<hr/>
DEFERRED INFLOWS OF RESOURCES:		
PERS Pension related deferral		2,919,518
OPEB related deferral - Medical		106,301
OPEB related deferral - RHIA		366,965
District Pension related deferral		36
		<hr/>
Total deferred inflows of resources		3,392,820
		<hr/>
NET POSITION:		
Net investment in capital assets		24,054,066
Restricted for:		
Grants		924,706
Unemployment		316,467
Debt Service		98,314
Other		807,766
Unrestricted		(44,463,090)
		<hr/>
Total net position	\$	(18,261,771)
		<hr/>

See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Instruction	\$ 43,238,821	\$ 75,125	\$ 4,995,819	\$ -	(38,167,878)
Support Services	25,208,263	108,823	1,293,359	780,487	(23,025,593)
Community Services	1,823,704	45,659	1,287,821	-	(490,224)
Interest on Long-Term Debt	672,273	-	-	-	(672,273)
Total Governmental Activities	<u>\$ 70,943,061</u>	<u>\$ 229,607</u>	<u>\$ 7,576,999</u>	<u>\$ 780,487</u>	<u>(62,355,968)</u>

General Revenues

Taxes:

Property Taxes, levied for:

General purposes	13,626,972
Debt service	4,160,285
State school fund, general support	31,542,879
Common School fund	398,396
Construction excise tax	305,125
Unrestricted intermediate sources	1,978,458
Unrestricted state and local and other sources	4,777,188
Unrestricted federal revenue	71,846
Earnings on investments	216,067
Miscellaneous	<u>642,586</u>

Total General Revenues 57,719,802

Changes in Net Position (4,636,166)

Net Position, Beginning (13,625,605)

Net Position, Ending \$ (18,261,771)

See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Grants Fund	Capital Construction Fund	Other Governmental Funds	Total
ASSETS					
Cash and investments	\$ 17,444,185	\$ -	\$ 1,038,175	\$ 437,493	\$ 18,919,853
Receivables:					
Taxes	811,349	-	-	227,794	1,039,143
Accounts	967,652	2,814,111	63,775	159,068	4,004,606
Prepaid items	26,120	19,795	-	-	45,915
Supply inventory	-	-	-	41,932	41,932
Due from other funds	-	-	2,162,553	302,850	2,465,403
Total assets	<u>\$ 19,249,306</u>	<u>\$ 2,833,906</u>	<u>\$ 3,264,503</u>	<u>\$ 1,169,137</u>	<u>\$ 26,516,852</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 712,815	\$ 134,862	\$ 170,924	\$ 2,476	\$ 1,021,077
Salaries and contracts payable	4,592,409	-	-	-	4,592,409
Unearned revenue	-	219,930	-	-	219,930
Due to other funds	930,790	1,534,613	-	-	2,465,403
Total liabilities	<u>6,236,014</u>	<u>1,889,405</u>	<u>170,924</u>	<u>2,476</u>	<u>8,298,819</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	<u>779,707</u>	<u>-</u>	<u>-</u>	<u>218,649</u>	<u>998,356</u>
Total deferred inflows of resources	<u>779,707</u>	<u>-</u>	<u>-</u>	<u>218,649</u>	<u>998,356</u>
Fund balances:					
Nonspendable	26,120	19,795	-	41,932	87,847
Restricted for:					
Grants	-	924,706	-	-	924,706
Capital projects	-	-	3,093,579	-	3,093,579
Debt service	-	-	-	98,314	98,314
Other	-	-	-	807,766	807,766
Unemployment	316,467	-	-	-	316,467
Assigned	4,311,449	-	-	-	4,311,449
Unassigned	<u>7,579,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,579,549</u>
Total fund balances	<u>12,233,585</u>	<u>944,501</u>	<u>3,093,579</u>	<u>948,012</u>	<u>17,219,677</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 19,249,306</u>	<u>\$ 2,833,906</u>	<u>\$ 3,264,503</u>	<u>\$ 1,169,137</u>	<u>\$ 26,516,852</u>

See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2021

Total Fund Balances - Governmental Funds \$ 17,219,677

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.

Net Capital Assets 89,667,746

The proportionate share of the OPEB Retiree Health Insurance Account (RHIA) Asset is not reported as an asset in the District's governmental activities. 935,400

Deferred outflows and inflows related to pension liabilities are not reported in the governmental funds.

PERS pension related deferred outflows	16,221,934
PERS pension related deferred inflows	(2,919,518)
District pension related deferred outflows	4,304
District pension related deferred inflows	(36)
OPEB related deferred outflows - RHIA	110,506
OPEB related deferred inflows - RHIA	(366,965)
OPEB related deferred outflows - Medical	782,755
OPEB related deferred inflows - Medical	(106,301)

The unamortized portion of prepaid pension cost, bond premiums and bond issuance costs is not available to pay for current period expenditures, and therefore is not reported in the governmental funds.

Premiums (8,977,259)

Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.

Long term Liabilities

OPEB liability - Medical	\$ (4,032,842)
PERS pension liability	(51,215,828)
District pension liability	(37,652)
Interest payable	(97,224)
Accrued vacation	(113,824)
General obligation bonds payable	(58,480,000)
Qualified School Construction Bond	(1,250,000)
Limited tax pension bonds payable	<u>\$ (16,605,000)</u>

(131,832,370)

A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are considered unavailable in the funds.

998,356

Net Position \$ (18,261,771)

See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	Grants Fund	Capital Construction Fund	Other Governmental Funds	Total
Revenues:					
Local sources	\$ 16,826,800	\$ 270,066	\$ 494,791	\$ 4,439,653	\$ 22,031,310
Intermediate sources	1,803,554	1,227,742	-	-	3,031,296
State sources	33,247,061	2,453,046	780,487	45,874	36,526,468
Federal sources	164,904	3,510,455	-	1,257,355	4,932,714
Total revenues	52,042,319	7,461,309	1,275,278	5,742,882	66,521,788
Expenditures:					
Current:					
Instruction	32,773,558	4,581,901	-	336,246	37,691,705
Support services	19,534,786	2,672,886	-	-	22,207,672
Community services	-	84,437	-	1,516,276	1,600,713
Facilities acquisition and construction	-	-	296,382	-	296,382
Capital outlay	184,465	130,790	2,977,819	-	3,293,074
Debt service	263,958	-	-	4,572,700	4,836,658
Total expenditures	52,756,767	7,470,014	3,274,201	6,425,222	69,926,204
Revenues over (under) expenditures	(714,448)	(8,705)	(1,998,923)	(682,340)	(3,404,416)
Other financing sources (uses):					
Sale of capital asset	93,103	-	-	-	93,103
Total other financing sources (uses):	93,103	-	-	-	93,103
Net Change in Fund Balance	(621,345)	(8,705)	(1,998,923)	(682,340)	(3,311,313)
Fund balances, beginning of year	12,854,930	953,206	5,092,502	1,630,352	20,530,990
Fund balances, end of year	\$ 12,233,585	\$ 944,501	\$ 3,093,579	\$ 948,012	\$ 17,219,677

See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Total Net Changes in Fund Balances - Governmental Funds	\$	(3,311,313)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additions to principal capital leases is an expense for the Statement of Net Position but not the governmental funds. Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Accrued vacation	\$	90	
Amortization of bond premium		285,306	
Debt principal repaid		4,160,000	4,445,396

Capital Outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation.

Capital Asset Additions		3,293,072	
Depreciation Expense		(3,133,093)	159,979

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	4,385
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Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received; however, in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued.	(214,893)
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The pension and OPEB expense (income) represents the change in net pension asset (liability) from year to year due to changes in net pension liability and total OPEB liability and the fair value of the pension plan and OPEB net position available to pay pension and OPEB benefits.

PERS pension expense		(5,918,237)	
District pension expense		7,053	
OPEB expense - Medical		(80,199)	
OPEB income - RHIA		271,663	

Change in Net Position of Governmental Activities	\$	(4,636,166)
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See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

REPORTING ENTITY

The Hood River County School District is a municipal corporation, organized under the provisions of ORS 332, and governed by its board of directors who are elected to office by voters within the district. As required by generally accepted accounting principles, these financial statements present Hood River County District (the primary government) and any component units. Component units, as established by the Governmental Accounting Standards Board (GASB) Statements 14, 39 and 61, are separate organizations that are included in the District's financial statements because of the significance of their operational or financial relationships with the District. There are no component units.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (the statement of Net Position and the statement of activities) report information on the District as a whole. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities reports the activities by *function*. The major functions are instruction and support services; however, amounts are also reported for community services (primarily food service). The statement of activities demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Direct expenses are not eliminated from the various functional categories, whereas indirect expenses are eliminated from the functional categories in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Separate fund financial statements are provided for governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The following *major governmental funds* are reported:

General Fund

This is the primary operating fund. This fund accounts for all financial resources and expenditures not required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

Grants Fund

This fund consists of the majority of the federal and state grant money received and expended. The principal revenue sources are federal and state grants. The primary expenditures are costs associated with running the specialized education programs.

Capital Construction Fund

This fund accounts for major capital improvements. The principal revenue sources are proceeds from the sale of bonds and state grants.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Additionally, the following are reported as other (nonmajor) governmental funds:

Special Revenue:

Food Service - this fund accounts for revenue and expenditures of the food service program. Principal revenue sources are cash sales of food and subsidies under the National School Lunch Act.

Community Education - this fund accounts for adult education and community recreation programs. The principal revenue source is tuition.

Student Body - this fund accounts for extracurricular activities, fund raising and student fees earmarked for co-curricular activities and projects. The principal revenue sources are fundraising and student fees.

Debt Service Fund

This fund accounts for the repayment of principal and interest on general obligation bonds. The principal revenue source is property taxes.

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

BUDGETS

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except that property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, debt, debt issuance costs, early retirement and accrued vacation are recorded as expenditures when paid, debt is recorded as a revenue when issued, capital outlay is recorded as an expenditure rather than capitalized, and depreciation and amortization are not recorded on capital assets. All annual appropriations lapse at fiscal year end.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent without republication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund: Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition and Construction, Other Uses - Debt Service and Interfund Transfers, and Operating Contingency.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS (CONTINUED)

Expenditures cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances, which could not be determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts and final amounts after appropriation changes. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2021, except for the Unemployment Reserve Fund – Support Services by \$14,663.

SUPPLY INVENTORY AND PREPAIDS

Purchased inventory is recorded at cost. Donated commodities inventory is valued at estimated market value at the date of donation. Inventory consists of commodities and purchased food and supplies. The cost of purchased inventory is recorded as an asset at the time of purchase and expensed when it is consumed in the government-wide financial statements, and expensed when purchased in the fund statements.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CAPITAL ASSETS

Capital assets include land, buildings, improvements, vehicles, furniture, fixtures, and equipment. Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated acquisition value on the date donated. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives: Building over 50 to 70 years, Building improvements over 15-40 years, Land improvements over 20 years, and Vehicles and Equipment over 5 to 20 years. Major outlays for capital assets and improvements are capitalized as projects are constructed. A full year of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are amortized over the life of the bonds, using the straight line method in the government-wide financial statements. The straight line method does not differ significantly from the effective interest rate method. Unamortized premiums and discounts are presented as additions or subtractions from the face amount of the bonds. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS (CONTINUED)

issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Early retirement benefits are recognized when paid (i.e., after the eligible employee retires).

ACCRUED COMPENSATED ABSENCES

Sick Leave

State law permits school employees to accumulate unused sick leave at the rate of ten days per year or one day per month worked, whichever is greater. There is no compensation for employees' unused accumulations upon termination of employment.

Accumulated unpaid vacation

Full-time employees are allowed to earn vacation leave. The rate at which vacation is earned is determined by the employee's length of employment.

USE OF ESTIMATES

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported items. These can include the amounts of assets, liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expense/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

CASH AND INVESTMENTS

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

Fair Value Inputs and Methodologies and Hierarchy

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

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

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND INVESTMENTS (CONTINUED)

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

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

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

RETIREMENT PLANS

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

FUND BALANCE

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

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaids.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE (CONTINUED)

- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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

NET POSITION

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

- Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position – consists of all other net position that are not included in the other categories previously mentioned.

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Statement of Net Position reports pension related deferrals and OPEB related deferrals resulting from pension plan and OPEB actuarial valuations and contributions subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount became available. The government has items, which arises under full accrual accounting in the Statement of Net Position. The Statement of Net Position reports pension related deferrals and OPEB related deferrals from pension plan and OPEB actuarial valuations and contributions subsequent to the measurement date.

2. CASH AND INVESTMENTS

Cash and Investments at June 30, 2021 (recorded at fair value) consisted of:

Total investments	\$ 15,892,109
Local Government Employers Benefit Trust	258,036
Petty Cash	3,090
Deposits with financial institutions	<u>2,766,618</u>
Total	<u>\$ 18,919,853</u>

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance at an approved depository as identified by the Treasury. For the fiscal year ended June 30, 2021, the bank balance was \$3,919,169, with \$3,165,376 of the balance in excess over FDIC, which is covered under the Oregon PFCP collateral plan. There was also a balance of \$31,243 held in a credit union, which was fully insured by NCUA.

The insurance and collateral requirements for deposits are established by banking regulations and Oregon Law. Effective July 1, 2008, state statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295.001 to 295.108. As long as the bank depository has entered into an agreement (ORS 295.008(2)(b)) and has deposited securities pursuant to state statutes (ORS 295.015(1)), there may now be on deposit at any one bank depository and its branches, a sum in excess of the amount insured by the Federal Deposit Insurance Corporation.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be recovered. There is no formal deposit policy for custodial credit risk. For the fiscal year ended June 30, 2021, all deposits were collateralized in accordance with Oregon law.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

State statutes authorize the investment in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency.

Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

As of June 30, 2021, Hood River County School District had the following investments:

Investment	Rating MOODY	Rating S&P	Maturities	Fair Value	Fair Value
				Activity Level	
State Treasurer's Investment Pool	No rating	No rating	N/A	Fair Value	\$ 11,543
State Treasurer's Investment Pool	No rating	No rating	N/A	Fair Value	14,842,391
State Treasurer's Investment Pool	No rating	No rating	N/A	Fair Value	1,038,175
Total Investments					<u>\$ 15,892,109</u>

Credit Risk

Oregon Statutes authorize investing 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.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. The District has adopted an investment policy allowing investments to mature longer than 18 months.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the value of the investment will not be able to be recovered by collateral securities that are in the possession of an outside party. There is no formal investment policy for custodial credit risk.

Concentration Risk

At June 30, 2021, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. The receivables are considered fully collectible by management so no allowance for doubtful accounts has been made.

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

Accounts receivable consist of amounts due from intermediate sources and miscellaneous reimbursements. Accounts receivable are considered by management to be fully collectible; therefore, no allowance for uncollectible accounts has been made.

UNAVAILABLE REVENUE

On the fund financial statements, unavailable revenue arises when resources do not satisfy both the measurable and available criteria for recognition in the current year, for example, if property taxes are received more than 60 days after year-end. In subsequent periods, when recognition criteria are met, the liability for unavailable revenue is removed and revenue is recognized.

PROPERTY TAXES RECEIVABLE

Uncollected real and personal property taxes are reflected on the statement of Net Position and the balance sheet as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens. All property taxes receivable are due from property owners within the

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. ACCOUNTS/GRANTS RECEIVABLE (CONTINUED)

PROPERTY TAXES RECEIVABLE (CONTINUED)

District.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

4. SUPPLY INVENTORY

Supply Inventories as of June 30, 2021:

	<u>Other Governmental Funds</u>
Commodities and purchased foods	<u>\$ 41,932</u>

5. INTERFUND DUE TO AND DUE FROMS

<u>Fund</u>	<u>Fund #</u>	<u>Due From</u>	<u>Due To</u>
General Fund	100	\$ -	\$ 930,790
Grants Fund	299	-	1,534,613
Capital Construction Fund	400	2,162,553	-
Other Governmental Funds		<u>302,850</u>	<u>-</u>
Total		<u>\$ 2,465,403</u>	<u>\$ 2,465,403</u>

Interfund due to and due froms result from the pooled cash of the District between funds.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2021 are as follows:

	Beginning of Year	Additions	(Deletions)	Balance End Of Year
Capital Assets Not Being Depreciated				
Land	\$ 4,242,808	\$ 141,667	\$ -	\$ 4,384,475
Construction in Process	40,368,968	2,885,335	(14,393,845)	28,860,458
Total Capital Asset Not Being Depreciated	44,611,776	3,027,002	(14,393,845)	33,244,933
Capital Assets Being Depreciated				
Buildings & Improvements	82,754,590	14,393,845	-	97,148,435
Vehicles & Equipment	9,285,119	266,070	(430,990)	9,120,199
Total Capital Assets Depreciated	92,039,709	14,659,915	(430,990)	106,268,634
Accumulated Depreciation				
Buildings & Improvements	39,690,158	2,851,904	-	42,542,062
Vehicles & Equipment	7,453,560	281,189	(430,990)	7,303,759
Total Accumulated Depreciation	47,143,718	3,133,093	(430,990)	49,845,821
Total Net Capital Assets	<u>\$ 89,507,767</u>	<u>\$ 14,553,824</u>	<u>\$ (14,393,845)</u>	<u>\$ 89,667,746</u>

Depreciation was allocated to the functions as followed:

Instruction	\$ 1,921,595
Support Services	1,129,890
Community Services	<u>81,608</u>
Total	<u>\$ 3,133,093</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i) **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii) **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii) **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv) **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The cap on the COLA is capped at 2.0 percent.

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

- i) **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 ½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2021 were \$5,066,354 excluding amounts to fund employer specific liabilities. In addition approximately \$1,797,974 in employee contributions were paid or picked up by the District in fiscal 2021. At June 30, 2021, the District reported a net pension liability of \$51,215,828 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2020 and 2019,

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

the District's proportion was .235 percent and .235 percent, respectively. Pension expense for the year ended June 30, 2021 was \$5,918,237. Update procedures were used to roll forward the total pension liability to the measurement date.

The rates in effect for the year ended June 30, 2021 were:

- (1) Tier 1/Tier 2 – 20.03%
- (2) OPSRP general services – 14.58%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 2,254,116	\$ -
Changes in assumptions	2,748,592	96,305
Net difference between projected and actual earnings on pension plan investments	6,022,316	1,057,128
Net changes in proportionate share	130,556	1,766,085
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	11,155,580	2,919,518
Contributions subsequent to measuring date	5,066,354	-
Deferred outflow (inflow) of resources	<u>\$ 16,221,934</u>	<u>\$ 2,919,518</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 1,578,684
2023	2,503,071
2024	2,352,501
2025	1,818,749
2026	(16,944)
Thereafter	-
Total	<u>\$ 8,236,061</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 5, 2021. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2020 PERS ACFR; p. 102)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2020 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 76,051,275	\$ 51,215,828	\$ 30,390,155

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

HOOD RIVER COUNTY SCHOOL DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

Employees of the District pay six (6) percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2021.

8. OTHER POST-EMPLOYMENT BENEFIT PLAN - RHIA

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to

HOOD RIVER COUNTY SCHOOL DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFIT PLAN – RHIA (CONTINUED)

RHIA for the years ended June 30, 2019, 2020 and 2021 were \$120,487, and \$32,783, and \$6,842 respectively, which equaled the required contributions each year.

At June 30, 2021, the District reported a net OPEB asset of \$935,400 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2020 and 2019, the District's proportion was .459 percent and .243 percent, respectively. OPEB income for the year ended June 30, 2021 was (\$271,663).

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (150,450)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(118,318)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (268,768)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 95,625
Changes in assumptions	-	49,721
Net difference between projected and actual earnings on pension plan investments	104,024	-
Net changes in proportionate share	-	221,619
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	104,024	366,965
District contributions subsequent to measuring date	6,482	-
Deferred outflow (inflow) of resources	<u>\$ 110,506</u>	<u>\$ 366,965</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2022.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFIT PLAN - RHIA

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ (210,486)
2023	(123,722)
2024	38,453
2025	32,813
2026	-
Thereafter	-
Total	<u>\$ (262,942)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2020. That independently audited report was dated March 5, 2021 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method

HOOD RIVER COUNTY SCHOOL DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFIT PLAN – RHIA (CONTINUED)

and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2020 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFIT PLAN – RHIA (CONTINUED)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2020 PERS ACFR; p. 74)

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net OPEB liability (asset)	\$ (755,178)	\$ (935,400)	\$ (1,089,497)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. SINGLE EMPLOYER PENSION PLAN (GASB #73)

Early Retirement

A single employer, defined benefit early retirement supplement program is maintained for certified employees. The retirement incentive is offered as a form of deferred compensation for work performed during the years of active employment. To qualify, an employee must be a certified staff member eligible to retire with benefits under the rules of the Public Employees Retirement System and applicable Oregon law. In addition, the electing employee must have a minimum of ten years of service immediately prior to retirement. This plan is funded on a pay-as-you-go basis.

GASB Statement #73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, for the fiscal year ended June 30, 2016 was implemented. A single-employer post-employment benefit program is maintained (commonly referred to as early retirement). These programs cover licensed and administrative personnel, individual employees, and certain retired employees.

Contributions and Funding Policy – The benefits from this program are fully paid by the District, and consequently, no contributions by employees are required. There is no obligation to fund these benefits in advance. The only obligation is to make current benefit payments due each fiscal year. Consequently, it has not been found necessary to establish a pension trust fund, and payments are made on a pay-as-you-go basis each year out of the General Fund. An estimate of this liability for current retirees is done annually. There is no separately issued financial report for the plan. The annual expenditures recognized on a budgetary basis were approximately \$68,385, \$88,581, and \$105,873 for the years ended June 30, 2021, 2020, and 2019, respectively.

Total Pension Liability – The District's total pension liability (TPL) were measured as of June 30, 2021 and the total pension liability were determined by an actuarial valuation as of June 30, 2019.

Actuarial Methods and Assumptions – The total pension liability (TPL) for the current year was determined as part of the July 1, 2019 actuarial valuation using the Entry Age Normal (EAN) Level Percent of Pay Method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a interest rate for discounting future liabilities, at 2.75%; (b) annual increases in medical premiums are expected to be 5.5% in 2021, 6% in 2022, 6% in 2023, and decreasing .1% per year until 2038 and subsequent years, when it is expected to be 4.5%; (c) an assumed inflation 2.5%; (d) annual salary increases for employees are assumed to be 3.5% in all future years.

Under this method the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percent of pay basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age. The portion of this actuarial present value allocated to the valuation year is called the service cost for that active employee. The sum of these individual service costs is the Plan's Service Cost for the valuation year. The present value of benefits for current retirees plus the accumulated value of all prior Service Costs is the Total Pension Liability. Under this method the actuarial gains (losses), as they occur, reduce (increase) the Total Pension Liability while leaving the Service Cost unchanged. The District's early retirement program is unfunded.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. SINGLE EMPLOYER PENSION PLAN (GASB #73) (CONTINUED)

The District has a total of 3 active and 0 inactive participants under GASB 73.

Total Pension Liability

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Balance at July 1	\$ 42,144	\$ 39,159	\$ 44,705
Changes for the Year:			
Service Cost	1,272	1,317	1,489
Interest	1,496	1,518	1,137
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	2,514	-
Changes of Assumptions or Other Input	-	198	-
Benefit Payments	<u>(5,753)</u>	<u>-</u>	<u>(9,679)</u>
Net Changes for the Year	(2,985)	5,546	(7,053)
Total Pension Liability at June 30	<u>\$ 39,159</u>	<u>\$ 44,705</u>	<u>\$ 37,652</u>

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 4,172	\$ -
Changes in assumptions	132	36
Benefit Payments	<u>-</u>	<u>-</u>
Deferred outflow (inflow) of resources	<u>\$ 4,304</u>	<u>\$ 36</u>

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 3,364
2023	904
2024	-
2025	-
2026	-
Thereafter	-
Total	<u>\$ 4,268</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. SINGLE EMPLOYER PENSION PLAN (GASB #73) (CONTINUED)

Sensitivity of the District's total pension liability to changes in the discount rate – The following presents the District's total pension liability calculated using the discount rate of 2.75 percent, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75 percent) or 1-percentage-point higher (3.75 percent) than the current rate.

June 30, 2021	1% Decrease	Current Discount Rate	1% Increase
Total Pension Liability	\$ 37,798	\$ 37,652	\$ 37,472

10. OTHER POST-EMPLOYMENT BENEFITS (GASB #75)

Plan Description

The District administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the District's group health insurance plans. The District's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2019 and the measurement date was June 30, 2021.

Funding Policy

The District has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the District on a pay-as-you-go basis. There is no obligation on the part of the District to fund these benefits in advance. The District considered the liability to be solely the responsibility of the District as a whole and it is allocated to the governmental statements.

Actuarial Methods and Assumptions

The District engaged an actuary to perform a valuation as of July 1, 2019 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFITS (GASB #75) (CONTINUED)

The District has a total of 543 active and 37 inactive participants under GASB 75.

Health Care Cost Trend	Annual Premiums	
	Year	Pre-65 Trend
	2020	5.00%
	2021	5.50%
	2022-23	6.00%
	2024	5.90%
	2025	5.80%
	2026	5.70%
	2027	5.60%
	2028	5.50%
	2029	5.40%
	2030	5.30%
	2031	5.20%
	2032	5.10%
	2033	5.00%
	2034	4.90%
	2035	4.80%
	2036	4.70%
	2037	4.60%
	2038+	4.50%

	Health care cost trend affects both the projected health care costs as well as the projected health care
General Inflation	2.50% per year, used to develop other economic assumptions
Annual Pay Increases	3.50% per year, based on general inflation and the likelihood of raises throughout participants' careers
Mortality	RP-2014 Healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFITS (GASB #75) (CONTINUED)

Changes in the Net OPEB Liability

	2019	2020	2021
Total OPEB Liability at July 1	\$ 2,855,740	\$ 3,895,694	\$ 3,952,643
Changes for the year:			
Service cost	194,888	201,709	239,091
Interest	142,918	149,163	111,554
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	66,988	-
Changes of assumptions or other input	1,013,796	(121,487)	-
Benefit payments	(311,648)	(239,424)	(270,446)
Balance as of June 30	<u>\$ 3,895,694</u>	<u>\$ 3,952,643</u>	<u>\$ 4,032,842</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPEB liability using a discount rate of 2.75% as well as what the District's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (1.75%) or one percentage point higher (3.75%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Total OPEB Liability	\$ 4,316,190	\$ 4,032,842	\$ 3,764,031

	1% Decrease Healthcare	Current Trend Rate Healthcare	1% Increase Healthcare
Total OPEB Liability	\$ 3,566,338	\$ 4,032,842	\$ 4,583,949

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits

The District reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFITS (GASB #75) (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 58,615	\$ -
Changes in assumptions or other input	724,140	106,301
Benefit Payments	-	-
Deferred outflow (inflow) of resources	<u>\$ 782,755</u>	<u>\$ 106,301</u>

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2022	\$ 138,015
2023	138,015
2024	138,015
2025	138,015
2026	138,015
Thereafter	(13,621)
Total	<u>\$ 676,454</u>

11. LONG TERM OBLIGATIONS

General Obligation Bonds

General obligation bonds were issued to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government funds and are reported in the Governmental Activities section of the government-wide financial statements. General obligation bonds are direct obligations and pledge the full faith and credit of the District. In September 2016, the District refunded their series 2008 general obligation bonds and issued new series 2016 refunded general obligation bonds. The series 2008 general obligation bonds will reach final maturity on June 15, 2018 and the remainder has been refunded. The refunding resulted in \$9,908,227 of refunded debt service with a \$754,598 savings with a net present value savings of \$694,230. Upon the occurrence and continuance of any event of default hereunder the owners of fifty-one (51%) percent or more of the principal amount of bonds then outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the owners of bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the resolution or the bonds or in aid of the exercise of any power granted in the resolution or in the bonds or for the enforcement of any other legal or equitable right vested in the owners of bonds by the resolution or the bonds or by law. However, the bonds shall not be subject to acceleration.

A summary of the general obligation bonds outstanding is as follows:

ISSUE	ORIGINAL ISSUE AMOUNT	INTEREST RATE	OUTSTANDING BALANCE 6/30/2021	FINAL MATURITY DATE
Series 2016	\$ 65,670,000	3.1-5.0%	\$ 58,480,000	6/15/2036
Total	<u>\$ 65,670,000</u>		<u>\$ 58,480,000</u>	

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. LONG TERM OBLIGATIONS (CONTINUED)

PERS Pension Obligation Bonds

During the years ended June 30, 2004 and 2002, the District issued PERS Pension Obligation Bonds. The net proceeds from these bonds were remitted to the Oregon Public Employees' Retirement System as a prepayment of the District's unfunded pension liability. The annual payments on the PERS Pension

Obligation Bond are accounted for as additional contributions to the Public Employees' Retirement System by the District.

During the 2011-2012 fiscal year, the District refunded a portion of the 2002 PERS Pension Obligations Bonds. \$1,000,000 was issued of limited tax pension obligation bonds for the purpose of generating resources for the debt service payments of \$955,000 for the 2020-21 year of the 2002 limited tax pension obligation bonds. As a result, the refunded bonds were considered to be defeased, and the liability was removed from the government activities column of the statement of Net Position. The advance refunding was undertaken to reduce the total interest payments and resulted in an economic gain of \$69,778.

Upon the occurrence and continuance of any Event of Default under the Trust Agreement, the Trustee may, and if the Owners of not less than 51 percent in aggregate principal amount of the Obligations then Outstanding so request, is required to take whatever action at law or in equity may appear necessary or desirable to enforce or to protect any of the rights vested in the obligation Trustee or the Owners of the Obligations by the Trust Agreement, the Intercept Agreement or the Pension Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Trust Agreement or the Intercept Agreement or in aid of the exercise of any power granted in the Trust Agreement or the Intercept Agreement or for the enforcement of any other legal or equitable right vested in the Trustee by the Trust Agreement or by law; provided that in no event will the Trustee have the right to accelerate the Pension Bond Payments or the Obligations. The Trustee is not permitted to exercise remedies against an Issuer that has not caused a Pension Bond Default. The Trust Agreement provides that if at any time after a Pension Bond Default has occurred, any moneys available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for under the Trust Agreement or otherwise, are required to be applied by the Trustee as follows:

- (1) To the payment of the interest on such Issuer's Pension Bonds when due.
- (2) To the payment of the principal on such Issuer's Pension Bonds when due.

State Intercept Agreement: Payment of the Pension Bonds is also secured by an intercept agreement, pursuant to which an amount of State Education Revenues equal to each Issuer's Pension Bond Payments, which would otherwise be paid by the Oregon Department of Education (the "Agency") to the Issuer, is diverted to the Trustee for the purpose of paying the Pension Bond Payments.

A summary of the pension obligation bonds outstanding is as follows:

<u>ISSUE</u>	<u>INTEREST RATE</u>	<u>OUTSTANDING BALANCE 6/30/2021</u>	<u>FINAL MATURITY DATE</u>
8/11/2011	2.06-6.10%	\$ 9,690,000	6/30/2028
2/19/2004	3.66-5.53%	6,915,000	6/30/2028
		<u>\$ 16,605,000</u>	

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. LONG TERM OBLIGATIONS (CONTINUED)

Direct Placement - Qualified School Construction Bond

A Qualified School Construction Bond was issued in February 2010 with the proceeds used to enter into an agreement to purchase equipment, property, or property improvements. Whenever any Event of Default exists, the Seller shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) Without terminating this Agreement, and by written notice to the District, the Seller may declare all Installment Payments, Loss of QSCB Status Amounts, if any, and other amounts payable by the District hereunder to the end of the then current budget year of the District to be due, including without limitation delinquent Installment Payments or loss of QSCB Status Amounts from prior budget years; (b) Terminating this Agreement, and by written notice to the District, the Seller may accelerate all outstanding Installment Payments and Loss of QSCB Status Amounts, if any, in which case the District agrees to pay to the Seller an amount equal to the outstanding Installment Payments and Loss of QSCB Status Amounts, if any, as well as any other sums due hereunder; (c) Seller may enter the premises where the Equipment or the Improvements are located and retake possession of the Equipment or the Improvements, or require the District, at the District's expense, to promptly return any or all of the Equipment or the Improvements to the possession of Seller at such place within the United States as Seller shall specify, and Seller may thereafter dispose of the Property in accordance with Article 9 of the Uniform Commercial Code; provided, however, that any proceeds from the disposition of the property in excess of the sum required to (i) discharge the District's obligations under this Agreement, (ii) pay any other amounts then due to Seller under this Agreement, and (iii) pay Seller's costs and expenses associated with the disposition of the Equipment or the Improvements (including attorneys fees), shall be paid to the District or such other creditor of the District as may be entitled thereto; (c) The Seller may take whatever action at law or in equity necessary or desirable to enforce its rights under this Agreement.

A summary of the qualified school construction bond outstanding is as follows:

	ORIGINAL		OUTSTANDING	FINAL
	ISSUE	INTEREST	BALANCE	MATURITY
ISSUE	AMOUNT	RATE	6/30/2021	DATE
Series 2010	\$ 3,600,000	1.95%	\$ 1,250,000	3/16/2026

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. LONG TERM OBLIGATIONS (CONTINUED)

Changes in long-term obligations

Long-term obligation activity for the fiscal year ended June 30, 2021, was as follows:

	Beginning Balance 7/1/20	Additions	Deletions	Ending Balance 6/30/21	Due Within One Year
Governmental Activities:					
Bonds payable:					
General Obligation Bonds	\$ 60,725,000	\$ -	\$ 2,245,000	\$ 58,480,000	\$ 2,450,000
Pension Obligation Bonds	18,285,000	-	1,680,000	16,605,000	1,850,000
Direct Placement:					
QSCB	1,485,000	-	235,000	1,250,000	240,000
Unamortized bond premiums and (discounts)	9,262,565	-	285,306	8,977,259	-
Total Liabilities	<u>\$ 89,757,565</u>	<u>\$ -</u>	<u>\$ 4,445,306</u>	<u>\$ 85,312,259</u>	<u>\$ 4,540,000</u>

The future maturities of long-term obligations outstanding as of June 30, 2021 are as follows:

Fiscal Year	Pension Obligation Bonds			
	Series 2011		Series 2004	
	Principal	Interest	Principal	Interest
2022	\$ 1,080,000	\$ 536,307	\$ 770,000	\$ 381,838
2023	1,220,000	477,123	870,000	339,696
2024	1,370,000	410,145	975,000	291,602
2025	1,530,000	334,110	1,095,000	237,704
2026	1,710,000	249,195	1,220,000	177,172
2027-31	2,780,000	203,408	1,985,000	144,557
	<u>\$ 9,690,000</u>	<u>\$ 2,210,288</u>	<u>\$ 6,915,000</u>	<u>\$ 1,572,569</u>

Fiscal Year	Qualified School Construction Bond Series 2010 Direct Placement		General Obligation and Refunding Bonds Series 2016	
	Principal	Interest	Principal	Interest
2022	\$ 240,000	\$ 24,375	\$ 2,450,000	\$ 2,243,900
2023	245,000	19,695	2,665,000	2,158,400
2024	250,000	14,918	2,905,000	2,051,800
2025	255,000	10,043	3,160,000	1,935,600
2026	260,000	5,070	3,455,000	1,777,600
2027-31	-	-	21,395,000	7,020,200
2032-36	-	-	22,450,000	2,380,400
	<u>\$ 1,250,000</u>	<u>\$ 74,100</u>	<u>\$ 58,480,000</u>	<u>\$ 19,567,900</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

12. COMMITMENTS AND CONTINGENCIES

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state-wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate, they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

A number of federally assisted grant programs are participated in. These programs are subject to program compliance audits by the grantors or their representatives. Compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected by management to be immaterial.

13. CONTINGENCIES - SICK LEAVE

Portions of amounts accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2021, employees had accumulated 27,025 days of sick leave.

14. RISK MANAGEMENT

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

Workers' compensation insurance is purchased from a commercial carrier. Premiums are determined based on payroll paid at various employment classification rates. Loss prevention services are available from the carrier, and there is no potential liability beyond the premiums paid.

15. OPERATING LEASE

There are operating leases for copy machines. Total lease expenditures for the year amounted to \$112,843.

Remaining minimum lease payments are as follows

2021-2022	\$	25,915
2022-2023		25,915
2023-2024		25,915
2024-2025		19,435
	\$	<u>97,180</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

16. ACCRUED VACATION

At the beginning of the fiscal year, the District had an accrued vacation liability totaling \$113,914. During the year, the liability had a net decrease of \$90, resulting in total accrued vacation liability of \$113,824 as of June 30, 2021. Accrued vacation is not accrued beyond one year. The general fund is used to liquidate accrued vacation. Changes are as follows:

<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
<u>\$ 113,914</u>	<u>\$ 113,824</u>	<u>\$ 113,914</u>	<u>\$ 113,824</u>	<u>\$ 113,824</u>

17. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions.

The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

18. FUND BALANCE CONSTRAINTS

The District reports Assigned General Fund balances for two purposes, Reserves and for Bus Replacement. Reserves were established by the School Board for the purpose of smoothing of the state school fund resources and for an operational reserve for future Oregon Public Employees' Retirement System employer contribution rate increases. The purpose of the Bus Replacement fund balance is the amount received from the state school fund payment related to depreciation on school buses and is required by the State Department of Education to be spent on school bus replacements. The School Board is granted authority to establish reserve funds by the Oregon Revised Statute 294.346 Reserve Fund Established Without Vote.

The specific purposes for each of the categories of fund balance as of June 30, 2021 are as follows:

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

18. FUND BALANCE CONSTRAINTS (CONTINUED)

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Other</u>	<u>Total</u>
Fund Balances:					
Nonspendable:					
Prepaid & Inventory	\$ 26,120	\$ 19,795	\$ -	\$ 41,932	\$ 87,847
Restricted:					
Grants	-	924,706	-	-	924,706
Capital Projects	-	-	3,093,579	-	3,093,579
Unemployment	316,467	-	-	-	316,467
Other	-	-	-	807,766	807,766
Debt Service	-	-	-	98,314	98,314
	<u>316,467</u>	<u>924,706</u>	<u>3,093,579</u>	<u>906,080</u>	<u>5,240,832</u>
Assigned:					
Operation Reserves	4,093,727	-	-	-	4,093,727
Bus Replacement Reserves	<u>217,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,722</u>
	4,311,449	-	-	-	4,311,449
Unassigned:	<u>7,579,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,579,549</u>
Total Fund Balances:	<u>\$ 12,233,585</u>	<u>\$ 944,501</u>	<u>\$ 3,093,579</u>	<u>\$ 948,012</u>	<u>\$ 17,219,677</u>

19. CONSTRUCTION COMMITMENTS

The District has active construction projects as of June 30, 2021. At year end the government's commitments with contractors are as follows.

Construction projects in progress as of June 30, 2021:

- Kirby Nagelhout Construction Inc. - balance of contract as of June 30, 2021 for CMGC contract for new May Street Elementary School is \$335,552.
- Griffin Construction LLC – balance of contract as of June 30, 2021 for CMGC contract for Mid Valley Elementary School seismic improvement project is \$40,000.
- Griffin Construction LLC – balance of contract as of June 30, 2021 for CMGC contract for Hood River middle School entry project is \$1,973,072.

Total of projects = \$2,348,624

All projects are funded by Fund 400 Capital Projects Fund.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

20. DEFICIT OF NET POSITION

The District reported a negative net position amount of \$(18,261,771) resulting from recording the District's proportionate share of the PERS net pension liability, total pension liability of the early retirement, and the total OPEB liability.

21. COVID-19

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closure of government and business activities. These developments are expected to impact District revenues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the District expects this matter to negatively affect its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

**HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2021**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.23 %	\$ 51,215,828	\$ 27,707,429	184.8 %	75.8 %
2020	0.23	40,596,300	26,086,819	155.6	80.2
2019	0.25	37,616,887	25,780,177	145.9	82.1
2018	0.25	33,241,447	25,375,591	131.0	83.1
2017	0.24	36,608,838	23,868,521	153.4	80.5
2016	0.26	15,038,555	23,176,164	64.9	91.3
2015	0.28	(6,281,418)	22,647,166	-27.7	103.6
2014	0.28	14,141,610	23,550,653	60.0	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

For Year End	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2021	\$ 5,066,354	\$ 5,066,354	\$ -	\$ 29,965,241	16.9 %
2020	4,709,341	4,709,341	-	27,707,429	17.0
2019	3,414,552	3,414,552	-	26,086,819	13.1
2018	3,243,115	3,243,115	-	25,780,177	12.6
2017	2,140,784	2,140,784	-	25,375,591	8.4
2016	2,116,707	2,116,707	-	23,868,521	8.9
2015	2,913,322	2,913,322	-	23,176,164	12.6
2014	2,888,949	2,888,949	-	22,647,166	12.8

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY
AND RELATED RATIO STIPEND BENEFITS
For the Year Ended June 30, 2021

	2017	2018	2019	2020	2021
Total Pension Liability, Beginning of the Year	<u>\$ 59,403</u>	<u>\$ 46,709</u>	<u>\$ 42,144</u>	<u>\$ 39,159</u>	<u>\$ 44,705</u>
Changes for the year:					
Service cost	2,981	1,272	1,272	1,317	1,489
Interest	1,825	1,817	1,496	1,518	1,137
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	9,990	-	2,514	-
Changes in assumptions or other input	-	(144)	-	198	-
Benefit payments	<u>(17,500)</u>	<u>(17,500)</u>	<u>(5,753)</u>	<u>-</u>	<u>(9,679)</u>
Net changes for the year	(12,694)	(4,565)	(2,985)	5,546	(7,053)
Total Pension Liability, End of the Year	<u>\$ 46,709</u>	<u>\$ 42,144</u>	<u>\$ 39,159</u>	<u>\$ 44,705</u>	<u>\$ 37,652</u>
Covered Payroll	382,952	370,592	383,582	241,449	249,900
Net Single Employer Pension Plan as a Percentage of Covered Payroll	12.20%	11.37%	10.21%	18.52%	15.07%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73 in the fiscal year ending June 30, 2017.

**HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)
For the Year Ended June 30, 2021**

SCHEDULE OF CHANGES IN THE TOTAL OPEB - RHIA LIABILITY

<u>Year Ended June 30,</u>	<u>Service Cost</u>	<u>Difference Between Expected and Actual Experience</u>	<u>Changes in Assumptions</u>	<u>Difference Between Projected and Actual Investment Earnings</u>	<u>Employer Actual Contributions</u>	<u>Changes in Employer Proportion</u>	<u>Employer Total Expense</u>
2021	\$ -	\$ (95,625)	\$ (49,721)	\$ 104,024	\$ -	\$ (221,619)	\$ (268,768)
2020	-	(61,948)	(487)	(28,996)	120,617	(3,837)	95,268

SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS

<u>Year Ended June 30,</u>	<u>Total OPEB Liability Beginning (Asset)</u>	<u>Net Change in Total OPEB Liability (Asset)</u>	<u>Total OPEB Liability (Asset) Ending</u>	<u>Covered Payroll</u>	<u>Total OPEB Liability as a Percentage of Covered Payroll</u>	<u>Discount Rate</u>
2021	\$ (469,763)	\$ (465,637)	\$ (935,400)	\$ 27,707,429	-3.38%	7.20%
2020	(267,237)	(202,526)	(469,763)	26,086,819	-1.80%	7.20%

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2021

	2018	2019	2020	2021
Total OPEB Liability, Beginning of the Year	<u>\$ 2,872,636</u>	<u>\$ 2,855,740</u>	<u>\$ 3,895,694</u>	<u>\$ 3,952,643</u>
Changes for the year:				
Service cost	\$ 136,368	\$ 194,888	\$ 201,709	\$ 239,091
Interest	105,430	142,918	149,163	111,554
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	66,988	-
Changes in assumptions or other input	-	1,013,796	(121,487)	-
Benefit payments	<u>(258,694)</u>	<u>(311,648)</u>	<u>(239,424)</u>	<u>(270,446)</u>
Net changes for the year	<u>(16,896)</u>	<u>1,039,954</u>	<u>56,949</u>	<u>80,199</u>
Total OPEB Liability, End of the Year	<u>\$ 2,855,740</u>	<u>\$ 3,895,694</u>	<u>\$ 3,952,643</u>	<u>\$ 4,032,842</u>
Covered Payroll	41,327,566	42,774,031	26,900,163	27,841,669
Total OPEB Plan as a Percentage of Covered Payroll	6.91%	9.11%	14.69%	14.48%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 75 in the fiscal year ending June 30, 2018.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 15,943,351	\$ 16,566,287	\$ 16,826,800	\$ 260,513
Intermediate sources	1,815,275	1,785,274	1,803,554	18,280
State sources	33,528,753	32,591,394	33,048,019	456,625
Federal sources	113,000	138,000	164,904	26,904
Total revenues	51,400,379	51,080,955	51,843,277	762,322
Expenditures:				
Instruction	33,493,556	33,185,374 (1)	32,773,558	411,816
Support services	20,907,259	21,796,854 (1)	19,644,588	2,152,266
Community service	56,803	- (1)	-	-
Debt service	263,958	263,958 (1)	263,958	-
Contingency	384,531	384,531 (1)	-	384,531
Total expenditures	55,106,107	55,630,717	52,682,104	2,948,613
Revenues over (under) expenditures	(3,705,728)	(4,549,762)	(838,827)	3,710,935
Other financing sources (uses):				
Sale of Capital Assets	-	14,840	81,772	66,932
Transfers in	1,343,040	1,343,040	671,520	(671,520)
Total other financing sources (uses)	1,343,040	1,357,880	753,292	(604,588)
Net change in fund balance	(2,362,688)	(3,191,882)	(85,535)	3,106,347
Fund balance, beginning of year	6,593,902	7,691,204	7,691,204	-
Fund balance, end of year	\$ 4,231,214	\$ 4,499,322	7,605,669	\$ 3,106,347

(1) Appropriation level

RECONCILIATION TO GAAP FUND BALANCE AS REQUIRED BY GASB 54

Ending Fund Balance:	
Unemployment Reserve Fund	316,467
Bus Replacement Reserve Fund	217,722
Operational Reserve Fund	4,093,727
	<u>\$ 12,233,585</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 720,000	\$ 720,000	\$ 270,066	\$ (449,934)
Intermediate sources	900,000	900,000	1,227,742	327,742
State Sources	5,211,693	5,211,693	2,453,046	(2,758,647)
Federal sources	2,500,000	2,500,000	3,510,455	1,010,455
Total revenues	9,331,693	9,331,693	7,461,309	(1,870,384)
Expenditures:				
Instruction	5,537,862	6,491,068 (1)	4,712,691	1,778,377
Support services	3,693,831	3,643,831 (1)	2,672,886	970,945
Community service	100,000	150,000 (1)	84,437	65,563
Total expenditures	9,331,693	10,284,899	7,470,014	2,814,885
Revenues over (under) expenditures	-	(953,206)	(8,705)	944,501
Other Financing Sources, -Uses:				
Transfer In	75,000	75,000	-	(75,000)
Transfers Out	(75,000)	(75,000) (1)	-	75,000
Total other financing sources, -uses	-	-	-	-
Net change in fund balance	-	(953,206)	(8,705)	944,501
Fund balance, beginning of year	-	953,206	953,206	-
Fund balance, end of year	\$ -	\$ -	\$ 944,501	\$ 944,501
(1) Appropriation level				

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SUPPLEMENTARY INFORMATION

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
CAPITAL CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 236,000	\$ 461,000	\$ 494,791	\$ 33,791
State sources	1,848,617	780,488	780,487	(1)
Total revenues	2,084,617	1,241,488	1,275,278	33,790
Expenditures:				
Facilities acquisition and construction	8,288,216	5,915,115 (1)	3,274,201	2,640,914
Total expenditures	8,288,216	5,915,115	3,274,201	2,640,914
Revenues over (under) expenditures	(6,203,599)	(4,673,627)	(1,998,923)	2,674,704
Other Financing Sources, -Uses:				
Transfers in	50,000	50,000	-	(50,000)
Transfers out	(50,000)	(50,000) (1)	-	50,000
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(6,203,599)	(4,673,627)	(1,998,923)	2,674,704
Fund balance, beginning of year	6,609,800	5,079,828	5,092,502	12,674
Fund balance, end of year	\$ 406,201	\$ 406,201	\$ 3,093,579	\$ 2,687,378
(1) Appropriation level				

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Food Service Fund	Community Education Fund	Student Body Fund	Debt Service Fund	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 437,493	\$ -	\$ 437,493
Receivables:					
Taxes	-	-	-	227,794	227,794
Accounts	122,702	6,525	-	29,841	159,068
Supply inventories	41,932	-	-	-	41,932
Due from	219,791	23,731	-	59,328	302,850
	<u>384,425</u>	<u>30,256</u>	<u>437,493</u>	<u>316,963</u>	<u>1,169,137</u>
Total assets	<u>\$ 384,425</u>	<u>\$ 30,256</u>	<u>\$ 437,493</u>	<u>\$ 316,963</u>	<u>\$ 1,169,137</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 447	\$ 2,029	\$ -	\$ -	\$ 2,476
	<u>447</u>	<u>2,029</u>	<u>-</u>	<u>-</u>	<u>2,476</u>
Total liabilities	<u>447</u>	<u>2,029</u>	<u>-</u>	<u>-</u>	<u>2,476</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	-	-	-	218,649	218,649
	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,649</u>	<u>218,649</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,649</u>	<u>218,649</u>
Fund balances:					
Nonspendable	41,932	-	-	-	41,932
Restricted	342,046	28,227	437,493	98,314	906,080
	<u>383,978</u>	<u>28,227</u>	<u>437,493</u>	<u>98,314</u>	<u>948,012</u>
Total fund balance	<u>383,978</u>	<u>28,227</u>	<u>437,493</u>	<u>98,314</u>	<u>948,012</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 384,425</u>	<u>\$ 30,256</u>	<u>\$ 437,493</u>	<u>\$ 316,963</u>	<u>\$ 1,169,137</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	Food Service Fund	Community Education Fund	Student Body Fund	Debt Service Fund	Total
Revenues:					
Local sources	\$ 47,607	\$ 18,372	\$ 263,263	\$ 4,110,411	\$ 4,439,653
State sources	23,869	22,005	-	-	45,874
Federal sources	1,257,355	-	-	-	1,257,355
	<u>1,328,831</u>	<u>40,377</u>	<u>263,263</u>	<u>4,110,411</u>	<u>5,742,882</u>
Total revenues					
Expenditures:					
Instruction	-	-	336,246	-	336,246
Community services	1,436,639	79,637	-	-	1,516,276
Debt service	-	-	-	4,572,700	4,572,700
	<u>1,436,639</u>	<u>79,637</u>	<u>336,246</u>	<u>4,572,700</u>	<u>6,425,222</u>
Total expenditures					
Net change in fund balance	(107,808)	(39,260)	(72,983)	(462,289)	(682,340)
Fund balances, beginning of year	491,786	67,487	510,476	560,603	1,630,352
Fund balances, end of year	<u>\$ 383,978</u>	<u>\$ 28,227</u>	<u>\$ 437,493</u>	<u>\$ 98,314</u>	<u>\$ 948,012</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources	\$ 4,093,321	\$ 4,093,321	\$ 4,110,411	\$ 17,090
Total revenues	<u>4,093,321</u>	<u>4,093,321</u>	<u>4,110,411</u>	<u>17,090</u>
Expenditures:				
Debt service	<u>4,572,700</u>	<u>4,572,700 (1)</u>	<u>4,572,700</u>	<u>-</u>
Total expenditures	<u>4,572,700</u>	<u>4,572,700</u>	<u>4,572,700</u>	<u>-</u>
Net change in fund balance	(479,379)	(479,379)	(462,289)	17,090
Fund balance, beginning of year	<u>479,379</u>	<u>479,379</u>	<u>560,603</u>	<u>81,224</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 98,314</u></u>	<u><u>\$ 98,314</u></u>

(1) Appropriation level

**HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
FOOD SERVICE-SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 330,000	\$ 330,000	\$ 47,607	\$ (282,393)
State Sources	42,000	42,000	23,869 (2)	(18,131)
Federal sources	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,257,355</u>	<u>(92,645)</u>
Total revenues	<u>1,722,000</u>	<u>1,722,000</u>	<u>1,328,831</u>	<u>(393,169)</u>
Expenditures:				
Enterprise and community services	<u>1,731,001</u>	<u>1,731,001</u> (1)	<u>1,436,639</u>	<u>294,362</u>
Total expenditures	<u>1,731,001</u>	<u>1,731,001</u>	<u>1,436,639</u>	<u>294,362</u>
Net change in fund balance	(9,001)	(9,001)	(107,808)	98,807
Fund balance, beginning of year	<u>491,817</u>	<u>491,817</u>	<u>491,786</u>	<u>(31)</u>
Fund balance, end of year	<u><u>\$ 482,816</u></u>	<u><u>\$ 482,816</u></u>	<u><u>\$ 383,978</u></u>	<u><u>\$ 98,838</u></u>

(1) Appropriation level

(2) The total amount of this revenue source is state lunch matching funds.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
COMMUNITY EDUCATION-SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 1,183,690	\$ 1,183,690	\$ 18,372	\$ (1,165,318)
State sources	20,000	20,000	22,005	2,005
Total revenues	1,203,690	1,203,690	40,377	(1,163,313)
Expenditures:				
Enterprise and community services	1,203,690	1,203,690 (1)	79,637	1,124,053
Total expenditures	1,203,690	1,203,690	79,637	1,124,053
Net change in fund balance	-	-	(39,260)	(39,260)
Fund balance, beginning of year	-	-	67,487	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,227</u>	<u>\$ 28,227</u>
(1) Appropriation level				

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
STUDENT BODY-SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 1,200,000	\$ 1,200,000	\$ 263,263	\$ (936,737)
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>263,263</u>	<u>(936,737)</u>
Expenditures:				
Instruction	<u>1,791,562</u>	<u>1,710,476</u> (1)	<u>336,246</u>	<u>1,374,230</u>
Total expenditures	<u>1,791,562</u>	<u>1,710,476</u>	<u>336,246</u>	<u>1,374,230</u>
Net change in fund balance	(591,562)	(510,476)	(72,983)	437,493
Fund balance, beginning of year	<u>591,562</u>	<u>510,476</u>	<u>510,476</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 437,493</u></u>	<u><u>\$ 437,493</u></u>

(1) Appropriation level

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
UNEMPLOYMENT RESERVE-SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Expenditures:				
Support services	\$ 60,000	\$ 60,000 (1)	\$ 74,663	\$ (14,663)
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>74,663</u>	<u>(14,663)</u>
Net change in fund balance	(60,000)	(60,000)	(74,663)	(14,663)
Fund balance, beginning of year	<u>327,248</u>	<u>327,248</u>	<u>391,130</u>	<u>63,882</u>
Fund balance, end of year	<u><u>\$ 267,248</u></u>	<u><u>\$ 267,248</u></u>	<u><u>\$ 316,467</u></u>	<u><u>\$ 49,219</u></u>

(1) Appropriation level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 due to its financing resources being derived primarily from General Fund transfers.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
BUS REPLACEMENT-SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
State sources	\$ 191,444	\$ 191,444	\$ 199,042	\$ 7,598
Total revenues	191,444	191,444	199,042	7,598
Expenditures:				
Support services	197,401	198,793 (1)	-	198,793
Total expenditures	197,401	198,793	-	198,793
Revenues over (under) expenditures	(5,957)	(7,349)	199,042	206,391
Other financing sources (uses)				
Sale of asset	-	-	11,331	11,331
Total other financing sources (uses)	-	-	11,331	-
Net change in fund balance	(5,957)	(7,349)	210,373	217,722
Fund balance, beginning of year	5,957	7,349	7,349	-
Fund balance, end of year	\$ -	\$ -	\$ 217,722	\$ 217,722

(1) Appropriation level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 due to its financing resources being derived primarily from General Fund transfers.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Other financing sources (uses)				
Transfer out	<u>\$ (1,343,040)</u>	<u>\$ (1,343,040)</u>	(1) <u>\$ (671,520)</u>	<u>\$ 671,520</u>
Total other financing sources (uses)	<u>(1,343,040)</u>	<u>(1,343,040)</u>	<u>(671,520)</u>	<u>671,520</u>
Net change in fund balance	(1,343,040)	(1,343,040)	(671,520)	671,520
Fund balance, beginning of year	<u>3,317,134</u>	<u>3,317,134</u>	<u>4,765,247</u>	<u>1,448,113</u>
Fund balance, end of year	<u><u>\$ 1,974,094</u></u>	<u><u>\$ 1,974,094</u></u>	<u><u>\$ 4,093,727</u></u>	<u><u>\$ 2,119,633</u></u>
(1) Appropriation level				

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 due to its financing resources being derived primarily from General Fund transfers.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Program Title	Pass-Through Organization	Pass-Through Entity Number	CFDA Number	Expenditures	Passed Through To Subrecipients
U.S. DEPARTMENT OF EDUCATION					
<u>Special Education Cluster</u>					
Special Education - Grants to States	ODE	60672	84.027	\$ 615,242	\$ -
	ODE	56666	84.027	8,167	-
	ODE	12294	84.027	2,900	-
Special Education - Preschool Grants (IDEA Preschool)	ODE	50090	84.173	4,762	-
	ODE	53979	84.173	2,682	-
	ODE	61518	84.173	5,229	-
	ODE	60510	84.173	1,159	-
Total Special Education Cluster				<u>640,141</u>	<u>-</u>
Migrant Education - State Grant Program	ODE	53721	84.011	267,940	-
	ODE	58935	84.011	267,556	-
	ODE	57314	84.011	138,642	-
	ODE	58917	84.011	60,351	-
Total Migrant Education - State Grant Program				<u>734,489</u>	<u>-</u>
Title I Grants to Local Educational Agencies	ODE	53284	84.010	41,646	-
	ODE	58280	84.010	589,260	-
Total Title I Grants to Local Educational Agencies				<u>630,906</u>	<u>-</u>
Supporting Effective Instruction State Grants	ODE	53546	84.367	27,437	-
	ODE	58772	84.367	89,808	-
Total Supporting Effective Instruction State Grant				<u>117,245</u>	<u>-</u>
English Language Acquisition State Grants	ODE	53425	84.365	31,936	-
	ODE	58477	84.365	73,628	-
Total English Language Acquisition State Grants				<u>105,564</u>	<u>-</u>
21st Century Community Learning Centers	ODE	54266	84.287	149,429	-
	ODE	61150	84.287	130,211	-
Total 21st Century Community Learning Centers				<u>279,640</u>	<u>-</u>
Career and Technical Education - Basic Grants to State	ODE	52496	84.048	14,788	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	ODE	12294	84.013	24,100	-
Title IVA Student Support and Academic Enrichment	ODE	54536	84.424	10,147	-
	ODE	58590	84.424	34,368	-
Total IVA Student Support and Academic Enrichment				<u>44,515</u>	<u>-</u>
Elementary and Secondary School Emergency Relief - COVID-19	ODE	58727	84.425D	552,358	-
	ODE	64597	84.425D	96,394	-
Governor's Emergency Education Relief - COVID-19	ODE	60956	84.425C	124,008	-
Total Elementary and Secondary School Emergency Relief - COVID-19				<u>772,760</u>	<u>(1) -</u>
TOTAL DEPARTMENT OF EDUCATION				<u>\$ 3,364,148</u>	<u>\$ -</u>

U.S. DEPARTMENT OF AGRICULTURE

<u>Child Nutrition Cluster:</u>					
National School Lunch Program - Emergency Operational Cost	ODE	217OROR3N1099	10.555	\$ 5,860	\$ -
Noncash Assistance: Commodities	ODE	N/A	10.555	144,383	-
Summer Food Service Program for Children	ODE	217OROR3N1099	10.559	1,030,075	-
Summer Food Service Program for Children - COVID-19	ODE	217OROR3N1099	10.559	31,102	-
<u>Total Child Nutrition Cluster</u>				<u>1,211,420</u>	<u>(1) -</u>
<u>Fresh Fruit and Vegetable Program</u>					
	ODE	54814	10.582	1,780	-
	ODE	61220	10.582	28,685	-
	ODE	54887	10.582	335	-
	ODE	61299	10.582	7,765	-
<u>Total Fruit and Vegetable Program</u>				<u>38,565</u>	<u>-</u>
Child and Adult Care Food Program	ODE	217OROR3N1099	10.558	36,893	-
		217OROR3N1099	10.558	9,042	-
<u>Total Child and Adult Care Food Program</u>				<u>45,935</u>	<u>-</u>
TOTAL DEPARTMENT OF AGRICULTURE				<u>1,295,920</u>	<u>-</u>

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Passed through Oregon Health Authority					
Medical Assistance Program (Medicaid; Title XIX) (Medicaid Reimbursement Eligible K-12, ages 5-21)	OHA	N/A	93.778	45,645	-
Medical Assistance Program (Medicaid Reimbursement Eligible EI, ages 0-3)	OHA	N/A	93.778	1,861	-
Medical Assistance Program (Medicaid Reimbursement Eligible ECSE, ages 3-5)	OHA	N/A	93.778	16,223	-
				<u>63,729</u>	<u>-</u>

U.S. DEPARTMENT OF TREASURY

Passed through Oregon Business Development Department:					
Coronavirus Relief Fund - COVID-19	OBDD	N/A	21.019	69,140	-
TOTAL GRANTS EXPENDED OR PASSED THROUGH TO SUBRECIPIENTS				<u>\$ 4,792,937</u>	<u>\$ -</u>

Note 1 - Basis of Presentation

This schedule of federal awards includes the federal grant activity of Hood River County School District and is presented on the modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Note 2 - Food Distribution

Nonmonetary assistance is reported in this schedule at the fair value of the commodities received and disbursed. During the 2020-21 fiscal year, the district received U.S.D.A. commodities in the amount of \$144,383.

(1) - Major Program

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
GENERAL FUND
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2021

Transactions By Year	Original Levy or Balance Uncollected at July 1, 2020	Interest	Discounts	Collections	Adjustments	Property Taxes Uncollected at June 30, 2021
2020-2021	\$ 16,449,830	\$ 9,477	\$ 416,968	\$ 15,617,453	\$ (60,334)	\$ 364,552
2019-2020	452,033	12,939	(245)	156,194	(68,495)	240,528
2018-2019	208,004	13,592	(77)	73,230	(28,807)	119,636
2017-2018	103,744	15,593	(4)	57,395	(16,033)	45,913
2016-2017	68,044	6,919	532	36,851	(6,919)	30,661
2015-2016 & Prior	139,728	3,666	3,707	126,043	(3,585)	10,059
	<u>\$ 17,421,383</u>	<u>\$ 62,186</u>	<u>\$ 420,881</u>	<u>\$ 16,067,166</u>	<u>\$ (184,173)</u>	<u>\$ 811,349</u>

Reconciliation to revenue:

Collections	\$ 16,067,166
June 30, 2020	(33,073)
June 30, 2021	31,642
Taxes in lieu	<u>(104,948)</u>
	<u>\$ 15,960,787</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
DEBT SERVICE FUND
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2021

Transactions By Year	Original Levy or Balance Uncollected at July 1, 2020	Interest	Discounts	Collections	Adjustments	Property Taxes Uncollected at June 30, 2021
2020-2021	\$ 4,188,650	\$ 2,413	\$ 106,173	\$ 3,976,700	\$ (16,586)	\$ 91,604
2019-2020	136,033	3,894	(74)	47,005	(20,613)	72,383
2018-2019	63,852	4,172	(24)	22,480	(8,843)	36,725
2017-2018	33,125	4,979	(1)	18,326	(5,120)	14,659
2016-2017	21,419	2,178	167	11,600	(2,178)	9,652
2015-2016 & Prior	30,485	783	792	26,922	(783)	2,771
	<u>\$ 4,473,564</u>	<u>\$ 18,419</u>	<u>\$ 107,033</u>	<u>\$ 4,103,033</u>	<u>\$ (54,123)</u>	<u>\$ 227,794</u>

Reconciliation to revenue:

Collections	\$ 4,103,033
June 30, 2020	(10,145)
June 30, 2021	9,145
Taxes in lieu	<u>(11,013)</u>
	<u>\$ 4,091,020</u>

STATISTICAL SECTION

This part of the Hood River County School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

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These schedules contain services and infrastructure data to help the reader understand how the information in the school district's financial report relates to the services the district provides to the activities it performs.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

GOVERNMENTAL ACTIVITIES:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Net investment in capital assets	\$ 24,054,066	\$ 23,127,704	\$ 24,106,464	\$ 23,498,915	\$ 23,218,160	\$ 26,590,927	\$ 25,661,491	\$ 22,768,845	\$ 18,517,168	\$ 17,617,350
Restricted	2,147,253	2,928,892	2,666,613	1,493,012	811,958	2,901,440	2,494,112	2,091,179	2,113,395	1,517,775
Unrestricted	(44,463,090)	(39,682,201)	(36,821,588)	(33,389,675)	(29,965,960)	(32,638,440)	(24,279,977)	(8,700,998)	(5,863,742)	(6,124,333)
Total governmental activities net position	<u>\$ (18,261,771)</u>	<u>\$ (13,625,605)</u>	<u>\$ (10,048,511)</u>	<u>\$ (8,397,748)</u>	<u>\$ (5,935,842)</u>	<u>\$ (3,146,073)</u>	<u>\$ 3,875,626</u>	<u>\$ 16,159,026</u>	<u>\$ 14,766,821</u>	<u>\$ 13,010,792</u>

Source: Statement of Net Position

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

EXPENSES BY FUNCTION, REVENUES BY SOURCE, AND CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

GOVERNMENTAL ACTIVITIES:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Expenses by function/program:										
Instruction	\$ 43,238,821	\$ 42,496,868	\$ 39,786,662	\$ 40,960,347	\$ 36,166,790	\$ 37,234,512	\$ 25,065,087	\$ 30,051,308	\$ 30,073,705	\$ 29,619,069
Support services	25,208,263	23,570,640	21,968,363	19,666,661	19,685,965	21,331,814	13,235,277	15,820,061	15,220,883	16,305,580
Enterprise/community services	1,823,704	3,145,588	3,215,966	3,039,237	2,947,608	3,216,439	2,106,402	2,313,317	2,311,773	2,371,693
Facilities acquisition/construction	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	672,273	1,516,148	1,658,987	1,799,452	2,104,509	41,284	220,595	367,223	518,922	665,472
Total expenses	70,943,061	70,729,244	66,629,978	65,465,697	60,904,872	61,824,049	40,627,361	48,551,909	48,125,283	48,961,814
Program revenues:										
Charges for services:										
Instruction	75,125	484,377	975,916	862,634	843,848	37,311	856,425	790,937	666,940	611,874
Support services	108,823	164,137	235,503	418,810	403,878	115,913	81,149	44,766	32,128	35,994
Enterprise/community services	45,659	250,369	323,254	1,312,128	871,475	1,146,493	276,166	289,841	305,249	306,756
Total charges for services	229,607	898,883	1,534,673	2,593,572	2,119,201	1,299,717	1,213,740	1,125,544	1,004,317	954,624
Operating grants and contributions:										
Instruction	4,995,819	5,183,498	5,055,114	2,558,958	2,568,151	3,694,802	1,901,889	3,174,101	2,621,121	2,983,595
Support services	1,293,359	1,472,316	1,521,930	1,300,514	1,286,693	1,506,015	3,059,853	267,970	1,009,630	733,612
Enterprise/community services	1,287,821	205,525	220,023	199,962	192,658	1,452,765	104,406	1,427,585	1,380,323	1,304,343
Total operating grants and contributions	7,576,999	6,861,339	6,797,067	4,059,434	4,047,502	6,653,582	5,066,148	4,869,656	5,011,074	5,021,550
Capital grants and contributions:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	780,487	1,084,203	1,089,415	-	-	-	-	-	-	-
Enterprise/community services	-	-	-	-	-	-	-	-	-	-
Total capital grants and contributions	780,487	1,084,203	1,089,415	-	-	-	-	-	-	-
Total program revenues	8,587,093	8,844,425	9,421,155	6,653,006	6,166,703	7,953,299	6,279,888	5,995,200	6,015,391	5,976,174
Total net (expense) revenue	(62,355,968)	(61,884,819)	(57,208,823)	(58,812,691)	(54,738,169)	(53,870,750)	(34,347,473)	(42,556,709)	(42,109,892)	(42,985,640)
General revenues and other changes in net position:										
Taxes:										
Property taxes, general	13,626,972	13,922,302	13,933,908	13,031,728	12,368,244	10,811,190	10,847,932	10,829,050	10,728,590	10,245,461
Property taxes, debt services	4,160,285	4,259,832	4,237,179	4,160,712	3,855,573	3,846,676	3,619,175	3,614,608	3,607,522	3,371,260
Construction excise tax	305,125	247,887	312,567	382,289	347,102	339,802	214,486	228,400	173,571	190,249
State aid - formula grants	31,542,879	28,986,516	27,891,986	24,327,227	25,159,829	27,180,225	23,526,924	22,486,670	24,313,661	21,637,628
Common School Fund	398,396	364,881	408,951	386,819	470,281	443,757	360,038	335,199	347,140	312,677
Other general revenues	642,586	1,267,576	-	-	1,444,063	1,282,695	1,216,730	1,403,474	1,481,441	1,475,135
Earnings on Investments	216,067	775,396	1,522,370	917,582	491,984	119,410	65,596	64,865	62,503	65,197
Unrestricted intermediate sources	1,978,458	1,844,492	2,436,678	1,787,877	2,686,407	725,000	2,145,217	1,833,044	1,841,947	1,866,888
Unrestricted state and local sources	4,777,188	6,328,110	4,814,421	12,867,541	5,124,917	1,947,350	5,279,366	3,149,707	1,064,681	1,348,441
Unrestricted federal	71,846	-	-	-	-	152,946	-	-	244,865	256,470
Total general revenues	57,719,802	57,996,992	55,558,060	57,861,775	51,948,400	46,849,051	47,275,464	43,945,017	43,865,921	40,769,406
Change in net position	\$ (4,636,166)	\$ (3,887,827)	\$ (1,650,763)	\$ (950,916)	\$ (2,789,769)	\$ (7,021,699)	\$ 12,927,991	\$ 1,388,308	\$ 1,756,029	\$ (2,216,234)
Expense per pupil	\$ 18,766	\$ 17,649	\$ 16,581	\$ 16,374	\$ #DIV/0!	\$ #DIV/0!	\$ #DIV/0!	\$ #DIV/0!	\$ 12,485	\$ 12,754
Student Enrollment *	3,780	4,008	4,018	3,998	-	-	0	0	3,855	3,839

Source: Statement of Activities

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

GENERAL FUND:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Nonspendable - prepaid items	\$ 26,120	\$ 492	\$ 5,960	\$ 5,032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted, reported in:	316,467	391,130	387,248	382,181	293,482	193,284	-	-	63,214	190,363
Assigned	4,311,449	4,772,596	4,810,817	5,733,118	1,943,470	1,819,934	180,490	74,426	-	500,000
Unassigned	7,579,549	7,690,712	6,976,873	5,438,304	7,975,594	5,946,365	4,662,277	2,480,278	2,299,003	748,769
Total general fund	<u>\$ 12,233,585</u>	<u>\$ 12,854,930</u>	<u>\$ 12,180,898</u>	<u>\$ 11,558,635</u>	<u>\$ 10,212,546</u>	<u>\$ 7,959,583</u>	<u>\$ 4,842,767</u>	<u>\$ 2,554,704</u>	<u>\$ 2,362,217</u>	<u>\$ 1,439,132</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable - Other funds	\$ 61,727	\$ 45,796	\$ 32,822	\$ 39,562	\$ 36,209	\$ 40,761	\$ 53,286	\$ 45,454	\$ 42,319	\$ 42,792
Special Revenues Fund	-	-	825	-	5,024	-	-	-	-	-
Capital Projects Fund	-	-	158,547	-	-	-	-	-	-	-
Restricted, reported in:										
Special Revenues Fund	924,706	953,206	803,265	852,207	582,412	445,951	421,495	321,784	301,629	641,454
Capital Projects Fund	3,093,579	5,092,502	18,637,816	47,814,313	65,235,997	2,010,827	1,720,229	1,443,959	1,450,675	536,738
Debt Service Fund	98,314	560,603	372,351	258,624	229,546	376,739	352,388	325,436	297,877	149,220
Food Service Fund	342,046	445,990	459,753	444,543	391,514	392,189	519,684	557,804	415,570	338,916
Community Education Fund	28,227	67,487	52,434	80,330	171,534	122,373	103,810	50,773	-	-
Student Body Fund	437,493	510,476	591,562	661,285	663,570	579,166	574,404	553,741	486,801	529,581
Total all other governmental funds	<u>\$ 4,986,092</u>	<u>\$ 7,676,060</u>	<u>\$ 21,109,375</u>	<u>\$ 50,150,864</u>	<u>\$ 67,315,806</u>	<u>\$ 3,968,006</u>	<u>\$ 3,745,296</u>	<u>\$ 3,298,951</u>	<u>\$ 2,994,871</u>	<u>\$ 2,238,701</u>

Source: Balance Sheet - Governmental Funds

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

REVENUES:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Local Sources	\$ 22,031,310	\$ 23,109,660	\$ 23,912,952	\$ 22,655,713	\$ 20,677,631	\$ 19,365,335	\$ 18,800,088	\$ 18,210,348	\$ 18,046,152	\$ 17,020,090
Intermediate sources	3,031,296	2,631,860	3,224,235	1,787,877	2,686,407	1,752,360	2,145,217	1,833,044	1,841,947	1,866,888
State sources	36,526,468	36,576,363	33,368,530	36,193,729	30,784,302	29,462,389	28,205,697	25,847,632	26,306,258	23,900,938
Federal sources	4,932,714	4,343,549	4,304,560	3,835,980	3,844,075	4,254,229	4,393,267	4,067,863	3,769,518	3,853,573
Total revenues	<u>66,521,788</u>	<u>66,661,432</u>	<u>64,810,277</u>	<u>64,473,299</u>	<u>57,992,415</u>	<u>54,834,313</u>	<u>53,544,269</u>	<u>49,958,887</u>	<u>49,963,875</u>	<u>46,641,489</u>
EXPENDITURES:										
Current										
Instruction	37,691,705	36,267,758	33,770,607	31,932,353	30,271,926	28,244,458	28,800,965	28,053,712	27,938,754	27,190,356
Support services	22,207,672	20,031,294	19,743,103	17,781,365	16,471,562	16,181,373	15,207,957	14,768,456	14,774,547	14,953,348
Enterprise/community services	1,600,713	2,796,226	2,882,635	2,733,992	2,466,311	2,439,849	2,420,355	2,159,544	2,147,459	2,175,007
Facilities Acquisition and Construction	296,382	1,697,804	2,114,008	5,474,759	3,527,625	54,409	60,677	257,003	65,321	132,680
Capital Outlay	3,293,074	13,945,745	30,228,285	18,035,571	1,136,286	486,770	232,968	479,016	403,898	1,272,200
Debt service										
Principal	2,480,000	2,270,000	2,070,000	1,890,000	11,654,399	3,435,000	3,335,695	3,010,000	2,870,000	2,696,917
Interest	2,356,658	2,418,843	2,478,580	2,544,070	2,073,878	652,928	757,548	855,284	944,809	1,020,488
Total expenditures	<u>69,926,204</u>	<u>79,427,670</u>	<u>93,287,218</u>	<u>80,392,110</u>	<u>67,601,987</u>	<u>51,494,787</u>	<u>50,816,165</u>	<u>49,583,015</u>	<u>49,144,788</u>	<u>49,440,996</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,404,416)</u>	<u>(12,766,238)</u>	<u>(28,476,941)</u>	<u>(15,918,811)</u>	<u>(9,609,572)</u>	<u>3,339,526</u>	<u>2,728,104</u>	<u>375,872</u>	<u>819,087</u>	<u>(2,799,507)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	746,648	533,407	71,204	3,887,147	8,350	1,997,011	215,000	188,000	34,416	166,909
Transfers out	(746,648)	(533,407)	(71,204)	(3,887,147)	(8,350)	(1,997,011)	(215,000)	(188,000)	(34,416)	(166,909)
Capital lease issuance	-	-	-	-	-	-	-	120,695	-	-
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-	1,000,000
Retirements of long-term debt	-	-	-	-	-	-	-	-	-	(967,548)
Bond premium	-	-	-	-	9,540,335	-	-	-	-	-
Bond proceeds	-	-	-	-	65,670,000	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-	-	-	-	(30,118)
Sale or compensation for loss of capital assets	93,103	6,954	57,715	99,958	-	-	6,304	-	860,168	30,111
Total other financing sources (uses)	<u>93,103</u>	<u>6,954</u>	<u>57,715</u>	<u>99,958</u>	<u>75,210,335</u>	<u>-</u>	<u>6,304</u>	<u>120,695</u>	<u>860,168</u>	<u>32,445</u>
Net change in fund balances	<u>\$ (3,311,313)</u>	<u>\$ (12,759,284)</u>	<u>\$ (28,419,226)</u>	<u>\$ (15,818,853)</u>	<u>\$ 65,600,763</u>	<u>\$ 3,339,526</u>	<u>\$ 2,734,408</u>	<u>\$ 496,567</u>	<u>\$ 1,679,255</u>	<u>\$ (2,767,062)</u>
Debt service as a percentage of noncapital expenditures	7.26%	7.18%	7.21%	7.11%	20.65%	8.01%	8.09%	7.87%	7.83%	7.72%

(1) Revenues are recognized when measurable and available.

Source: Statement of revenues, expenditures, and changes in fund balances.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

ASSESSED AND REAL MARKET VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Public Utility Property		Exemptions	Total			Ratio of Total Assessed Value to Total Real Market Value
	Assessed Value	Real Market Value	Assessed Value	Real Market Value	Assessed Value	Real Market Value		Assessed Value	Direct Tax Rate	Real Market Value	
2020-21	\$ 2,679,859,937	\$ 4,917,971,963	\$ 119,522,973	\$ 122,578,495	\$ 120,251,811	\$ 174,657,139	\$ (8,452,676)	\$ 2,911,182,045	2.81	\$ 5,215,207,597	55.82 %
2019-20	2,563,372,056	4,854,217,976	117,326,231	117,961,447	108,854,490	154,553,232	(5,226,766)	2,784,326,011	2.81	5,126,732,655	54.31
2018-19	2,400,283,072	4,511,379,530	112,912,319	113,346,740	108,941,401	147,498,895	(5,316,017)	2,616,820,775	2.81	4,772,225,165	54.83
2017-18	2,278,519,763	3,952,203,786	102,090,830	102,360,060	95,359,896	131,282,265	(5,525,832)	2,470,444,657	2.81	4,185,846,111	59.02
2016-17	2,167,695,374	3,606,487,017	95,115,220	95,451,310	90,051,516	112,742,720	(5,447,228)	2,347,414,882	2.81	3,814,681,047	61.54
2015-16	2,073,794,808	3,458,034,504	91,193,910	92,154,210	86,220,612	105,482,630	(5,441,192)	2,245,768,138	2.81	3,655,671,344	61.43
2014-15	1,973,695,428	3,337,869,039	89,188,880	89,946,680	87,137,666	99,510,875	(5,207,182)	2,144,814,792	2.81	3,527,326,594	60.81
2013-14	1,893,010,493	3,195,591,474	76,854,650	77,532,360	84,050,026	92,315,550	(5,017,914)	2,048,897,255	2.81	3,365,439,384	60.88
2012-13	1,830,017,487	3,330,381,171	72,535,900	73,939,290	86,148,957	93,366,013	(4,742,849)	1,983,959,495	2.81	3,497,686,474	56.72
2011-12	1,758,372,807	3,129,225,480	73,021,330	74,191,020	82,994,241	90,202,589	(4,610,787)	1,909,777,591	2.81	3,293,619,089	57.98

Note: Future increases in assessed value on each property are limited by Oregon laws to 3% per year with special exemptions for property that is improved, rezoned, subdivided, or ceases to qualify for exemption.

Source: Hood River County Department of Records and Assessment

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Governmental Unit	Percent Within School District		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
District Direct Rates:												
Operating	n/a %	\$	4.81	4.81	4.81	4.81	4.81	4.81	4.81	4.81	4.81	4.81
Local Option	n/a		1.25	1.20	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Debt Service	n/a		1.62	1.62	1.67	1.72	1.69	1.73	1.79	1.83	1.88	1.84
Total District Direct Rates	n/a		7.68	7.63	7.73	7.79	7.75	7.79	7.85	7.89	7.94	7.90
City of Hood River	100.00 %	\$	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81
City of Cascade Locks	100.00		2.71	2.71	2.71	2.71	2.71	2.71	2.71	2.71	2.71	2.71
Parkdale RFD	100.00		1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55
Hood River County	100.00		1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42
Wy'east RFD	100.00		1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	0.00
Odell Sanitary District Bonds	100.00		0.82	0.84	0.96	1.15	1.16	1.26	1.31	1.39	1.50	1.58
Westside RFD	100.00		0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78
City of Hood River Bonds	100.00		0.63	0.65	0.69	0.71	0.77	0.70	0.64	0.79	0.78	0.79
911 District	100.00		0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56
Westside RFD Local Option	100.00		0.50	0.50	0.50	0.50	0.50	0.50	0.00	0.00	0.00	0.00
Mt Hood Community College	100.00		0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49
Columbia Gorge ESD	100.00		0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47
Library District	100.00		0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39
Hood River Parks & Rec	100.00		0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Columbia Gorge CC Bonds	50.89		0.30	0.31	0.32	0.32	0.34	0.34	0.34	0.36	0.37	0.37
Columbia Gorge Community College	100.00		0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Hood River Trans District	100.00		0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Port of Hood River	100.00		0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Port of Cascade Locks	100.00		0.03	0.27	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Hood River County Bonds	100.00		0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.18	0.18	0.19
Hood River Parks & Rec Bonds	100.00		0.00	0.00	0.00	0.09	0.09	0.07	0.10	0.11	0.11	0.11
Hood River UR	100.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.27
Hood River UR Special Levy	100.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NORCOR Bonds	39.80		0.00	0.00	0.00	0.00	0.02	0.25	0.25	0.26	0.25	0.27
Odell RFD	100.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.07
Pine Grove RFD	100.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Waterfront UR	100.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.27
Windmaster UR	100.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.24

Amounts are expressed as rate per \$1,000 of assessed value.

Source: Hood River County Department of Records and Assessment

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

PRINCIPAL TAXPAYERS WITHIN DISTRICT
June 30, 2021

Taxpayer	June 30, 2021			June 30, 2012		
	Assessed Valuation	Rank	Percentage of Total	Assessed Valuation	Rank	Percentage of Total
			Assessed Valuation			Assessed Valuation
Cardinal IG Company	\$ 66,854,600	1	2.30 %	\$ 34,978,410	1	1.83 %
Union Pacific Railroad Co	23,376,500	2	0.80	13,193,600	5	0.69
Mt. Hood Meadows, Oregon, LTD	29,520,090	3	1.01	31,522,680	2	1.65
Four Feathers Farm LLC	19,519,592	4	0.67	-	-	-
CenturyLink	19,656,000	5	0.68	22,513,200	4	1.18
Diamond Fruit Growers Inc.	17,709,800	6	0.61	25,894,500	3	1.36
PacifiCorp (PP&L)	17,275,000	7	0.59	10,478,000	7	0.55
Port of Hood River	14,904,398	8	0.51	8,684,368	9	0.45
WPC Hood River LLC	12,965,680	9	0.45	-	-	-
Turtle Island Foods, Inc	11,004,600	10	0.38	-	-	-
ALL OTHER TAXPAYERS	<u>2,678,395,785</u>		<u>92.01</u>	<u>1,762,512,833</u>		<u>92.30</u>
TOTAL	<u><u>\$ 2,911,182,045</u></u>		<u><u>100.0 %</u></u>	<u><u>\$ 1,909,777,591</u></u>		<u><u>100.0 %</u></u>

Source: Hood River County Department of Records and Assessment

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Certified Tax Levies			Current Tax Collections	Current Tax Collections as a Percentage of Current Levy	Prior Years Tax Collections	Total Tax Collections	Total Tax Collections as a Percentage of Current Levy	Uncollected Taxes	Uncollected Taxes as a Percentage of Current Levy
	General Fund	Debt Service Fund	Total							
2020-21	\$ 16,449,830	\$ 4,188,650	\$ 20,638,480	\$ 19,594,153	94.9 %	\$ 14,568,096	\$ 34,162,249	165.5 %	\$ 1,616,514	7.8 %
2019-20	15,030,846	4,523,336	19,554,182	18,398,231	94.1	386,955	18,785,186	96.1	1,256,467	6.4
2018-19	14,239,002	4,370,994	18,609,996	17,640,356	94.8	280,578	17,920,934	96.3	1,074,564	5.8
2017-18	13,384,962	4,273,774	17,658,736	16,813,373	95.2	295,401	17,108,774	96.9	883,467	5.0
2016-17	12,645,734	3,980,717	16,626,451	15,817,326	95.1	229,714	16,047,040	96.5	840,449	5.1
2015-16	12,161,893	3,929,658	16,091,551	15,301,330	95.1	396,294	15,697,624	97.6	724,384	4.5
2014-15	11,592,267	3,825,156	15,417,423	14,641,351	95.0	289,614	14,930,965	96.8	839,149	5.4
2013-14	11,105,975	3,708,422	14,814,397	14,059,283	94.9	300,026	14,359,309	96.9	791,437	5.3
2012-13	10,981,059	3,695,681	14,676,740	13,865,282	94.5	505,054	14,370,336	97.9	783,632	5.3
2011-12	10,574,211	3,479,511	14,053,722	13,187,967	93.8	206,176	13,394,143	95.3	939,996	6.7

Source: Hood River County Department of Records and Assessment
Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Pension Obligation Bonds</u>	<u>Qualified School Constr Bonds</u>	<u>Notes Payable</u>	<u>General Obligation Bond Premium (Discount)</u>	<u>Total Primary Government</u>	<u>Percentage of Assessed Value (1)</u>	<u>Percentage of Personal Income (2)</u>	<u>Per Capita (3)</u>
2020-21	\$ 58,480,000	\$ 16,605,000	\$ 1,250,000	\$ -	\$ 8,977,259	\$ 85,312,259	2.93 %	5.91 %	\$ 3,558
2019-20	\$ 60,725,000	\$ 18,285,000	\$ 1,485,000	\$ -	\$ 9,262,565	\$ 89,757,565	3.22 %	6.82 %	\$ 3,839
2018-19	62,765,000	19,184,401	1,715,000	-	9,412,201	93,076,602	3.56	7.02	3,973
2017-18	64,610,000	20,000,818	1,940,000	-	9,525,189	96,076,007	3.89	7.76	4,093
2016-17	66,280,000	20,742,040	2,160,000	-	9,582,895	98,764,935	4.21	8.64	4,275
2015-16	11,425,000	21,413,026	2,380,000	-	143,613	35,361,639	1.57	3.27	1,540
2014-15	14,645,000	22,019,456	2,595,000	-	233,049	39,492,505	1.84	3.95	1,740
2013-14	17,650,000	22,563,249	2,805,000	120,695	322,485	43,461,429	2.12	4.70	1,924
2012-13	20,455,000	23,047,999	3,010,000	-	411,921	46,924,920	2.37	5.12	2,080
2011-12	23,065,000	23,470,899	3,210,000	60,000	501,357	50,307,256	2.63	5.96	2,242

(1) See the Schedule Assessed and Real Market Value of Taxable Property for assessed value data.

(2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(3) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

RATIOS OF NET GENERAL BONDED DEBT
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (Estimated) (1)</u>	<u>Average Daily Membership (ADM) (2)</u>	<u>Assessed Valuation (3)</u>	<u>Gross General Bonded Debt</u>	<u>Less Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Ratio Of Net General Bonded Debt To Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>	<u>Net General Bonded Debt Per ADM</u>
2020-21	23,977	3,780.3	\$ 2,911,182,045	\$ 67,457,259	\$ 98,314	\$ 67,358,945	2.31 %	\$ 2,809	\$ 17,818
2019-20	23,382	4,007.6	2,784,326,011	69,987,565	560,603	69,426,962	2.49	2,969	17,324
2018-19	23,476	4,021.6	2,616,820,775	72,177,201	372,351	71,804,850	2.74	3,059	17,855
2017-18	23,377	3,999.9	2,470,444,657	74,135,189	258,624	73,876,565	2.99	3,160	18,470
2016-17	23,232	4,058.6	2,347,414,882	75,862,895	229,546	75,633,349	3.22	3,256	18,635
2015-16	23,037	4,055.3	2,245,768,138	11,568,613	376,739	11,191,874	0.50	486	2,760
2014-15	22,741	3,911.7	2,144,814,792	14,878,049	352,388	14,525,661	0.68	639	3,713
2013-14	22,614	3,871.1	2,048,897,255	17,972,485	325,436	17,647,049	0.86	780	4,559
2012-13	22,587	3,854.7	1,983,959,495	20,866,921	297,877	20,569,044	1.04	911	5,336
2011-12	22,410	3,839.0	1,909,777,591	23,566,357	149,220	23,417,137	1.23	1,045	6,100

Source: (1) Bureau of Economic Analysis, U.S. Department of Commerce
(2) Hood River County School District enrollment records
(3) Hood River County Department of Records and Assessment

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2021

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable</u>	<u>Net Property Tax Backed Debt Outstanding (1)</u>	<u>Estimated Share of Direct and Overlapping Debt (2)</u>
<u>DIRECT DEBT:</u>			
Hood River County School District	100.00 %	\$ 78,015,000	\$ 78,015,000
<u>OVERLAPPING GOVERNMENT:</u>			
City of Hood River	100.00	3,353,570	3,353,570
Columbia Gorge Community College	49.29	14,589,000	7,190,451
Mt Hood Community College	0.50	19,160,000	96,662
Odell Sanitary District	100.00	3,528,279	3,528,279
Port of Cascade Locks	100.00	818,373	818,373
Port of Hood River	100.00	500,000	500,000
Subtotal Overlapping Debt			15,487,335
Total Direct and Overlapping Debt			\$ 93,502,335

(1) Net property tax backed debt included all General Obligation (GO) bonds and limited tax GO bonds, less self-supporting unlimited tax (GO) and self-supporting limited tax GO debt.

(2) Overlapping Debt is calculated using net property-tax backed debt times percent overlapping that are provided by Oregon State Treasury, Debt Management Division.

Source: Oregon State Treasury Debt Management Division

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Fiscal Years

	(a)	(b = a x 7.95%)	(c)	(b - c)	(c / b)
Fiscal Year	Real Market Value	Legal Debt Limitation (1)	Net General Bonded Debt (2)	Debt Margin	Percentage of Debt to Debt Limit
2020-21	\$ 5,215,207,597	\$ 414,609,004	\$ 67,358,945	\$ 347,250,059	16.25 %
2019-20	5,126,732,655	407,575,246	69,426,962	338,148,284	17.03
2018-19	4,772,225,165	379,391,901	71,804,850	307,587,051	18.93
2017-18	4,185,846,111	332,774,766	73,876,565	258,898,201	22.20
2016-17	3,814,681,047	303,267,143	75,633,349	227,633,794	24.94
2015-16	3,655,671,344	290,625,872	11,191,874	279,433,998	3.85
2014-15	3,527,326,594	280,422,464	14,525,661	265,896,803	5.18
2013-14	3,365,439,384	267,552,431	17,647,049	249,905,382	6.60
2012-13	3,497,686,474	278,066,075	20,569,044	257,497,031	7.40
2011-12	3,293,619,089	261,842,718	23,417,137	238,425,581	8.94

(1) The legal debt limitation is calculated as 7.95% of real market value of property within the district.

(2) The general bonded indebtedness subject to the limitation may be offset by amounts set aside for repaying general bonded indebtedness. See Ratios of Net General Bonded Debt schedule.

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	District Population (1) (Estimated)	County Personal Income (1) (x \$1,000)	County Per Capita Income (1)	District Student Enrollment	County Unemployment Rate (2)	County Construction Activity (3)	
						Permits	Value (x \$1,000)
2020-21	23,977	\$ 1,444,015	\$ 60,225	3,780.3	8.8 %	134	\$ 43,775
2019-20	23,382	1,316,991	56,325	4,007.6	3.2 %	113	27,234
2018-19	23,428	1,326,584	56,624	4,018.4	3.3	140	36,971
2017-18	23,476	1,238,355	52,750	3,998.1	3.6	107	28,773
2016-17	23,103	1,142,742	49,463	4,058.6	4.1	105	29,024
2015-16	22,955	1,081,562	47,117	4,055.3	4.7	88	25,788
2014-15	22,695	999,965	44,061	3,911.7	5.4	79	20,816
2013-14	22,594	924,103	40,900	3,871.1	6.3	96	22,502
2012-13	22,558	916,886	40,646	3,854.7	7.3	75	20,997
2011-12	22,442	844,585	37,634	3,839.0	7.9	62	10,957

Certain data on this table is only available on a calendar year basis. The prior calendar year data is used for a given fiscal year.

Source: (1) Bureau of Economic Analysis, U.S. Department of Commerce
(2) Oregon Employment Department for Hood River County
(3) Manufacturing & Construction Division, U.S. Census Bureau

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

EMPLOYMENT BY INDUSTRY
June 30, 2021

Industry*	June 30, 2021		June 30, 2011	
	Employees	Percent	Employees	Percent
		of Total		of Total
		Employment		Employment
Agriculture, forestry, fishing & hunting	2,387	19.34 %	1,794	15.42 %
Education and health services	1,740	14.10	1,900	16.33
Manufacturing	1,688	13.68	1,146	9.85
Retail trade	1,416	11.47	1,202	10.33
Leisure and hospitality	1,872	15.17	1,711	14.70
Local government	1,004	8.14	1,130	9.71
Professional and technical services	834	6.76	653	5.61
Construction	487	3.95	312	2.68
Wholesale trade	509	4.12	469	4.03
Other services - private ownership	404	3.27	318	2.73
TOTAL	12,341	100.00 %	10,635	91.39 %

Note: Total number of employees may include full, part-time, temporary and seasonal employment.

*Employment data by specific employer is unavailable, therefore, employment by industry type of employer is reported.

Source: Oregon Employment Department for Hood River County.

**HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON**

**FULL-TIME EQUIVALENT (FTE) EMPLOYEES BY FUNCTION
Last Ten Fiscal Years**

FUNCTION	2020-21	2019-20	2018-19	2017-18	2016-17 (1)	2015-16	2014-15	2013-14	2012-13 (2)	2011-12
General Fund:										
Instruction	302.4	305.0	289.5	282.0	294.4	278.2	275.7	276.3	280.9	321.1
Support Services	150.9	155.2	142.9	135.9	136.8	135.9	129.2	125.0	120.4	137.6
Enterprise/Community Services	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total General Fund	453.8	460.3	432.4	417.9	431.2	414.0	404.8	401.2	458.7	458.7
Special Revenue Funds:										
Instruction	29.7	30.6	30.4	25.0	22.8	28.9	26.3	29.8	28.6	31.3
Support Services	7.8	8.1	7.9	7.1	18.5	8.3	7.9	7.4	8.6	9.4
Enterprise/Community Services	33.6	34.2	33.6	32.5	21.0	21.0	20.1	20.0	20.0	21.9
Total Special Revenue Funds	71.1	73.0	71.9	64.6	62.3	58.1	54.3	57.2	62.6	62.6
Capital Projects Funds:										
Facilities Acquisition/Construction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.5	0.5
Total Capital Projects Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.5	0.5
Grand Total All Funds	524.9	533.3	504.2	482.5	493.5	472.1	459.2	459.5	521.8	521.8

(1) For Fiscal year 2014-2017, FTE total is allocated between functions based on budgeted FTE.

(2) For Fiscal year 2008-2013, FTE amounts were unavailable, FTE is allocated between functions based on 2013-2014 data.

Source: Hood River County School District, Oregon Department of Education, Staff Report

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

OPERATING STATISTICS
Last Ten Fiscal Years

Fiscal Year	Enrollment	Non-GAAP Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Expenditures (2)	Cost Per Pupil	Percentage Change	Student - Teacher Ratio	Percentage of Students Receiving Free or Reduced Price Meals (3)
2020-21	3,780	\$ 59,647,568	\$ 15,778	14.19 %	\$ 69,926,204	\$ 18,497	-6.67 %	Ratio (1)	48.4 %
2019-20	4,008	55,371,917	13,817	6.06	79,427,670	19,819	-14.63	13.70	48.4
2018-19	4,018	52,353,518	13,028	7.47	93,287,218	23,215	15.45	15.20	54.9
2017-18	3,998	48,470,800	12,123	7.72	80,392,110	20,108	20.73	15.90	54.8
2016-17	4,059	45,674,970	11,254	5.31	67,601,987	16,656	31.17	16.30	53.5
2015-16	4,055	43,339,232	10,687	-2.73	51,494,787	12,698	-2.26	16.30	55.9
2014-15	3,912	42,979,502	10,987	1.87	50,816,165	12,991	1.42	16.80	58.0
2013-14	3,871	41,748,313	10,785	0.54	49,583,015	12,809	0.47	16.00	58.4
2012-13	3,855	41,350,532	10,727	0.36	49,144,788	12,749	-1.01	16.00	59.2
2011-12	3,839	41,033,441	10,689	#REF!	49,440,996	12,879	#REF!	15.80	59.4

(1) Operating expenditures include all General & Special Revenue Funds with the exception of functions 4000, 5000, 6000, or 7000.

(2) Expenditures include all governmental fund types.

(3) For 2019-20, the percentage of students receiving free or reduced price meals reflects activity through mid March when operations shifted to providing 100% free meals due to the COVID-19 school closures.

Source: Hood River County School District financial records
Oregon Department of Education Child Nutrition Program Statistics

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

REVENUES AND OTHER FINANCING SOURCES - GENERAL FUND (1)
Non GAAP Budgetary Basis
Last Ten Fiscal Years

REVENUES AND OTHER FINANCING SOURCES:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Local Sources:										
Property Taxes (2)	\$ 16,014,112 26.56%	\$ 14,530,641 24.85%	\$ 13,785,745 25.23%	\$ 13,052,994 24.02%	\$ 12,312,327 24.61%	\$ 11,901,775 25.19%	\$ 11,501,167 26.50%	\$ 10,897,453 26.73%	\$ 10,846,871 26.98%	\$ 10,169,205 25.71%
Miscellaneous Local Sources	812,688 1.35%	940,152 1.61%	1,110,950 2.03%	1,063,504 1.96%	864,333 1.73%	635,958 1.35%	553,138 1.27%	678,487 1.66%	508,038 1.26%	414,850 1.05%
Total Local Sources	16,826,800 27.91%	15,470,792 26.46%	14,896,695 27.26%	14,116,498 25.98%	13,176,660 26.34%	12,537,733 26.54%	12,054,305 27.77%	11,575,940 28.39%	11,354,909 28.24%	10,584,055 26.76%
Intermediate Sources:										
County School Funds	1,803,554 2.99%	1,773,463 3.03%	2,377,526 4.35%	962,703 1.77%	1,763,130 3.52%	1,071,200 2.27%	1,409,728 3.25%	1,038,705 2.55%	1,070,399 2.66%	1,109,976 2.81%
State Sources:										
School Support Fund	31,676,920 52.54%	31,987,256 54.71%	29,891,986 54.71%	29,599,828 54.48%	27,498,208 54.97%	27,180,224 57.54%	26,020,468 59.95%	24,335,001 59.69%	24,295,740 60.42%	21,619,878 54.67%
Miscellaneous and Restricted Grants	1,371,100 2.27%	2,067,509 3.54%	1,137,789 2.08%	1,530,256 2.82%	1,588,789 3.18%	1,601,808 3.39%	1,228,733 2.83%	1,281,589 3.14%	1,981,032 4.93%	2,255,329 5.70%
Total State Sources	33,048,019 54.81%	34,054,765 58.25%	31,029,775 56.79%	31,130,084 57.30%	29,086,997 58.15%	28,782,032 60.93%	27,249,201 62.78%	25,616,590 62.83%	26,276,772 65.35%	23,875,207 60.37%
Federal Sources	164,904 0.27%	176,967 0.30%	138,758 0.25%	140,622 0.26%	50,127 0.10%	185,941 0.39%	208,790 0.48%	236,805 0.58%	255,975 0.64%	298,046 0.75%
Other Financing Sources	753,292 1.25%	6,954 0.01%	750,000 1.37%	9,554 0.02%	- 0.00%	- 0.00%	2,316 0.01%	- 0.00%	502,795 1.25%	1,006,610 2.55%
Beginning Fund Balance Available for Appropriation	7,691,204 12.76%	6,982,830 11.94%	5,443,336 9.96%	7,975,592 14.68%	5,946,367 11.89%	4,662,277 9.87%	2,480,277 5.71%	2,299,004 5.64%	748,770 1.86%	2,672,370 6.76%
Total Revenues and Other Financing Sources	\$ 60,287,774	\$ 58,465,770	\$ 54,636,089	\$ 54,335,053	\$ 50,023,281	\$ 47,239,183	\$ 43,404,617	\$ 40,767,044	\$ 40,209,620	\$ 39,546,264

Note: The totals on percentages may not equal an even 100% due to rounding.

(1) The General Fund accounts for the general operating revenues of the District.

(2) Revenues are recognized when measurable and available.

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

EXPENDITURES BY PROGRAM - GENERAL FUND (1)
Non GAAP Budgetary Basis
Last Ten Fiscal Years

EXPENDITURES:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Instruction:										
Regular Instruction	\$ 23,192,642 44.02%	\$ 24,238,112 47.74%	\$ 22,081,178 46.34%	\$ 20,949,689 42.85%	\$ 20,342,825 48.38%	\$ 18,774,915 45.47%	\$ 18,802,313 48.53%	\$ 18,222,491 47.59%	\$ 18,940,481 49.96%	\$ 18,525,979 47.75%
Special Programs	9,580,916 18.19%	7,222,464 14.22%	6,828,810 14.33%	6,724,142 13.75%	6,142,318 14.61%	5,572,860 13.50%	5,499,266 14.19%	5,744,007 15.00%	4,897,836 12.92%	4,995,703 12.88%
Support Services:										
Students	2,202,074 4.18%	2,609,515 5.14%	2,477,773 5.20%	2,195,135 4.49%	2,121,159 5.04%	1,869,950 4.53%	1,781,559 4.60%	1,791,904 4.68%	1,352,947 3.57%	1,379,092 3.55%
Instructional Staff	1,394,519 2.65%	1,455,333 2.87%	1,410,279 2.96%	1,229,105 2.51%	972,960 2.31%	800,056 1.94%	734,354 1.90%	720,853 1.88%	797,563 2.10%	864,083 2.23%
General Administration	945,334 1.79%	924,415 1.82%	864,724 1.81%	560,989 1.15%	533,201 1.27%	533,612 1.29%	527,364 1.36%	559,478 1.46%	561,511 1.48%	542,212 1.40%
School Administration	3,976,661 7.55%	4,040,286 7.96%	3,376,074 7.08%	3,211,790 6.57%	2,912,739 6.93%	2,858,945 6.92%	2,757,110 7.12%	2,757,067 7.20%	2,795,548 7.37%	2,771,814 7.14%
Business:										
Direction and Fiscal Services	745,660 1.42%	728,991 1.44%	691,581 1.45%	655,247 1.34%	573,554 1.36%	530,333 1.28%	538,867 1.39%	462,835 1.21%	446,339 1.18%	492,368 1.27%
Operation and Maintenance of Plant	5,343,556 10.14%	4,490,235 8.84%	4,576,550 9.60%	4,414,101 9.03%	3,902,000 9.28%	4,208,822 10.19%	3,629,863 9.37%	3,680,998 9.61%	3,865,889 10.20%	3,949,821 10.18%
Student Transportation	1,927,172 3.66%	2,078,562 4.09%	2,193,429 4.60%	2,434,402 4.98%	2,077,563 4.94%	1,958,233 4.74%	2,040,994 5.27%	2,143,888 5.60%	2,019,845 5.33%	2,010,866 5.18%
Internal Services	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	50,687 0.13%	68,019 0.18%
Central Support	3,036,947 5.76%	2,212,956 4.36%	2,724,555 5.72%	2,196,669 4.49%	1,706,602 4.06%	1,922,475 4.66%	1,950,954 5.04%	1,751,550 4.57%	1,722,378 4.54%	1,706,495 4.40%
Other Support	72,666 0.14%	88,581 0.17%	105,873 0.22%	171,181 0.35%	251,357 0.60%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%
Enterprise/Community Services	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%
Facilities Acquisition/Construction	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%
Debt Service	263,958 0.50%	263,443 0.52%	262,830 0.55%	262,120 0.54%	266,410 0.63%	265,603 0.64%	264,698 0.68%	263,695 0.69%	325,175 0.86%	1,324,133 3.41%
Other Uses - Transfers Out	0 0.00%	421,673 0.83%	59,604 0.13%	3,887,147 7.95%	245,000 0.58%	1,997,011 4.84%	215,000 0.55%	188,000 0.49%	134,416 0.35%	166,909 0.43%
Total Expenditures	\$ 52,682,104	\$ 50,774,566	\$ 47,653,259	\$ 48,891,718	\$ 42,047,689	\$ 41,292,815	\$ 38,742,342	\$ 38,286,766	\$ 37,910,615	\$ 38,797,494
Student Enrollment *	3,780	4,008	4,018	3,998	4,059	4,055	3,912	3,871	3,855	3,839
Expenditures/Other Uses Per Student	\$ 13,936	\$ 12,670	\$ 11,859	\$ 12,229	\$ 10,360	\$ 10,182	\$ 9,904	\$ 9,890	\$ 9,835	\$ 10,106

Note: The totals on percentages may not equal an even 100% due to rounding.

(1) The General Fund accounts for the general operating expenditures and transfers of the District.

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

CAPITAL ASSET INFORMATION
Last Ten Fiscal Years

	Year Built	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Elementary Schools											
Cascade Locks	1948										
Square Feet		34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000
Preferred Student Capacity		150	150	150	150	150	150	150	150	150	150
Enrollment		64	67	66	66	63	62	56	52	57	65
May Street	2019										
Square Feet		56,644	56,644	54,800	54,800	54,800	54,800	54,800	54,800	54,800	54,800
Preferred Student Capacity		590	590	500	500	500	500	500	500	500	500
Enrollment		440	504	442	442	491	489	470	471	455	451
Mid-Valley	1937/1954										
Square Feet		73,650	73,650	73,650	73,650	73,650	73,650	73,650	73,650	73,650	73,650
Preferred Student Capacity		600	600	500	500	500	500	500	500	500	500
Enrollment		429	475	497	497	497	496	445	449	453	456
Parkdale	1937										
Square Feet		42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770
Preferred Student Capacity		275	275	240	240	240	240	240	240	240	240
Enrollment		232	243	193	193	206	217	214	220	223	239
Pine Grove	1925										
Square Feet		20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300
Preferred Student Capacity		-	-	-	-	-	-	-	-	-	-
Enrollment		-	-	-	-	-	-	-	-	-	-
Westside	1969										
Square Feet		69,100	69,100	69,100	69,100	69,100	69,100	69,100	69,100	69,100	69,100
Preferred Student Capacity		640	640	550	550	550	550	550	550	550	550
Enrollment		384	440	505	505	512	516	460	430	421	445
Middle Schools											
Hood River Middle School	1927										
Square Feet		101,282	101,282	101,282	101,282	101,282	101,282	101,282	101,282	101,282	101,282
Preferred Student Capacity		504	504	504	504	504	504	504	504	504	504
Enrollment		484	571	549	549	534	512	504	537	543	539
Wy'east Middle School	1951/2018										
Square Feet		85,168	85,168	85,168	85,168	79,700	79,700	79,700	79,700	79,700	79,700
Preferred Student Capacity		508	508	508	508	432	432	432	432	432	432
Enrollment		384	389	389	389	393	401	427	456	463	445
High School											
Hood River Valley High School	1969										
Square Feet		204,420	204,420	204,420	204,420	204,420	204,420	204,420	204,420	204,420	204,420
Preferred Student Capacity		1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415
Enrollment		1,363	1,318	1,360	1,360	1,362	1,362	1,336	1,257	1,239	1,199

Source: Hood River County School District records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

TEACHER FULL-TIME EQUIVALENTS (FTE) BY EDUCATION RANGE AND STEP
June 30, 2021

Step	BA Degree	BA +15 Hrs.	BA +30 Hrs.	BA +45 Hrs.	BA +75 Hrs.	MA Degree	MA +15 Hrs.	MA +30 Hrs.	MA +45 Hrs.	Total FTE
1	2.00	1.00	1.00	-	-	3.00	-	-	-	7.00
2	1.00	2.00	-	-	-	3.00	-	-	-	6.00
3	1.00	-	1.00	1.00	-	6.00	2.00	1.00	-	12.00
4	1.00	-	-	-	-	1.00	1.00	-	-	3.00
5	-	1.00	-	2.00	-	5.00	-	-	-	8.00
6	2.00	1.00	-	-	-	5.00	-	1.00	-	9.00
7	-	-	-	-	-	6.00	3.00	-	3.00	12.00
8	-	-	-	-	-	2.00	4.80	-	3.00	9.80
9	-	-	-	-	-	4.50	6.00	-	3.00	13.50
10	-	-	-	-	1.00	7.00	3.00	1.00	2.00	14.00
11	-	-	-	-	1.50	1.50	2.00	2.00	4.00	11.00
12	-	-	-	-	-	5.00	1.00	3.00	1.00	10.00
13	-	-	1.00	-	1.50	-	3.00	1.00	4.00	10.50
14	-	-	-	-	1.00	5.00	-	3.00	2.00	11.00
15	-	-	-	1.00	-	3.00	2.00	2.00	6.00	14.00
16	-	-	-	-	2.00	4.00	3.00	1.00	5.00	15.00
17	-	3.00	2.00	2.00	4.50	18.50	13.00	10.50	55.83	109.33
Total FTE	7.00	8.00	5.00	6.00	11.50	79.50	43.80	25.50	88.83	275.13

Average Teacher Salary: \$66,791.70

Source: Hood River County School District - Human Resource Dept.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

MISCELLANEOUS STATISTICAL DATA
Last Ten Fiscal Years

Fiscal Year	High School Graduates	Student per Teacher Ratio (1)	Nutrition Services		Pupil Transportation	
			Lunches Served	Other Meals and Snacks	Miles Driven	Students Served
2020-21	329	13.7	157,139	157,200	199,139	1,499
2019-20	323	15.2	298,199	166,362	359,453	1,769
2018-19	322	15.9	349,787	141,973	516,662	2,278
2017-18	309	16.3	342,872	146,519	611,606	2,513
2016-17	267	16.3	348,333	156,822	596,681	2,646
2015-16	283	16.8	367,641	164,545	611,353	2,500
2014-15	259	16.0	386,091	178,116	557,271	2,611
2013-14	233	16.0	394,291	194,533	530,626	2,620
2012-13	254	15.8	401,661	180,564	490,940	2,112
2011-12	237	15.5	411,846	172,358	390,478	1,708

(1) Includes Classroom, Music, Physical Education, and Special Education Teachers as well as Media Specialists and Counselors.

Source: Hood River County School District, various departments.

**HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON**

**REVENUES AND OTHER FINANCING SOURCES - ALL FUNDS
Non GAAP Budgetary Basis
Last Ten Fiscal Years**

REVENUES AND OTHER FINANCING SOURCES:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15 (1)	2013-14	2012-13	2011-12
Local sources:										
Ad valorem taxes	\$ 17,415,705	\$ 16,234,008	\$ 15,442,314	\$ 14,843,956	\$ 14,023,695	\$ 13,671,737	\$ 13,291,053	\$ 12,725,128	\$ 12,586,463	\$ 11,745,490
Construction excise tax	305,125	247,887	312,567	382,289	347,102	339,802	214,486	228,401	173,571	190,249
Food services	39,630	250,583	323,367	301,697	271,196	286,758	321,232	289,697	302,017	306,756
Interest earned	216,066	775,396	1,553,560	938,287	503,177	119,410	70,152	69,415	62,503	65,197
Local option levy	2,689,427	2,655,730	2,559,836	2,359,423	2,144,206	2,062,810	1,935,308	1,791,500	1,888,661	1,767,139
Extracurricular activities	-	-	-	-	-	-	-	-	-	-
Community service activities	-	-	-	-	-	-	-	-	-	-
Other	1,365,357	2,946,057	3,721,290	3,830,028	3,293,773	2,884,804	2,967,601	3,106,198	3,032,933	2,945,257
Total local sources	22,031,310	23,109,662	23,912,935	22,655,680	20,583,149	19,365,321	18,799,832	18,210,339	18,046,148	17,020,088
Intermediate sources:										
ESD funds	1,899,671	1,773,463	2,377,526	962,703	1,763,130	1,071,200	1,409,728	1,051,435	1,070,399	1,109,976
Other	1,131,625	858,397	846,712	825,174	923,276	681,162	735,489	781,610	771,548	756,912
Total intermediate sources	3,031,296	2,631,860	3,224,238	1,787,877	2,686,406	1,752,362	2,145,217	1,833,045	1,841,947	1,866,888
State sources:										
School support fund	31,693,390	32,003,726	29,907,575	29,615,410	27,513,938	27,197,249	26,038,591	24,353,156	24,313,661	21,637,628
Common school fund	398,396	364,881	408,951	386,819	470,281	443,757	360,038	335,199	347,140	312,677
Food services	32,235	31,025	38,396	34,811	36,370	34,071	-	-	-	-
Local option equalization	472,662	1,106,228	-	556,471	559,816	612,066	559,733	522,987	597,939	634,463
Other	3,929,784	3,070,503	3,013,609	5,600,220	2,298,377	1,175,244	1,247,336	636,291	1,047,518	1,316,169
Total state sources	36,526,468	36,576,363	33,368,531	36,193,730	30,878,782	29,462,387	28,205,698	25,847,633	26,306,258	23,900,937
Federal sources:										
Food services	1,112,972	1,387,618	1,313,832	1,278,663	(2) 1,338,967	1,266,492	1,421,391	1,448,362	1,386,148	1,309,277
Federal grants	3,819,742	2,955,931	2,990,727	2,557,319	2,505,106	2,987,737	2,971,876	2,619,504	2,383,367	2,544,291
Other	-	-	-	-	-	-	-	-	-	-
Total federal sources	4,932,714	4,343,549	4,304,559	3,835,982	3,844,073	4,254,229	4,393,267	4,067,866	3,769,515	3,853,568
Other financing sources:										
Transfers in	746,648	533,407	905,108	4,279,850	253,350	1,997,011	215,000	265,908	703,666	166,909
Lease purchase proceeds	-	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	75,210,335	-	-	120,695	-	1,000,000
Sale or compensation for loss of capital assets	93,103	6,954	57,715	99,959	-	-	6,533	-	728,168	30,111
Total other financing sources	839,751	540,361	962,823	4,379,809	75,463,685	1,997,011	221,533	386,603	1,431,834	1,197,020
Beginning fund balance available for appropriation	20,530,990	33,290,271	61,709,493	77,528,350	11,927,589	8,588,061	5,853,652	5,357,090	3,677,835	6,444,895
Total revenues and other financing sources	\$ 87,892,529	\$ 100,492,067	\$ 127,482,579	\$ 146,381,429	\$ 145,383,684	\$ 65,419,371	\$ 59,619,199	\$ 55,702,576	\$ 55,073,537	\$ 54,283,396

(1) 2014-2007 state revenue for food services was being recorded with federal revenue

(2) 2016-17 Federal Source revenue amounts were transposed in the prior year and has been corrected. No change to total Federal Source revenue for the 2016-17 year.

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

EXPENDITURES AND OTHER FINANCING USES BY PROGRAM - ALL FUNDS
Non GAAP Budgetary Basis
Last Ten Fiscal Years

EXPENDITURES:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Instruction	\$ 37,822,494	\$ 36,267,758	\$ 33,921,183	\$ 31,952,796	\$ 30,271,494	\$ 28,274,917	\$ 28,802,953	\$ 28,118,027	\$ 27,937,512	\$ 27,222,472
Support services:										
Central Services	3,573,851	2,371,747	2,860,212	2,351,314	1,828,422	1,770,863	1,777,568	1,476,126	1,554,478	1,450,055
Fiscal Services	1,094,326	963,705	893,530	796,923	709,226	651,371	663,529	573,327	538,587	525,422
Instruction and Curriculum	802,413	845,638	744,512	516,538	730,950	808,632	566,507	323,904	588,783	628,337
Instruction and Media Services	484,586	469,423	443,882	457,235	395,643	396,093	378,950	428,498	451,858	501,652
Student Support Services	3,357,596	3,104,765	3,000,359	2,652,117	2,686,157	2,305,226	2,145,507	1,994,550	1,838,097	1,870,870
Supplemental Retirement	68,366	88,581	105,873	171,181	251,357	313,159	279,231	392,874	408,051	427,414
Instructional Staff Training	673,216	549,012	693,320	636,917	483,506	445,234	445,010	273,027	80,993	174,440
Board of Education	536,880	529,076	452,408	202,343	186,425	194,570	188,118	223,458	228,119	212,867
General Administration	408,454	395,339	412,316	358,646	346,776	339,042	339,246	336,020	333,392	329,345
School Administration	4,120,482	4,145,211	3,458,915	3,271,128	2,912,739	2,858,945	2,762,195	2,762,097	2,821,850	2,803,686
Operation and Maintenance of Plant	5,344,797	4,490,235	4,576,550	4,414,101	3,902,000	4,208,822	3,629,863	3,681,150	3,923,514	4,022,979
Student Transportation Services	1,927,170	2,078,562	2,560,242	2,557,990	2,198,508	2,081,859	2,040,994	2,305,028	2,168,791	2,256,467
Total support services	22,392,136	20,031,295	20,202,120	18,386,434	16,631,709	16,373,816	15,216,718	14,770,059	14,936,513	15,203,534
Community Services	1,600,714	2,796,226	2,882,626	2,751,858	2,548,257	2,638,901	2,632,415.00	2,307,203	2,258,624	2,175,005
Capital Outlay	3,274,201	15,643,549	31,732,689	22,866,927	4,422,245	119,212	70,811.00	522,443	65,322	1,122,568
Debt Services										
Principal	2,480,000	2,270,000	2,070,000	1,890,000	11,654,399	3,435,000	3,335,695	3,010,000	2,870,000	3,694,582
Interest	2,356,658	2,418,843	2,478,580	2,544,070	2,016,247	652,928	757,548	855,284	944,809	1,020,488
Bond Issuance	-	-	-	-	57,630	-	-	-	-	-
Total debt services	4,836,658	4,688,843	4,548,580	4,434,070	13,728,276	4,087,928	4,093,243	3,865,284	3,814,809	4,715,070
Other financing uses: transfers out	746,648	533,407	905,108	4,279,850	253,350	1,997,011	215,000.00	265,908.00	703,666	166,909
Total expenditures and other financing uses	\$ 70,672,852	\$ 79,961,077	\$ 94,192,307	\$ 84,671,935	\$ 67,855,331	\$ 53,491,785	\$ 51,031,140	\$ 49,848,924	\$ 49,716,446	\$ 50,605,558

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

PUBLIC SCHOOL SYSTEM SUPPORT DATA
For the Fiscal Year Ended June 30, 2020

A. Energy Bill for Heating - All Funds

All funds total expenditures for electricity and heating fuel, objects 325 and 326 and 327:

Function 2540

\$ 625,036

Function 2550

\$ 8,026

B. Replacement of Equipment - General Fund

General Fund expenditures for replacement of equipment (object code 540),

for all functions except 1113, 1122, 1132, 1140, 1300, 1400, 4150,

2550, 3100, and 3300 were:

\$ 24,882

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
SCHEDULE OF APPROPRIATION TRANSFERS
For the Year Ended June 30, 2021

General Fund	Adopted Budgeted Appropriations	Increase	Decrease	Final Adopted Appropriations
Instruction	\$ 33,493,556	\$ -	\$ (308,182)	\$ 33,185,374
Support services	20,907,259	889,595	-	21,796,854
Debt Service	263,958	-	-	263,958
Community Services	56,803	-	(56,803.00)	0
Contingency	384,531	-	-	384,531
Unappropriated fund balance	4,231,214	268,108	-	4,499,322
Total	<u>\$ 59,337,321</u>	<u>\$ 1,157,703</u>	<u>\$ (364,985)</u>	<u>\$ 60,130,039</u>
Food Service Fund				
Enterprise/community services	\$ 1,731,001	\$ -	\$ -	\$ 1,731,001
Unappropriated fund balance	482,816	-	-	482,816
Total	<u>\$ 2,213,817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,213,817</u>
Student Body Funds				
Instruction	\$ 1,791,562	\$ -	\$ (81,086)	\$ 1,710,476
Transfer of Funds	-	-	-	-
Unappropriated fund balance	-	-	-	-
Total	<u>\$ 1,791,562</u>	<u>\$ -</u>	<u>\$ (81,086)</u>	<u>\$ 1,710,476</u>
Community Education Fund				
Instruction	\$ -	\$ -	\$ -	\$ 0
Enterprise/community services	1,203,690	-	-	1,203,690
Unappropriated fund balance	-	-	-	0
Total	<u>\$ 1,203,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,203,690</u>
Biennial Reserve Fund				
Transfer of Funds	\$ 1,343,040	\$ -	\$ -	\$ 1,343,040
Unappropriated fund balance	1,974,094	-	-	1,974,094
Total	<u>\$ 3,317,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,317,134</u>
Unemployment Fund				
Support services	\$ 60,000	\$ -	\$ -	\$ 60,000
Unappropriated fund balance	267,248	-	-	267,248
Total	<u>\$ 327,248</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,248</u>
Bus Replacement Fund				
Support services	\$ 197,401	\$ 1,392	\$ -	\$ 198,793
Unappropriated fund balance	-	-	-	-
Total	<u>\$ 197,401</u>	<u>\$ 1,392</u>	<u>\$ -</u>	<u>\$ 198,793</u>
Grants Funds				
Instruction	\$ 5,537,862	\$ 953,206	\$ -	\$ 6,491,068
Support services	3,693,831	-	(50,000)	3,643,831
Enterprise/community services	100,000	50,000	-	150,000
Facilities acquisition/construction	-	-	-	-
Transfer of Funds	75,000	-	-	75,000
Unappropriated fund balance	-	-	-	-
Total	<u>\$ 9,406,693</u>	<u>\$ 1,003,206</u>	<u>\$ (50,000)</u>	<u>\$ 10,359,899</u>
Debt Service Fund				
Debt service	\$ 4,572,700	\$ -	\$ -	\$ 4,572,700
Unappropriated fund balance	-	-	-	-
Total	<u>\$ 4,572,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,572,700</u>
Capital Projects Funds				
Facilities acquisition/construction	\$ 8,288,216	\$ -	\$ (2,373,101)	\$ 5,915,115
Debt Service	-	-	-	-
Transfer of Funds	50,000	-	-	50,000
Contingency	-	-	-	-
Unappropriated fund balance	406,201	-	-	406,201.00
Total	<u>\$ 8,744,417</u>	<u>\$ -</u>	<u>\$ (2,373,101)</u>	<u>\$ 6,371,316</u>
Total all funds	<u>\$ 91,111,983</u>	<u>\$ 2,162,301</u>	<u>\$ (2,869,172)</u>	<u>\$ 90,405,112</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT AS REQUIRED BY
OREGON STATE REGULATIONS



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December 21, 2021

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Hood River County School District as of and for the year ended June 30, 2021, and have issued our report thereon dated December 21, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

We performed procedures to the extent we considered necessary to address the required comments and disclosures, 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.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

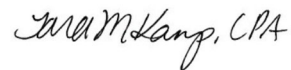
In connection with our testing, nothing came to our attention that caused us to believe the Hood River County School District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon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

1. There was a budget over expenditure in the amount of \$ 14,663.

OAR 162-10-0230 Internal Control

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

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

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

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

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

GRANT COMPLIANCE REVIEW



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December 21, 2021

**To the Board of Directors
Hood River County School District
Hood River County, Oregon**

**INDEPENDENT AUDITORS' 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***

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hood River County School District as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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.

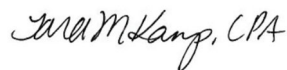
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental 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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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



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December 21, 2021

**To the Board of Directors
Hood River County School District
Hood River County, Oregon**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Report on Compliance for Each Major Federal Program

We have audited Hood River County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2021. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

In our opinion, Hood River County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses?

☐ yes ☒ none reported

Noncompliance to material financial statements noted?

☐ yes ☒ no

Any GAGAS audit findings disclosed that are required to be reported
In accordance with section 515(d)(2) of the Uniform Guidance?

☐ yes ☒ no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses?

☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance
with section 200.516(a) of the Uniform Guidance?

☐ yes ☒ no

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2021

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.425	Elementary and Secondary Education Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

NONE

SECTION IV – SCHEDULE OF PRIOR FINANCIAL STATEMENT FINDINGS

NONE

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2021

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.