



Hood River County School District Finance Advisory Committee
December 17, 2014 4:00-5:30 pm
District Office Board Room
1011 Eugene St., Hood River, OR

Agenda

Finance Advisory Committee Members:

Dan Goldman, Superintendent
Jake Bolland, Community Member
Bob Danko, Board Member
Mikka Irusta, HREA
Mike Oates, Community Member
Dr. David Russo, Board Member

Sandra Buchanan, Chief Financial Officer
Catherine Dalbey, Principal Wy'East MS
Gus Hedberg, Principal Parkdale ES
Sheri Holloway, OSEA
Rich Polkinghorn, Principal HRVHS
Heather Staten, Community Member

1. Welcome and Call to Order Dan Goldman

2. Reports & Discussions
 - Summary of Revenue and Expenditures YTD November 30, 2014 and June 30, 2014 Sandra Buchanan
 - What information would the committee like reported to the Board? All

3. Schedule of Meeting Dates - The Finance Advisory Committee is scheduled to meet the third Wednesday of each month from 4:00 to 5:30 p.m. for fiscal year 2014-15, except no meetings will be held in May or June 2015, in the District Office Board Room.
 - December 17, 2014
 - January 21, 2015
 - February 18, 2015
 - March 18, 2015
 - April 15, 2015

Excellence. Every student. Every day.

PRESENT: Superintendent Dan Goldman, Chief Financial Officer Sandra Buchanan, Board Member Bob Danko, HREA Rep Mikka Irusta, Community Member Mike Oates, Board Vice Chair David Russo, and OSEA Rep Sheri Holloway.

Reports & Discussions

- Summary of Revenue and Expenditures YTD November 30, 2014 and June 30, 2014

The financial report, Summary of Revenue and Expenditures YTD November 30, 2014, is organized by fund and function with budget variances for the current year 2014-15 and prior year 2013-14; and includes actual beginning and ending fund balances.

2013-14

General Fund. Pages 1-11 of the Summary of Revenue and Expenditures, columns 2013-14, provide fiscal year ending June 30, 2014 General Fund financial data in a similar format as the budget document. The 2013-14 financial data is final. The audited financial statements are drafted and the final report is pending. The management's discussion and analysis report is being prepared for the final audit report. Based on the exit interview from the November 19-21 site visit, the final audit report will have an unmodified opinion.

The first report view on pages 1-2:

- summarizes General Fund operating revenues and groups revenue into State School Fund Formula Resources, Local Option Revenues, Education Service District Revenues and other local, state and federal revenues;
- summarizes expenditures or operating requirements by function category;
- includes a section of other financing sources and uses; and
- shows a net change in fund balance, beginning and ending fund balance.

The next report view on pages 3-4 provides an alternate summary view of general fund. The third report view on pages 5-9 provides revenue by object code and expenditure summaries by function code. The fourth report view on pages 10-11 provides expenditures by object classification. Results show operating revenues are \$72,684 less than budgeted. Of that amount, \$150,513 is less from local option revenue, \$74,866 is less from state school fund revenues, and \$36,136 is less from ESD revenue. Other local revenues provided \$87,682 more than budgeted. Other State revenue provided \$92,371 more than budgeted and other Federal revenue provided \$8,778 more than budgeted. Operating expenses are approximately \$700,872 less than 2

budgeted or 2%. Inter-fund transfers out were \$188,000 as budgeted. The net change in fund balance was \$181,274 and when combined with the beginning fund balance of \$2,299,004, the ending fund balance is \$2,480,277 and is \$1,210,570 more than budgeted in 13-14 and approximately \$880,000 more than budgeted as beginning fund balance in 14-15.

Final results demonstrate that General Fund expenses are within the budget appropriations established by the Board as shown on pages 6-10. Of the total expenditure budget variance of \$700,872 representing savings of 2%, \$346,298 is from instruction, \$343,518 is from support services and \$11,056 is from the balance of contingency.

Other Funds. All other funds are shown beginning on pages 12 through 24. Grant Funds 220- 299 and the Capital Construction Funds 400-403 are grouped and summarized for this report. The 2014-15 beginning fund balances reflect the prior year unaudited ending fund balances.

Fund 200 Food Service – Food Service is within its \$1,800,000 budget appropriation with an ending fund balance of \$603,257 to be used as resources in the 14-15.

Fund 204 Student Body Funds – The total of Student Body Funds is within its \$1,200,000 budget appropriation with an ending fund balance of \$553,741 to be used as resources in 14-15. For 13-14, total Student Body funds revenue is \$998,280 and expenses are \$931,341. Beginning fund balance for 13-14 was \$486,801.

Fund 205 Community Education – The community education program operated within its budget appropriation, and has an ending fund balance of \$50,772.

Fund 210 Unemployment Reserve – The Unemployment Reserve Fund ending fund balance of \$66,169 results from a \$40,000 transfer from the General Fund, beginning fund balance of \$54,842 and expenses of \$28,672. Expenses were reduced by an adjustment of \$32,702 to match the District's Local Government Benefit Trust Fund balance.

Fund 212 Bus Reserve – The Bus Reserve Fund was within its budget appropriations with \$148,115 expensed for the purchase of one bus and one truck for the transportation department. The ending fund balance of \$8,257 will be resources to the 14-15 budget.

Funds 220-299 Grant Funds – Grant Fund revenues total \$3,899,966 and when combined with the beginning fund balance of \$301,632 provided \$4,201,597 of resources to grant activity. Expenditures of \$3,879,814 were within budget appropriations. The ending fund balance of the grant funds is \$321,783.

Fund 300 Debt Service – The Debt Service Fund property tax revenues are 103% of budget and will cover this year's debt service, leaving an ending fund balance of \$325,436.

Funds 4XX Capital Construction Funds - Fund 400 Capital Construction Bond Funds balance is \$128,574 for remaining projects. Fund 401 Construction Excise Tax Fund includes receipts and a 3

fund balance totaling \$449,531 to provide funds for future development. Fund 402 Energy Projects Fund had sufficient resources to pay for budgeted expenditures of facilities management and the ending fund balance of \$130,288 will provide resources for next year. Fund 403 Property Fund incurred some engineering expenses for the Sherman Avenue street extension in 2013-14 and will provide resources to cover the construction costs of the District's requirement to provide the street extension to the District's undeveloped property totaling approximately \$334,600 from the current ending fund balance of \$735,568.

Schedule of Federal Awards

The attached Schedule of Federal Awards prepared for the 13-14 audit report details the federal grant awards and expenditures of the District during 13-14.

2014-15

General Fund.

Pages 1-11 of the Summary of Revenue and Expenditures – YTD November 30, 2014 provide year-to-date General Fund financial data in a similar format as the budget document.

The first report view on pages 1-2:

- summarizes General Fund operating revenues and groups revenue into State School Fund Formula Resources, Local Option Revenues, Education Service District Revenues and other local, state and federal revenues;
- summarizes expenditures or operating requirements by function category;
- includes a section of other financing sources and uses; and
- shows a net change in fund balance, beginning and ending fund balance.

The next report view on pages 3-4 provides an alternate summary view of general fund. The third report view on pages 5-9 provides revenue by object code and expenditure summaries by function code. The fourth report view on pages 10-11 provides expenditures by object classification. Encumbrances as of November reflect the year's salary and benefits of the various employee contracts or annualized amounts for regular employees. Encumbrances do not include pay which is not annualized such as sub pay, other pay or overtime.

With current enrollment higher than originally budgeted, the District will receive more revenue from the state school fund in 2014-15 based on estimates submitted to the State. As the State revises state-wide information, we will receive additional estimates which will allow us to make year-end projections. 4

For other revenue and expenditure categories, we are in the process of evaluating budget variances.

Other Funds. All other funds are shown beginning on pages 12 through 24. Grant Funds 220-299 and the Capital Construction Funds 400-403 are grouped and summarized for this report. The 2014-15 beginning fund balances reflect the prior year unaudited ending fund balances.

Fund 200 Food Service – Food Service is projected to operate within its \$2,318,500 budget appropriation.

Fund 204 Student Body Funds – Since activity is recorded at year-end, no revenue or expenditures have been recorded for the year. The beginning fund balance of \$553,741 is the total available in all student body funds.

Fund 205 Community Education – The community education program activity reflects a beginning fund balance of \$50,772 and current activity is recorded through November. The program will be expected to cover its expenses for 2014-15. A business plan will be developed by the director.

Fund 210 Unemployment Reserve – The Unemployment Reserve Fund balance of \$66,169 reflects final 2013-14 entries to record activity of the District's Local Government Benefit Trust Fund and the first quarter's unemployment premiums.

Fund 212 Bus Replacement Fund – As of November 30, the Bus Replacement Fund reflects the budgeted transfer of \$150,000 for bus depreciation which will cover the purchase of the bus leased during last fiscal year leaving a current balance of \$37,562.

Funds 220-299 Grant Funds – Grant activity has begun for 2014-15 and this fund primarily reflects year-to-date expenditures. Most grant revenue is recorded after the receipt of the reimbursements for the previous quarter, so only \$299,940 is shown to date. The beginning fund balance of \$321,783 provides resources for restricted purposes.

Fund 300 Debt Service – The Debt Service Fund shows a final beginning fund balance of \$325,436 which is \$201,791 greater than the budget of \$123,645. The positive variance in beginning fund balance will be used to offset future years' property tax levies.

Funds 4XX Capital Construction Funds – The summary of all capital construction funds shows a beginning fund balance of \$1,443,959 some of which is encumbered for facilities management with the remainder available for ongoing or future capital improvements. Detail of the capital projects funds are included in this month's report on pages 21-24.

Summary of Inter-fund Transfers – A summary of inter-fund transfers is shown on page 25. The only transfer to date has been the transfer from General Fund to the Bus Replacement Fund as planned.

Meeting End time 5:05 p.m.