



Hood River County School District Finance Advisory Committee

March 18, 2015 4:00-5:30 pm

District Office Board Room

1011 Eugene St., Hood River, OR

Agenda

Finance Advisory Committee Members:

Dan Goldman, Superintendent Sandra Buchanan, Chief Financial Officer
Jake Bolland, Community Member Catherine Dalbey, Principal Wy'East MS
Bob Danko, Board Member Gus Hedberg, Principal Parkdale ES
Mikka Irusta, HREA Sheri Holloway, OSEA
Mike Oates, Community Member Rich Polkinghorn, Principal HRVHS
Dr. David Russo, Board Member Heather Staten, Community Member

Start time: 4:00 p.m.

End time: 5:35 p.m.

Absent: Jake Bolland, Catherine Dalbey, Mikka Irusta, Sheri Hollowaym Rich Polkinghorn, and Heather Staten.

1. Welcome and Call to Order Sandra Buchanan

2. Reports & Discussions

Summary of Revenue and Expenditures YTD February, 2015 Sandra Buchanan

Update on budget development process for 2015-16

What information would the committee like reported to the Board?

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.

April 15, 2015

Excellence. Every student. Every day.

Sandra Buchanan | Chief Financial Officer
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Financial Update and Report as of February 28, 2015

The financial report, Summary of Revenue and Expenditures YTD February 28, 2015, 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.

2014-15

General Fund.

Pages 1-11 of the Summary of Revenue and Expenditures – YTD February 28, 2015 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.

Payroll encumbrances reflect the year's salary and benefits of the various employee contracts or annualized amounts for regular employees. Encumbrances exclude pay which is not annualized such as sub pay, other pay or overtime.

With current enrollment higher than originally budgeted, the District is expected to 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 better year-end projections.

Selected General Fund Resource and Revenue Variances:

- R1321 Tuition from Individuals – With one tuition-paying student this year, the total of \$9,156 will be \$10,844 less than budget.
- R1121-1122 Local Option tax – Based on the levy and estimated collection rate, we may collect \$120,000 more than the budget.

- R1960 Expenditure Reimbursement – Reimbursements are likely be less than budget based on the level of current year reimbursements to date. Current estimate is revised by (\$70,000) to \$20,000.
- R1990 Miscellaneous Revenue – Estimate was lowered by \$36,000 based on the current level of miscellaneous revenue.
- R3103 Common School Fund – The common school revenue is expected to be received in March and any variance in the amount is included in the state school fund formula resources.
- R3120 Local Option Equalization – This revenue is received once per year (last year funds were released by ODE in April).
- The beginning fund balance of \$2,480,277 was \$880,277 more than budgeted. A portion of this balance will be used to restore contingency funds in a proposed supplemental budget for Board approval in April.

The Board approved a resolution at the March Board meeting to transfer appropriations between categories of instruction and support services. Transfers were approved to revise payroll and associated payroll cost budgets, to revise the budget for the long term care and treatment contract, and to make requested shifts between functions within school discretionary budgets.

For other revenue and expenditure categories, we are in the process of evaluating budget variances and making budget projections as part of the budget development process for 2015-16.

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 audited ending fund balances.

Fund 200 Food Service – Food Service is projected to operate within its \$2,318,500 budget appropriation. Currently there is sufficient fund balance to pay for payroll encumbrances.

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 February 28 resulting in a current fund balance of \$55,949. Current payroll encumbrances of \$131,312 are expected to be funded through community education program activities through June 30. The program will be expected to cover its expenses for 2014-15. A community education report/business plan was presented to the Board in March.

Fund 210 Unemployment Reserve – The Unemployment Reserve Fund beginning fund balance of \$66,169 and General Fund interfund transfers provides resources to pay for expenditure

activity of the District's Local Government Benefit Trust Fund and the quarterly unemployment premiums.

Fund 212 Bus Replacement Fund – As of December 31, the Bus Replacement Fund reflects the budgeted transfer of \$150,000 for bus depreciation and expenditures of \$120,695 are for 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 revenue and expenditures. Most grant revenue is recorded after the receipt of the reimbursements for the previous quarter with \$1,631,656 being received to date. The beginning fund balance of \$321,783 provides resources for restricted purposes.

Fund 300 Debt Service – The Debt Service Fund has a 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. Expenditures to date include the semi-annual interest payments of general obligation bonds. Principal payments are made once per year in June. Property tax revenues are 94% of budget and may exceed the budget.

Funds 4XX Capital Construction Funds – The summary of all capital construction funds shows a beginning fund balance of \$1,486,270 some of which is encumbered for facilities management with the remainder available for ongoing or future capital improvements. The following capital projects funds are included in this month's report on pages 19-23.

- Fund 400 Capital Construction Bond Funds balance is \$128,942 for remaining projects.
- Fund 401 Construction Excise Tax Fund includes receipts and a current unencumbered fund balance totaling \$501,476 to provide funds for future development and for the facilities planning process and development of the long range facilities plan.
- Fund 402 Energy Projects Fund had sufficient resources to pay for budgeted expenditures of facilities management and provide for an ending fund balance to provide resources for next year.
- Fund 403 Property Fund is budgeted to provide resources to cover the future construction costs of the District's requirement to provide the street extension to the District's undeveloped property estimated to be \$334,600 from the current beginning fund balance of \$735,568.

Summary of Inter-fund Transfers – A summary of inter-fund transfers is shown on page 24. Transfers to date include the budgeted transfer from General Fund to the Bus Replacement Fund and half of the budgeted transfer to the Unemployment Fund.

2015-16 Budget Development

Administration is in the process of reviewing data and developing recommendations for an approximate \$1m General Fund budget reduction based on the District's budget projections and ODE estimates at the \$7.235b funding level of the State School Fund for the 2015-17 biennium. Community budget feedback sessions held in February gathered comments from interested community members.

It is uncertain whether we will have a firm estimate of the state school fund revenue for 2015-17 before we finalize the proposed budget. The current legislature's co-chairs budget of \$7.235b is likely to be approved based on the current sentiments in Salem and will result in local budget reductions. There continues to be advocacy for a higher funding level of either \$7.5b or \$7.875b. There is also discussion about splitting the state school fund 50/50 for each of the two years of the biennium, rather than the traditional 49/51 split. If the legislature approves the budget with the 50/50 split, the District will need to consider whether to set aside that funding difference in a separate reserve fund for the second year of the biennium or reserve it in ending fund balance of the General Fund.

The budget committee will convene on May 6 to receive the budget message and to consider the proposed budget. The Board is scheduled on June 9 to conduct the budget hearing and take action to adopt the budget approved by the budget committee.

Budget Planning Calendar for 2015-16

July 22, 2014 (Tues) District Office	6:30 p.m. Board Meeting Appoint Budget Officer
October 8, 2014 (Wed) Pine Grove School	6:30 p.m. Board Meeting Approve Budget Calendar
January 14, 2015 (Wed) HRVHS	6:30 p.m. Board Meeting Appoint Budget Committee members to fill vacancies
January/February	Community & Staff Budget Feedback Sessions
March/April	Internal Budget Development based on community and staff input, “20/20 Vision” and student outcomes analysis
April 18, 2015 (Sat)	Publish First Notice of First Budget Committee Meeting <i>(5-30 days before, at least 5 days apart) (proposed April 18)</i>
April 25, 2015 (Sat)	Publish Second Notice of First Budget Committee Meeting <i>(5-30 days before, at least 5 days apart) (proposed April 25)</i> <i>(Not required if also published on web site)</i>
May 6, 2015 (Wed) HRVHS Library	6:00 p.m. First Budget Committee Meeting Receive Budget Message, Presentation of Budget Document, Budget Committee Deliberations, Public Comment, Approve Tax Rates, Levies and Budget Appropriations
May 13, 2015 (Wed)	6:00 p.m. Budget Committee Meeting (if necessary) Budget Committee Deliberations
May 20, 2015 (Wed) HRVHS Library	6:00 p.m. Budget Committee Meeting (if necessary) Budget Committee Deliberations
May 30, 2015 (Sat)	Publish Financial Summaries and Notice of Budget Hearing <i>(publish once, 5-30 days before hearing, proposed May 30 or June 3)</i>
June 9, 2015 (Tues) District Office	6:30 p.m. Public Hearing and Board Meeting Adopt Budget, Appropriate Funds, and Levy Property Taxes
July 15, 2015 (Wed)	Distribute copies of the <i>Notice of Property Tax</i> form ED-50 and resolutions adopting the budget by July 15 to the Hood River County Tax Assessor; copy of the adopted budget document by July 15 to the Hood River County Treasurer, ESD superintendent and State Superintendent of Public Instruction; and copy of the adopted budget document and Notice of Property Tax Levy by September 30 to the Hood River County Clerk

