



Hood River County School District Finance Advisory Committee
October 15, 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

Saundra 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 Saundra Buchanan

2. Reports & Discussions
 - Summary of Revenue and Expenditures YTD September 30, 2014 Saundra 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.
 - November 19, 2014
 - December 17, 2014
 - January 21, 2015
 - February 18, 2015
 - March 18, 2015
 - April 15, 2015

Excellence. Every student. Every day.

Meeting called to order at 4:03 p.m.

Members present: Chief Financial Officer Sandra Buchanan, Superintendent Dan Goldman, Community Member Mike Oates, Board Member Bob Danko, Community Member Jake Bolland, Hood River Valley High School Principal Rich Polkinghorn, HREA Mikka Irusta, Parkdale Elementary School Principal Gus Hedberg, Wy'east Middle School Principal Catherine Dalbey and Terri Martz.

Financial Update and Report as of September 30, 2014

The financial report, Summary of Revenue and Expenditures YTD September 30, 2014, is organized by fund and function with budget variances for the current year; and includes preliminary beginning and ending fund balances. The data for 2013-14 reflects year-to-date work in process before the final year-end closing which will adjust beginning fund balances for 2014-15.

2013-14

General Fund. General Fund activity for 13-14 is summarized on pages 1-2. Details are shown pages 3-9. The year-end closing process is underway for 2013-14. Pending items include:

- Grant close-outs which may result in General Fund journal entries and recording of indirect cost revenue
- Pending General Fund revenue accruals for miscellaneous revenues to be received
- Clearing of remaining encumbrances
- Reconciliations of balance sheet accounts

Preliminary results show operating revenues are approximately \$184,000 less than budgeted. Of that amount, \$150,513 is less from local option revenue, \$60,488 is less from state school fund revenues, \$36,136 is less from ESD revenue and is \$38,776 less from other local revenue. Other State revenue provided \$92,371 more than budgeted and other Federal revenue provided \$8,778 more than budgeted. Operating expenses are approximately \$709,127 less than budgeted or 2% and interfund transfers out were \$20,000 less than budgeted. The net change in fund balance was \$125,197 and when combined with the beginning fund balance of \$2,299,004, the ending fund balance is \$2,424,201 or approximately \$800,000 more than budgeted as beginning fund balance in 14-15.

Preliminary results indicate that General Fund expenses will be within the budget appropriations established by the Board. The final ending fund balance of approximately \$2.4 million is dependent on the results of the pending items listed above.

Fund 200 Food Service – Food Service is within its \$1,800,000 budget appropriation and projects an ending fund balance of approximately \$600,435 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.

Fund 205 Community Education – The community education program operated within its budget appropriation, and has an ending fund balance of \$51,179.

Fund 210 Unemployment Reserve – The Unemployment Reserve Fund ending fund balance of \$63,591 results from a \$20,000 transfer from the General Fund, beginning fund balance of \$54,842 and expenses of \$11,250. Expenses were reduced by an adjustment of \$50,124 to match the District's Local Government Benefit Trust Fund balance.

Fund 212 Bus Reserve – Since no further expenses will be made in the Bus Reserve Fund, the current ending fund balance of \$8,257 will be resources to the 14-15 budget.

Funds 220-299 Grant Funds – Contract and grants quarterly reports and invoicing for the quarter ending June 30 are in process, therefore revenues are less than expenditures at this point and will increase as revenue is received.

Fund 300 Debt Service – The Debt Service Fund property tax revenues are 104% of budget and will cover this year's debt service, leaving an ending fund balance of approximately \$331,000 pending any year-end audit adjustments.

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 fund balance totaling \$449,531 to provide funds for future development. Fund 402 Energy Projects Fund has sufficient resources to pay for budgeted expenditures of facilities management and the ending fund balance of \$130,511 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.

2014-15

General Fund.

Pages 1-8 of the Summary of Revenue and Expenditures – YTD September 30, 2014 provide year-to-date General Fund financial data in the same format as the budget document.

The first report view on pages 1-2:

- summarizes General Fund operating revenues and group revenue into State School Fund 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.

Encumbrances as of September reflect the year's salary and benefits of the various employee contracts or annualized amounts for regular employees and will not include sub pay or other pay which is not annualized.

The second report view on pages 3-7 provides revenue by object code and expenditure summaries by function code. The third report view on pages 8-9 provides expenditures by object classification.

With current enrollment higher than originally budgeted, the District may 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.

For other revenue and expenditure categories, it is too early to evaluate budget variances. The Board approved a budget transfer from contingency in the amount of \$130,302 for salary and benefits for one licensed position and 1.0 FTE of classified instructional assistant position(s).

Other Funds. All other funds are shown beginning on page 10 through 19. 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 ending fund balance which is still in process for some funds.

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 \$51,179 and current activity recorded through September. 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 \$63,591 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 September 30, the Bus Replacement Fund reflects the budgeted transfer 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 \$146,292 is shown to date. The negative beginning fund balance will be resolved as the 2013-14 revenue accruals are recorded.

Fund 300 Debt Service – The Debt Service Fund shows a preliminary beginning fund balance of \$331,517 which is 207,872 greater than the budget of \$123,645. Excess 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 preliminary beginning fund balance of \$1,444,183 some of which is encumbered for facilities management with the remainder available for ongoing or future capital improvements.

End time 5:13 p.m.