



HOOD RIVER COUNTY
SCHOOL DISTRICT
Excellence. Every student. Every day.

Financial Report as of April 30, 2021

The Summary of Revenue and Expenditures as of April 30, 2021, is organized by fund and function with budget variances for the current fiscal year to date and includes audited actuals for the 2018-19 and 2019-20 fiscal years. For 2020-21, the report includes the adopted and current budget as amended. Year-to-date actuals and encumbrances follow in the next columns with variances and percent of budget for the 2020-21 fiscal year. Projections for 2020-21 fiscal year-end variances to the current year budget are shown on the report primarily for General Fund.

General Fund. The Summary of Revenue and Expenditures as of April 30, 2021, provides fiscal year-to-date financial data as follows.

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 page 3 provides expenditures summarized by object classification.

General Fund Summary

Total Operating Revenue. For 2020-21, total operating revenue through April is \$47,649,735 and represents 93% of the budget, as shown on page 1.

State School Fund Revenues. For 2020-21, total State School Fund formula revenue is \$42,235,957 and represents 94% of the budget. Current year taxes of \$12,386,313 represent 95% of the budget due to the large collections in the months of October and November as taxes become due. Approximately half of the Common school fund revenue has been received. Federal forest fees revenue receipts are expected later in the year.

Other Operating Revenues. Local Option current year tax and prior year tax revenue through April is \$2,504,543 and \$73,079, respectively, and together represents 95% of the total budget including the Local Option Equalization (LOE) grant revenue budget of \$547,692.

For 2020-21, the Education Service District revenue budget of \$1,785,274 reflects the CGESD current local service plan estimates. Of the revenue received to date, \$609,405 represents invoiced services; Flow through revenue to date is \$675,868 which is 72% of the funds for the year; of that figure is a (\$18,088) reconciliation adjustment for the 2019-20 year.

In 2020-21, other local revenue received through April is \$605,962 and represents 98% of the budget. The largest sources of other local revenue include interest earned, grant indirect charges, and tuition revenue.

Other state revenues are from the long-term care and treatment grant budget of \$320,900 of which we have received \$409,667. Other federal revenues are budgeted from the Teen Parenting grant and E-Rate Recovery, of which \$62,592 has been received in E-Rate Recovery and represents 165% of the budget.

Total General Fund Operating Requirements.

For 2020-21, the total operating requirements budget is \$55,630,716. As of April, expenditures and encumbrances equal \$35,616,687 and \$13,746,478 respectively, representing 89% of the budget.

As shown on page 1, 2020-21 Instruction expenditures as of April are 94% of the \$33,185,373 budget. Support Services expenditures are 83% of the \$21,796,854 budget. The semi-annual Debt Service redemption of principal and interest payments from the general fund total \$263,958 to date equal to 100% of the budget. No contingency funds have been drawn down this year.

Expenditures by Object Classification. As shown on page 3, the year-to-date April 30, 2021, expenditure variances total \$6,267,551 from these objects: \$1,732,527 of salaries, \$1,582,631 of associated payroll costs, \$1,654,204 of purchased services. \$787,927 of supplies and materials, \$39,824 of capital outlay, \$85,907 of other goods and services and \$384,531 of unspent Contingency. Expenditures by function are summarized on pages 4 and 5. Expenditures by year by object classification are shown on pages 6 through 8. School closures due to the COVID-19 pandemic and the subsequent change to comprehensive distance learning impacts the District's budget in a variety of ways. Some savings are realized in the budget such as substitute salaries, professional development, travel expenses, and student transportation expenses. Other expenses which must be accounted for in the budget include the payroll expenses of staff who were reassigned to instruction and support services functions from other activities that lost revenue due to closures and additional costs of comprehensive distance learning (CDL) and additional costs of online learning of the Hood River Options Academy. The projected year-end budgets reflect the proposed April appropriation transfers.

Other Financing Sources and Uses. In 2020-21, the interfund transfer from the Biennial Reserve Fund is budgeted as \$1,343,040, with 50% of the transfer completed to date, as shown on page 2. Compensatory loss and sale of equipment provided \$2,250 and \$12,840 respectively, of other financing sources.

General Fund Balance. For 2020-21, the beginning fund balance of \$7,691,204 is \$1,097,302 more than the adopted budget of \$6,593,902. The approved supplemental budgets raised the current beginning fund balance budget to \$7,691,204 and appropriated \$524,609 leaving \$537,065 to be added to the amount reserved for future expenditure. With the supplemental budgets, the ending fund balance as a percent of operating revenue is projected to be 13.3 percent which is 5.3 percent higher than the Board target of 8 percent.

2020-21 Year-end Projections. The 2020-21 projected column reflects projections of various revenue and expenditures using best information and available estimates. These estimates will continue to be refined as the 2021-22 proposed budget is developed, May and June are historically large purchase volume months.

Other Funds

Other Funds. All other funds are shown beginning on page 9 with activity through April 30, 2021. Grant Funds 220-299 and the Capital Construction Funds 400-404 are grouped and summarized for this report. The 2020-21 beginning fund balances reflect the prior year audited ending fund balances.

Fund 200 Food Service – Resources from local, state and federal sources total \$792,975 and beginning fund balance of \$491,786 support operations of nutrition services. The program is expected to operate within its budget with current expenses of \$1,034,432, and with a current ending fund balance of \$250,329. With the shift to CDL and more online learning, nutrition services has continued to distribute meals to all students as allowed by the federal and state nutrition grant programs. As students return to the buildings, operations will be adjusted to provide meals at the schools.

Fund 204 Student Body Funds – For 2020-21, the beginning fund balance of \$510,476 has been recorded. Transaction activity will be recorded later in the year.

Fund 205 Community Education – The community education program activity reflects a beginning fund balance of \$67,487, local revenue of \$18,999 for the driver's education program, current expenses of \$69,759, with an ending fund balance of \$32,208 as of April. Last spring, the program was placed on hold with the exception of the driver's education program.

Fund 207 Biennial Reserve Fund – The School Board established this fund in 2015-16 to set aside funds for state school fund distribution in the second year of the biennium and to set aside funds for upcoming PERS rate increases, as approved by the Board. The 2020-21 beginning fund balance is \$4,765,247. A budgeted transfer to the General Fund in the amount of \$1,343,040 is projected leaving an ending fund balance of \$3,422,207 equal to 6.5 percent of General Fund operating revenue.

Fund 210 Unemployment Reserve – The Unemployment Reserve Fund beginning fund balance of \$357,725 provides resources to pay for expenditure activity of the District's Local Government Benefit Trust Fund and the quarterly unemployment premiums. Quarterly premiums paid to date equal \$29,537.

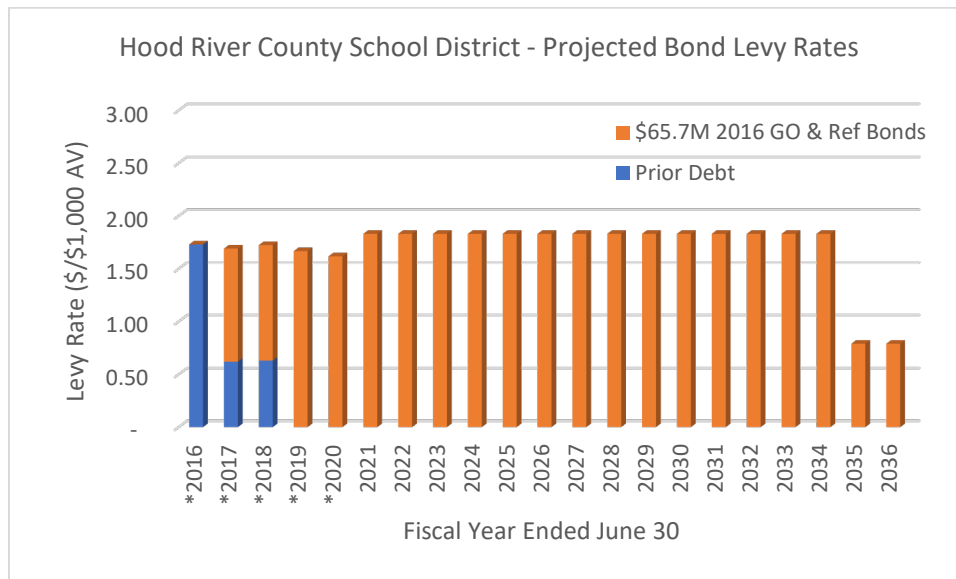
Fund 212 Bus Replacement Fund – The Bus Replacement Fund accounts for the state school fund revenue of \$191,444 for bus depreciation, beginning fund balance of \$7,349 and capital outlay expense budget of \$198,793 for school bus purchases. To align the timing of the expenditures with the annual depreciation, the District plans to delay the purchase of new buses until the 2021-22 fiscal year.

Funds 220-299 Grant Funds – Grant Funds revenue and expense activity is within budget appropriations limits with total revenue of \$5,159,501 and expenditures of \$4,697,344. The 2020-21 beginning fund balance of \$953,206 was from 2019-20 restricted ending fund balances.

The April 30, 2021 report of 2020-21 contracts lists Federal and State ODE grants by award. A second supplementary report shows all other contributions and grant accounts listing the title and administrator or person responsible for managing the funds.

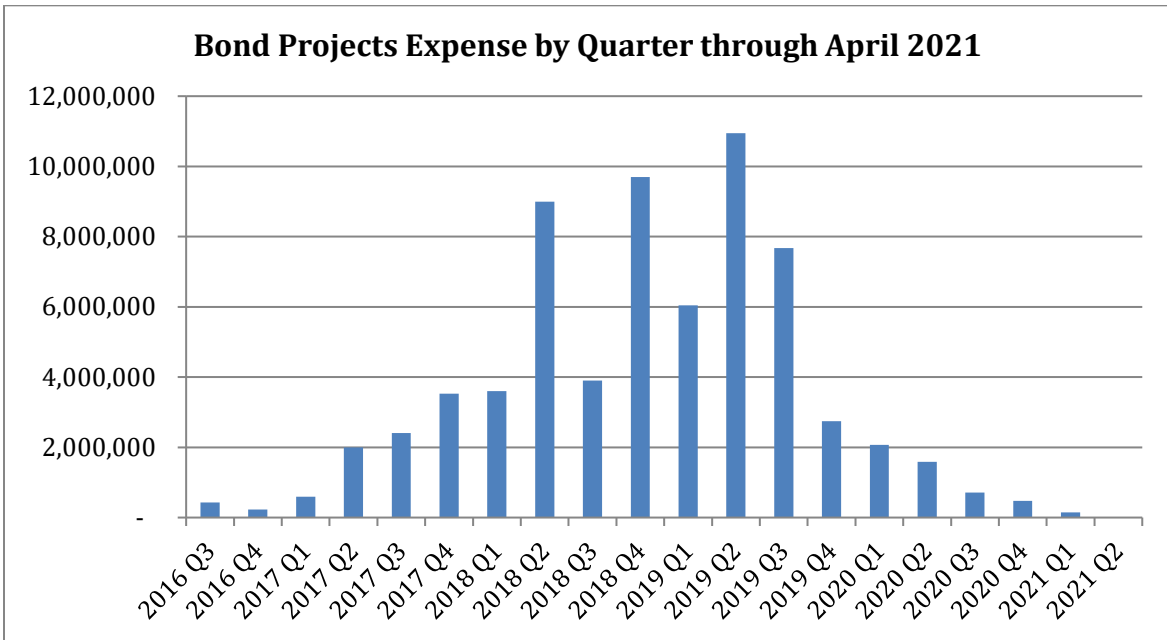
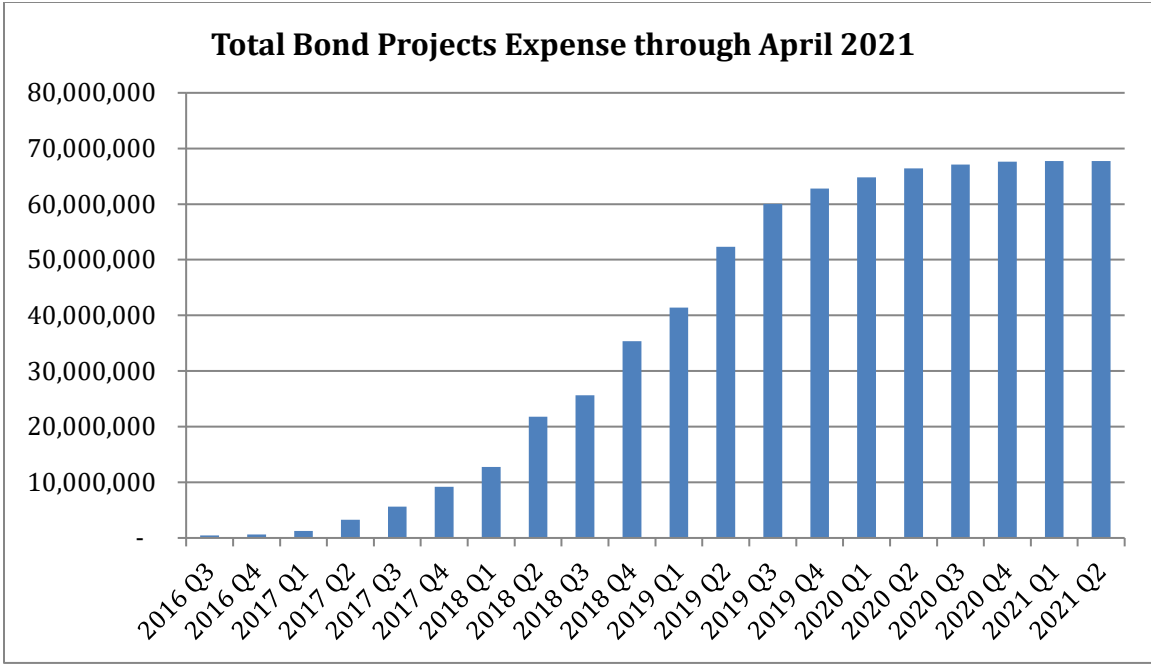
Fund 300 Debt Service – The Debt Service Fund beginning fund balance for 2020-21 is \$560,603. For 2020-21, revenue to date of \$4,490,542 is from current and prior years’ property tax revenue and interest; and represents 98% of the budget. Beginning fund balance and property tax revenue are both used to offset property tax levies. Budgeted expenditures of \$4,572,700 include the semi-annual interest payments of general obligation bonds and the annual principal payments. Debt service principal and interest payments are required on semi-annual due dates in December 2020 and June 2021. The ending fund balance is projected to be \$81,224.

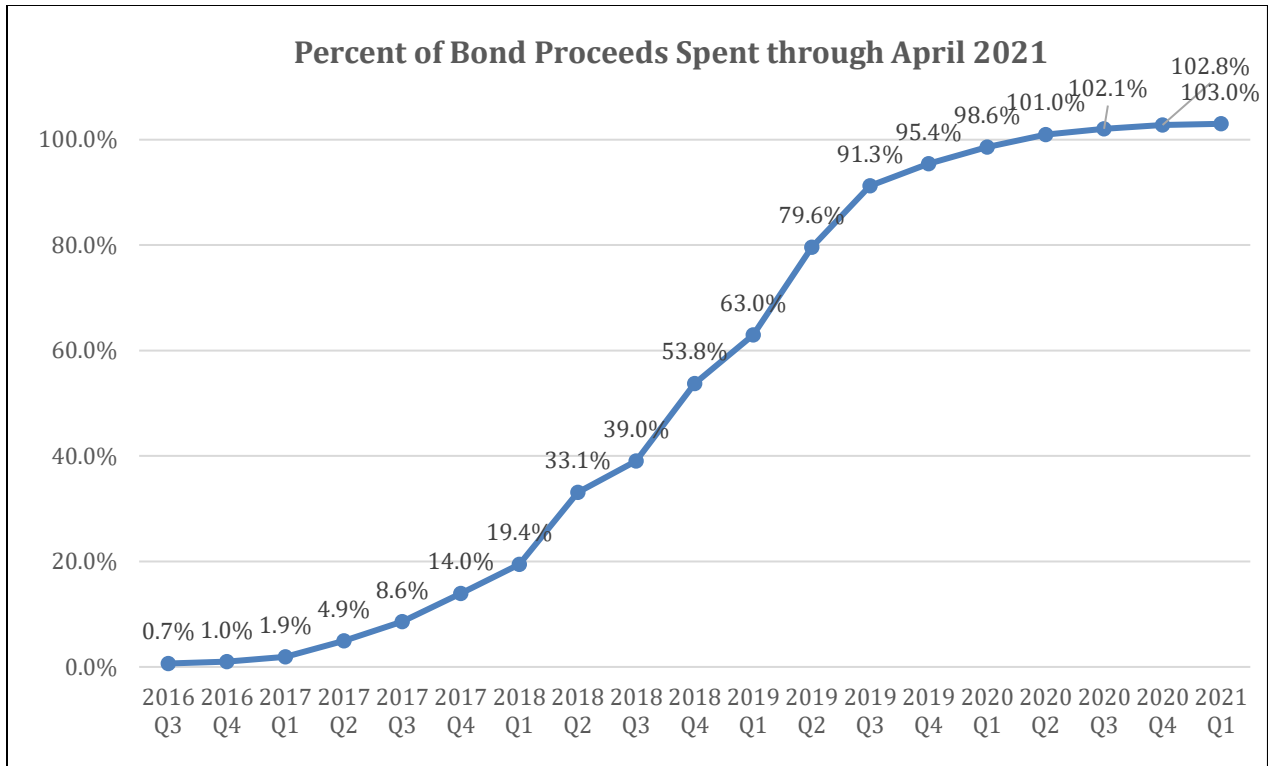
The General Obligation and Refunding Bonds, Series 2016, mature June 15, 2036. The following chart shows projected bond levy rates of the Series 2016 \$65.7 million bonds of \$1.83/\$1,000 AV for fiscal years 2021 through 2034 and \$0.79/\$1,000 AV for fiscal years 2035 and 2036. Actual levy rates are shown for fiscal years 2016 through 2020. Actual bond levy rates are calculated annually based on the County’s current delinquency rates, actual debt service requirements, and debt service fund balance, if any.



Funds 4XX Capital Construction Funds – The summary of all capital construction funds shows a beginning fund balance of \$5,092,502, resources of \$1,118,586 and expenses of \$3,016,755 and an ending fund balance of \$3,194,333 as of April 30, 2021. The capital projects funds are reported on pages 18-24.

- Fund 400 Capital Construction Bond Fund resources include the balance of proceeds of the 2016 G.O. Bonds, investment earnings and other revenue. For the overall project to date through April 30, 2021, the District spent \$67,757,794 to support capital construction and improvements. equal to 103% of bond proceeds and met/exceeded the 85% spending requirement by September 12, 2019, as shown in the following charts.





As of April 30, 2021, the fair value of capital projects fund cash in the Oregon State Treasurer’s Local Government Investment Pool (LGIP) is \$1,054,792 with a current yield of 0.60%.

- Fund 401 Construction Excise Tax Fund** 2020-21 resources to date include receipts of \$223,375 and a beginning fund balance of \$2,170,370 for future development. Resources are dependent on the amount of school construction excise tax received by the District and will vary depending on the level of construction activity within the county. Expenditures to date of \$713,113 are for the HRMS new entry project which is in the planning and construction documents phase of the project with permitting to follow.
- Fund 402 Energy Projects Fund** accounts for the District’s SB 1149 2019-20 resources to date of \$52,763. The balance of this fund is for reimbursements to the District for past energy projects with \$50,000 budgeted for transfers out of this fund for 2020-21 capital improvements. Our project management team works with the Oregon Department of Energy regarding qualifying energy projects related to the bond program.
- Fund 403 Property Fund** is budgeted to provide resources from the beginning fund balance of \$547,868, a portion of which is designated for an amendment to the original agreement which will provide the landowner payments in lieu of the District construction obligation. The second of three

annual payments are due in April 2021. A total of \$264,534 will be available from this fund after the remaining two annual payments are made in 2020-21 and 2021-22.

- **Fund 404 Seismic Projects Fund** accounts for the balance of the state seismic projects grant award for Mid Valley Elementary School (MVES). The 2020-21 project expenditures for Mid Valley Elementary School total \$780,488 for architectural and engineering services, preconstruction and construction costs and was completed in late summer of 2020. (The Wy'east Middle School project was completed the fall of 2018 for a total of \$1,120,139. The Hood River Middle School project was completed in 2017-18 for a total of \$811,525.)
- **Fund 405 Oregon Schools Capital Improvement Matching Program** grant accounts for the grant award of \$4,499,478. This grant was designated by the District for capital improvements at Hood River Middle School. As of January 2019, the District expended 100% of the grant award.

Summary of Inter-Fund Transfers – A summary of inter-fund transfers is shown on page 25. Transfers for 2020-21 are budgeted as follows. A transfer within the Capital Projects Fund from sub fund 402 to sub fund 400 in the amount of \$50,000 is budgeted. A transfer from the Biennial Reserve Fund to the General Fund is budgeted in the amount of \$1,343,040.

PERS Rates

The 2021-23 Public Employee Retirement System (PERS) employer contribution rates adopted October 2020 by the PERS Board will provide the first rate declines since the 2015-17 biennium.

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

Employee Membership Tier	2017-19 Adopted Rate	2019-21 Adopted Rate	Change to Contribution Rate	Percentage Change
Tier 1/Tier 2	16.03%	20.03%	4.00%	25%
OPSRP	10.70%	14.58%	3.88%	36.3%

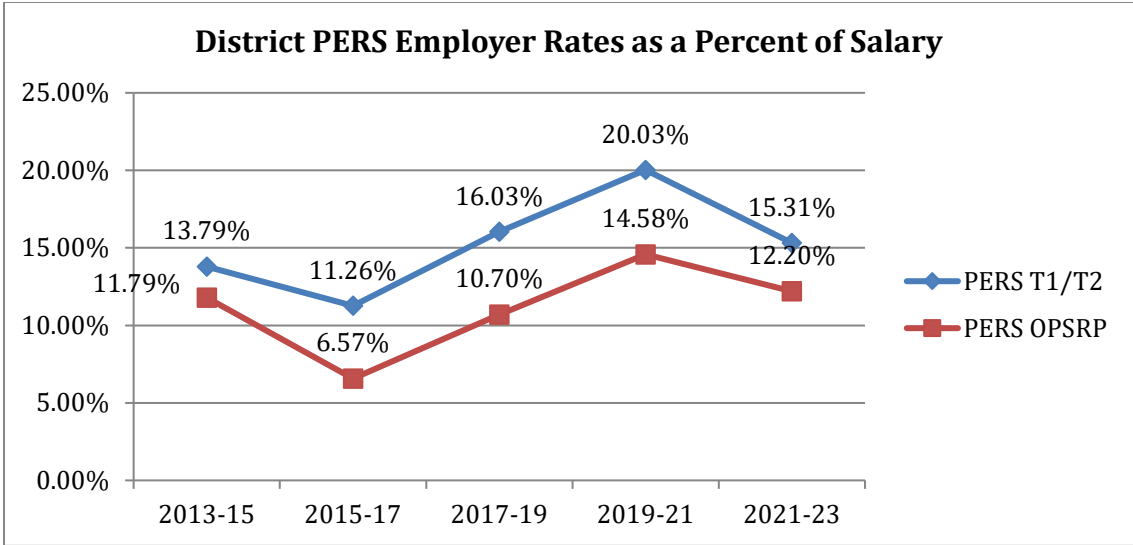
Hood River County School District Current Net Employer Contribution Rates compared to 2021-23 Adopted Rates

Employee Membership Tier	2019-21 Adopted Rate	2021-23 Adopted Rate	Change to Contribution Rate	Percentage Change
Tier 1/Tier 2	20.03%	15.31%	(4.72%)	(23.6%)
OPSRP	14.58%	12.20%	(2.38%)	(16.3%)

The following graph provides a historical look at the District's PERS employer contribution rates, the adopted rates for the 2019-21 biennium and 2021-23 adopted contribution rates. Employer contribution rates effective July 1, 2021 through June 30, 2023 were determined from the December 31, 2019 actuarial valuation.

The adopted contribution rates reflect the benefit provisions in effect as of December 31, 2018, as modified by Senate Bill 1049 which was enacted in June 2019. The adopted contribution rates also reflect the Tier 1/Tier 2 re-amortization provisions of SB 1049 from 20 years to 22 years. Other changes related to the work after retirement provisions are not explicitly reflected in the advisory contribution rates but are expected to serve as an offset to employer contributions. The member redirect offset is (2.45%) for Tier 1/Tier 2 and is (0.70%) for OPSRP rates. More information about Senate Bill 1049 (2019) is available online at <https://www.oregon.gov/pers/EMP/Pages/SB1049.aspx>.

The drop in the 2015-17 biennium rates was the result of legislative action which was subsequently overturned by the courts. Savings from these artificially lowered rates provided resources which were transferred into the District's Biennial Reserve Fund to help with the looming PERS rate increases.



The District's total PERS rate includes the employer contribution rate, 6% pick-up of employee contribution rate and pension bond rate. The following chart provides historical, current and 2021-23 adopted contribution rate data of the District's total PERS rate as a percent of salary by member tier.

