



Date: November 16, 2017

To: Finance Advisory Committee

From: Saundra Buchanan, Chief Financial Officer

Re: Financial Report as of October 31, 2017

The financial report, Summary of Revenue and Expenditures as of October 31, 2017, is organized by fund and function with budget variances for the current fiscal year to date and includes actuals for two prior years. For 2016-17, this data is considered preliminary until the audit is final. For 2017-18, the report includes the adopted budget and the current budget as amended. Encumbrances and actuals follow in the next two columns with variances and percent of budget.

General Fund. Pages 1-4 of the Summary of Revenue and Expenditures as of June 30, 2017 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 page 3 provides expenditures summarized by object classification.

General Fund Summary

Total Operating Revenue. For 17-18, total operating revenue is \$12,853,885 as of October 31, and represents 29% of the budget, as shown on page 1. Of the total, \$12,411,929 is from State School Fund formula revenues.

Total General Fund Operating Requirements. The total operating requirements budget shown on page 2 is \$46,172,073. Current encumbrances are \$29,861,411 and year-to-date expenditures are \$8,847,248. We have encumbered or expensed 84% of the budget to date.

Excellence. Every student. Every day.

Instruction expenditures and encumbrances are 92% of the \$28,540,024 budget. Support Services expenditures and encumbrances are 73% of the \$17,015,781 budget. Year to date Debt Service payments are 8% of the \$262,120 budget. The Contingency balance is \$354,148 of the \$457,000 adopted budget.

Encumbrances and expenditures to date by object classification are shown on pages 3-5. A pending supplement budget will add resources and appropriations to pay for negotiated salaries and benefits and other expenses approved after the budget was adopted.

General Fund Balance. The District began the year with \$7,975,592 in beginning fund balance which is an increase of \$911,255 over the budgeted beginning fund balance. Per the budget, we have transferred \$2,763,235 of this balance to the Biennial Reserve Fund for future PERS costs.

Other Funds

Other Funds. All other funds are shown beginning on pages 6 through 21 with year-to-date activity through October 31, 2017. Grant Funds 220-299 and the Capital Construction Funds 400-404 are grouped and summarized for this report. The 2017-18 beginning fund balances reflect the prior year preliminary ending fund balances.

Fund 200 Food Service – Resources from local, state and federal sources and beginning fund balance of \$427,723 support operations of nutrition services. The program is expected to operate within its budget.

Fund 204 Student Body Funds – The beginning fund balance of \$663,570 is the total available in all student body funds as shown below.

Student Body Funds	Beginning Fund Balances
Elementary Schools	\$125,808
Middle Schools	201,912
High School	335,850
Total	\$663,570

Fund 205 Community Education – The community education program activity reflects a beginning fund balance of \$171,534, year to date revenue of \$213,294, expenses of \$367,164, with a current month ending fund balance of \$17,664.

Fund 207 Biennial Reserve Fund – The beginning fund balance is from the District’s transfer of \$1,752,011 to establish the fund 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 budgeted transfer in of \$2,763,235 was made from a portion of the General Fund beginning fund balance.

Fund 210 Unemployment Reserve – The Unemployment Reserve Fund beginning fund balance of \$253,038 and General Fund interfund transfers of \$95,000 provides resources to pay for expenditure activity of the District’s Local Government Benefit Trust Fund and the quarterly unemployment premiums. Pending is a transaction to record the activity of the District’s Unemployment Trust Fund administered by the State for 16-17. The trust statement is received in November for the preceding year.

Fund 212 Bus Replacement Fund – The Bus Replacement Fund accounts for the budgeted transfer of \$150,000 for estimated bus depreciation, beginning fund balance of \$191,459 and expenditure budget of \$246,978 for school bus purchases with a current ending fund balance of \$341,459.

Funds 220-299 Grant Funds – Grant Funds revenue and expenditure activity is within budget appropriations with total year to date revenue of \$712,849 and expenditures of \$1,006,624 and encumbrances of \$2,384,081. The ending fund balance of \$293,661 is restricted for various contract or grant purposes. An attached supplementary report lists 2017-18 contracts, Federal and State ODE grants by award and shows amounts claimed, expended and the balance to be spent. 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 17-18 is \$229,546. For 17-18, total year-to-date revenue of \$29,294 is from prior year’s property tax revenue. Beginning fund balance and property tax revenue are both used to offset property tax levies. Budgeted expenditures of \$4,171,950 include the semi-annual interest payments of general obligation bonds and the annual principal payments in June.

Funds 4XX Capital Construction Funds – The summary of all capital construction funds shows a beginning fund balance of \$65,235,997, total revenue to date of \$2,175,877 and total expenditures of \$5,469,777. The capital projects funds are reported on pages 15-21.

- Fund 400 Capital Construction Bond Fund resources include the balance of proceeds of the 2016 G.O. Bonds and investment earnings. Through June 30, 2017, a total of \$3,244,594 was spent. At the close of the fiscal year, the ending fund balance of \$62,805,946 was carried

forward to 17-18. For 17-18, year to date expenditures total \$3,517,810 and encumbrances total \$7,329,723. As of October 31, 2017, the fair value of investments in the Oregon State Treasurer's Local Government Investment Pool is \$13,299,130 and the fair value of investments in US Government and US Agency securities is \$42,893,339 as shown on the attached investment report. Cash in the amount of \$3,336,491.45 is in insured deposits.

- Fund 401 Construction Excise Tax Fund resources include receipts of \$83,789 and a beginning fund balance of \$1,350,921 for future development. Resources are dependent on the amount school construction excise tax received by the District and will vary depending on the level of construction activity within the county.
- Fund 402 Energy Projects Fund accounts for the District's SB 1149 resources and expenditures to date with an account balance of \$361,481. The current balance of these funds are for reimbursements to the District for past energy projects and will be transferred out of this fund to fund current capital improvements. Our project management team is working with the Oregon Department of Energy regarding future qualifying energy projects related to the bond program.
- 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 approximately half of the fund balance of \$735,568.
- Fund 404 Seismic Projects Fund is budgeted in 17-18 to account for the state seismic projects grants in the amount of \$898,400 for Hood River Middle School (HRMS) and in the amount of \$1,335,500 for Wy'east Middle School which is scheduled to begin in 17-18. A total of \$88,092 was expended in 16-17 for the HRMS seismic rehab project. For 17-18, year-to-date grant expenditures total \$8,280.
- Fund 405 accounts for the State OSCIM Matching Grant award of \$4,499,478. A total of \$1,089,559 was expended in 2016-17. For 17-18, year-to-date grant expenditures total \$1,953,978. This grant is designated for capital improvements at Hood River Middle School.

Summary of Inter-fund Transfers – A summary of inter-fund transfers is shown on page 22. Transfers for the year include the budgeted transfer from General Fund to the Biennial Reserve Fund in the amount of \$2,763,235; the Bus Replacement Fund in the amount of \$150,000; the budgeted transfer to the Unemployment Fund in the amount of \$95,000; and a transfer to the Grants fund of \$25,735.