



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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**HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Prepared by: Business Services Department

Dan Goldman, Superintendent

Saundra Buchanan, S.F.O.
Chief Financial Officer

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

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HOOD RIVER COUNTY, OREGON

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HOOD RIVER COUNTY, OREGON

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HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

INTRODUCTORY SECTION

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

LIST OF PRINCIPAL OFFICIALS AS OF JUNE 30, 2017

BOARD OF EDUCATION

TERM EXPIRES

Chrissy Reitz	June, 2019
David Russo	June, 2017
Corinda Hankins Elliott	June, 2017
Julia Garcia-Ramirez, Vice Chair	June, 2017
Tom Scully	June, 2019
Mark Johnson, Chair	June, 2017
Rich Truax	June, 2017

ADMINISTRATION

Dan Goldman, Superintendent

Saundra Buchanan, S.F.O., Chief Financial Officer

1011 Eugene Street
Hood River, OR 97031



HOOD RIVER COUNTY SCHOOL DISTRICT

Excellence. Every student. Every day.

December 18, 2017

To Members of the Board of Education and Residents of Hood River County School District:

The Comprehensive Annual Financial Report of Hood River County School District (the District) for the year ended June 30, 2017 is hereby submitted. State law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. This report is published to fulfill the requirement for the fiscal year ended June 30, 2017, and consists of management's representations concerning the finances of the District together with the opinions of our auditor. This report includes all funds of the District.

The District's Business Services Department prepared this Comprehensive Annual Financial Report. Management assumes full responsibility for the completeness and reliability of the information presented in this report. The District's management has established and maintains a comprehensive internal control framework put in place to protect the assets from loss, theft, or misuse. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

These financial statements are presented to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

Pauly, Rogers and Co., P.C., Certified Public Accountants, have issued an unmodified opinion on the Hood River County School District's financial statements for the year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

FINANCIAL STATEMENT PRESENTATION

Designed to meet the needs of a broad spectrum of financial statement readers, this Comprehensive Annual Financial Report (CAFR) is divided into five major sections:

The *Introductory Section* includes this transmittal letter and the District's organizational chart.

The *Financial Section* includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements including notes to the basic financial statements, required supplementary information, and supplementary information including the combining and individual fund financial statements.

The *Statistical Section* includes selected financial and demographic information, generally presented on a multi-year basis.

The *Compliance Section* contains the independent auditor's report required by the Minimum Standards for Audits of Oregon Municipal Corporations.

The *Grant Compliance-Single Audit Section* includes reports from the independent auditor regarding compliance requirements of the U.S. Office of Management and Budget (OMB) Uniform Guidance Compliance Supplement for major federal programs.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditor.

DISTRICT PROFILE

Hood River County School District, a kindergarten through twelfth grade district, was formed October 28, 1865. The District is a financially independent, special-purpose municipal corporation exercising financial accountability for all public education within its boundaries. As required by accounting principles generally accepted in the United States of America, all significant activities and organizations have been included in the financial statements.

The District boundary is contiguous with Hood River County, located in the north central section of Oregon, on the eastern edge of the Cascade Range, and encompasses 533 square miles of land. It serves the residents of the incorporated cities of Hood River and Cascade Locks, and its rural communities. The population of 23,232 is concentrated in the Hood River Valley and along the Columbia River, with Hood River, Cascade Locks, Odell and Parkdale as the largest population centers.

Under Oregon State law, school districts are independent municipal corporations empowered to provide elementary and secondary educational services for the children residing within their boundaries. The District operates five elementary schools, two middle schools, one high school, and the Pine Grove campus, which houses early childhood programs. Elementary schools include kindergarten through grade 5. The two middle schools include grades 6 through 8, and the high school includes grades 9 through 12. Student enrollment for the fiscal year 2016-17, as measured by average daily membership (ADM), was 4,059 as shown below.

2016-17 Average Daily Membership by Grade Level

<u>Grade Level</u>	<u>ADM</u>
Elementary School Programs	1,769
Middle School Programs	927
High School Programs	<u>1,362</u>
Total Average Daily Membership	4,059

Growing from an enrollment of 3,734 ADM in 2007-08 to 4,059 ADM, the District has experienced an 8.7% growth in enrollment over the past ten years. The 10-year growth projections developed for the 2015 Facilities Assessment and Master Plan indicate a general county population gain of approximately 2

percent per year. Enrollment is expected to grow from 1 to 2 percent per year and will depend on Hood River County demographic and economic conditions.

The demographics of our school district reflect the cultural diversity of the area. The District's enrollment includes 49.5% students of color and 53.5% of students qualify for free and reduced lunch status. Approximately 38% of students are, or were at one time, English Language Learners.

The Hood River County School District Board of Directors, elected by a majority of the voting electorate in their respective geographic zones, is the governing body responsible for the District's policy decisions. The seven-member Board has oversight responsibility and control over all activities related to the District. The Board is accountable for all fiscal matters that significantly influence operations. The seven Board members and seven appointed citizen members comprise the District's Budget Committee.

The Board's Finance Advisory and Bond Oversight Committee reviews the District's finances and the capital improvement program and reviews and recommendations or findings that result from the District's annual audit. The Committee is advisory to the Board of Directors and conducts its meetings in public, with agendas, reports and minutes available on the District's website. The committee is comprised of three Board members, three appointed community members, two bargaining unit representatives, three school administrators, superintendent and chief financial officer.

District management includes a superintendent, a cabinet consisting of a director of human resources, a director of curriculum and instruction, a director of student services, and a chief financial officer. In addition, management includes eight principals, four vice principals, and five district directors and supervisors. The District employs 493.5 full-time equivalent personnel including principals, vice-principals, administrators, directors, supervisors, licensed educators, instructional assistants, secretarial staff, custodians, maintenance personnel, bus drivers, cooks and other support staff.

ECONOMIC CONDITION

Hood River County is located in the middle of the Columbia River Gorge region, with the Columbia River as its northern border and Mount Hood and the Mount Hood National Forest to the south. The majestic snow-capped Mount Hood and the Columbia River Gorge provide the county's stunning backdrop, making it one of the most picturesque areas in the Northwest.

A top producer of pears, apples, and cherries, Hood River County grows more winter pears than any other county in the United States. This agricultural richness combined with the county's scenic, almost pastoral setting have made it a famous destination for visitors who come to drive or bike the famous Fruit Loop—a 35-mile tour that features family farms, fruit stands, wineries and other local attractions. Over time, the county has evolved into a hotspot for visitors and is a mecca for outdoor-enthusiasts who enjoy hiking, rock climbing, frequenting waterfalls, and more. It's also world-renowned for its strong, warm summer winds that draw crowds of windsurfers, kites, and paddle boarders. (*Source: Hood River County Community Profile*)

Per the Hood River County Community Profile, approximately 73% of land in Hood River County is owned & regulated by federal, local and state entities.

- 61% by the U.S. Forest Service
- 9% by the County
- 1% by the State of Oregon

- Land owned by the U.S. Forest Service arcs from the west of Hood River County to the southeast and is primarily designated as the Mt. Hood National Forest
- A majority of the private land in the county is zoned as either agricultural or forest land

The Hood River Valley is heavily dependent on agriculture, technology, tourism and the forest products industries. Local and national economic activity upswings have benefitted Hood River County, reporting an unemployment rate of 4.2% for 2016, decreasing from the prior year's 4.7% rate. The County's seasonally adjusted unemployment rate for 2016 was 4.2% and is more favorable than the State of Oregon 4.9% or the nation 4.9%. Construction activity is up 19% in 2016 as measured by the number of building permits to 105 in 2016 and 88 in 2015. Per the U.S. Department of Commerce, per capita income in Hood River County increased by 3.8% in 2016, from \$46,729 to \$48,498.

Hood River County School District is the largest employer in Hood River County, reporting 550 employees in 2016. Providence Hood River Memorial Hospital is the second largest employer in the County with 300 employees. The next three largest employers are Best Western Hood River Inn, Hood River County and Wal-Mart. As compared to ten years earlier, the following employers dropped out of the top 15 list of large employers: Embarq, Maritime Services Corp., Duckwall-Pooley Fruit Company, Stadelman Fruit, LLC, and Diamond Fruit Growers, Inc.

LONG-TERM FINANCIAL PLANNING

The District's unassigned general fund balance at year-end was of \$7,975,594 or 18.1% of general fund operating revenue. The amount is above the policy guidelines set by Board policy for budgetary and planning purposes (a minimum of 5% of general fund operating revenue). The amount was above the 2016-17 adopted budget unappropriated ending fund balance of 12.7% of general fund operating revenue which was established to provide funding for program increases into the following biennium.

Per Board policy, a contingency reserve of a minimum of 0.5 percent of the general fund operating revenue is planned in the budget with unspent funds rolling into the general fund balance at year-end.

The District's biennial reserve fund balance at year-end was \$1,752,011 and will be increased in 2017-18 by \$2,763,235 from the general fund beginning balance to provide a total of \$4,515,246 for use in the current and next biennium to address increases in the District's employer contribution rates to the public employee retirement system and to provide for stability of core programs and legally required activities.

After a comprehensive long range facilities and capital improvements planning process over two years, the District received voter approval in May 2016 to issue \$57,175,000 general obligation bonds to finance the following projects:

- Repairs to schools, including addressing failing roofs, heating and ventilation systems, plumbing, mechanical and electrical systems;
- Increase learning space;
- Energy efficiency improvements to decrease energy use;
- Improvements addressing deferred maintenance, worn out finishes, and replace old equipment;
- Technology improvements in every school for student learning opportunities;
- Safety and security updates at every school;
- New state-of-the-art science, engineering and math lab learning space at Wy'east Middle School;
- Replace, equip and furnish May Street Elementary School on the same site, providing maintenance and operational savings;

- Upgrade and improve athletic fields and tracks, including those used most by community members;
- Upgrade school playgrounds at Cascade Locks, Parkdale and Mid Valley Elementary Schools;
- Pay associated furnishing, equipping, demolition, site improvement and bond issuance costs.

Due to favorable market conditions, the bond issuance on September 13, 2016 resulted in bond premium for the general obligation bonds which added \$8.6 million for approved construction and capital improvements. The District also issued refunding bonds that resulted in \$694,230 of net present value savings to taxpayers.

In 2016-17, the District launched the construction and improvements phase of its long range facilities and capital improvements planning process with resources from the net proceeds of general obligation bonds totaling \$65,776,732, a state matching grant of \$4,499,478, and a seismic grant of \$898,400. This construction and capital improvements phase is scheduled to spend 85% of bond proceeds with three years of issuance.

MISSION STATEMENT AND PRIORITIES

Mission: Excellence. Every student. Every day.

District Goal: Every student graduates with the knowledge and courage to learn, serve, and pursue their dreams

In 2016-17, the District completed the third year of implementation of the “20/20 Vision” strategic plan. The plan adopted by the Board of Directors was constructed with hundreds of responses from community members, HRCSD staff, students, and other stakeholders across our county. The 20/20 Vision established a new district mission (“Excellence. Every student. Every day.”), a clear overarching district goal (“Every student graduates with the knowledge and courage to learn, serve, and pursue their dreams”), and a number of “Collective Commitments” that would focus our actions and intentions as an organization. The plan was developed with equity at its core with a theory of action designed to ensure all students, regardless of their backgrounds, achieve at the highest levels. Our theory of action posits:

Every Hood River County School District student will demonstrate positive academic and social growth when all staff members work collaboratively to:

- ensure all students are safe, known and accepted;
- establish high expectations for achievement and personal growth for each student;
- identify, teach and assess student learning targets aligned to the Common Core State Standards;
- utilize research-based best practices for designing and delivering instruction;
- identify, intervene, and monitor the progress of struggling students early, with great intensity, and for as long as it takes;
- engage our diverse and committed community as partners in student learning and growth; and,
- explicitly target human and fiscal resources toward achieving these commitments.

Each of these seven commitments is accompanied by specific strategies that form the basis for our budgeting and operating decisions and will continue to function as our roadmap into the future.

FINANCIAL INFORMATION

Accounting Policies. Governmental funds are used to account for the District's general government activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available".) "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting, however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The accrual and modified accrual basis of accounting as utilized by Hood River County School District are in accordance with generally accepted accounting principles.

Budgetary Controls. The District is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive. The Oregon Local Budget Law requires the appointment of a budget committee to review and approve the budget. The budget committee consists of the seven members of the Board of Directors and seven electors of the District who are appointed by the Board of Directors. The administration proposes a budget to the budget committee, and the budget committee may modify or approve the proposed budget.

A summary of the approved budget, together with a notice of public hearing, is published on the District website and in a newspaper having general circulation in the District. A public hearing is held to receive comments from the public concerning the approved budget. The Board of Directors adopts the budget, makes appropriations, and levies taxes after the public hearing and before the beginning of the year for which the budget has been prepared. After adoption, the budget may be revised through procedures specified in State statute and Board policy.

INDEPENDENT AUDIT

The Hood River County School District's financial statements have been audited by Pauly, Rogers and Co., P.C., of Tigard, Oregon, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2017, are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

The independent audit of the District's financial statements includes a federally mandated "Single Audit" designed to meet the special requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the District's internal control over financial reporting and on compliance

and other matters, and on compliance related to the administration of federal awards. These reports are available in the Single Audit Section of this report.

AWARDS SUBMISSIONS AND ACKNOWLEDGMENTS

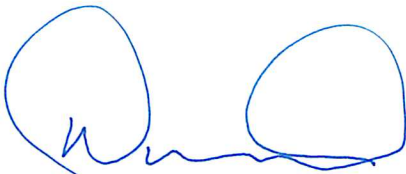
The District believes that the current Comprehensive Annual Financial Report meets the requirements of the Government Finance Officers Association (GFOA) program for Excellence in Financial Reporting and we are submitting it to the GFOA to determine its eligibility for a certificate. This report complies with both generally accepted accounting principles and applicable legal requirements. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report.

The District believes that the current Comprehensive Annual Financial Report meets the requirements of the Association of School Business Officials International (ASBO) program for Excellence in Financial Reporting and we are submitting it to ASBO for their review.

The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the staff of the Business Services Department. We would like to express our appreciation to all members of the department, who assisted and contributed to the preparation of this report.

We also thank the members of the Board of Directors for their support and dedication to the financial operations of the District.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Dan Goldman', with a large, stylized initial 'D'.

Dan Goldman
Superintendent

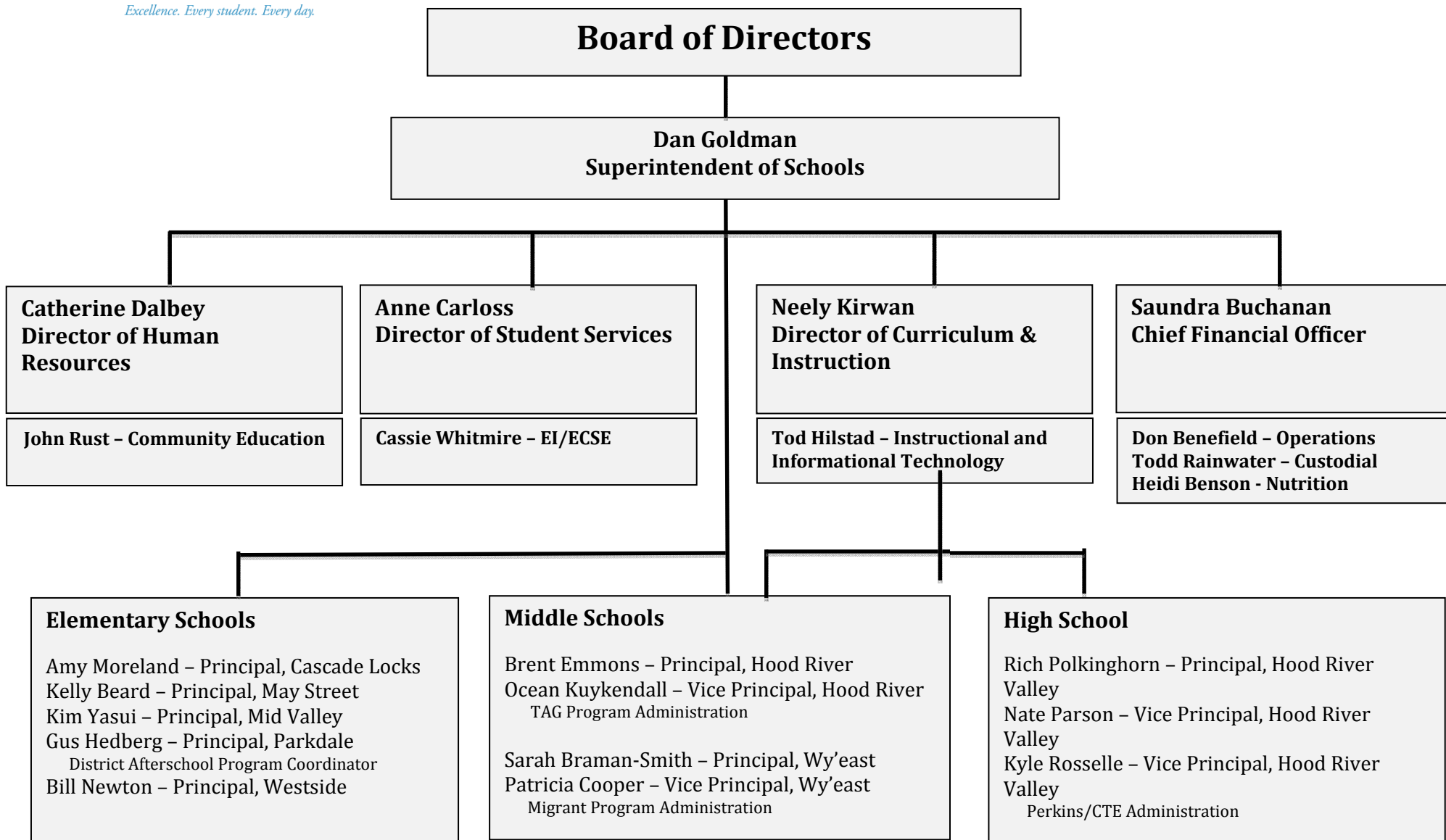
A handwritten signature in blue ink, appearing to read 'Sandra Buchanan', in a cursive script.

Sandra Buchanan, SFO
Chief Financial Officer



Organizational Chart

*District Goal: Every student graduates with the knowledge
and courage to learn, serve, and pursue their dreams*



HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

FINANCIAL SECTION



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 18, 2017

To the Board of Directors
Hood River County School District
Hood River County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hood River County School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hood River County School District, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

The District adopted provisions of GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68* and GASB Statement No. 77 – *Tax Abatement Disclosures* for the year ended June 30, 2017. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The introductory, statistical, and the compliance and other reports sections, as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our reports dated December 18, 2017, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive, flowing style.

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

**HOOD RIVER COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

This section of Hood River County School District's (the District) Financial Statements presents a comparative analysis of the financial activities of the District for the fiscal years ended June 30, 2017 and 2016. This discussion and analysis has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. This report is based on currently known facts, decisions, and conditions that existed at the date of the independent auditor's report.

FINANCIAL HIGHLIGHTS

- In the government-wide statement, the liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at June 30, 2017, by \$5,935,842 (net position).
- The District's total net position decreased by \$2,789,769 for the fiscal year, a decline in the District's financial position as compared to the prior year. The decline in net position is primarily due to the pension-related deferrals, assets and liabilities.
- The District's governmental funds report combined ending fund balance of \$77,528,352, an increase of \$65,600,763 from the prior year. Approximately 84 percent of this total amount, \$65,235,997, is restricted for capital projects. The remaining fund balances are either nonspendable, restricted, assigned, or unassigned: \$41,233 for nonspendable prepaid and inventory, \$582,412 for grants, \$229,546 for debt service, \$293,482 for unemployment, \$3,170,088 assigned for other purposes, and \$7,975,594 for unassigned.
- At the end of the current fiscal year, the unrestricted ending fund balance (the total of assigned and unassigned components of fund balance) for the general fund was \$9,919,064. Of the total, \$293,482 was assigned to unemployment reserves and \$191,459 was assigned to bus replacement. The unassigned fund balance of \$7,975,594 increased by \$2,029,229 as compared to the prior year's unassigned fund balance of \$5,946,365.
- Capital assets additions of \$1,136,287 were from building improvements of \$37,595, vehicles and equipment purchases of \$269,677, and construction in process of \$829,015. Note 6 of the Basic Financial Statements provide information about the capital assets.
- The District increased debt in 2016-17 with the issuance of \$65,670,000 general obligation and refunding bonds and made all scheduled payments to reduce bonds payable by \$11,705,986. Unamortized bond premiums increased by \$9,540,335. The other post-employment benefits (OPEB) liability increased by \$30,688 for a total net OPEB liability of \$1,361,646 at the end of the year. Notes 8 and 9 provides information about other post-employment benefits and liability.

NEW ACCOUNTING STANDARDS IMPLEMENTED

The District adopted provisions of Governmental Accounting Standards Board (GASB) Statement no. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68* and GASB Statement No. 77 – *Tax Abatement Disclosures* for the year ended June 30, 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include:

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category as *governmental activities*. The District's basic functions such as instruction, support services, community services, and interest on long-term debt are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

The government-wide financial statements are on pages 4 and 5 of this report.

Fund Financial Statements. The fund financial statements provide more detailed information about the District's funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Hood River County School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the District are governmental funds.

Governmental Funds. The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District has four major government funds: General Fund, Grants Fund, Debt Service Fund, and Capital Construction Fund. Other non-major governmental funds include special revenue funds of Food Service, Community Education, and the Student Body fund. Information is presented separately in the governmental funds balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balance for the general fund, grants fund, capital construction fund, and other governmental funds. The District adopts the budget for each fund's function category, and for certain funds, at the fund level.

The basic governmental fund financial statements are on pages 6 through 9 of this report.

Notes to the basic financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are on pages 10 through 39 of this report.

Supplementary information. Schedules presenting detailed budgetary information for individual funds, schedules of the proportionate share of the net pension liability and contributions, schedules of funding progress and employer contributions of the early retirement program and of post-employment health care, and other supplementary information are on pages 40 through 58 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. As noted earlier, net position over time may serve as an indicator of a government's financial position. As of June 30, 2017, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$5,935,842. Net position declined from (\$3,146,073) as of June 30, 2016 to (\$5,935,842) primarily due to compliance with GASB Statement 68 which records the net pension asset or liability and pension-related deferred outflows and inflows of resources. The cumulative net effect of the net pension liability and pension-related deferred outflows and inflows of resources is a decrease of \$19,915,450 to the District's net position as of June 30, 2017. As of June 30, 2016, the cumulative net effect to the District's net position was a decrease of \$15,897,631. It is difficult to predict future impacts to the District as these pension-related amounts depend solely on actions of the PERS Board, PERS statutes which set pension program benefit levels, pension investment returns, employer contributions, and PERS actuarial assumptions. Detailed information about the pension plan and the net pension asset are in Note 7 of the Basic Financial Statements.

Capital assets, which consist of the District's land, buildings, building improvements, construction in process, vehicles, and equipment, represent 30 percent of total assets. The remaining assets consist of cash and investments, property tax receivables, prepaid expenses and supply inventories.

The District's largest liability is for the repayment of general obligation and PERS bonds that represent 70 percent of total liabilities. The net pension liability represents 26 percent of total liabilities. Current liabilities include accounts payable, salaries and contracts payable, accrued interest payable, accrued vacation, and unearned revenue that represent 4 percent of total liabilities.

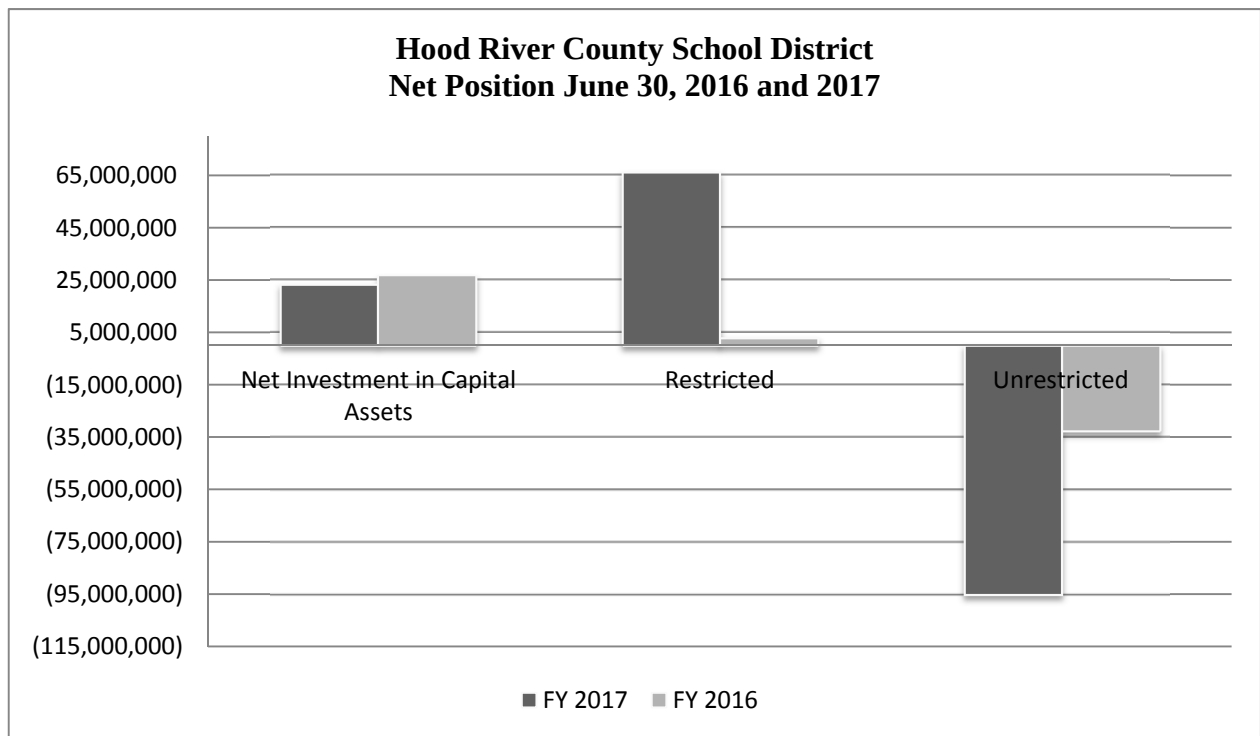
The District demonstrated compliance with the requirements of GASB Statements 27 and 45 through its actuarial valuation report to be applied to the reporting periods ending June 30, 2017 and June 30, 2018. Note 9 details the District's other post-employment benefits (OPEB). Note 10 shows the OPEB liability within the table of changes in long-term liability. The schedules of funding progress and employer contributions for the early retirement program and post-employment health care are included in the required supplementary information section. The District also demonstrated compliance with the

requirements of GASB Statement 73 with its single employer pension plan disclosures found in Note 8 of the Basic Financial Statements.

The District demonstrated compliance with the requirements of GASB Statement 77 by disclosing property tax abatements of \$5,886 for the year ended June 30, 2017 in Note 17 of the Basic Financial Statements.

The largest portion of the District's net position of \$23,218,160 reflects its investment in capital assets (land, buildings, construction in process, improvements, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents, therefore, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (primarily property taxes) since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position of \$66,047,955 represents resources that are subject to external restrictions on how they may be used. The District reports a negative unrestricted balance of \$95,201,957 due to the requirement to report capital assets net of related debt even though future related property taxes will be used to pay that debt. The District's net position decreased overall by \$2,789,769 in 2016-17.



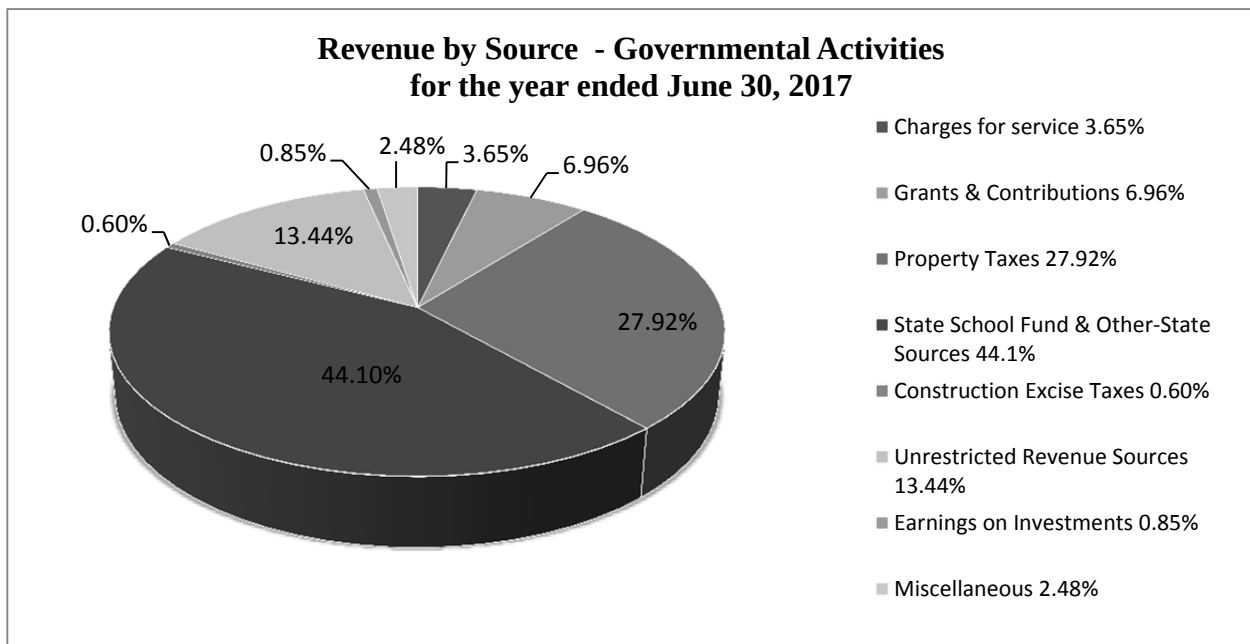
Net Position as of June 30, 2016 and June 30, 2017

	Governmental Activities		
	2017	2016	Incr (Decr)
Assets			
Current and other assets	\$83,491,372	\$15,676,345	\$67,815,027
Capital assets	36,005,058	36,988,585	(983,527)
Total Assets	119,496,430	52,664,930	66,831,500
Deferred Outflows of Resources			
Pension related deferral	18,413,847	2,957,757	15,456,090
Total Deferred Outflows of Resources	18,413,847	2,957,757	15,456,090
Liabilities			
Long-term obligations	136,782,128	51,790,522	84,991,606
Other liabilities	5,343,532	3,161,405	2,182,127
Total Liabilities	142,125,660	54,951,927	87,173,733
Deferred Inflows of Resources			
Net deferred pension asset	1,720,459	3,816,823	(2,096,364)
Total Deferred Inflows of Resources	1,720,459	3,816,823	(2,096,364)
Net Position:			
Net investment in capital assets	23,218,160	26,590,927	(3,372,767)
Restricted for:			
Grants	582,412	445,951	136,461
Capital Projects	65,235,997	2,078,750	63,157,247
Debt Service	229,546	376,739	(147,193)
Unrestricted	(95,201,957)	(32,638,440)	(62,563,517)
Total Net Position	(\$5,935,842)	(\$3,146,073)	(\$2,789,769)

Governmental Activities. During the current fiscal year, the District's overall financial position changed as indicated by decrease of \$2,789,769 in net position. When combined with the beginning net position of (\$3,146,073), the ending net position is (\$5,935,842). The key elements in this change are the following:

**Statement of Activities
For the Years Ended June 30, 2016 and June 30, 2017**

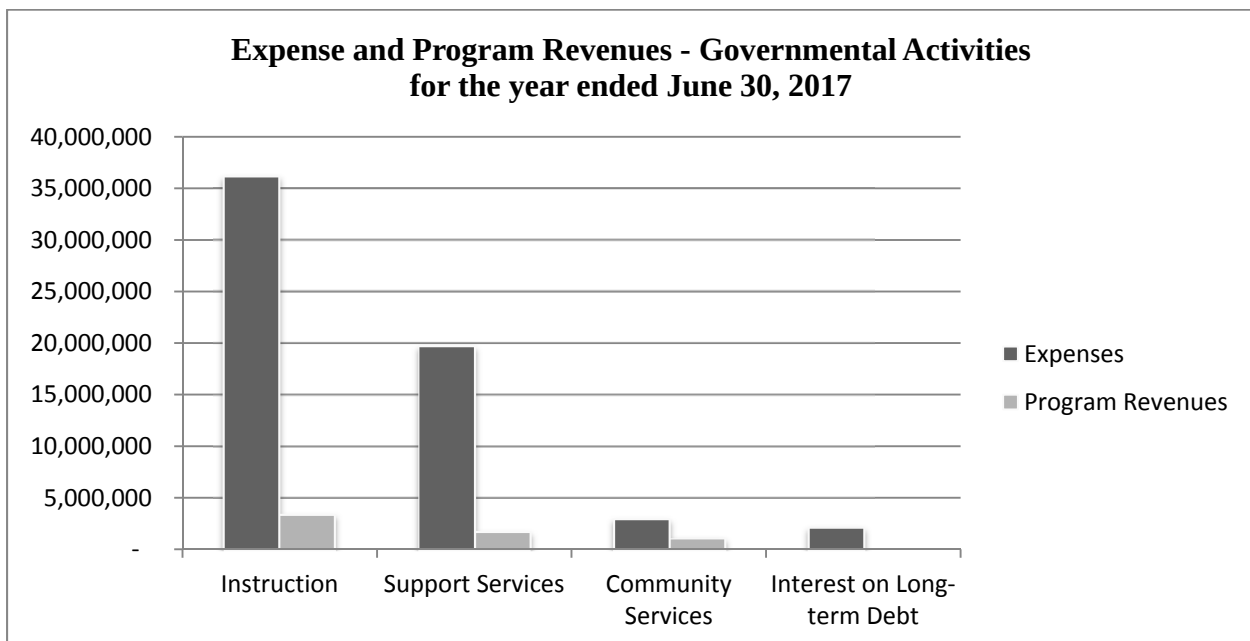
	Governmental Activities		
	FY 2017	FY 2016	Incr/(Decr)
Revenues			
Program revenues			
Charges for service	\$2,119,201	\$1,299,717	\$819,484
Operating grants and contributions	4,047,502	6,653,582	(2,606,080)
Total Program Revenues	6,166,703	7,953,299	(1,786,596)
General revenue			
Property taxes for general purposes	12,368,244	10,811,190	1,557,054
Property taxes for debt service	3,855,573	3,846,676	8,897
State school fund, general support	25,159,829	27,180,225	(2,020,396)
Common School fund	470,281	443,757	26,524
Construction excise tax	347,102	339,802	7,300
Unrestricted intermediate sources	2,686,407	725,000	1,961,407
Unrestricted state and local sources	5,124,917	1,947,350	3,177,567
Unrestricted federal revenue	-	152,946	(152,946)
Earnings on investments	491,984	119,410	372,574
Miscellaneous	1,444,063	1,282,695	161,368
Total General Revenue	51,948,400	46,849,051	5,099,349
Total Revenues	58,115,103	54,802,350	3,312,753
Expenses			
Instruction	36,166,790	37,234,512	(1,067,722)
Support services	19,685,965	21,331,814	(1,645,849)
Community services	2,947,608	3,216,439	(268,831)
Interest on long-term debt	2,104,509	41,284	2,063,225
Total Expenses	60,904,872	61,824,049	(919,177)
Increase (decrease) in net position	(2,789,769)	(7,021,699)	4,231,930
Net Position – July 1	(3,146,073)	3,875,626	(7,021,699)
Net Position – June 30	(\$5,935,842)	(\$3,146,073)	(\$2,789,769)



Program revenues decreased by \$1,786,596 in 2016-17, as a combination of a decrease of \$2,606,080 in operating grants and contributions and an increase of \$819,484 in charges for services.

General revenues increased by \$5,099,349 in 2016-17 as a combination of a decrease in state school fund revenue; and increases in property taxes for general purposes and unrestricted intermediate, state and local sources of revenue.

Expenses decreased overall by \$919,177 from the prior year with decreases of \$1,067,722 in instruction, \$1,645,849 in support services, and \$268,831 in community services; and an increase of \$2,063,225 in interest on long-term debt, as shown in the Statement of Activities report.

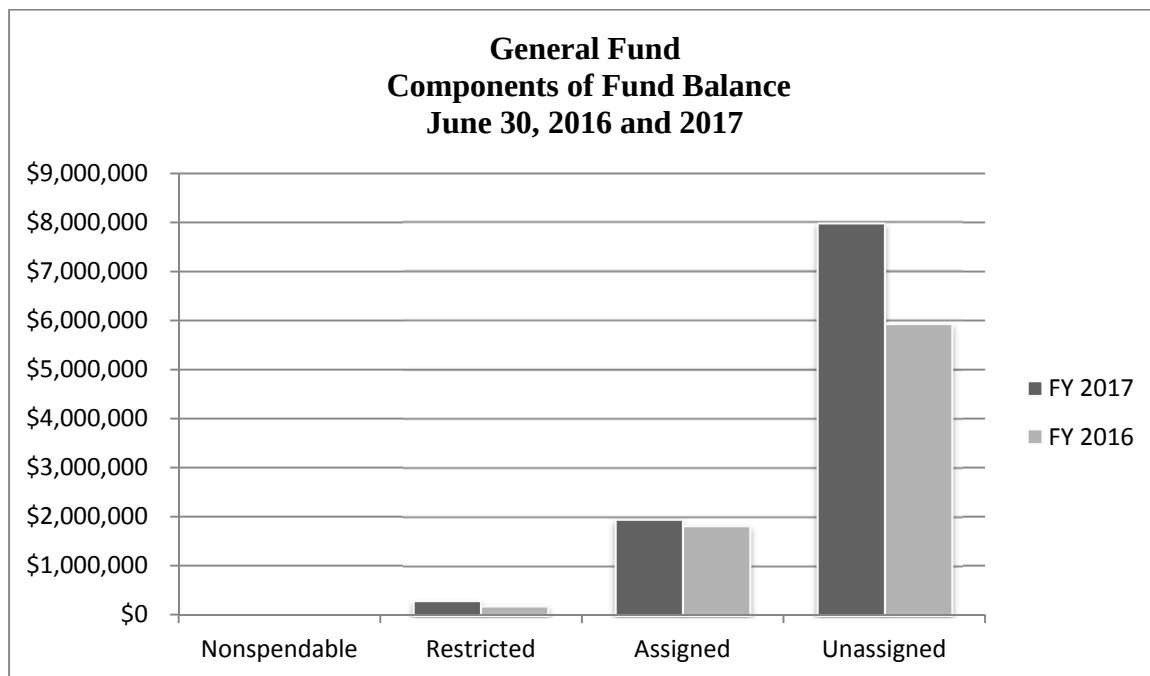


FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

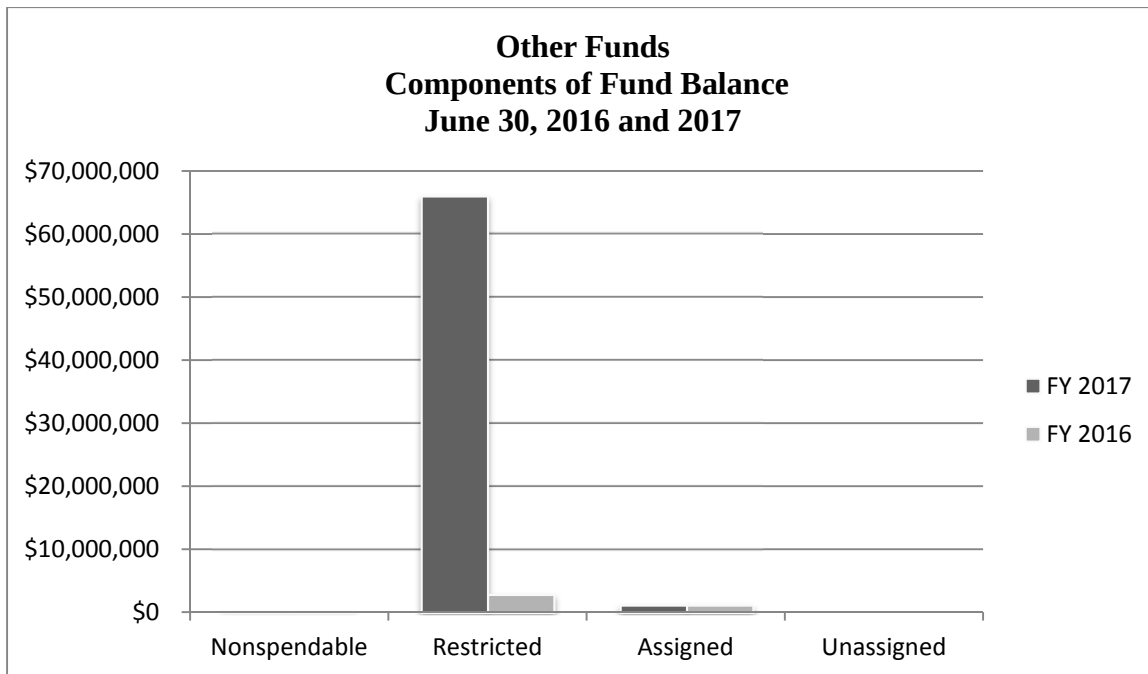
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of June 30, 2017, the District's governmental funds reported combined ending fund balances of \$77.5 million, an increase of \$65.6 million in comparison with the prior year. Approximately \$66.4 million (85.6%) of the ending fund balances constitutes *nonspendable, restricted or committed balances*. Restricted or committed ending fund balances are constrained to specific purposes by bondholders or governing body. Approximately \$3.2 million (4.1%) of the ending fund balances is *assigned balances* for particular purposes, and represents balances for reserves, bus replacement, school lunch program, community education programs and student body activities. Approximately \$8 million (10.3%) is *unassigned fund balance*, which is available for spending at the District's discretion. Additional information on the District's fund balances is in Note 18 of the Basic Financial Statements.



General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2017, assigned fund balance was \$1,943,470 to fund the biennial reserve of \$1,752,011 and bus replacement of \$191,459; and restricted fund balance was \$293,482 for unemployment. Unassigned fund balance was \$7,975,594 and increased by \$2,029,229 due to increased revenue, underspending budgeted expenditures and unspent contingency. As a measure of the fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 19 percent of the total general fund expenditures, while total fund balance represents approximately 24.4 percent of that same amount.



Grants Fund. The Grants Fund has a total fund balance of \$582,412, all of which is restricted for grant expenditures. Federal, state, and local grants and contracts are segregated within the Grants Fund. Total revenue of \$4,329,305 exceeded total expenditures of \$4,187,820 by \$141,485 which increased the fund balance to \$587,436 as of June 30, 2017.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$229,546, all of which is set aside for the payment of debt service. The net decrease in fund balance during the current year was \$147,193.

Capital Construction Fund. The Capital Construction fund has a total fund balance of \$65,235,997, all of which is restricted for capital construction and improvement projects. Of the restricted revenues for the year totaling \$1,870,683, \$1,089,559 was from the Oregon School Capital Improvement Matching Program, \$88,092 was from the Seismic Rehabilitation Grant Program, \$347,102 was from the state school improvement construction excise tax and \$72,122 was SB 1149 funds received from utilities, and \$273,809 was from other local sources. Other financing sources provided \$57,175,000 in bond proceeds and \$8,601,732 in bond premium. Total expenditures were \$4,422,245 for the year.

Other Funds. Other Funds have a total fund balance of \$1,262,827, of which \$36,209 is nonspendable supply inventory, \$391,514 is assigned to the School Lunch Fund, \$171,534 is assigned to the Community Education Fund, and \$663,570 is assigned to the Student Body funds. The net change in fund balance of \$128,338 resulted from revenues of \$3,739,955 exceeding expenditures of \$3,611,617.

More information about revenues and expenditures is found in the Statement of Revenues, Expenditures and Changes in Fund Balances on page 7 of the report.

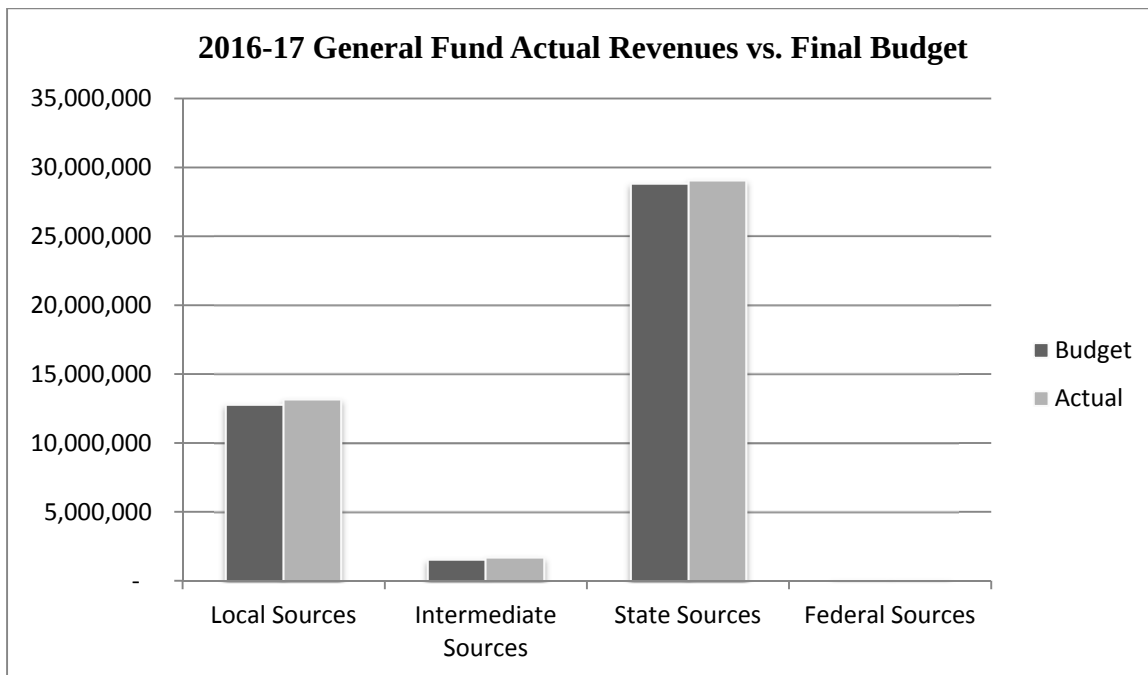
GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Revenues. General Fund actual revenues were greater than the adopted budget by \$777,580 or 1.8 percent as shown in the following table. Local revenue sources of revenue provided a favorable revenue variance of \$367,172 or 2.9 percent primarily from interest, grant indirect charges revenue, and miscellaneous revenue. Unfavorable variances in local revenue were from prior year taxes. The intermediate revenue source, Columbia Gorge Educational Service District (CGESD), provided a favorable revenue variance of \$157,822 or 9.8 percent. State sources provided a favorable revenue variance of \$222,459 or 0.8 percent. Within state revenue sources, the state school fund provided a favorable variance of \$198,239, the common school fund provided a favorable variance of \$75,017, and the local option equalization revenue provided a unfavorable variance of \$52,250. Federal sources provided a favorable revenue variance of \$30,127, primarily from federal forest fees.

General Fund Actual Revenues vs. Budget for the Year Ended June 30, 2017

Revenue	Original Budget	Final Budget	Actual	Variance Amt	Variance %
Local Sources	\$12,711,023	\$12,809,493	\$13,176,665	\$367,172	2.9%
Intermediate Sources	1,513,504	1,605,308	1,763,130	157,822	9.8%
State Sources	28,951,754	28,864,539	29,086,998	222,459	0.8%
Federal Sources	20,000	20,000	50,127	30,127	150.6%
Total	\$43,196,281	\$43,299,340	\$44,076,920	\$777,580	1.8%

The original budget for general fund revenues was increased to account for new estimates of local sources of revenue, primarily property taxes. The budget for intermediate sources was increased to account for estimated CGESD revenue, however, the level of actual services revenue was more than budgeted at year-end. The original budget for State sources were decreased due to new estimates in state school fund revenue and provided a favorable variance for the year. The original budget for Federal sources was for the teen parenting program since no federal forest fee revenue was anticipated for the year.

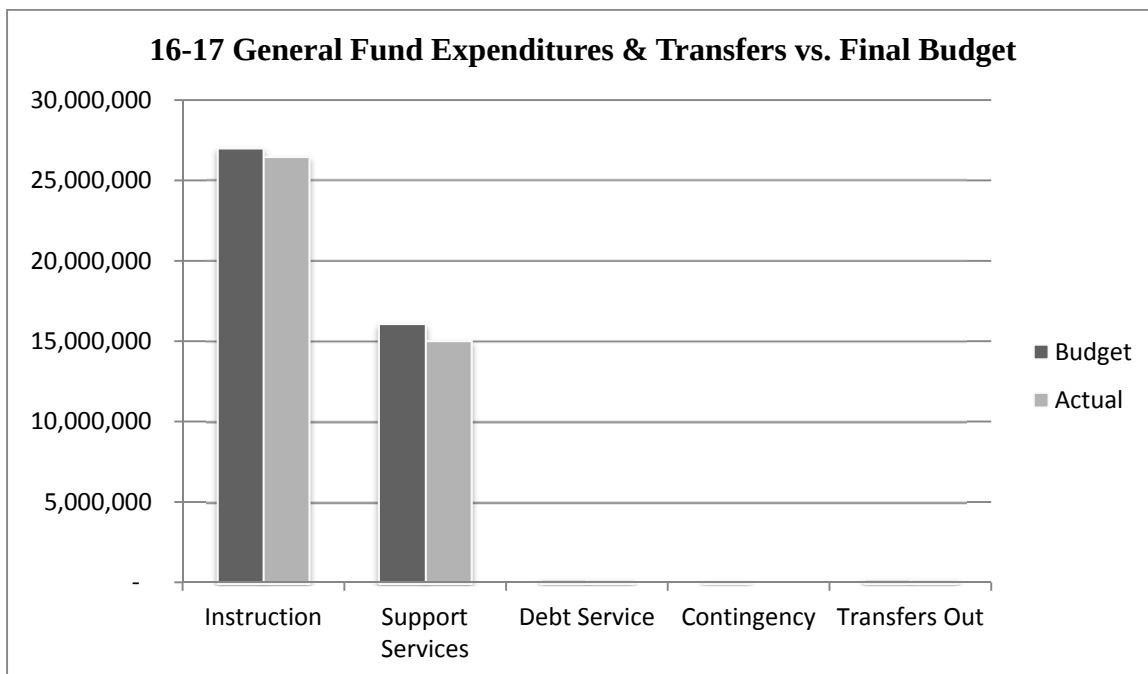


General Fund Expenditures. General Fund actual expenditures and transfers out were 3.9 percent less than budget. Instruction expenditures were \$491,488 or 1.8 percent less than budget; \$392,623 in budget savings were from the elementary K-5 programs, middle school programs, and high school programs; and \$98,865 in budget savings were from all other instruction functions. Support services expenditures were \$1,031,149 or 6.4 percent less than budget; \$734,356 in budget savings were from human resources, student transportation, care and upkeep of facilities, and supplemental retirement program; and \$296,793 in budget savings were from all other support services functions. The favorable budget variance in contingency of \$202,240 contributed to the overall expenditure budget savings of \$1,724,879 as shown in the following table.

**General Fund Actual Expenditures & Transfers vs. Budget
For the Year Ending June 30, 2017**

Expenditures	Original Budget	Final Budget	Actual	Variance	Variance %
Instruction	\$26,651,835	\$26,976,625	\$26,485,137	\$491,488	1.8%
Support Services	15,939,528	16,082,293	15,051,144	1,031,149	6.4%
Debt Service	266,410	266,410	266,410	-	0%
Contingency	500,000	202,240	-	202,240	100%
Transfers Out	245,000	245,000	245,000	-	0%
Total	\$43,602,773	\$43,772,568	\$42,047,691	\$1,724,879	3.9%

The Board adopted one supplemental budget resolution during the year to increase total appropriations by \$169,795 from the original budget of \$43,602,773 to the final budget of \$43,772,568 to account for program additions to support enrollment.



General Fund Balance. As shown in the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance on page 43, the General Fund balance as of June 30, 2017 of \$7,975,594 results from revenues exceeding expenditures by \$2,274,229 less transfers out of \$245,000. The favorable

variance to final budget is \$2,502,455 and is comprised of a favorable revenue variance of \$777,580 and a favorable expenditure variance of \$1,724,877.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2017, the District's investment in capital assets totaled \$36,005,058, net of accumulated depreciation, as shown in the following table.

**Changes in Capital Assets
For the Years Ending June 30, 2016 and 2017**

	FY 2017	FY 2016	Change
Land	\$4,066,141	\$4,066,141	\$0
Construction in process	829,015	-	829,015
Buildings and Improvements	64,828,371	64,790,776	37,595
Vehicles and Equipment	7,816,507	7,546,830	269,677
Total Depreciable Assets	72,644,876	72,337,606	307,272
Accumulated Depreciation	41,534,976	39,415,162	2,119,814
Total Net Capital Assets	\$36,005,058	\$36,988,585	(\$983,527)

Construction in Process was \$457,535 for Hood River Middle School for the Construction Manager/General Contractor (CMGC) contract and permitting, and \$371,480 Wy'East Middle School for CMGC contract and permitting. Investments in buildings and improvements were \$3,346 for Cascade Locks Elementary School for planning and permitting, \$14,085 for May Street ES for planning and permitting, \$9,040 for Westside Elementary School for installation of lacrosse field sprinklers and permitting, and \$11,124 for Hood River Valley High School for construction of a steel building.

Additions to vehicles and equipment were \$13,250 for a forklift, \$14,005 for two Dell storage systems, \$42,115 for an Electro Air-O-Steam combination oven, \$14,874 and \$19,800 for two Air-O-Convection ovens, \$30,683 for a 2017 Toyota Sienna Van for the Early Intervention, Early Childhood and Special Education programs, and \$120,945 for an 84 passenger school bus. Annual depreciation exceeded the total of new purchases so net capital assets decreased.

Additional information on the District's capital assets is in Note 6 of the Basic Financial Statements.

Long-term debt. At the end of the current year, the District had total long-term debt outstanding of \$98.8 million, of the total \$100.1 million outstanding debt. The debt consisted of general obligation bonds, pension obligation bonds, full faith and credit obligation bonds, and unamortized bond premiums. The District made all scheduled debt payments for the year.

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total assessed value. The current debt limit is \$303 million, which is significantly in excess of the District's outstanding general obligation debt.

In the current year, the District issued \$65.67 million general obligation bonds, consisting of \$57.175 million general obligation bonds approved by voters in 2016 and \$8.495 million refunding bonds. The issuance of refunding bonds resulted in \$694,230 of net present value savings to taxpayers.

The District received an “AA+” (Oregon School Bond Guaranty) rating from Standard and Poor’s for general obligation debt and an “A+” underlying rating for the G.O. bonds issued in 2016. This Oregon School Bond Guaranty pledges the full faith and credit of the State of Oregon for the District’s bond issue. For pension obligation debt, Oregon School Boards Association maintains an “Aa2” rating from Moody’s on behalf of the District and other participating districts.

Additional information on the District’s long-term debt activity may be found in Note 10 of the Basic Financial Statements.

Hood River County School District Outstanding Debt

	June 30, 2017	June 30, 2016	Increase (Decrease)
General obligation bonds	\$66,280,000	\$11,425,000	\$54,855,000
Pension obligation bonds	20,742,040	21,413,026	(670,986)
Full faith and credit obligation bonds	2,160,000	2,380,000	(220,000)
Other postemployment employment benefit obligation (OPEB)	1,361,646	1,330,958	30,688
Unamortized bond premiums	9,582,895	143,613	9,439,282
Total Outstanding Debt	<u>\$100,126,581</u>	<u>\$36,692,597</u>	<u>\$63,433,984</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Resources supporting District general fund operations are primarily from state and local revenues with additional revenue from federal, county and other sources. The largest revenue is determined by the State School Fund formula. The State School Fund formula revenue provided by the State to the District is based on the District’s average daily membership of students with additional weights for students in certain programs and includes a remote elementary school correction. Total student enrollment in 2016-17 increased by 0.08% from 2015-16. Slow growth is projected in future years with a slight enrollment loss projected for 2017-18. With dedicated state funding for Measure 98 programs, the District’s alternative education program expansion, new online school, career and technical education program expansion, college and career readiness program expansion, and drop-out prevention strategies is projected to increase District enrollment, and improve student outcomes and graduation rates.

The state economic forecast dated December 2017, reports that the economic expansion is expected to continue. Employment, wages and household incomes are rising and poverty rates are falling. Population growth is expected to taper in the short-term. The report states that there is a relatively unchanged state general fund forecast for the biennium, however, the primary risk facing the near-term revenue forecast is the potential of federal tax legislation and the direct and indirect impact on state income tax collections. On the January 2018 ballot is a measure designed to repeal HB 2391, which placed a 1.5 percent assessment on premiums that healthcare insurers earned and premium equivalents to provide funding for Medicaid. If repealed, the Oregon legislature will have to manage the budget shortfall and it is likely to affect the funding of the 2017-19 State School Fund and other state agency budgets.

The District’s current five year local option levy expires at the end of 2017-18. The Board has begun the planning process for its renewal by ballot measure for the May 15, 2018 election. The revenue from the

local option levy and its associated state equalization grant is approximately 6.3 percent of 2017-18 general fund budget resources.

The District's biennial reserve fund was established to reserve the portion of the state school fund distribution for the second year of the biennium and to reserve funds for future Oregon Public Employees Retirement System (PERS) rate increases. For 2017-18, a total of \$4,515,245 will remain unappropriated as we reserve funds for the anticipated PERS rate increases for the 2017-19 biennium and beyond. The 2019-21 PERS Advisory employer contributions rates issued December 2017 project significant increases in the District's employer contribution rates as shown below, demonstrating the need for reserves to address projected increases in the District's payroll costs.

Hood River County School District
Current PERS and Advisory Net Employer Contribution Rates

Employee Membership Tier	2017-19 Current Rate	2019-21 Advisory Rate	Change to Contribution Rate	Percentage Increase
Tier 1/Tier 2	16.03%	22.57%	6.54%	40.8%
OPSRP	10.70%	16.95%	6.25%	58.4%

2017-18 Adopted Budget. In June 2017, the Board adopted the District budget for the fiscal year 2017-18. The adopted budget for the General Fund for the year ending June 30, 2018 is \$49,206,044. The following is a summary of the adopted budget requirements for all other funds. Additional information can be found in the District's Adopted Budget for fiscal year 2017-18.

Other Funds Total Budget Requirements

Fund	2017-18 Budget Requirements
200 Food Service Fund	\$2,131,385
204 Student Body Funds	1,779,166
205 Community Education Fund	915,000
207 Biennial Reserve Fund	1
210 Unemployment Fund	95,000
212 Bus Replacement Fund	246,978
2XX Grant Funds	6,000,000
300 Debt Service Fund	4,171,950
4XX Capital Construction & Improvement Funds	73,980,503
Total Other Funds	\$89,319,983

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Chief Financial Officer, at 1011 Eugene Street, Hood River, Oregon 97031.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

HOOD RIVER COUNTY SCHOOL DISTRICT

HOOD RIVER COUNTY, OREGON

STATEMENT OF NET POSITION

June 30, 2017

ASSETS

Cash and investments	\$	79,317,786
Receivables		4,132,353
Prepaid expenses		5,024
Supply inventories		36,209
Capital assets:		
Capital assets not being depreciated		4,895,156
Capital assets being depreciated, net		31,109,902
Total assets		119,496,430

DEFERRED OUTFLOWS OF RESOURCES

Pension related deferral		18,413,847

LIABILITIES:

Accounts payable		2,308,103
Salaries and contracts payable		2,821,176
Accrued interest payable		111,475
Unearned revenue		10,894
Long-term obligations:		
Due within one year		2,631,222
Due in more than one year		97,495,359
Accrued vacation, current portion		91,884
Early retirement pension liability		46,709
Net pension liability		36,608,838
Total liabilities		142,125,660

DEFERRED INFLOWS OF RESOURCES:

Net deferred pension asset		1,720,459
Total deferred inflows of resources		1,720,459

NET POSITION:

Net investment in capital assets		23,218,160
Restricted for:		
Grants		582,412
Capital Projects		65,235,997
Debt Service		229,546
Unrestricted		(95,201,957)
Total net position	\$	(5,935,842)

See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		
Instruction	\$ 36,166,790	\$ 843,848	\$ 2,568,151		\$ (32,754,791)
Support Services	19,685,965	403,878	1,286,693		(17,995,394)
Community Services	2,947,608	871,475	192,658		(1,883,475)
Interest on Long-Term Debt	2,104,509	-	-		(2,104,509)
Total Governmental Activities	<u>\$ 60,904,872</u>	<u>\$ 2,119,201</u>	<u>\$ 4,047,502</u>		<u>(54,738,169)</u>

General Revenues

Taxes:

Property Taxes, levied for:

General purposes

12,368,244

Debt service

3,855,573

State school fund, general support

25,159,829

Common School fund

470,281

Construction excise tax

347,102

Unrestricted intermediate sources

2,686,407

Unrestricted state and local sources

5,124,917

Earnings on investments

491,984

Miscellaneous

1,444,063

Total General Revenues

51,948,400

Changes in Net Position

(2,789,769)

Net Position, Beginning

(3,146,073)

Net Position, Ending

\$ (5,935,842)

See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2017

	General Fund	Grants Fund	Debt Service Fund	Capital Construction Fund	Other Governmental Funds	Total
ASSETS						
Cash and investments	\$ 14,577,985	\$ -	\$ 206,418	\$ 63,869,813	\$ 663,570	\$ 79,317,786
Receivables:						
Taxes	635,865	-	204,580	-	-	840,445
Accounts	897,402	1,474,839	18,789	788,920	111,958	3,291,908
Prepaid items	-	5,024	-	-	-	5,024
Supply inventory	-	-	-	-	36,209	36,209
Due from	-	526,256	-	2,348,227	474,732	3,349,215
Total assets	<u>\$ 16,111,252</u>	<u>\$ 2,006,119</u>	<u>\$ 429,787</u>	<u>\$ 67,006,960</u>	<u>\$ 1,286,469</u>	<u>\$ 86,840,587</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 548,549	\$ 124,754	\$ -	\$ 1,611,158	\$ 23,642	\$ 2,308,103
Salaries and contracts payable	2,821,176	-	-	-	-	2,821,176
Unearned revenue	-	10,894	-	-	-	10,894
Due to	1,906,375	1,283,035	-	159,805	-	3,349,215
Total liabilities	<u>5,276,100</u>	<u>1,418,683</u>	<u>-</u>	<u>1,770,963</u>	<u>23,642</u>	<u>8,489,388</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	622,606	-	200,241	-	-	822,847
Total deferred inflows of resources	<u>622,606</u>	<u>-</u>	<u>200,241</u>	<u>-</u>	<u>-</u>	<u>822,847</u>
Fund balances:						
Nonspendable	-	5,024	-	-	36,209	41,233
Restricted for:						
Grants	-	582,412	-	-	-	582,412
Capital projects	-	-	-	65,235,997	-	65,235,997
Debt service	-	-	229,546	-	-	229,546
Unemployment	293,482	-	-	-	-	293,482
Assigned	1,943,470	-	-	-	1,226,618	3,170,088
Unassigned	7,975,594	-	-	-	-	7,975,594
Total fund balances	<u>10,212,546</u>	<u>587,436</u>	<u>229,546</u>	<u>65,235,997</u>	<u>1,262,827</u>	<u>77,528,352</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 16,111,252</u>	<u>\$ 2,006,119</u>	<u>\$ 429,787</u>	<u>\$ 67,006,960</u>	<u>\$ 1,286,469</u>	<u>\$ 86,840,587</u>

See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2017

Total Fund Balances - Governmental Funds	\$ 77,528,352
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The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.

Net Capital Assets	36,005,058
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The proportionate share of the net pension liability is not reported as an asset in the governmental funds	(36,608,838)
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The net deferred pension asset is not reported as a deferred inflow in the governmental funds	(1,720,459)
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The net pension related deferred outflows are not reported in the governmental funds	18,413,847
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GASB 73 Early Retirement Pension Liability	(46,709)
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The unamortized portion of prepaid pension cost, bond premiums and bond issuance costs is not available to pay for current period expenditures, and therefore is not reported in the governmental funds.

Premiums	(9,582,895)
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Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.

Long term Liabilities

OPEB liability	\$ (1,361,646)	
Interest payable	(111,475)	
Accrued vacation	(91,884)	
General obligation bonds payable	(66,280,000)	
Limited tax pension bonds payable	(20,742,040)	
Qualified school construction bond	<u>(2,160,000)</u>	(90,747,045)

A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are considered unavailable in the funds.

<u>822,847</u>

Net Position	\$ <u><u>(5,935,842)</u></u>
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See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	General Fund	Grants Fund	Debt Service Fund	Capital Construction Fund	Other Governmental Funds	Total
Revenues:						
Local sources	\$ 13,271,146	\$ 482,065	\$ 3,881,071	\$ 693,032	\$ 2,350,317	\$ 20,677,631
Intermediate sources	1,763,130	923,277	-	-	-	2,686,407
State sources	29,086,998	468,982	-	1,177,651	50,671	30,784,302
Federal sources	50,127	2,454,981	-	-	1,338,967	3,844,075
Total revenues	44,171,401	4,329,305	3,881,071	1,870,683	3,739,955	57,992,415
Expenditures:						
Current:						
Instruction	26,485,137	2,661,161	-	-	1,125,628	30,271,926
Support services	15,153,641	1,317,921	-	-	-	16,471,562
Community services	-	57,110	-	-	2,409,201	2,466,311
Facilities acquisition and construction	-	-	-	3,527,625	-	3,527,625
Capital outlay	13,250	151,628	-	894,620	76,788	1,136,286
Debt service	266,410	-	13,461,867	-	-	13,728,277
Total expenditures	41,918,438	4,187,820	13,461,867	4,422,245	3,611,617	67,601,987
Revenues over (under) expenditures	2,252,963	141,485	(9,580,796)	(2,551,562)	128,338	(9,609,572)
Other financing sources (uses):						
Bond premium	-	-	938,603	8,601,732	-	9,540,335
Bond proceeds	-	-	8,495,000	57,175,000	-	65,670,000
Transfer in	-	8,350	-	-	-	8,350
Transfer out	-	(8,350)	-	-	-	(8,350)
Total other financing sources (uses):	-	-	9,433,603	65,776,732	-	75,210,335
Net Change in Fund Balance	2,252,963	141,485	(147,193)	63,225,170	128,338	65,600,763
Fund balances, beginning of year	7,959,583	445,951	376,739	2,010,827	1,134,489	11,927,589
Fund balances, end of year	<u>\$ 10,212,546</u>	<u>\$ 587,436</u>	<u>\$ 229,546</u>	<u>\$ 65,235,997</u>	<u>\$ 1,262,827</u>	<u>\$ 77,528,352</u>

See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

Total Net Changes in Fund Balances - Governmental Funds	\$	65,600,763
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Repayment of bond principal, capital leases and post retirement obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additions to bond principal, capital leases and post retirement obligations is an expense for the Statement of Net Position but not the governmental funds. Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Accrued vacation	\$ (8,333)	
Early retirement pension liability	12,661	
Proceeds from new debt	(65,670,000)	
Addition of bond premium	(9,540,335)	
Amortization of bond premium	101,053	
OPEB liability	(30,688)	
Debt principal repaid	11,705,986	(63,429,656)

Capital Outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation.

Capital Asset Additions	1,136,287	
Depreciation Expense	(2,119,814)	(983,527)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

(82,218)

Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received; however, in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued.

122,688

The pension expense represents the change in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of the pension plan net position available to pay pension benefits.

(4,017,819)

Change in Net Position of Governmental Activities	\$	(2,789,769)
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See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

REPORTING ENTITY

The Hood River County School District is a municipal corporation, organized under the provisions of ORS 332, and governed by its board of directors who are elected to office by voters within the district. As required by generally accepted accounting principles, these financial statements present Hood River County District (the primary government) and any component units. Component units, as established by the Governmental Accounting Standards Board (GASB) Statements 14, 39 and 61, are separate organizations that are included in the District's financial statements because of the significance of their operational or financial relationships with the District. There are no component units.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (the statement of Net Position and the statement of activities) report information on the District as a whole, excluding nonfiduciary activities, if any. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities reports the activities by *function*. The major functions are instruction and support services; however, amounts are also reported for community services (primarily food service). The statement of activities demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Direct expenses are not eliminated from the various functional categories, whereas indirect expenses are eliminated from the functional categories in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Separate fund financial statements are provided for governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The following *major governmental funds* are reported:

General Fund

This is the primary operating fund. This fund accounts for all financial resources and expenditures not required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

Grants Fund

This fund consists of the majority of the federal and state grant money received and expended. The principal revenue sources are federal and state grants. The primary expenditures are costs associated with running the specialized education programs.

Debt Service Fund

This fund accounts for the repayment of principal and interest on general obligation bonds. The principal revenue source is property taxes.

Capital Construction Fund

This fund accounts for major capital improvements. The principal revenue sources are proceeds from the sale of bonds and state grants.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Additionally, the following are reported as other (nonmajor) governmental funds:

Special Revenue:

Food Service - this fund accounts for revenue and expenditures of the food service program. Principal revenue sources are cash sales of food and subsidies under the National School Lunch Act.

Community Education - this fund accounts for adult education and community recreation programs. The principal revenue source is tuition.

Student Body - this fund accounts for extracurricular activities, fund raising and student fees earmarked for co-curricular activities and projects. The principal revenue sources are fundraising and student fees.

When both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

BUDGETS

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except that property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, debt, debt issuance costs, early retirement and accrued vacation are recorded as expenditures when paid, debt is recorded as a revenue when issued, capital outlay is recorded as an expenditure rather than capitalized, and depreciation and amortization are not recorded on capital assets. All annual appropriations lapse at fiscal year end.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund: Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition and Construction, Other Uses - Debt Service and Interfund Transfers, and Operating Contingency.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS (CONTINUED)

Expenditures cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances, which could not be determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts and final amounts after appropriation changes. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2017.

SUPPLY INVENTORY

Purchased inventory is valued at the lower of cost (first-in, first-out method) or market. Commodities inventory is valued at estimated market value at the date of donation. Inventory consists of commodities and purchased food and supplies. The cost of purchased inventory is recorded as an asset at the time of purchase and expensed when it is consumed in the government-wide financial statements, and expensed when purchased in the fund statements.

CAPITAL ASSETS

Capital assets include land, buildings, improvements, vehicles, furniture, fixtures, and equipment. Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated acquisition value on the date donated. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives: Building over 50 to 70 years, Building improvements over 15-40 years, Land improvements over 20 years, and Vehicles and Equipment over 5 to 20 years. Major outlays for capital assets and improvements are capitalized as projects are constructed. A full year of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are amortized over the life of the bonds, using the straight line method in the government-wide financial statements. The straight line method does not differ significantly from the effective interest rate method. Unamortized premiums and discounts are presented as additions or subtractions from the face amount of the bonds. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS (CONTINUED)

Early retirement benefits are recognized when paid (i.e., after the eligible employee retires).

ACCRUED COMPENSATED ABSENCES

Sick Leave

State law permits school employees to accumulate unused sick leave at the rate of ten days per year or one day per month worked, whichever is greater. There is no compensation for employees' unused accumulations upon termination of employment.

Accumulated unpaid vacation

Full-time employees are allowed to earn vacation leave. The rate at which vacation is earned is determined by the employee's length of employment.

USE OF ESTIMATES

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported items. These can include the amounts of assets, liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expense/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

CASH AND INVESTMENTS

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND INVESTMENTS (CONTINUED)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

RETIREMENT PLANS

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS’s fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

FUND BALANCE

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE (CONTINUED)

- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The following order of spending is used regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

There are no committed fund balances at year end.

NET POSITION

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

- Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position – consists of all other net position that are not included in the other categories previously mentioned.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government has one type of item, which arises only under full accrual accounting in the Statement of Net Position. The Statement of Net Position reports pension related deferrals resulting from pension plan actuarial valuations and contributions subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount became available. The government has one type of item, which arises under full accrual accounting in the Statement of Net Position. The Statement of Net Position reports a Net Pension Asset resulting from pension plan actuarial valuations and contributions subsequent to the measurement date.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS

Cash and Investments at June 30, 2017 (recorded at fair value) consisted of:

Total investments	\$ 64,323,822
Local Government Employers Benefit Trust	217,497
Deposits with financial institutions	<u>14,776,467</u>
 Total	 <u><u>\$ 79,317,786</u></u>

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance at an approved depository as identified by the Treasury. For the fiscal year ended June 30, 2017, the bank balance was \$3,970,461, with \$3,085,875 of the balance in excess over FDIC, which is covered under the Oregon PFCP collateral plan. There was also a balance of \$51,749 held in a credit union, which was fully insured by NCUA.

The insurance and collateral requirements for deposits are established by banking regulations and Oregon Law. Effective July 1, 2008, state statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295.001 to 295.108. As long as the bank depository has entered into an agreement (ORS 295.008(2)(b)) and has deposited securities pursuant to state statutes (ORS 295.015(1)), there may now be on deposit at any one bank depository and its branches, a sum in excess of the amount insured by the Federal Deposit Insurance Corporation.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be recovered. There is no formal deposit policy for custodial credit risk. For the fiscal year ended June 30, 2017, all deposits were collateralized in accordance with Oregon law.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

State statutes authorize the investment in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency.

Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

As of June 30, 2017, Hood River County School District had the following investments:

Investment	Rating MOODY	Rating S&P	Maturities	Fair Value	
				Activity Level	Fair Value
State Treasurer's Investment Pool	No rating	No rating	N/A	Market Value	\$ 11,997
State Treasurer's Investment Pool	No rating	No rating	N/A	Market Value	12,662,572
State Treasurer's Investment Pool	No rating	No rating	N/A	Market Value	18,734,003
CASH					
Piper JAFFRAY - Cash	No rating	No rating	N/A	N/A	12
US GOVERNMENT SECURITIES					
US Treasury Note	Aaa		03/31/2019	Market Value	1,006,110
US Treasury Note	Aaa		07/15/2019	Market Value	1,981,018
US AGENCY SECURITIES					
Federal National MTG Assn	Aaa	AA+	02/08/2018	Market Value	1,001,431
Federal Farm Credit Bank	Aaa	AA+	03/08/2018	Market Value	999,449
Federal Home Loan Banks	Aaa	AA+	04/27/2018	Market Value	998,591
Federal National MTG Assn	Aaa	AA+	05/21/2018	Market Value	997,543
Federal Home Loan Banks		AA+	06/29/2018	Market Value	995,844
Federal National MTG Assn	Aaa	AA+	07/20/2018	Market Value	1,002,980
Federal Home Loan Banks	Aaa	AA+	08/07/2018	Market Value	994,733
Federal Home Loan Banks	Aaa	AA+	08/15/2018	Market Value	1,694,883
Federal National MTG Assn	Aaa	AA+	09/18/2018	Market Value	1,011,938
Federal National MTG Assn		AA+	10/19/2018	Market Value	999,109
Federal Farm Credit Bank	Aaa	AA+	11/16/2018	Market Value	994,078
Federal Home Loan MTG Corp	Aaa	AA+	11/21/2018	Market Value	997,272
Federal Home Loan Bank	Aaa	AA+	12/14/2018	Market Value	1,006,168
Federal Home Loan Banks	Aaa	AA+	01/18/2019	Market Value	2,006,690
Federal National MTG Assn	Aaa	AA+	01/28/2019	Market Value	3,016,997
Federal National MTG Assn	Aaa	AA+	02/19/2019	Market Value	1,014,838
Federal Home Loan Bank	Aaa	AA+	03/08/2019	Market Value	2,011,793
Federal Home Loan MTG Corp	Aaa	AA+	04/15/2019	Market Value	997,854
Federal Home Loan Bank	Aaa	AA+	05/24/2019	Market Value	1,999,830
Federal Home Loan MTG Corp	Aaa	AA+	05/30/2019	Market Value	2,016,397
Federal National MTG Assn	Aaa	AA+	06/20/2019	Market Value	2,014,112
Federal Home Loan MTG Corp	Aaa	AA+	08/28/2019	Market Value	1,155,581
Total Investments					\$ 64,323,822

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Credit Risk

Oregon Statutes authorize investing in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation of P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. The District has adopted an investment policy allowing investments to mature longer than 18 months.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the value of the investment will not be able to be recovered by collateral securities that are in the possession of an outside party. There is no formal investment policy for custodial credit risk.

Concentration Risk

At June 30, 2017, 41% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. The receivables are considered fully collectible by management so no allowance for doubtful accounts has been made.

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

Accounts receivable consist of amounts due from intermediate sources and miscellaneous reimbursements. Accounts receivable are considered by management to be fully collectible; therefore, no allowance for uncollectible accounts has been made.

UNAVAILABLE REVENUE

On the fund financial statements, unavailable revenue arises when resources do not satisfy both the measurable and available criteria for recognition in the current year, for example, if property taxes are received more than 60 days after year-end. In subsequent periods, when recognition criteria are met, the liability for unavailable revenue is removed and revenue is recognized.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. ACCOUNTS/GRANTS RECEIVABLE (CONTINUED)

PROPERTY TAXES RECEIVABLE

Uncollected real and personal property taxes are reflected on the statement of Net Position and the balance sheet as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens. All property taxes receivable are due from property owners within the District.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

4. SUPPLY INVENTORY

	Other Governmental Funds
Commodities and purchased foods	<u>\$ 36,209</u>

5. INTERFUND PAYABLES, RECEIVABLES AND TRANSFERS

The receipt and payment of monies through one central checking account, as well as transfers between funds, result in interfund payables and receivables until cash is transferred from one fund to the other. These amounts, clearly shown in the basic financial statements, represent current assets and liabilities and are reported as due to or due from other funds.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2017 are as follows:

Depreciation was allocated to the functions as followed:

	Beginning of Year	Additions	(Deletions)	Balance End Of Year
Fixed Assets Not Being Depreciated				
Land	\$ 4,066,141	\$ -	\$ -	\$ 4,066,141
Construction in Process	-	829,015	-	829,015
Total Fixed Assets Not Being Depreciated	4,066,141	829,015	-	4,895,156
Fixed Assets Being Depreciated				
Buildings & Improvements	64,790,776	37,595	-	64,828,371
Vehicles & Equipment	7,546,830	269,677	-	7,816,507
Total Fixed Assets Depreciated	72,337,606	307,272	-	72,644,878
Accumulated Depreciation				
Buildings & Improvements	33,251,000	1,868,925	-	35,119,925
Vehicles & Equipment	6,164,162	250,889	-	6,415,051
Total Accumulated Depreciation	39,415,162	2,119,814	-	41,534,976
Total Net Capital Assets	\$ 36,988,585			\$ 36,005,058

Depreciation was allocated to the functions as followed:

Instruction	\$ 1,304,026
Support Services	709,547
Community Services	<u>106,241</u>
Total	<u>\$ 2,119,814</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: <http://www.oregon.gov/PERS/Documents/Financial/CAFR/2016-CAFR.pdf>

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i) **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
- ii) **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii) **Disability Benefits.** A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv) **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i) **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii) **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2014 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2017 were approximately \$2,140,784, excluding amounts to fund employer specific liabilities. Approximately \$2,278,418 was charged for the year ended June 30, 2017 as PERS benefits expenditures to be used for bond payments as they become due. In addition approximately \$1,439,001 in employee contributions were paid or picked up by the District in fiscal 2017.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

At June 30, 2017, the District reported a liability of \$36,608,838 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At December 31, 2014, the District's proportion was .24 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 1,211,180	\$ -
Changes in assumptions	7,807,785	-
Net difference between projected and actual earnings on pension plan investments	7,232,370	-
Changes in proportionate share	-	1,174,289
Differences between employer contributions and employer's proportionate share of system contributions	21,728	546,170
Total (prior to post-MD contribution)	16,273,063	1,720,459
Contributions subsequent to the MD	2,140,784	-
Net deferred outflow (inflow) of resources	<u>\$ 18,413,847</u>	<u>\$ 1,720,459</u>

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2017	\$ 2,501,372
2018	2,501,372
2019	5,164,526
2020	3,881,017
2021	504,317
Thereafter	-
Total	<u>\$ 14,552,604</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated December 1, 2016. Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/PERS/Documents/Financial/CAFR/2016-CAFR.pdf>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2014 rolled forward to June 30, 2016 measurement date
Experience Study Report	2014, Published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.5 percent (reduced from 2.75 percent)
Investment rate of return	7.5 percent (reduced from 7.75 percent)
Projected salary increase	3.5 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service (reduced from 3.5 percent)
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex distinct, generational per scale BB, disabled mortality rate.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	7.71%	6.07%
<i>Assumed Inflation</i>		2.75%

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount rate 7.5%	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$ 59,111,067	\$ 36,608,838	\$ 17,800,912

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PENSION PLAN (CONTINUED)

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan that is invested in the IAP. The District makes this contribution on behalf of its employees.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

8. SINGLE EMPLOYER PENSION PLAN (GASB #73)

Plan Description: Hood River County School District provides a single employer defined benefit pension plan. Currently, the plan provides the retirees a stipend. Licensed participants with at least 15 years of service at retirement, who are eligible to retire under Oregon PERS, ineligible for the Explicit Medical benefits, and who made a one-time irrevocable election not to participate in the District's TSA program. Eligible license retirees will receive a one-time payment of \$17,500 upon retirement. The amount of health insurance paid on behalf of retirees was \$227,754 and \$277,977 for the 2016-17 and 2015-16 fiscal years respectively. Such costs are recorded as expenditures and funded on a budgetary basis. Total retirement stipend expenditures for the fiscal years 2016-17 and 2015-16 were \$23,603 and \$35,182 respectively. Future obligations will be funded through annual appropriations.

Funding Policy: The benefits from this program are fully paid and, consequently, no contributions by employees are required. There is no obligation to fund these benefits in advance. The only obligation is to make current benefit payments due each fiscal year. Payments are made on a pay-as-you-go basis each year out of the General Fund.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. SINGLE EMPLOYER PENSION PLAN (GASB #73) (CONTINUED)

Actuarial Methods and Assumptions: The District engaged an actuary to perform an evaluation as of June 30, 2016 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Discount Rate per year		3.00%
General Inflation Rate per year		2.50%
Salary Scale per year		3.50%
Annual Medical Premium increase rate	2016-17	6.50%
Decreasing 0.1% per year until 2031-32	2031+	5.00%

Mortality rates were based on the RP=2000 Active/Healthy Annuitant Mortality Table for males and females, as appropriate, set back 24 months and were calculated by adjusting the rates 60% for male participants and 55% for female participants.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were based on the percentages developed for the valuation benefits under Oregon PERS and vary by employee age.

Retirement rates were calculated based on age and years of service with the assumption that 60% are to remain enrolled and 50% of retirees electing coverage will cover a spouse as well.

The projection of benefits for financial reporting purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Changes in Single Employer Pension Plan Benefits Liability:

Balance at June 30, 2016	\$	59,403
Changes for the Year:		
Service Cost		2,981
Interest		1,825
Changes of Benefit Terms		-
Differences Between Expected and Actual Experience		-
Changes of Assumptions or Other Input		-
Benefit Payments		(17,500)
Net Changes for the Year		(12,694)
Total Pension Liability at June 30, 2017	\$	<u>46,709</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. SINGLE EMPLOYER PENSION PLAN (GASB #73) (CONTINUED)

Sensitivity of the Single Employer Pension Plan Benefit Liability to Changes in Discount Rates: The following presents the Single Employer Pension Plan Benefit Liability, calculated using the discount rate of 3.50 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

June 30, 2017	1% Decrease 2.50% Discount Rate	Current Discount Rate 3.50%	1% Increase 4.50% Discount Rate
Total Pension Liability	\$ 47,651	\$ 46,709	\$ 45,734

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Post-Employment Health Care Benefits - Explicit

Plan Description – Continued health care coverage is offered to eligible retirees and their spouses and dependents until eligible for Medicare. Retirees, who meet certain classification, hire date and service requirements at retirement have most of, or all of, their premium paid by the District. Other retirees who chose to participate in the program must pay the full active premium in order to maintain coverage. Eligible licensed participants with at least 15 years of service by the end of 2000-01 school year, and eligible to retire under Oregon PERS. Certain currently retired administrators are also covered. Qualified spouses and domestic partners may qualify for coverage. Benefits continue to the earlier of the retiree's age 65, or 96 months of payments. The District will pay up to the entire two-party premium at the time of retirement.

Annual Pension Cost and Net Pension Obligation - The District's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

	2017	2016	2015
Annual required contribution	\$ 267,150	\$ 259,369	\$ 364,802
Interest on net pension obligation	14,017	17,920	24,008
Adjustment to annual required contribution	116,809	149,338	152,227
Annual OPEB Cost	164,358	127,951	236,583
Contributions made	233,232	258,066	239,415
Increase in net pension obligation	(68,874)	(130,115)	(2,832)
Net OPEB Obligation (Asset) at beginning of year	467,236	597,351	600,183
Net OPEB Obligation (Asset) at end of year	\$ 398,362	\$ 467,236	\$ 597,351
Percentage of APC contributed	142%	202%	101%

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Post-Employment Health Care Benefits - Explicit (Continued)

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The annual required contribution (ARC) for the current year was determined as part of the July 1, 2015 actuarial valuation using the entry age normal cost method. Under this method, the present value of each member's projected benefits are calculated at their age of hire, and allocated over the member's service through their assumed retirement date, taking into consideration expected future compensation increases. The unfunded accrued liability is amortized over an open period of four years. Interest rate for discounting future liabilities is 3.00% per year, overall payroll growth is 3.00% per year, and the general inflation rate is 2.50% per year.

Funding Status and Funding Progress – As of July 1, 2015, the plan was 0% funded. The actuarial accrued liability for benefits was \$990,226 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$990,226. The covered payroll (annual payroll of active employees covered by the plan) was \$24,504,467, and the ratio of the UAAL to the covered payroll was 17.63%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Program membership consisted on the following at June 30, 2017:

Active Program Members:

Vested	489
Non-vested	68
	<u>557</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Post-Employment Health Care Benefits - Implicit

Plan Description – All classes of employee are eligible to continue medical coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage. Coverage may continue until Medicare eligibility. There is an implicit subsidy for medical benefits with respect to retired employees because the medical premium rates charged for coverage typically are less than actual expected retiree claim costs. This is due to medical premium rates being determined by blending both active employee and retiree experience.

Funding Policy – The benefits from this program are paid and the required contribution is based on projected pay-as-you go financing requirements. The retiree is to receive the same health care coverage as active employees. Employees may choose from multiple insurance plans and has the option to add a spouse. The retiree is responsible for any portion of the premiums not paid by the District.

Annual Pension Cost and Net Pension Obligation - The annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over an open period of thirty years.

The following table shows the components of the OPEB obligation at the end of the year:

	2017	2016	2015
Annual required contribution	\$ 352,299	\$ 342,038	\$ 284,528
Interest on net pension obligation	25,911	23,355	26,640
Adjustment to annual required contribution	28,790	25,949	25,449
Annual OPEB Cost	349,420	339,444	285,719
Contributions made	249,858	254,222	173,219
Increase in net pension obligation	99,562	85,222	112,500
Net OPEB Obligation (Asset) at beginning of year	863,722	778,500	666,000
Net OPEB Obligation (Asset) at end of year	\$ 963,284	\$ 863,722	\$ 778,500
Percentage of APC contributed	72%	75%	61%

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Post-Employment Health Care Benefits – Implicit (Continued)

Actuarial Methods and Assumptions - The annual required contribution (ARC) for the current year was determined as part of the July 1, 2015 actuarial valuation using the entry age normal cost method. Under this method, the present value of each member's projected benefits are calculated at their age of hire, and allocated over the member's service through their assumed retirement date, taking into consideration expected future compensation increases. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Interest rate for discounting future liabilities is 3.00% per year, overall payroll growth is 3.00% per year, and the general inflation rate is 2.50% per year.

Program membership consisted on the following at June 30, 2017:

Active Program Members:

Vested	489
Non-vested	68
	<u>557</u>

10. LONG-TERM OBLIGATIONS

General Obligation Bonds

General obligation bonds were issued to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government funds and are reported in the Governmental Activities section of the government-wide financial statements. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The series 2010 general obligation bonds reached final maturity on June 15, 2016. In September 2016, the District refunded their series 2008 general obligation bonds and issued new series 2016 refunded general obligation bonds. The series 2008 general obligation bonds will reach final maturity on June 15, 2018 and the remainder has been refunded. The refunding resulted in \$9,908,227 of refunded debt service with a \$754,598 savings with a net present value savings of \$694,230.

A summary of the general obligation bonds outstanding is as follows:

ISSUE	ORIGINAL ISSUE AMOUNT	INTEREST RATE	OUTSTANDING BALANCE 6/30/2017	FINAL MATURITY DATE
Series 2008	\$ 25,100,000	3.1-4.1%	\$ 1,390,000	6/15/2018
Series 2016	65,670,000	3.1-5.0%	64,890,000	6/15/2036
Total	<u>\$ 90,770,000</u>		<u>\$ 66,280,000</u>	

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG-TERM OBLIGATIONS (CONTINUED)

PERS Pension Obligation Bonds

During the years ended June 30, 2004 and 2002, the District issued PERS Pension Obligation Bonds. The net proceeds from these bonds were remitted to the Oregon Public Employees' Retirement System as a prepayment of the District's unfunded pension liability. The annual payments on the PERS Pension Obligation Bond are accounted for as additional contributions to the Public Employees' Retirement System by the District.

During the 2011-2012 fiscal year, the District refunded a portion of the 2002 PERS Pension Obligations Bonds. \$1,000,000 was issued of limited tax pension obligation bonds for the purpose of generating resources for the debt service payments of \$955,000 for the 2020-21 year of the 2002 limited tax pension obligation bonds. As a result, the refunded bonds were considered to be defeased, and the liability was removed from the government activities column of the statement of Net Position. The advance refunding was undertaken to reduce the total interest payments and resulted in an economic gain of \$69,778.

A summary of the pension obligation bonds outstanding is as follows:

ISSUE	INTEREST RATE	OUTSTANDING BALANCE 6/30/2017	FINAL MATURITY DATE
8/11/2011	2.06-6.10%	\$ 11,592,040	6/30/2028
2/19/2004	3.66-5.53%	9,150,000	6/30/2028
Total		<u>\$ 20,742,040</u>	

Qualified School Construction Bond

A Qualified School Construction Bond was issued in February 2010 with the proceeds used to enter into an agreement to purchase equipment, property, or property improvements.

A summary of the qualified school construction bond outstanding is as follows:

ISSUE	ORIGINAL ISSUE AMOUNT	INTEREST RATE	OUTSTANDING BALANCE 6/30/2017	FINAL MATURITY DATE
Series 2010	\$3,600,000	1.95	\$ 2,160,000	3/16/2026

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG-TERM OBLIGATIONS (CONTINUED)

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	Beginning Balance 7/1/16	Additions	Deletions	Ending Balance 6/30/17	Due Within One Year
Governmental Activities:					
Bonds payable:					
General Obligation Bonds	\$ 11,425,000	\$ 65,670,000	\$ 10,815,000	\$ 66,280,000	\$ 1,670,000
Pension Obligation Bonds	21,413,026	-	670,986	20,742,040	741,222
QSCB	2,380,000	-	220,000	2,160,000	220,000
OPEB	1,330,958	30,688	-	1,361,646	-
Unamortized bond premiums and (discounts)	143,613	9,540,335	101,053	9,582,895	-
Total Liabilities	\$ 36,692,597	\$ 75,241,023	\$ 11,807,039	\$ 100,126,581	\$ 2,631,222

The future maturities of long-term obligations outstanding as of June 30, 2017 are as follows:

Fiscal Year	General Obligation		Pension Obligation Bonds			
	Series 2008		Series 2011		Series 2004	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 1,390,000	\$ 55,600	\$ 296,222	\$ 1,021,235	\$ 445,000	\$ 501,339
2019	-	-	301,417	1,086,040	515,000	478,097
2020	-	-	304,401	1,153,056	595,000	450,683
2021	-	-	1,000,000	577,457	680,000	418,714
2022	-	-	1,080,000	536,307	770,000	381,838
2023-27	-	-	7,725,000	1,624,863	5,515,000	1,155,905
2028-32	-	-	885,000	49,118	630,000	34,826
	<u>\$ 1,390,000</u>	<u>\$ 55,600</u>	<u>\$ 11,592,040</u>	<u>\$ 6,048,076</u>	<u>\$ 9,150,000</u>	<u>\$ 3,421,402</u>
Fiscal Year	Qualified School Construction Bond		General Obligation and Refunding Bonds		Total	
	Series 2010		Series 2016			
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 220,000	\$ 42,120	\$ 280,000	\$ 2,501,950	\$ 2,631,222	\$ 4,122,244
2019	225,000	37,830	1,845,000	2,440,750	2,886,417	4,042,717
2020	230,000	33,443	2,040,000	2,385,400	3,169,401	4,022,582
2021	235,000	28,958	2,245,000	2,327,700	4,160,000	3,352,829
2022	240,000	24,375	2,450,000	2,243,900	4,540,000	3,186,420
2023-27	1,010,000	49,725	15,925,000	9,562,800	30,175,000	12,393,293
2028-32	-	-	22,920,000	6,278,800	24,435,000	6,362,744
2033-37	-	-	17,185,000	1,482,400	17,185,000	1,482,400
	<u>\$ 2,160,000</u>	<u>\$ 216,451</u>	<u>\$ 64,890,000</u>	<u>\$ 29,223,700</u>	<u>\$ 89,182,040</u>	<u>\$ 38,965,229</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. COMMITMENTS AND CONTINGENCIES

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state-wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate, they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

A number of federally assisted grant programs are participated in. These programs are subject to program compliance audits by the grantors or their representatives. Compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected by management to be immaterial.

12. CONTINGENCIES - SICK LEAVE

Portions of amounts accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2017, employees had accumulated 24,793 days of sick leave.

13. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which commercial insurance is carried to minimize the exposure to these risks. Settled claims have not exceeded this commercial coverage.

Workers' compensation insurance is purchased from a commercial carrier. Premiums are determined based on payroll paid at various employment classification rates. Loss prevention services are available from the carrier, and there is no potential liability beyond the premiums paid.

14. OPERATING LEASE

There are operating leases for copy machines. Total lease expenditures for the year amounted to \$93,934.

Remaining minimum lease payments are as follows:

2017-2018	\$	90,130
2018-2019		20,668
2019-2020		20,668
		<u>20,668</u>
	\$	<u>131,466</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. ACCRUED VACATION

At the beginning of the fiscal year, the District had an accrued vacation liability totaling \$83,551. During the year, the liability had a net increase of \$8,333, resulting in total accrued vacation liability of \$91,884 as of June 30, 2017. Changes are as follows:

Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<u>\$ 83,551</u>	<u>\$ 91,884</u>	<u>\$ 83,551</u>	<u>\$ 91,884</u>	<u>\$ 91,884</u>

16. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

17. TAX ABATEMENTS (GASB #77)

As of June 30, 2017, Hood River County School District had tax abatements through 1 program: Enterprise Zone.

Enterprise Zone (ORS 285C.175):

- The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

17. TAX ABATEMENTS (GASB #77) (CONTINUED)

For the fiscal year ended June 30, 2017, Hood River County School District had abated property taxes totaling \$5,886 under the following program:

<u>Tax Abatement Program</u>	<u>Fiscal Year</u>
Enterprise Zone	\$ 5,886
Total	<u>\$ 5,886</u>

18. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2017 are as follows:

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other</u>	<u>Total</u>
Fund Balances:						
Nonspendable:						
Prepaid & Inventory	\$ -	\$ 5,024	\$ -	\$ -	\$ 36,209	\$ 41,233
Restricted:						
Grants	-	582,412	-	-	-	582,412
Capital Projects	-	-	-	65,235,997	-	65,235,997
Unemployment	293,482	-	-	-	-	293,482
Debt Service	-	-	229,546	-	-	229,546
	<u>293,482</u>	<u>582,412</u>	<u>229,546</u>	<u>65,235,997</u>	<u>-</u>	<u>66,341,437</u>
Assigned:						
Reserves	1,752,011	-	-	-	-	1,752,011
Bus Replacement	191,459	-	-	-	-	191,459
School Lunch	-	-	-	-	391,514	391,514
Community Education	-	-	-	-	171,534	171,534
Student Body	-	-	-	-	663,570	663,570
	<u>1,943,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,226,618</u>	<u>3,170,088</u>
Unassigned:	<u>7,975,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,975,594</u>
Total Fund Balances:	<u>\$ 10,212,546</u>	<u>\$ 587,436</u>	<u>\$ 229,546</u>	<u>\$ 65,235,997</u>	<u>\$ 1,262,827</u>	<u>\$ 77,528,352</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

**HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2017**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.24 %	\$ 36,608,838	\$ 23,868,521	153.4%	80.5 %
2016	0.26	15,038,555	23,176,164	64.9%	91.3
2015	0.28	(6,281,418)	22,647,166	-27.7%	103.6
2014	0.28	14,141,610	23,550,653	60.0%	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2017	\$ 2,140,784	\$ 2,140,784	\$ -	\$ 25,375,591	8.44%
2016	2,116,707	2,116,707	-	23,868,521	8.87%
2015	2,913,322	2,913,322	-	23,176,164	12.57%
2014	2,888,949	2,888,949	-	22,647,166	12.76%

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

**SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY
AND RELATED RATIO STIPEND BENEFITS**

For the Year Ended June 30, 2017

Total Pension Liability at June 30, 2016		\$ 59,403
Changes for the year:		
Service cost	2,981	
Interest	1,825	
Changes in benefit terms	-	
Differences between expected and actual experience	-	
Changes in assumptions or other input	-	
Benefit payments	<u>(17,500)</u>	
		(12,694)
Net changes for the year		
Total Pension Liability at June 30, 2017		<u>\$ 46,709</u>
Covered Payroll		382,952
Net Single Employer Pension Plan as a Percentage of Covered Payroll		12.20%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73 in the fiscal year ending June 30, 2017.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
POST-EMPLOYMENT HEALTH CARE
June 30, 2017

PLAN II (HEALTH INSURANCE)
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
7/1/2013	\$ -	\$ 4,144,028	\$ 4,144,028	0.00%	\$ 23,303,848	17.78%
7/1/2015		4,320,491	4,320,491	0.00%	24,504,467	17.63%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2014	\$ 495,386	77.7 %
2015	522,302	79.0
2016	467,395	109.6
2017	513,778	94.0

The above table presents the most recent actuarial valuations for the District's post-retirement health insurance and it provides information that approximates the funding progress of the plan.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local sources	\$ 12,711,023	\$ 12,809,493	\$ 13,176,665	\$ 367,172
Intermediate sources	1,513,504	1,605,308	1,763,130	157,822
State sources	28,951,754	28,864,539	29,086,998	222,459
Federal sources	<u>20,000</u>	<u>20,000</u>	<u>50,127</u>	<u>30,127</u>
Total revenues	<u>43,196,281</u>	<u>43,299,340</u>	<u>44,076,920</u>	<u>777,580</u>
Expenditures:				
Instruction	26,651,835	26,976,625 (1)	26,485,137	491,488
Support services	15,939,528	16,082,293 (1)	15,051,144	1,031,149
Debt service	266,410	266,410 (1)	266,410	-
Contingency	<u>500,000</u>	<u>202,240 (1)</u>	<u>-</u>	<u>202,240</u>
Total expenditures	<u>43,357,773</u>	<u>43,527,568</u>	<u>41,802,691</u>	<u>1,724,877</u>
Revenues over (under) expenditures	(161,492)	(228,228)	2,274,229	2,502,457
Other financing sources (uses):				
Transfers out	<u>(245,000)</u>	<u>(245,000) (1)</u>	<u>(245,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(245,000)</u>	<u>(245,000)</u>	<u>(245,000)</u>	<u>-</u>
Net change in fund balance	(406,492)	(473,228)	2,029,229	2,502,457
Fund balance, beginning of year	<u>5,879,631</u>	<u>5,946,367</u>	<u>5,946,365</u>	<u>(2)</u>
Fund balance, end of year	<u><u>\$ 5,473,139</u></u>	<u><u>\$ 5,473,139</u></u>	<u>7,975,594</u>	<u><u>\$ 2,502,455</u></u>

(1) Appropriation level

RECONCILIATION TO GAAP FUND BALANCE AS REQUIRED BY GASB 54

Ending Fund Balance:	
Unemployment Reserve Fund	293,482
Bus Replacement Reserve Fund	191,459
Operational Reserve Fund	<u>1,752,011</u>
	<u><u>\$ 10,212,546</u></u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 600,000	\$ 600,000	\$ 482,065	\$ (117,935)
Intermediate sources	1,350,000	1,350,000	923,277	(426,723)
State Sources	450,000	450,000	468,982	18,982
Federal sources	3,000,000	3,000,000	2,454,981	(545,019)
Total revenues	5,400,000	5,400,000	4,329,305	(1,070,695)
Expenditures:				
Instruction	3,928,000	3,728,000 (1)	2,661,161	1,066,839
Support services	1,850,000	2,050,000 (1)	1,469,549	580,451
Community service	112,000	112,000 (1)	57,110	54,890
Facilities Acquisition	10,000	10,000 (1)	-	10,000
Total expenditures	5,900,000	5,900,000	4,187,820	1,712,180
Revenues over (under) expenditures	(500,000)	(500,000)	141,485	641,485
Other Financing Sources, -Uses:				
Transfer In	100,000	100,000	8,350	(91,650)
Transfers Out	(100,000)	(100,000) (1)	(8,350)	91,650
Total other financing sources, -uses	-	-	-	-
Net change in fund balance	(500,000)	(500,000)	141,485	641,485
Fund balance, beginning of year	500,000	500,000	445,951	(54,049)
Fund balance, end of year	\$ -	\$ -	\$ 587,436	\$ 587,436

(1) Appropriation level

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SUPPLEMENTARY INFORMATION

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local Sources	\$ 3,828,635	\$ 3,789,709	\$ 3,881,071	\$ 91,362
Total revenues	3,828,635	3,789,709	3,881,071	91,362
Expenditures:				
Debt service	4,079,491	13,461,970 (1)	13,461,867	103
Total expenditures	4,079,491	13,461,970	13,461,867	103
Revenues over (under) expenditures	(250,856)	(9,672,261)	(9,580,796)	91,259
Other Financing Sources, -Uses:				
Bond premium	-	-	938,603	938,603
Bond proceeds	-	9,433,603	8,495,000	(938,603)
Total other financing sources (uses)	-	9,433,603	9,433,603	-
Net change in fund balance	(250,856)	(238,658)	(147,193)	91,465
Fund balance, beginning of year	250,856	376,739	376,739	-
Fund balance, end of year	\$ -	\$ 138,081	\$ 229,546	\$ 91,465

(1) Appropriation level

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
CAPITAL CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 297,000	\$ 297,000	\$ 693,032	\$ 396,032
State sources	5,397,878	5,397,878	1,177,651	(4,220,227)
Total revenues	5,694,878	5,694,878	1,870,683	(3,824,195)
Expenditures:				
Facilities acquisition and construction	64,064,926	73,114,653 (1)	4,422,245	68,692,408
Total expenditures	64,064,926	73,114,653	4,422,245	68,692,408
Revenues over (under) expenditures	(58,370,048)	(67,419,775)	(2,551,562)	64,868,213
Other Financing Sources, -Uses:				
Bond proceeds	57,175,000	57,175,000	57,175,000	-
Bond premium	-	8,601,732	8,601,732	-
Total other financing sources (uses)	57,175,000	65,776,732	65,776,732	-
Net change in fund balance	(1,195,048)	(1,643,043)	63,225,170	64,868,213
Fund balance, beginning of year	1,562,832	2,010,827	2,010,827	-
Fund balance, end of year	<u>\$ 367,784</u>	<u>\$ 367,784</u>	<u>\$ 65,235,997</u>	<u>\$ 64,868,213</u>

(1) Appropriation level

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	Food Service Fund	Community Education Fund	Student Body Fund	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 663,570	\$ 663,570
Receivables:				
Accounts	84,720	27,238	-	111,958
Supply inventories	36,209	-	-	36,209
Due from	306,955	167,777	-	474,732
	<u>306,955</u>	<u>167,777</u>	<u>-</u>	<u>474,732</u>
Total assets	<u>\$ 427,884</u>	<u>\$ 195,015</u>	<u>\$ 663,570</u>	<u>\$ 1,286,469</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 161	\$ 23,481	\$ -	\$ 23,642
	<u>161</u>	<u>23,481</u>	<u>-</u>	<u>23,642</u>
Total liabilities	<u>161</u>	<u>23,481</u>	<u>-</u>	<u>23,642</u>
Fund balances:				
Nonspendable	36,209	-	-	36,209
Assigned	391,514	171,534	663,570	1,226,618
	<u>391,514</u>	<u>171,534</u>	<u>663,570</u>	<u>1,226,618</u>
Total fund balance	<u>427,723</u>	<u>171,534</u>	<u>663,570</u>	<u>1,262,827</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 427,884</u>	<u>\$ 195,015</u>	<u>\$ 663,570</u>	<u>\$ 1,286,469</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	Food Service Fund	Community Education Fund	Student Body Fund	Total
Revenues:				
Local sources	\$ 280,281	\$ 954,342	\$ 1,115,694	\$ 2,350,317
State sources	35,686	14,985	-	50,671
Federal sources	1,338,967	-	-	1,338,967
Total revenues	1,654,934	969,327	1,115,694	3,739,955
Expenditures:				
Instruction	-	94,338	1,031,290	1,125,628
Community services	1,660,161	825,828	-	2,485,989
Total expenditures	1,660,161	920,166	1,031,290	3,611,617
Net change in fund balance	(5,227)	49,161	84,404	128,338
Fund balances, beginning of year	432,950	122,373	579,166	1,134,489
Fund balances, end of year	\$ 427,723	\$ 171,534	\$ 663,570	\$ 1,262,827

**HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
FOOD SERVICE-SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 300,000	\$ 300,000	\$ 280,281	\$ (19,719)
State Sources	17,025	17,025	35,686 (2)	18,661
Federal sources	1,400,000	1,400,000	1,338,967	(61,033)
Total revenues	1,717,025	1,717,025	1,654,934	(62,091)
Expenditures:				
Enterprise and community services	2,292,025	2,149,973 (1)	1,660,161	489,812
Total expenditures	2,292,025	2,149,973	1,660,161	489,812
Net change in fund balance	(575,000)	(432,948)	(5,227)	427,721
Fund balance, beginning of year	575,000	432,948	432,950	2
Fund balance, end of year	\$ -	\$ -	\$ 427,723	\$ 427,723

(1) Appropriation level

(2) The total amount of this revenue source is state lunch matching funds.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
COMMUNITY EDUCATION-SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 800,000	\$ 800,000	\$ 954,342	\$ 154,342
Total revenues	800,000	800,000	969,327	169,327
Expenditures:				
Instruction	94,609	94,609 (1)	94,338	271
Enterprise and community services	726,302	827,764 (1)	825,828	1,936
Total expenditures	820,911	922,373	920,166	2,207
Net change in fund balance	(20,911)	(122,373)	49,161	171,534
Fund balance, beginning of year	20,911	122,373	122,373	-
Fund balance, end of year	\$ -	\$ -	\$ 171,534	\$ 171,534
(1) Appropriation level				

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
STUDENT BODY-SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 1,200,000	\$ 1,200,000	\$ 1,115,694	\$ (84,306)
Total revenues	1,200,000	1,200,000	1,115,694	(84,306)
Expenditures:				
Instruction	1,775,000	1,779,166 (1)	1,031,290	747,876
Total expenditures	1,775,000	1,779,166	1,031,290	747,876
Net change in fund balance	(575,000)	(579,166)	84,404	663,570
Fund balance, beginning of year	575,000	579,166	579,166	-
Fund balance, end of year	\$ -	\$ -	\$ 663,570	\$ 663,570
(1) Appropriation level				

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
UNEMPLOYMENT RESERVE-SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Expenditures:				
Support services	\$ 95,000	\$ 95,000 (1)	\$ (5,198)	\$ 100,198
Total Expenditures	<u>95,000</u>	<u>95,000</u>	<u>(5,198)</u>	<u>100,198</u>
Revenues over (under) expenditures	(95,000)	(95,000)	5,198	100,198
Other Financing Sources (Uses)				
Transfer In	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Net change in fund balance	-	-	100,198	100,198
Fund balance, beginning of year	<u>122,657</u>	<u>122,657</u>	<u>193,284</u>	<u>70,627</u>
Fund balance, end of year	<u><u>\$ 122,657</u></u>	<u><u>\$ 122,657</u></u>	<u><u>\$ 293,482</u></u>	<u><u>\$ 170,825</u></u>

(1) Appropriation level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 due to its financing resources being derived primarily from General Fund transfers.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
BUS REPLACEMENT-SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
State sources	\$ -	\$ -	\$ 94,481	\$ 94,481
Total revenues	<u>-</u>	<u>-</u>	<u>94,481</u>	<u>94,481</u>
Expenditures:				
Support services	\$ 140,000	\$ 140,000 (1)	\$ 120,945	\$ 19,055
Total expenditures	<u>140,000</u>	<u>140,000</u>	<u>120,945</u>	<u>19,055</u>
Revenues over (under) expenditures	(140,000)	(140,000)	(26,464)	113,536
Other financing sources (uses)				
Transfer in	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total other financing sources (uses)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balance	10,000	10,000	123,536	113,536
Fund balance, beginning of year	<u>67,923</u>	<u>67,923</u>	<u>67,923</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 77,923</u></u>	<u><u>\$ 77,923</u></u>	<u><u>\$ 191,459</u></u>	<u><u>\$ 113,536</u></u>

(1) Appropriation level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 due to its financing resources being derived primarily from General Fund transfers.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Other financing sources (uses)				
Transfer in	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>1,752,011</u>	<u>1,752,011</u>	<u>1,752,011</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 1,752,011</u></u>	<u><u>\$ 1,752,011</u></u>	<u><u>\$ 1,752,011</u></u>	<u><u>\$ -</u></u>

(1) Appropriation level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 due to its financing resources being derived primarily from General Fund transfers.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

<u>Program Title</u>	<u>Pass-Through Organization</u>	<u>Pass-Through Entity Number</u>	<u>CFDA Number</u>	<u>Expenditures</u>	<u>Passed Through To Subrecipients</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
Special Education Cluster					
Special Education - Grants to States	ODE	35991	84.027	\$ 3,461	\$ -
	ODE	36188	84.027	3,255	-
	ODE	41075	84.027	667,436	-
	ODE	41766	84.173	3,743	-
Total Special Education Cluster				<u>677,895</u>	<u>-</u>
		37717, 35104,			
Migrant Education - State Grant Program	ODE	37736	84.011	155,941	-
	ODE	40013	84.011	77,243	-
	ODE	41218	84.011	95,855	-
Total Migrant Education - State Grant Program				<u>329,039</u>	<u>-</u>
Title I Grants to Local Educational Agencies	ODE	40845	84.010	752,325 (1)	-
Supporting Effective Instruction State Grants	ODE	41968	84.367	152,644	-
English Language Acquisition State Grants	ODE	40314	84.365	91,890	-
21st Century Community Learning Centers	ODE	36384	84.287	4,000	-
	ODE	40522	84-287	353,947	-
Total 21st Century Community Learning Centers				<u>357,947</u>	<u>-</u>
Career and Technical Education - Basic Grants to State	ODE	41330	84.048	36,649	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	ODE	41237	84.013	22,898	-
Special Education - State Personnel Development	ODE	36408	84.323	7,265	-
Migrant Education Coordination Program	ODE	36330	84.144	<u>1,600</u>	-
TOTAL DEPARTMENT OF EDUCATION				<u>\$ 2,430,152</u>	<u>-</u>

U.S. DEPARTMENT OF AGRICULTURE

<u>Child Nutrition Cluster:</u>						
School Breakfast Program	ODE	N/A	10.553	\$ 243,016	-	
National School Lunch Program	ODE	N/A	10.555	870,944	-	
Noncash Assistance: Commodities	ODE	N/A	10.555	134,518	-	
Summer Food Service Program for Children	ODE	N/A	10.559	23,715	-	
Noncash Assistance: Commodities	ODE	41713	10.559	743	-	
<u>Total Child Nutrition Cluster</u>				<u>1,272,936</u>	(1)	
		37175,				
Fresh Fruit and Vegetable Program	ODE	40601	10.582	24,827	-	
Child and Adult Care Food Program	ODE	N/A	10.558	66,030	-	
	Hood River					
Schools and Roads - Grants to States	County	N/A	10.665	<u>35,907</u>	-	
TOTAL DEPARTMENT OF AGRICULTURE				<u>1,399,700</u>	-	
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
	Oregon					
	Employment					
Child Care and Development Block Grant	Department	42663	93.575	<u>14,220</u>	-	
TOTAL GRANTS EXPENDED OR PASSED THROUGH TO SUBRECIPIENTS				<u>\$ 3,844,072</u>	-	

Note 1 - Basis of Presentation

This schedule of federal awards includes the federal grant activity of Hood River County School District and is presented on the modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Note 2 - Food Distribution

Nonmonetary assistance is reported in this schedule at the fair value of the commodities received and disbursed. During the 2016-17 fiscal year, the district received U.S.D.A. commodities in the amount of \$135,261.

(1) - Major Program

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
GENERAL FUND
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2017

Transactions By Year	Original Levy or Balance Uncollected at July 1, 2016	Interest	Discounts	Collections	Adjustments	Property Taxes Uncollected at June 30, 2017
2016-2017	\$ 12,645,734	\$ -	\$ 321,526	\$ 12,030,330	\$ (21,572)	\$ 272,306
2015-2016	229,234	-	(34)	87,790	(3,228)	138,249
2014-2015	121,688	-	(1)	37,100	(1,316)	83,273
2013-2014	77,050	-	(2)	25,474	(779)	50,798
2012-2013	47,874	-	(2)	19,783	(775)	27,318
2011-2012 & Prior	70,256	-	(2)	2,933	(3,402)	63,921
	<u>\$ 13,191,836</u>	<u>\$ -</u>	<u>\$ 321,485</u>	<u>\$ 12,203,410</u>	<u>\$ (31,072)</u>	<u>\$ 635,865</u>

Reconciliation to revenue:

Collections	\$ 12,203,410
Accrual of receivables:	
June 30, 2016	(39,479)
June 30, 2017	33,735
Taxes in lieu	<u>(350,791)</u>
	<u>\$ 11,846,875</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
DEBT SERVICE FUND
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2017

Transactions By Year	Original Levy or Balance Uncollected at July 1, 2016	Interest	Discounts	Collections	Adjustments	Property Taxes Uncollected at June 30, 2017
2016-2017	\$ 3,980,717	\$ -	\$ 101,212	\$ 3,786,996	\$ (6,791)	\$ 85,718
2015-2016	74,068	-	(11)	28,366	(1,043)	44,670
2014-2015	40,154	-	-	12,242	(434)	27,478
2013-2014	25,533	-	(1)	8,441	(259)	16,833
2012-2013	16,056	-	(1)	6,634	(261)	9,161
2011-2012 & Prior	22,471	-	(1)	951	(801)	20,720
	<u>\$ 4,158,999</u>	<u>\$ -</u>	<u>\$ 101,198</u>	<u>\$ 3,843,630</u>	<u>\$ (9,589)</u>	<u>\$ 204,580</u>

Reconciliation to revenue:

Collections	\$ 3,843,630
Accrual of receivables	
June 30, 2016	(8,602)
June 30, 2017	9,244
Taxes in Lieu	<u>(11,500)</u>
	<u>\$ 3,832,772</u>

STATISTICAL SECTION

This part of the Hood River County School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
<u>REVENUE CAPACITY</u>	63
These schedules contain information to help the reader assess the school district's most significant local revenue sources, the property tax.	
<u>DEBT CAPACITY</u>	67
These schedules present information to help the reader assess the affordability fo the school district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	
<u>DEMOGRAPHIC AND ECONOMIC INFORMATION</u>	71
These schedules offer demographic and economic indicators to help the reader understand the environment within which the school district's financial activities take place.	
<u>OPERATING INFORMATION</u>	74
These schedules contain services and infrastructure data to help the reader understand how the information in the school district's financial report relates to the services the district provides to the activities it performs.	

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

GOVERNMENTAL ACTIVITIES:	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Net investment in capital assets	\$ 23,218,160	\$ 26,590,927	\$ 25,661,491	\$ 22,768,845	\$ 18,517,168	\$ 17,617,350	\$ 16,205,208	\$ 8,420,442	\$ 17,378,048	\$ 16,914,283
Restricted	66,047,955	2,901,440	2,494,112	2,091,179	2,113,395	1,517,775	2,475,410	8,070,793	358,835	343,988
Unrestricted	(95,201,957)	(32,638,440)	(24,279,977)	(8,700,998)	(5,863,742)	(6,124,333)	(3,453,592)	(1,335,929)	(2,279,880)	568,028
Total governmental activities net position	<u>\$ (5,935,842)</u>	<u>\$ (3,146,073)</u>	<u>\$ 3,875,626</u>	<u>\$ 16,159,026</u>	<u>\$ 14,766,821</u>	<u>\$ 13,010,792</u>	<u>\$ 15,227,026</u>	<u>\$ 15,155,306</u>	<u>\$ 15,457,003</u>	<u>\$ 17,826,299</u>

Source: Statement of Net Position

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

EXPENSES BY FUNCTION, REVENUES BY SOURCE, AND CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

GOVERNMENTAL ACTIVITIES:	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Expenses by function/program:										
Instruction	\$ 36,166,790	\$ 37,234,512	\$ 25,065,087	\$ 30,051,308	\$ 30,073,705	\$ 29,619,069	\$ 29,906,299	\$ 29,950,472	\$ 28,740,147	\$ 28,413,856
Support services	19,685,965	21,331,814	13,235,277	15,820,061	15,220,883	16,305,580	14,528,892	15,049,990	13,942,166	13,668,855
Enterprise/community services	2,947,608	3,216,439	2,106,402	2,313,317	2,311,773	2,371,693	2,131,225	1,970,347	1,910,496	1,969,805
Facilities acquisition/construction	-	-	-	-	-	-	-	-	1,635,273.00	-
Interest on long-term debt	2,104,509	41,284	220,595	367,223	518,922	665,472	1,034,504	956,622	2,275,553	1,676,130
Total expenses	<u>60,904,872</u>	<u>61,824,049</u>	<u>40,627,361</u>	<u>48,551,909</u>	<u>48,125,283</u>	<u>48,961,814</u>	<u>47,600,920</u>	<u>47,927,431</u>	<u>48,503,635</u>	<u>45,728,646</u>
Program revenues:										
Charges for services:										
Instruction	843,848	37,311	856,425	790,937	666,940	611,874	570,439	505,512	1,852,649	1,783,814
Support services	403,878	115,913	81,149	44,766	32,128	35,994	-	-	15,453	8,131
Enterprise/community services	871,475	1,146,493	276,166	289,841	305,249	306,756	437,788	500,133	416,270	427,891
Total charges for services	<u>2,119,201</u>	<u>1,299,717</u>	<u>1,213,740</u>	<u>1,125,544</u>	<u>1,004,317</u>	<u>954,624</u>	<u>1,008,227</u>	<u>1,005,645</u>	<u>2,284,372</u>	<u>2,219,836</u>
Operating grants and contributions:										
Instruction	2,568,151	3,694,802	1,901,889	3,174,101	2,621,121	2,983,595	5,085,847	2,545,926	5,540,088	4,918,137
Support services	1,286,693	1,506,015	3,059,853	267,970	1,009,630	733,612	837,433	1,186,320	432,253	330,585
Enterprise/community services	192,658	1,452,765	104,406	1,427,585	1,380,323	1,304,343	1,143,959	1,218,394	1,178,053	1,102,464
Total operating grants and contributions	<u>4,047,502</u>	<u>6,653,582</u>	<u>5,066,148</u>	<u>4,869,656</u>	<u>5,011,074</u>	<u>5,021,550</u>	<u>7,067,239</u>	<u>4,950,640</u>	<u>7,150,394</u>	<u>6,351,186</u>
Total program revenues	<u>6,166,703</u>	<u>7,953,299</u>	<u>6,279,888</u>	<u>5,995,200</u>	<u>6,015,391</u>	<u>5,976,174</u>	<u>8,075,466</u>	<u>5,956,285</u>	<u>9,434,766</u>	<u>8,571,022</u>
Total net (expense) revenue	<u>(54,738,169)</u>	<u>(53,870,750)</u>	<u>(34,347,473)</u>	<u>(42,556,709)</u>	<u>(42,109,892)</u>	<u>(42,985,640)</u>	<u>(39,525,454)</u>	<u>(41,971,146)</u>	<u>(39,068,869)</u>	<u>(37,157,624)</u>
General revenues and other changes in net position:										
Taxes:										
Property taxes, general	12,368,244	10,811,190	10,847,932	10,829,050	10,728,590	10,245,461	8,202,647	9,778,751	8,742,338	8,766,044
Property taxes, debt services	3,855,573	3,846,676	3,619,175	3,614,608	3,607,522	3,371,260	3,190,848	3,158,354	2,882,057	2,774,395
Construction excise tax	347,102	339,802	214,486	228,400	173,571	190,249	102,576	139,996	102,628	72,843
State aid - formula grants	25,159,829	27,180,225	23,526,924	22,486,670	24,313,661	21,637,628	22,386,763	22,016,796	21,931,343	23,157,310
Common School Fund	470,281	443,757	360,038	335,199	347,140	312,677	296,646	306,759	246,460	488,472
Other general revenues	1,444,063	1,282,695	1,216,730	1,403,474	1,481,441	1,475,135	559,230	529,018	338,944	315,985
Earnings on Investments	491,984	119,410	65,596	64,865	62,503	65,197	77,212	251,074	-	512,899
Unrestricted intermediate sources	2,686,407	725,000	2,145,217	1,833,044	1,841,947	1,866,888	1,844,330	1,882,494	1,134,692	1,079,850
Unrestricted state and local sources	5,124,917	1,947,350	5,279,366	3,149,707	1,064,681	1,348,441	2,936,922	2,520,194	828,207	857,540
Unrestricted federal	-	152,946	-	-	244,865	256,470	-	1,086,013	535,212	594,076
Total general revenues	<u>51,948,400</u>	<u>46,849,051</u>	<u>47,275,464</u>	<u>43,945,017</u>	<u>43,865,921</u>	<u>40,769,406</u>	<u>39,597,174</u>	<u>41,669,449</u>	<u>36,741,881</u>	<u>38,619,414</u>
Change in net position	<u>\$ (2,789,769)</u>	<u>\$ (7,021,699)</u>	<u>\$ 12,927,991</u>	<u>\$ 1,388,308</u>	<u>\$ 1,756,029</u>	<u>\$ (2,216,234)</u>	<u>\$ 71,720</u>	<u>\$ (301,697)</u>	<u>\$ (2,326,988)</u>	<u>\$ 1,461,790</u>
Expense per pupil	<u>\$ 15,006</u>	<u>\$ 15,245</u>	<u>\$ 10,386</u>	<u>\$ 12,542</u>	<u>\$ 12,485</u>	<u>\$ 12,754</u>	<u>\$ 12,578</u>	<u>\$ 12,592</u>	<u>\$ 12,831</u>	<u>\$ 12,247</u>
Student Enrollment *	<u>4,059</u>	<u>4,055</u>	<u>3,912</u>	<u>3,871</u>	<u>3,855</u>	<u>3,839</u>	<u>3,785</u>	<u>3,806</u>	<u>3,780</u>	<u>3,734</u>

Source: Statement of Activities

**HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON**

**FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

GENERAL FUND:	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Restricted, reported in:	\$ 293,482	\$ 193,284	\$ -	\$ -	\$ 63,214	\$ 190,363	\$ 302,496	\$ 198,595	\$ 218,090	\$ 856,960
Assigned, encumbrances	1,943,470	1,819,934	180,490	74,426	-	500,000	500,000	1,220,860	598,617	1,526,191
Unassigned	7,975,594	5,946,365	4,662,277	2,480,278	2,299,003	748,769	2,672,370	2,052,109	1,469,080	1,921,253
Total general fund	<u>\$ 10,212,546</u>	<u>\$ 7,959,583</u>	<u>\$ 4,842,767</u>	<u>\$ 2,554,704</u>	<u>\$ 2,362,217</u>	<u>\$ 1,439,132</u>	<u>\$ 3,474,866</u>	<u>\$ 3,471,564</u>	<u>\$ 2,285,787</u>	<u>\$ 4,304,404</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable - Other funds	\$ 36,209	\$ 40,761	\$ 53,286	\$ 45,454	\$ 42,319	\$ 42,792	\$ 28,489	\$ 39,141	\$ 41,005	\$ 21,562
Special Revenues Fund	5,024	-	-	-	-	-	-	-	-	-
Restricted, reported in:										
Special Revenues Fund	582,412	445,951	421,495	321,784	301,629	641,454	920,962	987,372	810,265	940,495
Capital Projects Fund	65,235,997	2,010,827	1,720,229	1,443,959	1,450,675	536,738	1,063,335	7,794,895	21,678,055	54,377
Debt Service Fund	229,546	376,739	352,388	325,436	297,877	149,220	188,617	275,898	211,909	193,802
Assigned, reported in:										
School Lunch Fund	391,514	392,189	519,684	557,804	415,570	338,916	296,133	278,363	229,805	105,554
Community Education Fund	171,534	122,373	103,810	50,773	-	-	25,688	-	-	-
Student Body Fund	663,570	579,166	574,404	553,741	486,801	529,581	446,805	453,829	434,957	347,935
Total all other governmental funds	<u>\$ 67,315,806</u>	<u>\$ 3,968,006</u>	<u>\$ 3,745,296</u>	<u>\$ 3,298,951</u>	<u>\$ 2,994,871</u>	<u>\$ 2,238,701</u>	<u>\$ 2,970,029</u>	<u>\$ 9,829,498</u>	<u>\$ 23,405,996</u>	<u>\$ 1,663,725</u>

Source: Balance Sheet - Governmental Funds

**HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

REVENUES:	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Local Sources	\$ 20,677,631	\$ 19,365,335	\$ 18,800,088	\$ 18,210,348	\$ 18,046,152	\$ 17,020,090	\$ 16,802,350	\$ 16,265,498	\$ 14,996,441	\$ 15,004,373
Intermediate sources	2,686,407	1,752,360	2,145,217	1,833,044	1,841,947	1,866,888	1,844,330	1,882,494	1,134,692	1,079,850
State sources	30,784,302	29,462,389	28,205,697	25,847,632	26,306,258	23,900,938	22,249,607	23,717,570	24,210,307	26,340,637
Federal sources	3,844,075	4,254,229	4,393,267	4,067,863	3,769,518	3,853,573	6,692,724	5,992,066	5,404,611	4,686,737
Total revenues	<u>57,992,415</u>	<u>54,834,313</u>	<u>53,544,269</u>	<u>49,958,887</u>	<u>49,963,875</u>	<u>46,641,489</u>	<u>47,589,011</u>	<u>47,857,628</u>	<u>45,746,051</u>	<u>47,111,597</u>
EXPENDITURES:										
Instruction	30,271,926	28,244,458	28,800,965	28,053,712	27,938,754	27,190,356	27,987,219	27,084,589	28,312,969	28,175,564
Support services	16,471,562	16,181,373	15,207,957	14,768,456	14,774,547	14,953,348	13,596,576	13,532,420	13,963,411	13,840,141
Enterprise/community services	2,466,311	2,439,849	2,420,355	2,159,544	2,147,459	2,175,007	1,994,465	2,013,033	1,865,820	1,886,566
Facilities Acquisition and Construction	3,527,625	54,409	60,677	257,003	65,321	132,680	7,262,552	17,977,636	4,549,165	153,983
Capital Outlay	1,136,286	486,770	232,968	479,016	403,898	1,272,200	-	-	-	-
Debt service	13,728,277	4,087,928	4,093,243	3,865,284	3,814,809	3,717,405	3,681,015	3,169,172	2,983,206	2,943,998
Total expenditures	<u>67,601,987</u>	<u>51,494,787</u>	<u>50,816,165</u>	<u>49,583,015</u>	<u>49,144,788</u>	<u>49,440,996</u>	<u>54,521,827</u>	<u>63,776,850</u>	<u>51,674,571</u>	<u>47,000,252</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,609,572)</u>	<u>3,339,526</u>	<u>2,728,104</u>	<u>375,872</u>	<u>819,087</u>	<u>(2,799,507)</u>	<u>(6,932,816)</u>	<u>(15,919,222)</u>	<u>(5,928,520)</u>	<u>111,345</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	8,350	1,997,011	215,000	188,000	34,416	166,909	-	815,386	1,779,248	14,241
Transfers out	(8,350)	(1,997,011)	(215,000)	(188,000)	(34,416)	(166,909)	-	(815,386)	(1,779,248)	(14,241)
Capital lease issuance	-	-	-	120,695	-	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	1,000,000	4,655,195	3,528,000	25,652,174	-
Retirements of long-term debt	-	-	-	-	-	(967,548)	(4,578,546)	-	-	-
Bond premium	9,540,335	-	-	-	-	-	-	-	-	-
Bond proceeds	65,670,000	-	-	-	-	-	-	-	-	-
Bond issue costs	-	-	-	-	-	(30,118)	-	-	-	-
of capital assets	-	-	6,304	-	860,168	30,111	-	501	-	1,355
Total other financing sources (uses)	<u>75,210,335</u>	<u>-</u>	<u>6,304</u>	<u>120,695</u>	<u>860,168</u>	<u>32,445</u>	<u>76,649</u>	<u>3,528,501</u>	<u>25,652,174</u>	<u>1,355</u>
Net change in fund balances	<u>\$ 65,600,763</u>	<u>\$ 3,339,526</u>	<u>\$ 2,734,408</u>	<u>\$ 496,567</u>	<u>\$ 1,679,255</u>	<u>\$ (2,767,062)</u>	<u>\$ (6,856,167)</u>	<u>\$ (12,390,721)</u>	<u>\$ 19,723,654</u>	<u>\$ 112,700</u>
Debt service as a percentage of noncapital expenditures	19.06%	7.92%	8.04%	7.71%	7.75%	7.37%	5.96%	3.88%	5.31%	6.26%

(1) Revenues are recognized when measurable and available.

Source: Statement of revenues, expenditures, and changes in fund balances.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

ASSESSED AND REAL MARKET VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Public Utility Property		Exemptions	Total			Ratio of Total Assessed Value to Total Real Market Value
	Assessed Value	Real Market Value	Assessed Value	Real Market Value	Assessed Value	Real Market Value		Assessed Value	Direct Tax Rate	Real Market Value	
2016-17	\$ 2,167,695,374	\$ 3,606,487,017	\$ 95,115,220	\$ 95,451,310	\$ 90,051,516	\$ 112,742,720	\$ (5,447,228)	\$ 2,347,414,882	7.75	\$ 3,814,681,047	61.54 %
2015-16	2,073,794,808	3,458,034,504	91,193,910	92,154,210	86,220,612	105,482,630	(5,441,192)	2,245,768,138	7.79	3,655,671,344	61.43
2014-15	1,973,695,428	3,337,869,039	89,188,880	89,946,680	87,137,666	99,510,875	(5,207,182)	2,144,814,792	7.85	3,527,326,594	60.81
2013-14	1,893,010,493	3,195,591,474	76,854,650	77,532,360	84,050,026	92,315,550	(5,017,914)	2,048,897,255	7.89	3,365,439,384	60.88
2012-13	1,830,017,487	3,330,381,171	72,535,900	73,939,290	86,148,957	93,366,013	(4,742,849)	1,983,959,495	7.94	3,497,686,474	56.72
2011-12	1,758,372,807	3,129,225,480	73,021,330	74,191,020	82,994,241	90,202,589	(4,610,787)	1,909,777,591	7.90	3,293,619,089	57.98
2010-11	1,701,765,833	3,484,987,162	60,312,260	62,481,290	75,911,712	78,819,958	(20,034,514)	1,817,955,291	7.88	3,626,288,410	50.13
2009-10	1,649,909,032	3,335,091,906	57,568,880	59,842,740	77,562,999	80,990,714	(25,424,402)	1,759,616,509	7.93	3,475,925,360	50.62
2008-09	1,568,110,521	3,408,918,934	53,259,300	57,931,440	69,315,268	73,580,333	(41,122,490)	1,649,562,599	7.20	3,540,430,707	46.59
2007-08	1,482,303,434	3,261,074,458	53,031,883	55,629,814	79,865,807	86,616,308	(42,251,129)	1,572,949,995	7.94	3,403,320,580	46.22

Note: Future increases in assessed value on each property are limited by Oregon laws to 3% per year with special exemptions for property that is improved, rezoned, subdivided, or ceases to qualify for exemption.

Source: Hood River County Department of Records and Assessment

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Governmental Unit	Percent Within School District		2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
District Direct Rates:												
Operating	n/a %	\$	4.81	\$ 4.81	\$ 4.81	\$ 4.81	\$ 4.81	\$ 4.81	\$ 4.81	\$ 4.81	\$ 4.81	\$ 4.81
Local Option	n/a		1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	0.57	1.25
Debt Service	n/a		1.69	1.73	1.79	1.83	1.88	1.84	1.82	1.87	1.82	1.88
Total District Direct Rates	n/a		7.75	7.79	7.85	7.89	7.94	7.90	7.88	7.93	7.20	7.94
City of Hood River	100.00 %	\$	2.81	\$ 2.81	\$ 2.81	\$ 2.81	\$ 2.81	\$ 2.81	\$ 2.81	\$ 2.81	\$ 2.81	\$ 2.81
City of Cascade Locks	100.00		2.71	2.71	2.71	2.71	2.71	2.71	2.71	2.71	2.71	2.71
Parkdale RFD	100.00		1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55
Hood River County	100.00		1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42
Odell Sanitary District Bonds	100.00		1.16	1.26	1.31	1.39	1.50	1.58	1.63	0.00	0.71	0.00
Wy'east RFD	100.00		1.07	1.07	1.07	1.07	1.07	0.00	0.00	0.00	0.00	0.00
Westside RFD	100.00		0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78
City of Hood River Bonds	100.00		0.77	0.70	0.64	0.79	0.78	0.79	0.84	0.26	0.00	0.00
911 District	100.00		0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56
Westside RFD Local Option	100.00		0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mt Hood Community College	100.00		0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49
Columbia Gorge ESD	100.00		0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47
Library District	100.00		0.39	0.39	0.39	0.39	0.39	0.39	0.00	0.00	0.00	0.00
Hood River Parks & Rec	100.00		0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Columbia Gorge CC Bonds	0.50		0.34	0.34	0.34	0.36	0.37	0.37	0.37	0.43	0.41	0.40
Columbia Gorge Community College	100.00		0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Hood River Parks & Rec Bonds	100.00		0.09	0.07	0.10	0.11	0.11	0.11	0.11	0.13	0.13	0.14
Hood River Trans District	100.00		0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Port of Hood River	100.00		0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Port of Cascade Locks	100.00		0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
NORCOR Bonds	0.40		0.02	0.25	0.25	0.26	0.25	0.27	0.28	0.28	0.31	0.30
Hood River County Bonds	100.00		0.00	0.00	0.19	0.18	0.18	0.19	0.20	0.20	0.19	1.63
Hood River UR	100.00		0.00	0.00	0.00	0.00	0.00	12.27	0.00	0.00	0.00	0.00
Hood River UR Special Levy	100.00		0.00	0.00	0.00	0.00	0.00	0.00	0.88	0.87	0.85	0.76
Odell RFD	100.00		0.00	0.00	0.00	0.00	0.00	1.07	1.12	1.12	1.12	1.12
Pine Grove RFD	100.00		0.00	0.00	0.00	0.00	0.00	0.00	0.94	0.94	0.94	0.94
Waterfront UR	100.00		0.00	0.00	0.00	0.00	0.00	12.27	0.00	0.00	0.00	0.00
Windmaster UR	100.00		0.00	0.00	0.00	0.00	0.00	10.24	0.00	0.00	0.00	0.00

Amounts are expressed as rate per \$1,000 of assessed value.

Source: Hood River County Department of Records and Assessment

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

PRINCIPAL TAXPAYERS WITHIN DISTRICT
June 30, 2017

Taxpayer	June 30, 2017			June 30, 2008		
	Assessed	Rank	Percentage	Assessed	Rank	Percentage
	Valuation		of Total	Valuation		of Total
			Assessed			Assessed
			Valuation			Valuation
Cardinal IG Company	\$ 37,995,260	1	1.62 %	\$ -	-	- %
Mt. Hood Meadows, Oregon, LTD	24,985,230	2	1.06	25,184,040	2	1.60
Union Pacific Railroad Co	19,380,200	3	0.83	11,772,700	5	0.75
Diamond Fruit Growers Inc	13,925,060	4	0.59	27,296,029	1	1.74
CenturyLink	13,218,700	5	0.56	-	-	-
Duckwell-Pooley Fruit Co, Inc	12,703,060	6	0.54	11,538,890	6	0.73
Port of Hood River	12,649,178	7	0.54	-	-	-
Merganser, LLC	12,647,430	8	0.54	-	-	-
Cascade Commons, LLC	10,691,730	9	0.46	8,888,160	7	0.57
DMS Ranch, LLC	10,286,740	10	0.44	6,716,860	9	0.43
PacificCorp	-	-	-	22,668,000	3	1.44
United Telephone Northwest	-	-	-	21,104,800	4	1.34
Nothwest Natural Gas Co	-	-	-	8,793,000	8	0.56
Longview Timberlands, LLC	-	-	-	5,596,718	10	0.36
ALL OTHER TAXPAYERS	2,178,932,294		92.82	1,423,390,798		90.48
TOTAL	<u>\$ 2,347,414,882</u>		<u>100.00 %</u>	<u>\$ 1,572,949,995</u>		<u>100.00 %</u>

Source: Hood River County Department of Records and Assessment

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Certified Tax Levies			Current Tax Collections	Current Tax Collections as a Percentage of Current Levy	Prior Years Tax Collections	Total Tax Collections	Total Tax Collections as a Percentage of Current Levy	Uncollected Taxes	Uncollected Taxes as a Percentage of Current Levy
	General Fund	Debt Service Fund	Total							
2016-17	\$ 12,645,734	\$ 3,980,717	\$ 16,626,451	\$ 15,817,326	95.1 %	\$ 229,714	\$ 16,047,040	96.5 %	\$ 840,449	5.1 %
2015-16	12,161,893	3,929,658	16,091,551	15,301,330	95.1	396,294	15,697,624	97.6	724,384	4.5
2014-15	11,592,267	3,825,156	15,417,423	14,641,351	95.0	289,614	14,930,965	96.8	839,149	5.4
2013-14	11,105,975	3,708,422	14,814,397	14,059,283	94.9	300,026	14,359,309	96.9	791,437	5.3
2012-13	10,981,059	3,695,681	14,676,740	13,865,282	94.5	505,054	14,370,336	97.9	783,632	5.3
2011-12	10,574,211	3,479,511	14,053,722	13,187,967	93.8	206,176	13,394,143	95.3	939,996	6.7
2010-11	10,178,772	3,294,700	13,473,472	12,679,788	94.1	326,933	13,006,721	96.5	766,014	5.7
2009-10	9,892,869	3,275,842	13,168,711	12,358,721	93.8	339,120	12,697,841	96.4	686,068	5.2
2008-09	8,464,830	2,975,043	11,439,873	10,767,546	94.1	322,917	11,090,463	96.9	619,108	5.4
2007-08	8,922,469	2,873,309	11,795,778	11,156,795	94.6	212,990	11,369,785	96.4	503,159	4.3

Source: Hood River County Department of Records and Assessment
Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Pension Obligation Bonds</u>	<u>Qualified School Constr Bonds</u>	<u>Notes Payable</u>	<u>Total Outstanding Debt</u>	<u>General Obligation Bond Premium (Discount)</u>	<u>Percentage of Assessed Value (1)</u>	<u>Percentage of Personal Income (2)</u>	<u>Per Capita (3)</u>
2016-17	\$ 66,280,000	\$ 20,742,040	\$ 2,160,000	\$ -	\$ 89,182,040	\$ 9,582,895	3.80 %	7.92 %	\$ 3,839
2015-16	11,425,000	21,413,026	2,380,000	-	35,218,026	143,613	1.57	3.27	1,529
2014-15	14,645,000	22,019,456	2,595,000	-	39,259,456	233,049	1.83	3.96	1,726
2013-14	17,650,000	22,563,249	2,805,000	120,695	43,138,944	322,485	2.11	4.67	1,908
2012-13	20,455,000	23,047,999	3,010,000	-	46,512,999	411,921	2.34	5.09	2,059
2011-12	23,065,000	23,470,899	3,210,000	60,000	49,805,899	501,357	2.61	5.94	2,222
2010-11	25,505,000	23,792,855	3,405,000	120,000	52,822,855	590,793	2.91	6.77	2,354
2009-10	27,735,000	24,102,867	3,600,000	175,000	55,612,867	450,034	3.16	7.10	2,526
2008-09	29,635,000	24,356,807	-	230,000	54,221,807	(50,110)	3.29	6.70	2,512
2007-08	6,435,000	24,556,784	-	285,000	31,276,784	(13,691)	1.99	4.21	1,470

(1) See the Schedule Assessed and Real Market Value of Taxable Property for assessed value data.

(2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(3) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

RATIOS OF NET GENERAL BONDED DEBT
Last Ten Fiscal Years

Fiscal Year	Population (Estimated) (1)	Average Daily Membership (ADM) (2)	Assessed Valuation (3)	Gross General Bonded Debt	Less Debt Service Fund (3)	Net General Bonded Debt	Ratio Of Net General Bonded Debt To Assessed Value	Net General Bonded Debt Per Capita	Net General Bonded Debt Per ADM
2016-17	23,232	4,058.6	\$ 2,347,414,882	\$ 87,022,040	\$ 229,546	\$ 86,792,494	3.70 %	\$ 3,736	\$ 21,385
2015-16	23,037	4,055.3	2,245,768,138	32,838,026	376,739	32,461,287	1.45	1,409	8,005
2014-15	22,741	3,911.7	2,144,814,792	36,664,456	352,388	36,312,068	1.69	1,597	9,283
2013-14	22,614	3,871.1	2,048,897,255	40,213,249	325,436	39,887,813	1.95	1,764	10,304
2012-13	22,587	3,854.7	1,983,959,495	43,502,999	297,877	43,205,122	2.18	1,913	11,209
2011-12	22,410	3,839.0	1,909,777,591	46,535,899	149,220	46,386,679	2.43	2,070	12,083
2010-11	22,443	3,784.5	1,817,955,291	49,297,855	188,617	49,109,238	2.70	2,188	12,976
2009-10	22,015	3,806.2	1,759,616,509	51,837,867	275,898	51,561,969	2.93	2,342	13,547
2008-09	21,589	3,780.1	1,649,562,599	53,991,807	211,909	53,779,898	3.26	2,491	14,227
2007-08	21,276	3,734.0	1,572,949,995	30,991,784	193,802	30,797,982	1.96	1,448	8,248

Source: (1) Bureau of Economic Analysis, U.S. Department of Commerce
(2) Hood River County School District enrollment records
(3) Hood River County Department of Records and Assessment

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2017

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable</u>	<u>Net Property Tax Backed Debt Outstanding (1)</u>	<u>Estimated Share of Direct and Overlapping Debt (2)</u>
<u>DIRECT DEBT:</u>			
Hood River County School District	100.00 %	<u>\$ 89,182,040</u>	<u>\$ 89,182,040</u>
<u>OVERLAPPING GOVERNMENT:</u>			
City of Hood River	100.00	3,135,000	3,135,000
Columbia Gorge Community College	51.36	12,507,000	6,423,595
Hood River County	100.00	352,696	352,696
Hood River Urban Renewal Agency	100.00	932,338	932,338
Mt Hood Community College	0.46	23,235,000	106,881
Odell Sanitary District	100.00	4,617,600	4,617,600
Port of Cascade Locks	100.00	953,572	953,572
Port of Hood River	100.00	765,000	<u>765,000</u>
Subtotal Overlapping Debt			<u>17,286,682</u>
Total Direct and Overlapping Debt			<u><u>\$ 106,468,722</u></u>

(1) Net property tax backed debt included all General Obligation (GO) bonds and limited tax GO bonds, less self-supporting unlimited tax (GO) and self-supporting limited tax GO debt.

(2) Overlapping Debt is calculated using net property-tax backed debt times percent overlapping that are provided by Oregon State Treasury, Debt Management Division.

Source: Oregon State Treasury Debt Management Division

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Fiscal Years

Fiscal Year	(a) Real Market Value	(b = a x 7.95%) Legal Debt Limitation (1)	(c) Net General Bonded Debt (2)	(b - c) Debt Margin	(c / b) Percentage of Debt to Debt Limit
2016-17	\$ 3,814,681,047	\$ 303,267,143	\$ 86,792,494	\$ 216,474,649	28.62 %
2015-16	3,655,671,344	290,625,872	32,461,287	258,164,585	11.17
2014-15	3,527,326,594	280,422,464	36,312,068	244,110,396	12.95
2013-14	3,365,439,384	267,552,431	39,887,813	227,664,618	14.91
2012-13	3,497,686,474	278,066,075	43,205,122	234,860,953	15.54
2011-12	3,293,619,089	261,842,718	46,386,679	215,456,039	17.72
2010-11	3,626,288,410	288,289,929	49,109,238	239,180,691	17.03
2009-10	3,475,925,360	276,336,066	51,561,969	224,774,097	18.66
2008-09	3,540,430,707	281,464,241	53,779,898	227,684,343	19.11
2007-08	3,403,320,580	270,563,986	30,797,982	239,766,004	11.38

(1) The legal debt limitation is calculated as 7.95% of real market value of property within the district.

(2) The general bonded indebtedness subject to the limitation may be offset by amounts set aside for repaying general bonded indebtedness. See Ratios of Net General Bonded Debt schedule.

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	District Population (1) (Estimated)	County Personal Income (1) (x \$1,000)	County Per Capita Income (1)	District Student Enrollment	County Unemployment Rate (2)	County Construction Activity (3)	
						Permits	Value (x \$1,000)
2016-17	23,232	\$ 1,126,710	\$ 48,498	4,058.6	4.2 %	105	\$ 29,024
2015-16	23,037	1,076,487	46,729	4,055.3	4.7	88	25,788
2014-15	22,741	990,213	43,543	3,911.7	5.5	79	20,816
2013-14	22,614	922,841	40,808	3,871.1	6.3	96	22,502
2012-13	22,587	913,161	40,429	3,854.7	7.3	75	20,997
2011-12	22,410	838,672	37,424	3,839.0	7.9	62	10,957
2010-11	22,443	780,743	34,788	3,784.5	8.3	54	14,997
2009-10	22,015	783,010	35,567	3,806.2	8.2	46	9,974
2008-09	21,589	809,226	37,483	3,780.1	5.4	55	10,724
2007-08	21,276	742,916	34,918	3,734.0	4.5	151	34,310

Certain data on this table is only available on a calendar year basis. The prior calendar year data is used for a given fiscal year.

Source: (1) Bureau of Economic Analysis, U.S. Department of Commerce
(2) Oregon Employment Department for Hood River County.
(3) Manufacturing & Construction Division, U.S. Census Bureau

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

PRINCIPAL EMPLOYERS
June 30, 2017

Employer	June 30, 2017		June 30, 2008	
	Employees	Percent of Total	Employees	Percent of Total
		Employment		Employment
Hood River County School District	550	4.11 %	550	4.35 %
Providence Hood River Memorial Hospital	300	2.24	385	3.05
Best Western Hood River Inn	180	1.34	180	1.42
Hood River County	180	1.34	180	1.42
Wal-Mart	180	1.34	180	1.42
Hood River Juice Company	140	1.05	-	-
Opportunity Connections	132	0.99	150	1.19
Hood River Care Center	130	0.97	130	1.03
Cardinal LG Company	125	0.93	-	-
Columbia Gorge Hospitality Company	100	0.75	100	0.79
Rosauers Supermarkets Inc.	100	0.75	100	0.79
Mt. Hood Railroad Company	95	0.71	-	-
DaKine Hawaii Inc.	85	0.63	125	0.99
Full Sail Bhrewing Co.	85	0.63	-	-
Crazy Pepper Cantina	75	0.56	-	-
Embarq	-	-	300	2.37
Maritime Services Corp.	-	-	250	1.98
Duckwall-Pooley Fruit Company	-	-	178	1.41
Stadelman Fruit, LLC	-	-	120	0.95
Diamond Fruit Growers, Inc.	-	-	100	0.79
TOTAL	2,457	18.34 %	3,028	23.95 %

Note: Total number of employeess may include full, part-time, temporary and seasonal employment.

Source: Oregon Employment Department for Hood River County
Mid-Columbia Economic Development District

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

FULL-TIME EQUIVALENT (FTE) EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

FUNCTION	2016-17 (1)	2015-16	2014-15	2013-14	2012-13 (2)	2011-12	2010-11	2009-10	2008-09	2007-08
General Fund:										
Instruction	294.4	278.2	275.7	276.3	295.5	321.1	313.1	312.1	312.3	312.9
Support Services	136.8	135.9	129.2	125.0	126.6	137.6	134.2	133.7	133.9	134.1
Enterprise/Community Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total General Fund	431.2	414.0	404.8	401.2	422.1	458.7	447.3	445.8	446.2	447.0
Special Revenue Funds:										
Instruction	22.8	28.9	26.3	29.8	28.8	31.3	30.5	30.3	30.4	30.5
Support Services	18.5	8.3	7.9	7.4	8.6	9.4	9.1	9.1	9.1	9.1
Enterprise/Community Services	21.0	21.0	20.1	20.0	20.2	21.9	21.3	21.3	21.3	21.3
Total Special Revenue Funds	62.3	58.1	54.3	57.2	57.6	62.6	60.9	60.7	60.8	60.9
Capital Projects Funds:										
Facilities Acquisition/Construction	0.0	0.0	0.0	1.0	0.5	0.5	0.6	0.8	0.5	0.0
Total Capital Projects Funds	0.0	0.0	0.0	1.0	0.5	0.5	0.6	0.8	0.5	0.0
Grand Total All Funds	493.5	472.1	459.2	459.5	480.2	521.8	508.8	507.3	507.6	507.9

(1) For Fiscal year 2014-2017, FTE total is allocated between functions based on budgeted FTE.

(2) For Fiscal year 2008-2013, FTE amounts were unavailable, FTE is allocated between functions based on 2013-2014 data.

Source: Hood River County School District, Oregon Department of Education, Staff Report

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

OPERATING STATISTICS
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enroll-ment</u>	<u>Non-GAAP Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Expenditures (2)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Student - Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced Price Meals</u>
2016-17	4,059	\$ 45,674,970	\$ 11,254	5.31 %	\$ 67,601,987	\$ 16,656	31.17 %	16.30	53.5 %
2015-16	4,055	43,339,232	10,687	-2.73	51,494,787	12,698	-2.26	16.80	55.9
2014-15	3,912	42,979,502	10,987	1.87	50,816,165	12,991	1.42	16.00	58.0
2013-14	3,871	41,748,313	10,785	0.54	49,583,015	12,809	0.47	16.00	58.4
2012-13	3,855	41,350,532	10,727	0.36	49,144,788	12,749	-1.01	15.80	59.2
2011-12	3,839	41,033,441	10,689	0.38	49,440,996	12,879	-10.61	15.50	59.4
2010-11	3,785	40,302,216	10,649	3.30	54,521,827	14,407	-14.02	14.30	58.1
2009-10	3,806	39,237,320	10,309	-4.00	63,776,850	16,756	22.57	14.80	56.7
2008-09	3,780	40,589,193	10,738	-0.40	51,674,571	13,670	8.60	13.70	56.5
2007-08	3,734	40,254,690	10,781	4.60	47,000,252	12,587	-3.09	13.50	54.9

(1) Operating expenditures include all General & Special Revenue Funds with the exception of functions 4000, 5000, 6000, or 7000.

(2) Expenditures include all governmental fund types.

Source: Hood River County School District financial records
Oregon Department of Education Child Nutrition Program Statistics

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

REVENUES AND OTHER FINANCING SOURCES - GENERAL FUND (1)
Non GAAP Budgetary Basis
Last Ten Fiscal Years

REVENUES AND OTHER FINANCING SOURCES:	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Local Sources:										
Property Taxes (2)	\$ 12,312,327 24.61%	\$ 11,901,775 25.19%	\$ 11,501,167 26.50%	\$ 10,897,453 26.73%	\$ 10,846,871 26.98%	\$ 10,169,205 25.71%	\$ 10,010,843 25.68%	\$ 9,707,151 26.34%	\$ 8,311,742 21.76%	\$ 8,688,560 22.78%
Miscellaneous Local Sources	864,333 1.73%	635,958 1.35%	553,138 1.27%	678,487 1.66%	508,038 1.26%	414,850 1.05%	558,234 1.43%	469,110 1.27%	483,216 1.27%	769,789 2.02%
Total Local Sources	13,176,660 26.34%	12,537,733 26.54%	12,054,305 27.77%	11,575,940 28.39%	11,354,909 28.24%	10,584,055 26.76%	10,569,077 27.11%	10,176,261 27.61%	8,794,958 23.03%	9,458,349 24.80%
Intermediate Sources:										
County School Funds	1,763,130 3.52%	1,071,200 2.27%	1,409,728 3.25%	1,038,705 2.55%	1,070,399 2.66%	1,109,976 2.81%	950,588 2.44%	1,073,387 2.91%	1,110,893 2.91%	1,077,960 2.83%
State Sources:										
School Support Fund	27,498,208 54.97%	27,180,224 57.54%	26,020,468 59.95%	24,335,001 59.69%	24,295,740 60.42%	21,619,878 54.67%	20,814,538 53.40%	20,738,842 56.28%	21,931,343 57.41%	23,157,310 60.72%
Miscellaneous and Restricted Grants	1,588,789 3.18%	1,601,808 3.39%	1,228,733 2.83%	1,281,589 3.14%	1,981,032 4.93%	2,255,329 5.70%	1,412,988 3.63%	1,630,472 4.42%	1,530,758 4.01%	2,362,141 6.19%
Total State Sources	29,086,997 58.15%	28,782,032 60.93%	27,249,201 62.78%	25,616,590 62.83%	26,276,772 65.35%	23,875,207 60.37%	22,227,526 57.03%	22,369,314 60.70%	23,462,101 61.42%	25,519,451 66.91%
Federal Sources	50,127 0.10%	185,941 0.39%	208,790 0.48%	236,805 0.58%	255,975 0.64%	298,046 0.75%	2,414,625 6.19%	1,120,333 3.04%	1,409,543 3.69%	642,415 1.68%
Other Financing Sources	- 0.00%	- 0.00%	2,316 0.01%	- 0.00%	502,795 1.25%	1,006,610 2.55%	763,500 1.96%	640,124 1.74%	1,500,000 3.93%	1,355 0.00%
Beginning Fund Balance Available for Appropriation	5,946,367 11.89%	4,662,277 9.87%	2,480,277 5.71%	2,299,004 5.64%	748,770 1.86%	2,672,370 6.76%	2,052,110 5.26%	1,469,078 3.99%	1,921,254 5.03%	1,438,532 3.77%
Total Revenues and Other Financing Sources	<u>\$ 50,023,281</u>	<u>\$ 47,239,183</u>	<u>\$ 43,404,617</u>	<u>\$ 40,767,044</u>	<u>\$ 40,209,620</u>	<u>\$ 39,546,264</u>	<u>\$ 38,977,426</u>	<u>\$ 36,848,497</u>	<u>\$ 38,198,749</u>	<u>\$ 38,138,062</u>

Note: The totals on percentages may not equal an even 100% due to rounding.

(1) The General Fund accounts for the general operating revenues of the District.

(2) Revenues are recognized when measurable and available.

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

EXPENDITURES BY PROGRAM - GENERAL FUND (1)
Non GAAP Budgetary Basis
Last Ten Fiscal Years

EXPENDITURES:	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Instruction:										
Regular Instruction	\$ 20,342,825 48.38%	\$ 18,774,915 45.47%	\$ 18,802,313 48.53%	\$ 18,222,491 47.59%	\$ 18,940,481 49.96%	\$ 18,525,979 47.75%	\$ 17,221,285 47.43%	\$ 16,414,582 47.17%	\$ 17,340,846 47.21%	\$ 17,467,076 48.23%
Special Programs	6,142,318 14.61%	5,572,860 13.50%	5,499,266 14.19%	5,744,007 15.00%	4,897,836 12.92%	4,995,703 12.88%	5,922,392 16.31%	6,060,326 17.42%	6,215,390 16.92%	5,775,693 15.95%
Support Services:										
Students	2,121,159 5.04%	1,869,950 4.53%	1,781,559 4.60%	1,791,904 4.68%	1,352,947 3.57%	1,379,092 3.55%	1,459,953 4.02%	1,480,465 4.25%	1,564,937 4.26%	1,319,300 3.64%
Instructional Staff	972,960 2.31%	800,056 1.94%	734,354 1.90%	720,853 1.88%	797,563 2.10%	864,083 2.23%	645,655 1.78%	584,919 1.68%	766,498 2.09%	888,289 2.45%
General Administration	533,201 1.27%	533,612 1.29%	527,364 1.36%	559,478 1.46%	561,511 1.48%	542,212 1.40%	508,905 1.40%	474,151 1.36%	454,895 1.24%	525,144 1.45%
School Administration	2,912,739 6.93%	2,858,945 6.92%	2,757,110 7.12%	2,757,067 7.20%	2,795,548 7.37%	2,771,814 7.14%	2,594,075 7.15%	2,484,370 7.14%	2,726,028 7.42%	2,665,554 7.36%
Business:										
Direction and Fiscal Services	573,554 1.36%	530,333 1.28%	538,867 1.39%	462,835 1.21%	446,339 1.18%	492,368 1.27%	475,438 1.31%	457,886 1.32%	429,569 1.17%	422,032 1.17%
Operation and Maintenance of Plant	3,902,000 9.28%	4,208,822 10.19%	3,629,863 9.37%	3,680,998 9.61%	3,865,889 10.20%	3,949,821 10.18%	3,441,395 9.48%	3,297,896 9.48%	3,718,170 10.12%	3,923,556 10.83%
Student Transportation	2,077,563 4.94%	1,958,233 4.74%	2,040,994 5.27%	2,143,888 5.60%	2,019,845 5.33%	2,010,866 5.18%	1,758,547 4.84%	1,688,058 4.85%	1,641,571 4.47%	1,632,161 4.51%
Internal Services	0 0.00%	0 0.00%	0 0.00%	0 0.00%	50,687 0.13%	68,019 0.18%	65,802 0.18%	61,915 0.18%	61,893 0.17%	60,784 0.17%
Central Support	1,706,602 4.06%	1,922,475 4.66%	1,950,954 5.04%	1,751,550 4.57%	1,722,378 4.54%	1,706,495 4.40%	1,693,781 4.67%	1,551,303 4.46%	1,461,829 3.98%	1,275,641 3.52%
Other Support	251,357 0.60%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%
Enterprise/Community Services	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%
Facilities Acquisition/Construction	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	54,239 0.15%
Debt Service	266,410 0.63%	265,603 0.64%	264,698 0.68%	263,695 0.69%	325,175 0.86%	1,324,133 3.41%	333,320 0.92%	64,755 0.19%	68,798 0.19%	63,098 0.17%
Other Uses - Transfers Out	245,000 0.58%	1,997,011 4.84%	215,000 0.55%	188,000 0.49%	134,416 0.35%	166,909 0.43%	184,509 0.51%	175,763 0.51%	279,248 0.76%	144,242 0.40%
Total Expenditures	\$ 42,047,689	\$ 41,292,815	\$ 38,742,342	\$ 38,286,766	\$ 37,910,615	\$ 38,797,494	\$ 36,305,057	\$ 34,796,389	\$ 36,729,672	\$ 36,216,809
Student Enrollment *	4,059	4,055	3,912	3,871	3,855	3,839	3,785	3,806	3,780	3,734
Expenditures/Other Uses Per Student	\$ 10,360	\$ 10,182	\$ 9,904	\$ 9,890	\$ 9,835	\$ 10,106	\$ 9,593	\$ 9,142	\$ 9,717	\$ 9,699

Note: The totals on percentages may not equal an even 100% due to rounding.

(1) The General Fund accounts for the general operating expenditures and transfers of the District.

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

CAPITAL ASSET INFORMATION
Last Ten Fiscal Years

Elementary Schools	Year Built	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Cascade Locks	1948										
Square Feet		34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000
Preferred Student Capacity		150	150	150	150	150	150	150	150	150	150
Enrollment		63	62	56	52	57	65	72	79	138	145
May Street	1922/1955										
Square Feet		54,800	54,800	54,800	54,800	54,800	54,800	54,800	54,800	54,800	54,800
Preferred Student Capacity		500	500	500	500	500	500	500	500	500	500
Enrollment		491	489	470	471	455	451	437	403	371	369
Mid-Valley	1937/1954										
Square Feet		73,650	73,650	73,650	73,650	73,650	73,650	73,650	73,650	73,650	73,650
Preferred Student Capacity		500	500	500	500	500	500	500	500	500	500
Enrollment		497	496	445	449	453	456	360	384	384	382
Parkdale	1937										
Square Feet		42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770
Preferred Student Capacity		240	240	240	240	240	240	240	240	240	240
Enrollment		206	217	214	220	223	239	229	222	230	211
Pine Grove	1925										
Square Feet		20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300
Preferred Student Capacity		-	-	-	-	-	-	140	140	140	140
Enrollment		-	-	-	-	-	-	125	125	116	118
Westside	1969										
Square Feet		69,100	69,100	69,100	69,100	69,100	69,100	69,100	69,100	69,100	69,100
Preferred Student Capacity		550	550	550	550	550	550	550	550	550	550
Enrollment		512	516	460	430	421	445	470	485	501	490
Middle Schools											
Hood River Middle School	1927										
Square Feet		101,282	101,282	101,282	101,282	101,282	101,282	101,282	101,282	101,282	101,282
Preferred Student Capacity		504	504	504	504	504	504	504	504	504	504
Enrollment		534	512	504	537	543	539	478	452	437	417
Wy'east Middle School	1951										
Square Feet		79,700	79,700	79,700	79,700	79,700	79,700	79,700	79,700	79,700	79,700
Preferred Student Capacity		432	432	432	432	432	432	432	432	432	432
Enrollment		393	401	427	456	463	445	411	414	407	406
High School											
Hood River Valley High School	1969										
Square Feet		204,420	204,420	204,420	204,420	204,420	204,420	204,420	204,420	204,420	204,420
Preferred Student Capacity		1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415
Enrollment		1,362	1,362	1,336	1,257	1,239	1,199	1,202	1,239	1,195	1,184

Source: Hood River County School District records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

TEACHER FULL-TIME EQUIVALENTS (FTE) BY EDUCATION RANGE AND STEP
June 30, 2017

Step	BA Degree	BA +15 Hrs.	BA +30 Hrs.	BA +45 Hrs.	BA +75 Hrs.	MA Degree	MA +15 Hrs.	MA +30 Hrs.	MA +45 Hrs.	Total FTE
1	1.00	-	-	-	1.00	3.50	-	-	-	5.50
2	3.00	-	-	-	-	3.50	-	-	-	6.50
3	3.00	1.00	-	-	-	3.00	1.00	1.00	1.00	10.00
4	1.00	-	-	-	1.00	3.00	1.00	-	2.00	8.00
5	-	-	-	-	-	7.80	2.50	-	1.00	11.30
6	1.00	-	-	-	1.00	2.50	1.00	-	-	5.50
7	-	-	1.00	-	-	3.00	3.00	1.00	1.00	9.00
8	-	-	-	-	-	9.50	1.00	1.00	1.58	13.08
9	-	0.67	1.00	1.00	2.50	3.50	2.50	3.00	2.00	16.17
10	-	-	-	-	-	6.00	3.00	1.00	1.00	11.00
11	-	-	-	1.00	-	2.00	5.00	1.00	3.00	12.00
12	-	-	-	0.50	1.00	8.00	2.50	-	1.00	13.00
13	-	-	-	-	-	2.50	1.50	-	10.80	14.80
14	-	1.00	-	-	-	2.50	1.00	1.00	2.00	7.50
15	-	-	-	-	1.00	1.25	-	-	-	2.25
16	-	-	-	1.00	1.00	1.00	1.00	1.00	4.00	9.00
17	-	3.00	1.00	6.50	3.50	23.50	12.20	6.00	39.33	95.03
Total FTE	9.00	5.67	3.00	10.00	12.00	86.05	38.20	16.00	69.71	249.63

Estimated Average Teacher Salary: \$61,979

Source: Hood River County School District - Human Resource Dept.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

MISCELLANEOUS STATISTICAL DATA
Last Ten Fiscal Years

Fiscal Year	High School Graduates	Student per Teacher Ratio (1)	Nutrition Services		Pupil Transportation	
			Lunches Served	Other Meals and Snacks	Miles Driven	Students Served
2016-17	267	16.3	348,333	156,822	596,681	2,646
2015-16	283	16.8	367,641	164,545	611,353	2,500
2014-15	259	16.0	386,091	178,116	557,271	2,611
2013-14	233	16.0	394,291	194,533	530,626	2,620
2012-13	254	15.8	401,661	180,564	490,940	2,112
2011-12	237	15.5	411,846	172,358	390,478	1,708
2010-11	264	14.3	414,452	172,796	452,104	1,771
2009-10	283	14.8	418,632	191,704	476,966	2,127
2008-09	271	13.7	422,537	206,028	480,982	2,582
2007-08	253	13.5	425,258	202,682	525,154	2,276

(1) Includes Classroom, Music, Physical Education, and Special Education Teachers as well as Media Specialists and Counselors.

Source: Hood River County School District, various departments.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

REVENUES AND OTHER FINANCING SOURCES - ALL FUNDS
Non GAAP Budgetary Basis
Last Ten Fiscal Years

REVENUES AND OTHER FINANCING SOURCES:	2016-17	2015-16	2014-15 (1)	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09 (2)	2007-08
Local sources:										
Ad valorem taxes	\$ 14,023,695	\$ 13,671,737	\$ 13,291,053	\$ 12,725,128	\$ 12,586,463	\$ 11,745,490	\$ 11,431,420	\$ 11,157,997	\$ 10,398,663	\$ 9,910,469
Construction excise tax	347,102	339,802	214,486	228,401	173,571	190,249	102,576	139,996	102,628	72,843
Food services	271,196	286,758	321,232	289,697	302,017	306,756	331,015	369,951	416,268	427,891
Interest earned	503,177	119,410	70,152	69,415	62,503	65,197	81,295	251,075	634,019	512,899
Local option levy	2,144,206	2,062,810	1,935,308	1,791,500	1,888,661	1,767,139	1,751,646	1,707,509	795,136	1,552,487
Extracurricular activities	-	-	-	-	-	-	-	-	-	-
Community service activities	-	-	-	-	-	-	-	-	-	-
Other	3,293,773	2,884,804	2,967,601	3,106,198	3,032,933	2,945,257	3,147,193	2,621,019	2,649,722	2,527,784
Total local sources	20,583,149	19,365,321	18,799,832	18,210,339	18,046,148	17,020,088	16,845,145	16,247,547	14,996,436	15,004,373
Intermediate sources:										
ESD funds	1,763,130	1,071,200	1,409,728	1,051,435	1,070,399	1,109,976	950,588	1,073,387	1,110,893	1,077,960
Other	923,276	681,162	735,489	781,610	771,548	756,912	847,447	809,107	23,799	1,890
Total intermediate sources	2,686,406	1,752,362	2,145,217	1,833,045	1,841,947	1,866,888	1,798,035	1,882,494	1,134,692	1,079,850
State sources:										
School support fund	27,513,938	27,197,249	26,038,591	24,353,156	24,313,661	21,637,628	22,386,763	23,732,769	23,718,530	24,657,918
Common school fund	470,281	443,757	360,038	335,199	347,140	312,677	296,646	306,759	246,460	488,472
Food services	36,370	34,071	-	-	-	-	-	-	-	-
Local option equalization	559,816	612,066	559,733	522,987	597,939	634,463	642,042	984,197	-	558,472
Other	2,298,377	1,175,244	1,247,336	636,291	1,047,518	1,316,169	479,002	427,772	2,014,439	2,117,670
Total state sources	30,878,782	29,462,387	28,205,698	25,847,633	26,306,258	23,900,937	23,804,453	25,451,497	25,979,429	27,822,532
Federal sources:										
Food services	2,505,106	1,266,492	1,421,391	1,448,362	1,386,148	1,309,277	1,233,354	1,218,394	1,159,988	1,083,750
Federal grants	1,338,967	2,987,737	2,971,876	2,619,504	2,383,367	2,544,291	5,459,370	4,773,672	4,244,626	3,602,986
Other	-	-	-	-	-	-	-	-	-	-
Total federal sources	3,844,073	4,254,229	4,393,267	4,067,866	3,769,515	3,853,568	6,692,724	5,992,066	5,404,614	4,686,736
Other financing sources:										
Transfers in	253,350	1,997,011	215,000	265,908	703,666	166,909	944,509	815,386	1,779,248	144,242
Lease purchase proceeds	-	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Bond proceeds	75,210,335	-	-	120,695	-	1,000,000	4,655,195	3,528,000	25,652,174	-
Sale or compensation for loss of capital assets	-	-	6,533	-	728,168	30,111	3,500	501	-	1,355
Total other financing sources	75,463,685	1,997,011	221,533	386,603	1,431,834	1,197,020	5,603,204	4,343,887	27,431,422	145,597
Beginning fund balance available for appropriation	11,927,589	8,588,061	5,853,652	5,357,090	3,677,835	6,444,895	13,301,061	25,691,780	5,776,641	5,761,742
Total revenues and other financing sources	<u>\$ 145,383,684</u>	<u>\$ 65,419,371</u>	<u>\$ 59,619,199</u>	<u>\$ 55,702,576</u>	<u>\$ 55,073,537</u>	<u>\$ 54,283,396</u>	<u>\$ 68,044,622</u>	<u>\$ 79,609,271</u>	<u>\$ 80,723,234</u>	<u>\$ 54,500,830</u>

(1) 2014-2007 state revenue for food services was being recorded with federal revenue

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

EXPENDITURES AND OTHER FINANCING USES BY PROGRAM - ALL FUNDS
Non GAAP Budgetary Basis
Last Ten Fiscal Years

EXPENDITURES:	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Instruction	\$ 30,271,494	\$ 28,274,917	\$ 28,802,953	\$ 28,118,027	\$ 27,937,512	\$ 27,222,472	\$ 29,071,137	\$ 29,494,254	29,561,611	29,461,174
Support services:										
Central Services	1,828,422	1,770,863	1,777,568	1,476,126	1,554,478	1,450,055	1,616,882	1,596,059	1,417,839	1,345,209
Fiscal Services	709,226	651,371	663,529	573,327	538,587	525,422	283,130	321,139	556,296	482,205
Instruction and Curriculum	730,950	808,632	566,507	323,904	588,783	628,337	404,217	699,423	609,688	822,718
Instruction and Media Services	395,643	396,093	378,950	428,498	451,858	501,652	448,015	440,574	460,797	454,808
Student Support Services	2,686,157	2,305,226	2,145,507	1,994,550	1,838,097	1,870,870	1,747,636	1,777,225	1,892,758	1,614,798
Supplemental Retirement	251,357	313,159	279,231	392,874	408,051	427,414	361,773	319,020	320,346	186,594
Instructional Staff Training	483,506	445,234	445,010	273,027	80,993	174,440	243,978	-	-	-
Board of Education	186,425	194,570	188,118	223,458	228,119	212,867	224,508	215,650	206,069	277,268
General Administration	346,776	339,042	339,246	336,020	333,392	329,345	290,467	263,638	254,151	253,001
School Administration	2,912,739	2,858,945	2,762,195	2,762,097	2,821,850	2,803,686	2,973,951	2,865,739	2,868,665	2,803,124
Operation and Maintenance of Plant	3,902,000	4,208,822	3,629,863	3,681,150	3,923,514	4,022,979	3,650,717	3,523,660	3,897,836	4,066,287
Student Transportation Services	2,198,508	2,081,859	2,040,994	2,305,028	2,168,791	2,256,467	1,811,748	1,816,599	1,807,963	1,849,777
Total support services	16,631,709	16,373,816	15,216,718	14,770,059	14,936,513	15,203,534	14,057,022	13,838,726	14,292,408	14,155,789
Community Services	2,548,257	2,638,901	2,632,415.00	2,307,203	2,258,624	2,175,005	2,004,945	2,013,035	1,865,816	1,886,565
Capital Outlay	4,422,245	119,212	70,811.00	522,443	65,322	1,122,568	7,262,552	17,977,637	4,549,165	153,983
Debt Services										
Principal	11,654,399	3,435,000	3,335,695	3,010,000	2,870,000	3,694,582	6,904,999	1,958,517	1,959,214	2,524,781
Interest	2,016,247	652,928	757,548	855,284	944,809	1,020,488	1,278,266	1,210,205	1,021,341	418,768
Bond Issuance	57,630	-	-	-	-	-	76,297	450	2,650	450
Total debt services	13,728,276	4,087,928	4,093,243	3,865,284	3,814,809	4,715,070	8,259,562	3,169,172	2,983,205	2,943,999
Other financing uses: transfers out	253,350	1,997,011	215,000.00	265,908.00	703,666	166,909	944,509	815,386	1,779,248	144,242
Total expenditures and other financing uses	67,855,331	\$ 53,491,785	\$ 51,031,140	\$ 49,848,924	\$ 49,716,446	\$ 50,605,558	\$ 61,599,727	\$ 67,308,210	\$ 55,031,453	\$ 48,745,752

Source: Hood River County School District financial records

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

PUBLIC SCHOOL SYSTEM SUPPORT DATA
For the Fiscal Year Ended June 30, 2017

A. Energy Bill for Heating - All Funds

All funds total expenditures for electricity and heating fuel, objects 325 and 326:

Function 2540

\$ 773,031

Function 2550

\$ -

B. Replacement of Equipment - General Fund

General Fund expenditures for replacement of equipment (object code 542),

for all functions except 1113, 1122, 1132, 1140, 1300, 1400, 4150,

2550, 3100, and 3300 were:

\$ 13,250

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
SCHEDULE OF APPROPRIATION TRANSFERS
For the Year Ended June 30, 2017

General Fund	Adopted Budgeted Appropriations	Increase	Decrease	Final Adopted Appropriations
Instruction	\$ 26,651,835	\$ 324,790	\$ -	\$ 26,976,625
Support services	15,939,528	142,765	-	16,082,293
Debt Service	266,410	-	-	266,410
Transfer of Funds	245,000	-	-	245,000
Contingency	500,000	-	(297,760)	202,240
Unappropriated fund balance	5,473,139			5,473,139
Total	<u>\$ 49,075,912</u>	<u>\$ 467,555</u>	<u>\$ (297,760)</u>	<u>\$ 49,245,707</u>
Food Service Fund				
Enterprise/community services	\$ 2,292,025	\$ -	\$ (142,052)	\$ 2,149,973
Unappropriated fund balance	-	-	-	-
Total	<u>\$ 2,292,025</u>	<u>\$ -</u>	<u>\$ (142,052)</u>	<u>\$ 2,149,973</u>
Student Body Funds				
Instruction	\$ 1,775,000	\$ 4,166	\$ -	\$ 1,779,166
Unappropriated fund balance	-	-	-	-
Total	<u>\$ 1,775,000</u>	<u>\$ 4,166</u>	<u>\$ -</u>	<u>\$ 1,779,166</u>
Community Education Fund				
Instruction	\$ 94,609	\$ -	\$ -	\$ 94,609
Enterprise/community services	726,302	101,462	-	827,764
Unappropriated fund balance	-	-	-	0
Total	<u>\$ 820,911</u>	<u>\$ 101,462</u>	<u>\$ -</u>	<u>\$ 922,373</u>
Biennial Reserve Fund				
Transfer of Funds	\$ -	\$ -	\$ -	\$ -
Unappropriated fund balance	1,752,011	-	-	1,752,011
Total	<u>\$ 1,752,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,752,011</u>
Unemployment Fund				
Support services	\$ 95,000	\$ -	\$ -	\$ 95,000
Unappropriated fund balance	122,657	-	-	122,657
Total	<u>\$ 217,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,657</u>
Bus Replacement Fund				
Support services	\$ 140,000	\$ -	\$ -	\$ 140,000
Unappropriated fund balance	77,923	-	-	77,923
Total	<u>\$ 217,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,923</u>
Grants Funds				
Instruction	\$ 3,928,000	\$ -	\$ (200,000)	\$ 3,728,000
Support services	1,850,000	200,000	-	2,050,000
Enterprise/community services	112,000	-	-	112,000
Facilities acquisition/construction	10,000	-	-	10,000
Transfer of Funds	100,000	-	-	100,000
Unappropriated fund balance	-	-	-	-
Total	<u>\$ 6,000,000</u>	<u>\$ 200,000</u>	<u>\$ (200,000)</u>	<u>\$ 6,000,000</u>
Debt Service Fund				
Debt service	\$ 4,079,491	\$ 9,382,479	\$ -	\$ 13,461,970
Unappropriated fund balance	-	138,080	-	138,080
Total	<u>\$ 4,079,491</u>	<u>\$ 9,520,559</u>	<u>\$ -</u>	<u>\$ 13,600,050</u>
Capital Projects Funds				
Facilities acquisition/construction	\$ 64,064,926	\$ 9,049,727	\$ -	\$ 73,114,653
Unappropriated fund balance	367,784	10,397	-	378,181
Total	<u>\$ 64,432,710</u>	<u>\$ 9,060,124</u>	<u>\$ -</u>	<u>\$ 73,492,834</u>
Total all funds	<u>\$ 130,663,640</u>	<u>\$ 19,353,866</u>	<u>\$ (639,812)</u>	<u>\$ 149,377,694</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT AS REQUIRED BY
OREGON STATE REGULATIONS



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December 18, 2017

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Hood River County School District as of and for the year ended June 30, 2017, and have issued our report thereon dated December 18, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with our testing, nothing came to our attention that caused us to believe the Hood River County School District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in cursive script that reads "Tara M. Kamp, CPA".

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

GRANT COMPLIANCE REVIEW



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December 18, 2017

**To the Board of Directors
Hood River County School District
Hood River County, Oregon**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hood River County School District as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 18, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

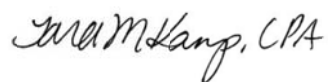
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Tara M. Kamp, CPA".

Tara M. Kamp, CPA
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December 18, 2017

**To the Board of Directors
Hood River County School District
Hood River County, Oregon**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Report on Compliance for Each Major Federal Program

We have audited Hood River County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2017. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

In our opinion, Hood River County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2017

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	☐ yes	☒ no
Significant deficiency(s) identified that are not considered to be material weaknesses?	☐ yes	☒ none reported
Noncompliance to material financial statements noted?	☐ yes	☒ no
Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515(d)(2) of the Uniform Guidance?	☐ yes	☒ no

FEDERAL AWARDS

Internal control over major programs:		
Material weakness(es) identified?	☐ yes	☒ no
Significant deficiency(s) identified that are not considered to be material weaknesses?	☐ yes	☒ none reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?	☐ yes	☒ no

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2017

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
84.010	Tile I Grants to Local Educational Agencies
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

NONE

SECTION IV – SCHEDULE OF PRIOR FINANCIAL STATEMENT FINDINGS

NONE

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2017

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.