



**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1011 Eugene Street • Hood River, Oregon 97031 • 541.386.2511 • www.hoodriver.k12.or.us

It is the policy of Hood River County School District and its Board of Education that there will be no unlawful discrimination or harassment on the grounds of race, color, sex, marital status, national origin, religion, age, disability, veteran status, sexual orientation, and any other status protected by applicable local, state, or federal law in any educational programs, activities, or employment.

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

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Prepared by the Business Services Department of the
Hood River County School District

Bill Newton, Superintendent

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

2023-24

ANNUAL FINANCIAL REPORT

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2024

BOARD OF EDUCATION

TERM EXPIRES

Chrissy Reitz, <i>Chair</i>	June 30, 2027
Corinda Hankins Elliott	June 30, 2027
Julia Garcia-Ramirez	June 30, 2025
Brandi Sheppard, <i>Vice Chair</i>	June 30, 2025
David Stuben	June 30, 2027
Jennifer Kelly	June 30, 2025
Barb Hosford	June 30, 2025

Board members receive mail at the District office address listed below.

ADMINISTRATION

Bill Newton, Superintendent

1011 Eugene Street
Hood River, OR 97031

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

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HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

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HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

FINANCIAL SECTION



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December 30, 2024

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Hood River County School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Summary of Opinions:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Each Major Fund	Qualified

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Hood River County School District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the Unlisted States of America.

Basis for Qualified Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hood River County School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to the Qualified Opinions

The District is required by Governmental Accounting Standards Board (GASB) Statement No. 96 – Subscription-Based Information Technology Arrangements to record these arrangements as capital assets and long term debt in the government wide financial statements. In the fund financial statements, they are required to be recorded as debt service payments. As of June 30, 2024, the District did not implement this standard as required by GASB Statement No. 96. The amount by which this departure would affect the net position, assets, liabilities, and expenditures of the governmental activities and each major fund is not reasonably determinable.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hood River County School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hood River County School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hood River County School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information presented as required supplementary information, is the responsibility of management and was derived from and relates 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 information is fairly stated, in all material respects, in relation to the basic financial statements 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 information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, as located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2024 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 the effectiveness of the 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 report dated December 30, 2024 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.



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

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HOOD RIVER COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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, 2024 and 2023. 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.

NEW ACCOUNTING STANDARDS IMPLEMENTED

No new Accounting Standards were implemented in 2023-2024.

FINANCIAL HIGHLIGHTS

- In the government-wide statement, the liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by \$10,248,717 (net position) at June 30, 2024. The District's total net position increased by \$762,945 for the fiscal year, an increase in the District's financial position as compared to the prior year's net position. The increase in net position is primarily due to an increase in the net investment in capital assets.
- The District's governmental funds report combined ending fund balance of \$11,182,278 a decrease of \$2,915,455 from the prior year, primarily from a decrease in assigned operating reserves. Approximately 4.3 percent of this total amount, \$477,034, is restricted for capital projects; 10.2 percent, \$1,138,598, is restricted for other purposes; 7.0 percent, \$779,396 is restricted for grants; 5.8 percent, \$649,614 is restricted for debt service; and 2.4 percent, \$271,997, is restricted for unemployment. The remaining fund balances are either non-spendable, assigned, or unassigned: \$18,732 for non-spendable inventory, \$2,524,276 assigned for operating reserves and bus replacement, and \$5,322,631 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 \$5,322,631. Of the total, \$5,322,631 was unassigned. The unassigned fund balance of \$5,322,631 increased by \$267,101 as compared to the prior year's unassigned fund balance of \$5,055,530.
- Capital assets additions of \$2,613,881 were from vehicle and equipment purchase of \$313,413, building improvements of \$2,273,879, construction in process of \$13,722, and GASB 87 lease assets of \$26,589. Accumulated depreciation is \$3,931,307. Note 8 of the Basic Financial Statements provides information about the capital assets.
- The District's outstanding long-term debt decreased by \$6,250,769 (8.3 percent) during the 2023-24 fiscal year due to debt service payments and unamortized bond premiums. Note 13 of the Basic Financial Statements provides information about the long term obligations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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.

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, debt service fund, and capital construction and improvement fund. 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 48 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 49 through 60 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, 2024, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$10,248,717. Net position increased from (\$11,011,622) as of June 30, 2023 to (\$10,248,717) by \$762,945. As shown on the Statement of Net Position, the increase in net position is 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. It is difficult to predict future impacts to the District as these pension-related amounts depend solely on actions of the Oregon Public Employees Retirement System (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 9 of the Basic Financial Statements.

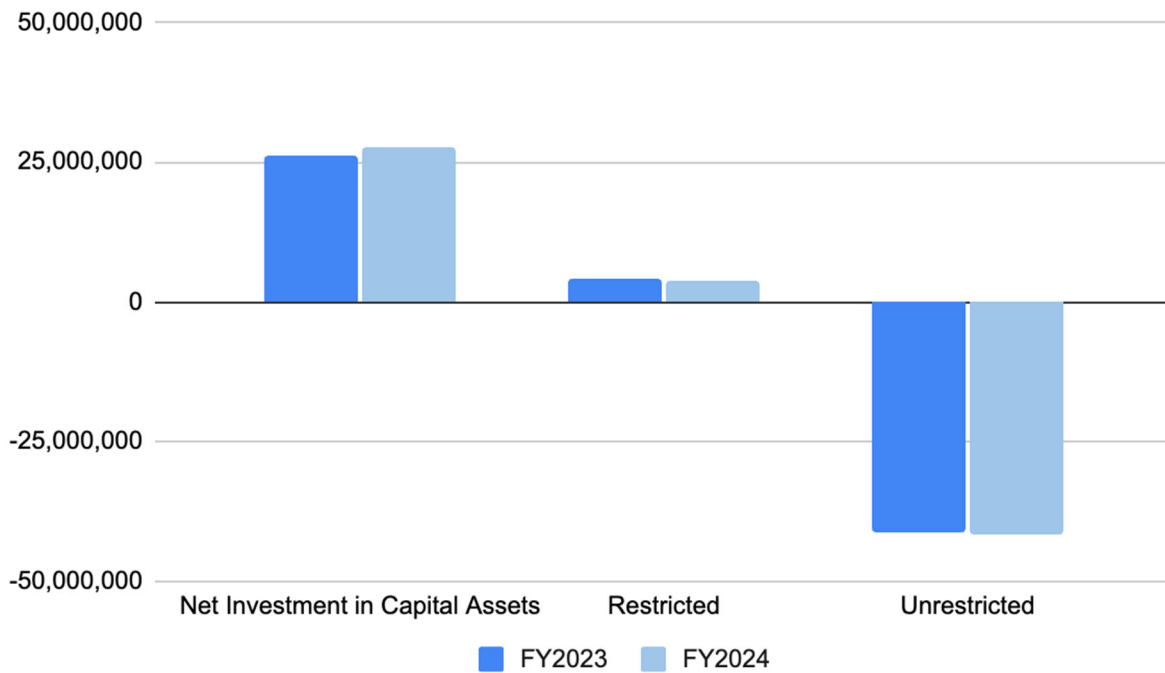
Capital assets, which consist of the District's land, buildings, building improvements, construction in process, vehicles, and equipment, and leases represent 81.8 percent of total assets. This increase in capital assets as a percent of total assets from 79.1 percent to 81.8 percent as of June 30, 2024 is the result of increased building improvements. As the multi-year capital construction and improvements program winds down in fiscal year 2025, capital assets are expected to grow slightly. 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 76.5 percent of total liabilities. The net pension liability represents 34.5 percent of total liabilities. Current liabilities include accounts payable, salaries and contracts payable, accrued interest payable, accrued vacation, and unearned revenue that represent 6.4 percent of total liabilities.

The largest portion of the District's net position of \$27,755,494 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 \$3,791,845 represents resources that are subject to external restrictions on how they may be used. The District reports a negative unrestricted balance of \$41,796,056 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 increased overall by \$762,945 in 2023-24.

HRCSD Net Position June 30, 2023 and 2024



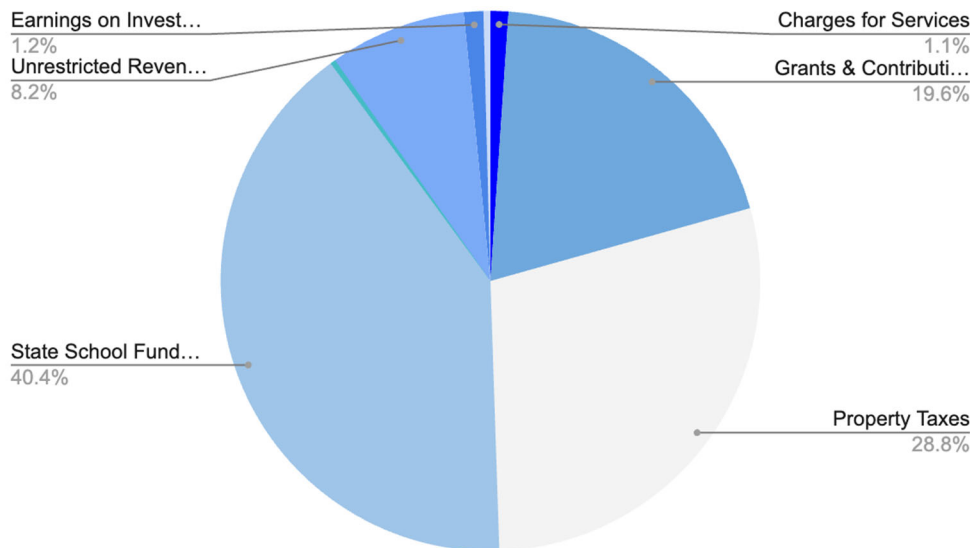
Net Position as of June 30, 2023 and June 30, 2024			
	Governmental Activities		
	2024	2023	Incr (Decr)
Assets			
Current and other assets	\$19,135,985	\$23,209,308	-\$4,073,323
Capital assets	85,983,336	87,670,070	-\$1,686,734
Total Assets	105,119,321	110,879,378	-5,760,057
Deferred Outflows of Resources			
Pension and OPEB related deferral	15,462,674	16,843,635	-\$1,380,961
Total Deferred Outflows of Resources	15,462,674	16,843,635	-\$1,380,961
Liabilities			
Long-term obligations	114,727,352	116,300,499	-\$1,573,147
Other liabilities	6,567,788	7,917,572	-\$1,349,784
Total Liabilities	121,295,140	124,218,071	-2,922,931
Deferred Inflows of Resources			
Net deferred pension asset	9,535,572	14,516,604	-\$4,981,032
Total Deferred Inflows of Resources	9,535,572	14,516,604	-\$4,981,032
Net Position:			
Net investment in capital assets	27,755,494	26,235,563	\$1,519,931
Restricted for:			
Grants	779,396	929,946	-\$150,550
Unemployment	271,997	290,674	-\$18,677
Debt Service	649,614	498,971	\$150,643
Other	2,090,838	2,279,524	-\$188,686
Unrestricted	-41,796,056	-41,246,340	-\$549,716
Total Net Position	-\$10,248,717	-\$11,011,662	\$762,945

Governmental Activities. During the current fiscal year, the District's overall financial position changed as indicated by increase of \$762,945 in net position. When combined with the beginning net position of (\$11,011,662), the ending net position is (\$10,248,717). The key elements in this change are the following:

Statement of Activities			
For the Years Ended June 30, 2023 and June 30, 2024			
	Governmental Activities		
	FY2024	FY 2023	Incr/(Decr)
Revenues			
Program revenues			
Charges for service	\$857,888	\$1,603,454	-\$745,566
Operating grants and contributions	15,618,611	16,103,857	-\$485,246
Capital grants and contributions	-	-	-
Total Program Revenues	16,476,499	17,707,311	-1,230,812
General revenue			
Property taxes for general purposes	18,113,557	17,550,495	\$563,062
Property taxes for debt service	4,876,671	4,834,095	\$42,576
State school fund, general support	31,796,004	30,456,311	\$1,339,693
Common School fund	462,869	438,156	\$24,713
Construction excise tax	259,479	84,453	\$175,026
Unrestricted intermediate sources	1,686,564	2,318,647	-\$632,083
Unrestricted state and local sources	4,839,894	5,016,130	-\$176,236
Unrestricted federal revenue	0	119,033	-\$119,033
Earnings on investments	934,441	822,836	\$111,605
Miscellaneous	330,367	281,119	\$49,248
Total General Revenue	63,299,846	61,921,275	1,378,571
Total Revenues	79,776,345	79,628,586	147,759

Expenses			
Instruction	44,694,259	45,083,767	-\$389,508
Support services	31,630,888	30,033,874	\$1,597,014
Community services	2,972,312	2,555,074	\$417,238
Interest on long-term debt	-284,059	281,461	-\$565,520
Total Expenses	79,013,400	77,954,176	1,059,224
Increase (decrease) in net position	762,945	1,674,410	-911,465
Net Position – July 1	-11,011,662	-12,686,072	\$1,674,410
Net Position – June 30	-\$10,248,717	-\$11,011,662	\$762,945

Revenue By Source - Governmental Activities for the Year Ended June 30, 2024

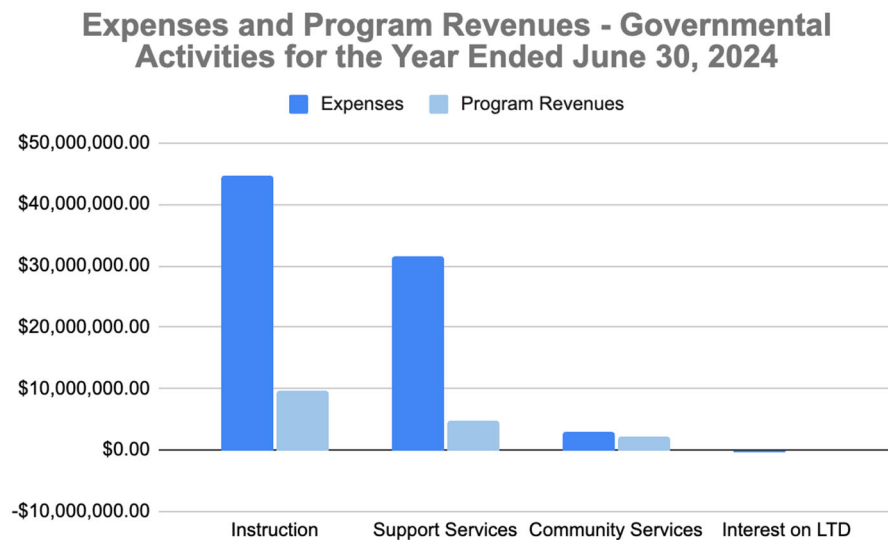


Program revenues decreased by \$1,230,812 in 2023-24, as a combination of decrease of \$485,246 in operating grants and contributions and a decrease of \$745,566 in Charges for Services.

General revenues increased by \$147,759 in 2023-24 as a primary result of an increase in property taxes and state and local revenues.

Expenses increased overall by \$1,059,224 from the prior year, as shown in the Statement of Activities report.

The following chart shows the relationship between expenses and program revenues by function for the year.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

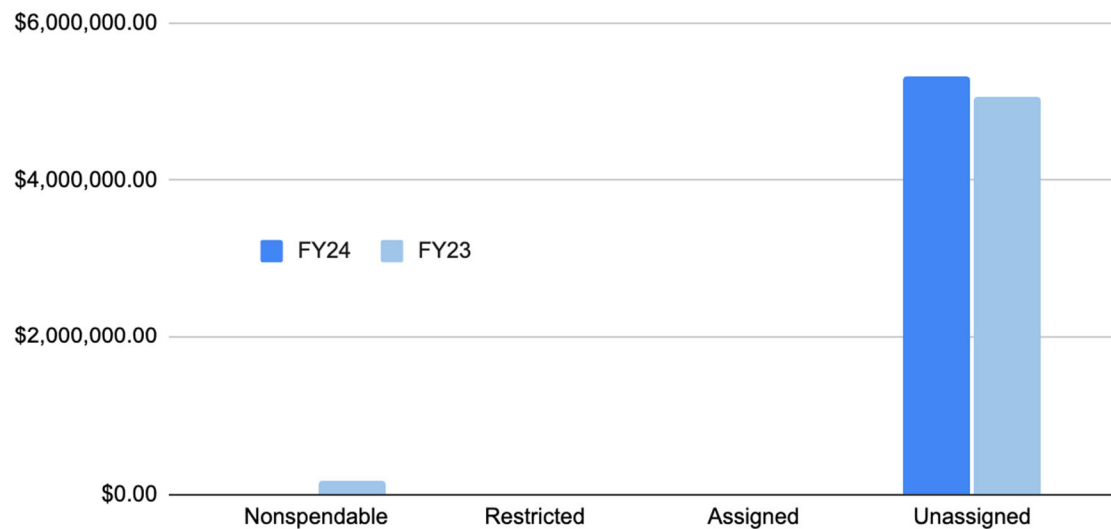
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

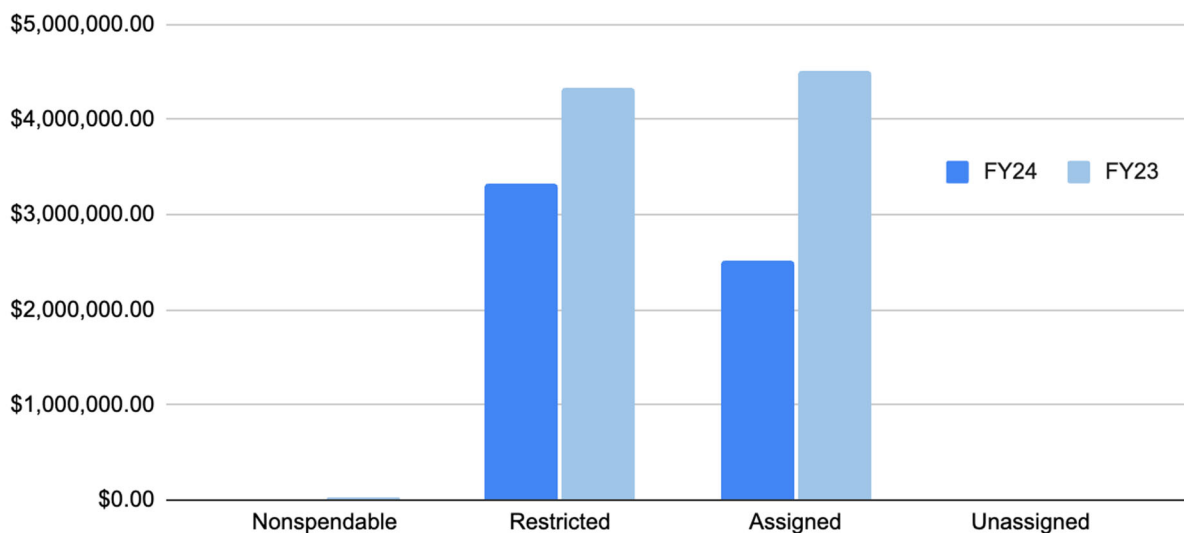
As of June 30, 2024, the District's governmental funds reported combined ending fund balances of \$11.2 million. Approximately \$3.3 million (29.7 percent) of the ending fund balances constitutes *non-spendable and restricted balances*. Restricted ending fund balances are constrained to specific purposes by bondholders or governing body. Approximately \$2.5 million (22.6 percent) of the ending fund balances is *assigned balances* for particular purposes, and represents balances for reserves and bus replacement. Approximately \$5.3 million (47.6 percent) 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 19 of the Basic Financial Statements.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2024, assigned fund balance was \$0. Unassigned General Fund balance was \$5,322,631.

General Fund Components of Fund Balance June 30, 2023 and 2024



Other Funds Components of Fund Balance June 30, 2023 and 2024



Grant Fund. The Grant Fund has a total fund balance of \$4,732,999, of which \$779,396 is restricted for grant expenditures.

Capital Construction Fund. The Capital Construction fund has a total fund balance of \$649,614 which is restricted for capital construction and improvement projects.

Debt Service Fund. Debt Service Fund has a total fund balance of \$477,034, which is restricted for debt service payments

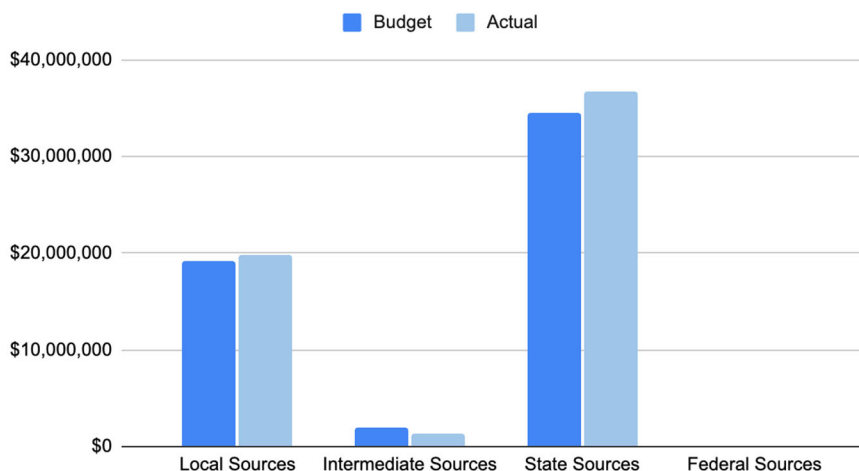
More information about revenues and expenditures is found in the Statement of Revenues, Expenditures and Changes in Fund Balances on page 8 of the report.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Revenues. General Fund actual revenues were more than the adopted budget by \$2,145,045 or 3.8 percent as shown in the following table. Local revenue sources of revenue provided a favorable revenue variance of \$724,963 or 3.8 percent. The intermediate revenue source, provided a unfavorable revenue variance of \$609,618 or -30.5 percent. State sources provided a favorable revenue variance of \$2,129,700 or 6.2 percent, primarily from a variance in the state school fund. Federal sources provided an unfavorable revenue variance of \$100,000 or -100.0 percent.

General Fund Actual Revenues vs. Budget for the Year Ended June 30, 2024					
Revenue	Original Budget	Final Budget	Actual	Variance	Variance %
Local Sources	\$19,163,091	\$19,163,091	\$19,888,054	\$724,963	3.8%
Intermediate Sources	1,996,849	1,996,849	1,387,231	-\$609,618	-30.5%
State Sources	34,522,710	34,522,710	36,652,410	\$2,129,700	6.2%
Federal Sources	100,000	100,000	0	-\$100,000	-100.0%
Total	\$55,782,650	\$55,782,650	\$57,927,695	\$2,145,045	3.8%

2023-24 General Fund Actual Revenues vs Final Budget

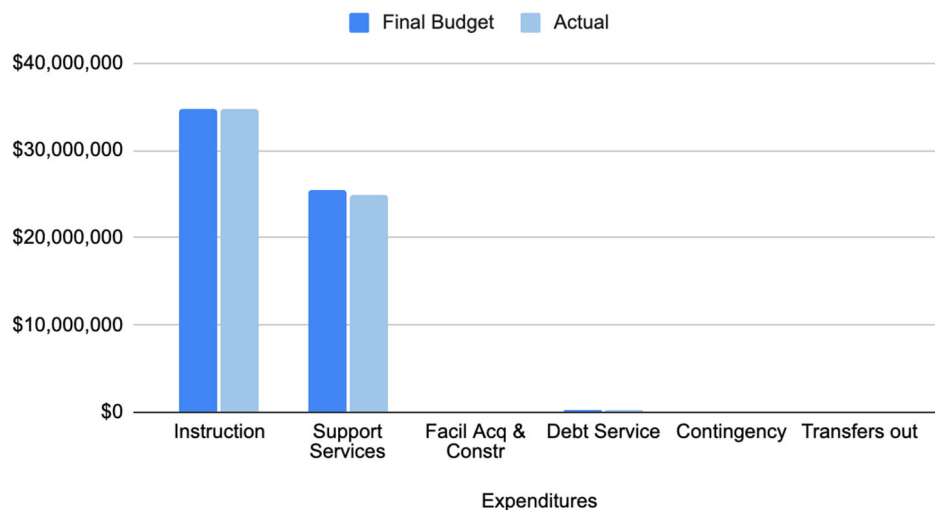


General Fund Expenditures. General Fund actual expenditures and transfers out were (1.1) percent less than budget, with Support Services budget savings accounting for the majority of the variance.

Instruction expenditures were \$17,763 or 0.1 percent more than budget. Support services expenditures were \$650,971 or 2.6 percent less than budget. Debt Service was \$5,293 or 2.0% percent less than budget. Contingency expenditure was not needed in this fiscal year and represented 100% savings from the budgeted amount.

General Fund Actual Expenditures & Transfers vs. Budget					
For the Year Ending June 30, 2024					
Expenditures	Original Budget	Final Budget	Actual	Variance	Variance %
Instruction	\$34,682,636	\$34,668,398	\$34,686,161	\$17,763	0.05%
Support Services	25,257,683	25,550,834	24,899,863	-\$650,971	-2.55%
Facil Acq & Constr	0	0	0	\$0	
Debt Service	270,211	270,211	264,918	-\$5,293	-1.96%
Contingency	278,913	0	0	\$0	
Transfers out	0	0	0	\$0	
Total	\$60,489,443	\$60,489,443	\$59,850,942	-\$638,501	-1.06%

23-24 General Fund Expenditures vs. Final Budget



General Fund Balance. As shown in the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance on page 53, the General Fund balance as of June 30, 2024 of \$5,322,631 results from expenditures exceeding revenues by \$1,923,247 plus other financing sources of \$2,005,926 due to the transfer in. The favorable variance to final budget is \$2,783,546, and is comprised of a favorable revenue variance of \$2,145,045, and a favorable expenditure variance of \$638,501.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, construction in progress, and leases. As of June 30, 2024, the District's investment in capital assets totaled \$85,983,336, net of accumulated depreciation, as shown in the following table.

Changes in Capital Assets			
For the Years Ending June 30, 2023 and 2024			
	FY2024	FY2023	Increase (Decrease)
Land	\$4,526,142	\$4,526,142	\$0
Buildings and Improvements	132,479,546	130,205,667	\$2,273,879
Construction in Progress	13,722	383,030	-\$369,308
Vehicles and Equipment	9,595,316	9,281,903	\$313,413
Lease	623,267	596,678	\$26,589
Total Capital Assets	147,237,993	144,993,420	2,244,573
Accumulated Depreciation	61,254,657	57,323,350	3,931,307
Total Net Capital Assets	\$85,983,336	\$87,670,070	-\$1,686,734

In fiscal year 2023-24, the District's net investment in capital assets decreased by \$389,084. Major capital asset events for the year ended June 30, 2023 include the following:

- Building and improvements increased by \$2,273,879.
- Construction in progress decreased by \$369,308 for building construction and improvements that were moved into Building and Improvements.
- Current year accumulated depreciation increased by \$3,931,307.

Additional information on the District's capital assets is in Note 8 of the Basic Financial Statements.

Long-term debt. At the end of the current year, the District had total long-term debt outstanding of \$69.0 million of the total original issue of \$140.6 million in long term obligations. 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.

On January 25, 2019, Standard & Poor's Global Ratings raised the District's underlying rating to "AA-" from "A+" on its previously issued general obligation bonds and reported the outlook is stable for the District's G.O. bonds. The District received an "AA+" (Oregon School Bond Guaranty) rating from Standard and Poor's for general obligation (G.O.) debt 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 13 of the Basic Financial Statements.

Hood River County School District Outstanding Debt			
			Increase
	June 30, 2024	June 30, 2023	(Decrease)
General obligation bonds	\$50,460,000	\$53,365,000	-2,905,000
Pension obligation bonds	10,320,000	12,665,000	-2,345,000
Full faith and credit obligation bonds	515,000	765,000	-250,000
Unamortized bond premiums	7,646,237	8,199,436	-553,199
Leases	83,638	281,208	-197,570
Total Outstanding Debt	69,024,875	75,275,644	-6,250,769

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 for Cascades Locks Elementary. Total student enrollment in 2023-24 decreased by 1.3 percent from 2022-23. Enrollment is projected to increase slightly with an estimated increase of 0.8 percent in 2023-24 to 3,776. With dedicated state funding for Measure 98 and the School Investment Account, along with the District's programs for alternative education, online school, career and technical education, as well as college readiness and drop-out prevention strategies, the

District's enrollment is expected to hold steady and will result in improvement to student outcomes and graduation rates.

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2024, the State School Fund formula revenue provided 61.9 percent of General Fund total revenue. For 2024-25, the State School Fund formula revenue is projected to provide 56.6 percent of General Fund total revenue. State School funding for the 2025-27 biennium will be based on the legislatively adopted budget split 49%/51% between the two years of the biennium.

A local option renewal levy was approved by the voters May 16, 2023 for five years at a rate of up to \$1.25 per thousand. For 2022-23, the Board approved a levy rate of \$1.25 per thousand. The revenue from the local option levy and its associated state equalization grant is approximately 5.5 percent of 2024-25 general fund budget resources.

The District's operational 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.

The 2023-25 Public Employee Retirement System (PERS) employer contribution rates, adopted in the fall of 2022 by the PERS Board, in combination with the PERS Bonds issued by the District, resulted in increases in the District's employer contribution rates as compared to the previous biennium, as shown below. Tier One covers members hired before January 1, 1996; Tier Two covers members hired between January 1, 1996 and August 28, 2003; and OPSRP covers members hired on or after August 29, 2003.

2023-24 Adopted Budget. In June 2023, the Board adopted the District budget for the fiscal year 2023-24. The adopted budget for the General Fund for the year ending June 30, 2024 is \$63,278,576. 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 2023-24.

Hood River County School District				
2023-25 Net Employer Contribution Rates compared to 2021-213Adopted Rates				
(as a percent of salary)				
Employee	2021-23	2023-2025	Change to Contribution Rate	Percentage
Membership Tier	Adopted Rate	Adopted Rate		Increase
Tier 1/Tier 2	15.31%	15.95%	0.64%	4.2%
OPSRP	12.20%	13.11%	0.91%	7.5%

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, 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, 2024

ASSETS	
Cash and investments	\$ 12,741,509
Receivables	5,327,568
Leases Receivable	95,936
Supply inventories	18,732
Total OPEB Asset for RHIA	952,240
Capital assets:	
Capital assets not being depreciated	4,539,864
Capital assets being depreciated, net	81,443,472
Total assets	105,119,321
DEFERRED OUTFLOWS OF RESOURCES	
PERS Pension related deferral	14,714,111
OPEB related deferral - Medical	737,426
OPEB related deferral - RHIA	6,611
District Pension related deferral	4,526
Total deferred outflows	15,462,674
LIABILITIES:	
Accounts payable	871,752
Salaries and contracts payable	5,406,283
Accrued interest payable	81,609
Accrued vacation, current portion	208,144
Long-term obligations due within one year	
Debt - current portion	6,119,562
Long-term obligations due in more than one year	
Debt - Due in more than one year	62,905,313
PERS Net Pension liability	41,904,624
District Pension liability	29,540
Total OPEB Liability - Medical	3,768,313
Total liabilities	121,295,140
DEFERRED INFLOWS OF RESOURCES:	
PERS Pension related deferral	8,182,315
OPEB related deferral - Medical	1,183,753
OPEB related deferral - RHIA	73,218
District Pension related deferral	350
Unavailable Revenue - Lease	95,936
Total deferred inflows of resources	9,535,572
NET POSITION:	
Net investment in capital assets	27,755,494
Restricted for:	
Grants	779,396
Unemployment	271,997
Debt Service	649,614
RHIA OPEB asset	952,240
Other	1,138,598
Unrestricted	(41,796,056)
Total net position	\$ (10,248,717)

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, 2024

<u>PROGRAM REVENUES</u>					
<u>FUNCTIONS</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
Instruction	\$ 44,694,259	\$ 165,691	\$ 9,421,373	\$ -	(35,107,195)
Support Services	31,630,888	129,385	4,552,454	-	(26,949,049)
Community Services	2,972,312	562,812	1,644,784	-	(764,716)
Interest on Long-Term Debt	(284,059)	-	-	-	284,059
Total Governmental Activities	<u>\$ 79,013,400</u>	<u>\$ 857,888</u>	<u>\$ 15,618,611</u>	<u>\$ -</u>	<u>(62,536,901)</u>

General Revenues

Taxes:

Property Taxes, levied for:

General purposes

18,113,557

Debt service

4,876,671

State school fund, general support

31,796,004

Common School fund

462,869

Construction excise tax

259,479

Unrestricted intermediate sources

1,686,564

Unrestricted state and other local sources

4,839,894

Earnings on investments

934,441

Miscellaneous

330,367

Total General Revenues

63,299,846

Changes in Net Position

762,945

Net Position, Beginning

(11,011,662)

Net Position, Ending

\$ (10,248,717)

See accompanying notes to basic financial statements.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Grant Fund	Debt Service Fund	Capital Construction & Improvement Fund	Total
ASSETS					
Cash and investments	\$ 10,908,807	\$ 1,145,457	\$ -	\$ 687,245	\$ 12,741,509
Receivables:					
Taxes	531,012	-	144,869	-	675,881
Accounts	777,818	3,819,039	23,546	31,284	4,651,687
Leases Receivable	95,936	-	-	-	95,936
Supply inventory	-	18,732	-	-	18,732
Due from other funds	-	-	615,789	-	615,789
Total assets	<u>\$ 12,313,573</u>	<u>\$ 4,983,228</u>	<u>\$ 784,204</u>	<u>\$ 718,529</u>	<u>\$ 18,799,534</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 380,822	\$ 249,435	\$ -	\$ 241,495	\$ 871,752
Salaries and contracts payable	5,406,283	-	-	-	5,406,283
Due to other funds	614,995	794	-	-	615,789
Total liabilities	<u>6,402,100</u>	<u>250,229</u>	<u>-</u>	<u>241,495</u>	<u>6,893,824</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	492,906	-	134,590	-	627,496
Unavailable revenue - lease deferred	95,936	-	-	-	95,936
Total deferred inflows of resources	<u>588,842</u>	<u>-</u>	<u>134,590</u>	<u>-</u>	<u>723,432</u>
Fund balances:					
Nonspendable	-	18,732	-	-	18,732
Restricted for:					
Grants	-	779,396	-	-	779,396
Capital projects	-	-	-	477,034	477,034
Debt service	-	-	649,614	-	649,614
Other	-	1,138,598	-	-	1,138,598
Unemployment	-	271,997	-	-	271,997
Assigned	-	2,524,276	-	-	2,524,276
Unassigned	5,322,631	-	-	-	5,322,631
Total fund balances	<u>5,322,631</u>	<u>4,732,999</u>	<u>649,614</u>	<u>477,034</u>	<u>11,182,278</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 12,313,573</u>	<u>\$ 4,983,228</u>	<u>\$ 784,204</u>	<u>\$ 718,529</u>	<u>\$ 18,799,534</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, 2024

Total Fund Balances - Governmental Funds	\$	11,182,278
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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		85,983,336
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The unamortized portion of bond premiums are not available to pay for current period expenditures, and therefore is not reported in the governmental funds

Premiums		(7,646,237)
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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

Interest payable	\$	(81,609)	
Accrued vacation		(208,144)	
General obligation bonds payable		(50,460,000)	
Qualified School Construction Bond		(515,000)	
Lease liability		(83,638)	
Limited tax pension bonds payable		<u>(10,320,000)</u>	(61,668,391)

The Net Pension Liability, RHIA Asset, and OPEB Liability and the related deferred inflows and outflows are not reported in the governmental funds balance sheet.

PERS Pension Liability	(41,904,624)		
PERS Pension Deferred Outflows	14,714,111		
PERS Pension Deferred Inflows	<u>(8,182,315)</u>		(35,372,828)
 District Pension Liability	 (29,540)		
District Pension Deferred Outflows	4,526		
District Pension Deferred Inflows	<u>(350)</u>		(25,364)
 RHIA Asset	 952,240		
RHIA Deferred Outflows	6,611		
RHIA Deferred Inflows	<u>(73,218)</u>		885,633
 OPEB Liability	 (3,768,313)		
OPEB Deferred Outflows	737,426		
OPEB Deferred Inflows	<u>(1,183,753)</u>		(4,214,640)

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>627,496</u>
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Net Position	\$	<u><u>(10,248,717)</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, 2024

	General Fund	Grant Fund	Debt Service Fund	Capital Construction & Improvement Fund	Total
Revenues:					
Local sources	\$ 19,888,054	\$ 947,072	\$ 5,107,443	\$ 351,314	\$ 26,293,883
Intermediate sources	1,387,231	299,333	-	-	1,686,564
State sources	36,652,410	8,326,493	-	-	44,978,903
Federal sources	-	6,765,161	-	-	6,765,161
Total revenues	57,927,695	16,338,059	5,107,443	351,314	79,724,511
Expenditures:					
Current:					
Instruction	34,662,605	7,543,082	-	-	42,205,687
Support services	24,848,486	5,232,874	-	-	30,081,360
Community services	-	2,806,814	-	-	2,806,814
Facilities acquisition and construction	-	4,117	-	105,888	110,005
Capital outlay	74,933	1,194,920	-	944,529	2,214,382
Debt service					
Principal	250,000	-	2,905,000	-	3,155,000
Interest	14,918	-	2,051,800	-	2,066,718
Total expenditures	59,850,942	16,781,807	4,956,800	1,050,417	82,639,966
Revenues over (under) expenditures	(1,923,247)	(443,748)	150,643	(699,103)	(2,915,455)
Other financing sources (uses):					
Transfer in	2,005,926	-	-	-	2,005,926
Transfer out	-	(2,005,926)	-	-	(2,005,926)
Total other financing sources (uses):	2,005,926	(2,005,926)	-	-	-
Net Change in Fund Balance	82,679	(2,449,674)	150,643	(699,103)	(2,915,455)
Fund balances, beginning of year	5,239,952	7,182,673	498,971	1,176,137	14,097,733
Fund balances, end of year	\$ 5,322,631	\$ 4,732,999	\$ 649,614	\$ 477,034	\$ 11,182,278

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, 2024

Total Net Changes in Fund Balances - Governmental Funds	\$	(2,915,455)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 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	\$ (45,487)	
Amortization of bond premium	553,199	
Lease Payment	224,159	
Debt principal repaid	<u>5,500,000</u>	6,231,871

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	2,217,984	
Depreciation Expense	<u>(3,931,307)</u>	(1,713,323)

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.

5,777

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.

51,834

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

PERS pension expense	(678,741)	
District pension expense	(6,021)	
OPEB expense - Medical	(241,217)	
OPEB income - RHIA	<u>28,220</u>	

Change in Net Position of Governmental Activities	\$	<u><u>762,945</u></u>
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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. 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 and Improvement 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)

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 republication. 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.

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, 2024, except the following: General Fund – Instruction in the amount of \$17,763.

SUPPLY INVENTORY AND PREPAIDS

Purchased inventory is recorded at cost. Donated 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.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

LEASE RECEIVABLES

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the government, reduced by principal payments received.

LEASE ASSETS

Lease assets are assets which the government leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the government's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

LEASES PAYABLES

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

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 sources, while discounts on

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Accrued 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 – Observable inputs that reflect quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Level 3 – Unobservable inputs that are not corroborated by market data, therefore requiring the Company to develop its own assumptions.

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 and prepaids.
- 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.
- 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.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

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 District's deferred outflows are clearly labeled on the face of the financial statements.

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. The District's deferred outflows are clearly labeled on the face of the financial statements.

2. CASH AND INVESTMENTS

Cash and Investments at June 30, 2024, (recorded at fair value) consisted of:

Total investments	\$ 4,517,084
Local Government Employers Benefit Trust	324,592
Petty cash	600
Deposits with financial institutions	<u>7,899,233</u>
Total	<u><u>\$ 12,741,509</u></u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

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, 2024, the bank balance was \$8,904,786, with \$8,154,786 of the balance in excess over FDIC, which is covered under the Oregon PFCP collateral plan.

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, 2024, all deposits were collateralized in accordance with Oregon law.

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. As of June 30, 2024, the fair value of the position in the LGIP is 100.39%. 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)

As of June 30, 2024, 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	Fair Value	\$ 98,847
State Treasurer's Investment Pool	No rating	No rating	N/A	Fair Value	3,420,041
State Treasurer's Investment Pool	No rating	No rating	N/A	Fair Value	998,196
Total Investments					<u>\$ 4,517,084</u>

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, 2024, 100% 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.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. ACCOUNTS/GRANTS RECEIVABLE (CONTINUED)

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.

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 1st 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. LEASE RECEIVABLES AND DEFERRED INFLOWS

On 07/01/2021, The District entered into a 24 month lease as Lessor for the use of Blossoms Bilingual Preschool: Pine Grove Room #10 and modifications to the lease have extended to 06/30/25. As of 06/30/2024, the value of the lease receivable is \$23,537. The lessee is required to make monthly fixed payments of \$1,967. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2024 was \$23,537. The District recognized lease revenue of \$21,288 during the fiscal year.

On 07/01/2021, The District entered into a 24 month lease as Lessor for the use of Budding Branches Child Care - Pine Grove Annex Building and modifications to the lease have extended to 06/30/25. As of 06/30/2024, the value of the lease receivable is \$16,703. The lessee is required to make monthly fixed payments of \$1,396. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2024 was \$16,703. The District recognized lease revenue of \$13,726 during the fiscal year.

On 07/01/2021, The District entered into a 24 month lease as Lessor for the use of Little Learners Preschool at HRVHS - Room B16 and modifications have extended to 06/30/25. As of 06/30/2024, the value of the lease receivable is \$24,849. The lessee is required to make monthly fixed payments of \$1,714. The lease has an interest rate of 0.3160%. The value of the deferred inflow of resources as of 06/30/2024 was \$28,849. The District recognized lease revenue of \$20,463 during the fiscal year.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. LEASE RECEIVABLES AND DEFERRED INFLOWS (CONTINUED)

On 07/01/2021, The District entered into a 24 month lease as Lessor for the use of HRC Library District - CLES at 300 Wa Na Pa Street and modifications have extended the lease to 06/30/25. As of 06/30/2024, the value of the lease receivable is \$16,721. The lessee is required to make monthly fixed payments of \$11,396. The lease has an interest rate of 0.3160%. The value of the deferred inflow of resources as of 06/30/2024 was \$16,721. The District recognized lease revenue of \$14,653 during the fiscal year.

On 07/01/2022, The District entered into a 24 month lease as Lessor for the use of Mid-Columbia Children's Council, Inc.- Mid-Valley Classrooms Lease and modifications have extended it to 06/30/25. As of 06/30/2024, the value of the lease receivable is \$7,063. The lessee is required to make monthly fixed payments of \$590. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2024 was \$7,063. The District recognized lease revenue of \$6,386, during the fiscal year.

On 07/01/2022, The District entered into a 24 month lease as Lessor for the use of Mid-Columbia Children's Council, Inc.- Westside Classrooms Lease and modifications have extended it to 06/30/25. As of 06/30/2024, the value of the lease receivable is \$7,063. The lessee is required to make monthly fixed payments of \$488. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2024 was \$7,063. The District recognized lease revenue of \$6,386, during the fiscal year.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. LEASE RECEIVABLES AND DEFERRED INFLOWS (CONTINUED)

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2023	Additions	Reductions	Balance as of June 30, 2024
Lease Receivable				
Buildings				
Blossoms Bilingual Preschool	\$ -	\$ 44,825	\$ 21,288	\$ 23,537
Budding Branches Child Care	-	30,429	13,726	16,703
Little Learners Preschool at HRVHS	-	45,312	20,463	24,849
HRC Library District	-	31,374	14,653	16,721
Mid-Col. Children's Council - Cascade Locks	9,450	-	9,450	-
Mid-Col. Children's Council - Mid Valley	5,135	8,314	6,386	7,063
Mid-Col. Children's Council - Westside	5,135	8,314	6,386	7,063
Mid-Col. Children's Council - May St	3,890	-	3,890	-
	<u>23,610</u>	<u>168,568</u>	<u>96,242</u>	<u>95,936</u>
Total Lease Receivable	<u>\$ 23,610</u>	<u>\$ 168,568</u>	<u>\$ 96,242</u>	<u>\$ 95,936</u>
Deferred Inflow of Resources				
Buildings				
Blossoms Bilingual Preschool	\$ -	\$ 44,825	\$ 21,288	\$ 23,537
Budding Branches Child Care	-	30,429	13,726	16,703
Little Learners Preschool at HRVHS	-	45,312	20,463	24,849
HRC Library District	-	31,374	14,653	16,721
Mid-Col. Children's Council - Cascade Locks	9,450	-	9,450	-
Mid-Col. Children's Council - Mid Valley	5,135	8,314	6,386	7,063
Mid-Col. Children's Council - Westside	5,135	8,314	6,386	7,063
Mid-Col. Children's Council - May St	3,890	-	3,890	-
	<u>23,610</u>	<u>168,568</u>	<u>96,242</u>	<u>95,936</u>
Total Deferred Inflow of Resources	<u>\$ 23,610</u>	<u>\$ 168,568</u>	<u>\$ 96,242</u>	<u>\$ 95,936</u>

The deferred inflow is amortized on a straight line basis. Future maturities for the receivable are as follows:

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	\$ 95,936	\$ 33	\$ 95,969
Total	<u>\$ 95,936</u>	<u>\$ 33</u>	<u>\$ 95,969</u>

5. SUPPLY INVENTORY

Supply Inventories as of June 30, 2024:

	Other Governmental Funds
Commodities and purchased foods	<u>\$ 18,732</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. INTERFUND DUE TO AND DUE FROM

<u>Fund</u>	<u>Fund #</u>	<u>Due From</u>	<u>Due To</u>
General Fund	100	\$ -	\$ 614,995
Grants Fund	200	-	794
Debt Service Fund	300	615,789	-
Total		<u>\$ 615,789</u>	<u>\$ 615,789</u>

Interfund due to and due from result from the pooled cash of the District between funds.

7. INTERFUND TRANSFERS

<u>Fund</u>	<u>Fund #</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	100	\$ 2,005,926	\$ -
Grants Fund	200	-	2,005,926
Total		<u>\$ 2,005,926</u>	<u>\$ 2,005,926</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2024, are as follows:

	Beginning of Year	Additions	(Deletions)	Balance End Of Year
Capital Assets Not Being Depreciated				
Land	\$ 4,526,142	\$ -	\$ -	\$ 4,526,142
Construction in Process	383,030	13,722	(383,030)	13,722
Total Capital Assets Not Being Depreciated	4,909,172	13,722	(383,030)	4,539,864
Capital Assets Being Depreciated				
Buildings & Improvements	130,205,667	2,273,879	-	132,479,546
Vehicles & Equipment	9,281,903	313,413	-	9,595,316
Leases- Right-of-Use Assets (Intangible)	596,678	26,589	-	623,267
Total Capital Assets Depreciated	140,084,248	2,613,881	-	142,698,129
Accumulated Depreciation				
Buildings & Improvements	49,328,815	3,495,512	-	52,824,327
Vehicles & Equipment	7,679,066	211,544	-	7,890,610
Lease Amortization	315,469	224,251	-	539,720
Total Accumulated Depreciation	57,323,350	3,931,307	-	61,254,657
Total Net Capital Assets	\$ 87,670,070	\$ (1,303,704)	\$ (383,030)	\$ 85,983,336

Depreciation was allocated to the functions as followed:

Instruction	\$ 2,210,089
Support Services	1,573,659
Community Services	147,559
Total	<u>\$ 3,931,307</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. 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 Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- 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.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - 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 one 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 disabled 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.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. PENSION PLAN (CONTINUED)

- iv) **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- 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. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
 - 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.

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, 2022 actuarial valuation, which became effective July 1, 2023. 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, 2024 were \$5,067,076, excluding amounts to fund employer specific liabilities. In addition, approximately \$2,146,007 in employee contributions were paid or picked up by the District in fiscal 2024. At June 30, 2024, the District reported a net pension liability of \$41,904,624 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2021. The District's proportion of the net pension liability was based on a projection of the

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. PENSION PLAN (CONTINUED)

District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2023 and 2022, the District's proportion was .224 percent and .244 percent, respectively. Pension expense for the year ended June 30, 2024 was \$678,741.

The rates in effect for the year ended June 30, 2024 were:

- (1) Tier 1/Tier 2 – 15.95%
- (2) OPSRP general services – 13.11%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 2,049,264	\$ 166,156
Changes in assumptions	3,722,559	27,756
Net difference between projected and actual earnings on pension plan investments	753,198	-
Net changes in proportionate share	2,210,731	3,415,352
Differences between contributions and proportionate share of contributions	911,283	4,573,051
Subtotal - Amortized Deferrals (below)	9,647,035	8,182,315
Contributions subsequent to measuring date	5,067,076	-
Deferred outflow (inflow) of resources	<u>\$ 14,714,111</u>	<u>\$ 8,182,315</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2025.

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

Year ending June 30,	Amount
2025	\$ (323,774)
2026	(2,062,533)
2027	3,388,836
2028	654,048
2029	(191,857)
Thereafter	-
Total	<u>\$ 1,464,720</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 1, 2024. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. PENSION PLAN (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2023 through June 30, 2025, 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, 2021
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	9.0%	16.5%	12.5%
Private Equity	17.5%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2023 PERS ACFR; p. 125)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
Assumed Inflation - Mean		2.35%

(Source: June 30, 2023 PERS ACFR; p. 92)

HOOD RIVER COUNTY SCHOOL DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS

9. PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 6.90 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.

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 6.90 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 one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	Decrease (5.90%)	Rate (6.90%)	Increase (7.90%)
Proportionate share of the net pension liability	\$ 69,218,549	\$ 41,904,624	\$ 19,045,764

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.

There are no changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

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 resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. 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.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. PENSION PLAN (CONTINUED)

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member 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, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2024.

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.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POSTEMPLOYMENT BENEFIT PLAN - (RHIA)

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2024. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2022, 2023 and 2024 were \$5,860, \$5,125 and \$1,605, respectively, which equaled the required contributions each year.

At June 30, 2024, the District reported a net OPEB liability/(asset) of (\$952,240) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2021. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2023 and 2022, the District's proportion was .26 percent and .24 percent, respectively. OPEB expense for the year ended June 30, 2024 was \$(28,220).

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HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POSTEMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (110,212)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	84,037
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (26,175)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 23,906
Changes in assumptions	-	10,267
Net difference between projected and actual earnings on pension plan investments	2,701	-
Net changes in proportionate share	2,305	39,045
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	5,006	73,218
Contributions subsequent to measuring date	1,605	-
Deferred outflow (inflow) of resources	<u>\$ 6,611</u>	<u>\$ 73,218</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2025.

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

Year ending June 30,	Amount
2025	\$ (71,207)
2026	(44,819)
2027	35,191
2028	12,621
2029	-
Thereafter	-
Total	<u>\$ (68,214)</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POSTEMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2023. That independently audited report was dated February 1, 2024 and can be found at:

<https://www.oregon.gov/pers/emp/Documents/GASB/2023/Oregon%20Public%20Employees%20Retirement%20System%20-%20GASB%2075%20RHIA%20-%20YE%206.30.2023%20-%20SECURED.pdf>

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2021
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2023 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POSTEMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		2.35%

(Source: June 30, 2023 PERS ACFR; p. 92)

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 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 one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net OPEB liability (asset)	\$ (865,588)	\$ (952,240)	\$ (1,026,586)

HOOD RIVER COUNTY SCHOOL DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POSTEMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

11. SINGLE EMPLOYER PENSION PLAN (GASB #73)

Early Retirement

A single employer, defined benefit early retirement supplement program is maintained for certified employees. The retirement incentive is offered as a form of deferred compensation for work performed during the years of active employment. To qualify, an employee must be a certified staff member eligible to retire with benefits under the rules of the Public Employees Retirement System and applicable Oregon law. In addition, the electing employee must have a minimum of ten years of service immediately prior to retirement. This plan is funded on a pay-as-you-go basis.

GASB Statement #73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, for the fiscal year ended June 30, 2016, was implemented. A single-employer postemployment benefit program is maintained (commonly referred to as early retirement). These programs cover licensed and administrative personnel, individual employees, and certain retired employees.

Contributions and Funding Policy – The benefits from this program are fully paid by the District 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. Consequently, it has not been found necessary to establish a pension trust fund, and payments are made on a pay-as-you-go basis each year out of the General Fund. An estimate of this liability for current retirees is done annually. There is no separately issued financial report for the plan. The annual expenditures recognized on a budgetary basis were approximately \$6,021, \$5,571, and \$33,052 for the years ended June 30, 2024, 2023, and 2022, respectively.

Total Pension Liability – The District's total pension liability (TPL) were measured as of June 30, 2024, and the total pension liability were determined by an actuarial valuation as of July 1, 2023.

Actuarial Methods and Assumptions – The total pension liability (TPL) for the current year was determined as part of the July 1, 2023 actuarial valuation using the Entry Age Normal (EAN) Level Percent of Pay Method. Actuarial valuations of ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) an interest rate for discounting future liabilities of 4%; (b) annual increases in premiums were expected to be 3.5% in 2024, and increasing .5% to 5.5% in 2027, to 5.80% in 2028, then decreasing .1% per year until 2041 and subsequent years, when it is expected to be 4.5%; (c) an assumed inflation rate of 2.5%; (d) annual salary increases for employees are assumed to be 3.5% in all future years.

Under this method the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percent of pay basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age. The portion of this actuarial present value

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

allocated to the valuation year is called the service cost for that active employee. The sum of these individual service costs is the Plan's Service Cost for the valuation year. The present value of benefits for current retirees plus the accumulated value of all prior Service Costs is the Total Pension Liability. Under this method the actuarial gains (losses), as they occur, reduce (increase) the Total Pension Liability while leaving the Service Cost unchanged. The District's early retirement program is unfunded.

The District has a total of 2 active and 1 inactive participants under GASB 73.

Total Pension Liability

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Balance at July 1	\$ 37,652	\$ 29,752	\$ 21,736
Changes for the Year:			
Service Cost	1,541	698	688
Interest	837	898	841
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	7,428	-	6,789
Changes of Assumptions or Other Input	(206)	(23)	(514)
Benefit Payments	<u>(17,500)</u>	<u>(9,589)</u>	<u>-</u>
Net Changes for the Year	(7,900)	(8,016)	7,804
Total Pension Liability at June 30	<u>\$ 29,752</u>	<u>\$ 21,736</u>	<u>\$ 29,540</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 4,526	\$ -
Changes in assumptions	-	350
Deferred outflow (inflow) of resources	<u>\$ 4,526</u>	<u>\$ 350</u>

<u>Year ending June 30,</u>	<u>Amount</u>
2025	\$ 2,085
2026	2,091
2027	-
2028	-
Thereafter	-
Total	<u>\$ 4,176</u>

Sensitivity of the District's total pension liability to changes in the discount rate – The following presents the District's total pension liability calculated using the discount rate of 4.00 percent, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

June 30, 2024	1%	Current	1%
	Decrease	Discount Rate	Increase
Total Pension Liability	\$ 29,589	\$ 29,540	\$ 29,444

12. OTHER POSTEMPLOYMENT BENEFITS (GASB #75)

Plan Description

The District administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the District's group health insurance plans. The District's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Postemployment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2023, and the measurement date was June 30, 2024.

Funding Policy

The District has not established a trust fund to finance the cost of postemployment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the District on a pay-as-you-go basis. There is no obligation on the part of the District to fund these benefits in advance. The District considered the liability to be solely the responsibility of the District as a whole and it is allocated to the governmental statements.

Actuarial Methods and Assumptions

The District engaged an actuary to perform a valuation as of July 1, 2023, using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

The District has a total of 576 active and 20 inactive participants under GASB 75.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

12. OTHER POSTEMPLOYMENT BENEFITS (GASB #75) (CONTINUED)

Health Care Cost Trend	Annual Premiums	
	Year	Pre-65 Trend
	2024	3.50%
	2025	4.00%
	2026	4.50%
	2027	5.00%
	2028	5.50%
	2029	5.80%
	2030	5.70%
	2031	5.60%
	2032	5.50%
	2033	5.40%
	2034	5.30%
	2035	5.20%
	2036	5.10%
	2037	5.00%
	2038	4.90%
	2039	4.80%
	2040	4.70%
	2041	4.60%
	2041+	4.50%
	Health care cost trend affects both the projected health care costs as well as the projected health care premiums.	
General Inflation	2.50% per year, used to develop other economic assumptions	
Annual Pay Increases	3.50% per year, based on general inflation and the likelihood of raises throughout participants' careers	
Mortality	Active Employees: Pub 2010 Employee Tables for Teachers, sex distinct, projected generationally. Active employee adjustments: 125% of published rates for males, 100% of published rate for females. Retirees: Pub 2010 Retiree Tables for Teachers, sex distinct, projected generationally. Beneficiaries: Pub 2010 Employee and Retiree Tables for General Employees, sex distinct, projected generationally.	

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

12. OTHER POSTEMPLOYMENT BENEFITS (GASB #75) (CONTINUED)

Changes in the Net OPEB Liability

	2022	2023	2024
Total OPEB Liability at July 1	\$ 4,032,842	\$ 3,520,335	\$ 3,645,466
Changes for the year:			
Service cost	247,459	222,152	219,259
Interest	115,416	128,222	142,112
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(457,869)	-	648,543
Changes of assumptions or other input	(250,832)	(67,247)	(736,942)
Benefit payments	(166,681)	(157,996)	(150,125)
Balance as of June 30	<u>\$ 3,520,335</u>	<u>\$ 3,645,466</u>	<u>\$ 3,768,313</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPEB liability using a discount rate of 4.00%, as well as what the District's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption, although the interest rate was graded up to 5.80%, then back down to 4.50%:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 4,045,745	\$ 3,768,313	\$ 3,506,185

	1% Decrease Healthcare	Current Trend Rate Healthcare	1% Increase Healthcare
Total OPEB Liability	\$ 3,336,242	\$ 3,768,313	\$ 4,279,350

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits

The District reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other postemployment benefit expense for the following five years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 592,598	\$ 286,167
Changes in assumptions or other input	144,828	897,586
Deferred outflow (inflow) of resources	<u>\$ 737,426</u>	<u>\$ 1,183,753</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

12. OTHER POSTEMPLOYMENT BENEFITS (GASB #75) (CONTINUED)

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>
2025	\$ 29,971
2026	(114,857)
2027	(114,852)
2028	(108,044)
2029	(108,041)
Thereafter	(30,504)
Total	<u>\$ (446,327)</u>

13. 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. 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. Upon the occurrence and continuance of any event of default hereunder the owners of fifty-one (51%) percent or more of the principal amount of bonds then outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the owners of bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the resolution or the bonds or in aid of the exercise of any power granted in the resolution or in the bonds or for the enforcement of any other legal or equitable right vested in the owners of bonds by the resolution or the bonds or by law. However, the bonds shall not be subject to acceleration.

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

<u>ISSUE</u>	<u>ORIGINAL ISSUE AMOUNT</u>	<u>INTEREST RATE</u>	<u>OUTSTANDING BALANCE 6/30/2024</u>	<u>FINAL MATURITY DATE</u>
Series 2016	\$ 65,670,000	3.1-5.0%	\$ 50,460,000	6/15/2036
Total	<u>\$ 65,670,000</u>		<u>\$ 50,460,000</u>	

PERS Pension Obligation Bonds

During the years ended June 30, 2002, and 2004, 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

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

13. LONG TERM OBLIGATIONS (CONTINUED)

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. One million of limited tax pension obligation bonds was issued for the purpose of generating resources for the debt service payments of \$955,000 for the fiscal year 2020-21 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.

Upon the occurrence and continuance of any event of default under the trust agreement, the trustee may, and if the owners of not less than 51 percent in aggregate principal amount of the Obligations then Outstanding so request, is required to take whatever action at law or in equity may appear necessary or desirable to enforce or to protect any of the rights vested in the obligation Trustee or the Owners of the Obligations by the Trust Agreement, the Intercept Agreement or the Pension Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Trust Agreement or the Intercept Agreement or in aid of the exercise of any power granted in the Trust Agreement or the Intercept Agreement or for the enforcement of any other legal or equitable right vested in the Trustee by the Trust Agreement or by law; provided that in no event will the Trustee have the right to accelerate the Pension Bond Payments or the Obligations. The Trustee is not permitted to exercise remedies against an Issuer that has not caused a Pension Bond Default. The Trust Agreement provides that if at any time after a Pension Bond Default has occurred, any moneys available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for under the Trust Agreement or otherwise, are required to be applied by the Trustee as follows:

- (1) To the payment of the interest on such Issuer's Pension Bonds when due.
- (2) To the payment of the principal on such Issuer's Pension Bonds when due.

State Intercept Agreement: Payment of the Pension Bonds is also secured by an intercept agreement, pursuant to which an amount of State Education Revenues equal to each Issuer's Pension Bond Payments, which would otherwise be paid by the Oregon Department of Education (the "Agency") to the Issuer, is diverted to the Trustee for the purpose of paying the Pension Bond Payments.

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

ISSUE	INTEREST RATE	OUTSTANDING	FINAL
		BALANCE 6/30/2024	MATURITY DATE
8/11/2011	2.06-6.10%	\$ 6,020,000	6/30/2028
2/19/2004	3.66-5.53%	4,300,000	6/30/2028
		<u>\$ 10,320,000</u>	

Direct Placement - 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. Whenever any Event of

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

13. LONG TERM OBLIGATIONS (CONTINUED)

Default exists, the Seller shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) Without terminating this Agreement, and by written notice to the District, the Seller may declare all Installment Payments, Loss of QSCB Status Amounts, if any, and other amounts payable by the District hereunder to the end of the then current budget year of the District to be due, including without limitation delinquent Installment Payments or loss of QSCB Status Amounts from prior budget years; (b) Terminating this Agreement, and by written notice to the District, the Seller may accelerate all outstanding Installment Payments and Loss of QSCB Status Amounts, if any, in which case the District agrees to pay to the Seller an amount equal to the outstanding Installment Payments and Loss of QSCB Status Amounts, if any, as well as any other sums due hereunder; (c) Seller may enter the premises where the Equipment or the Improvements are located and retake possession of the Equipment or the Improvements, or require the District, at the District's expense, to promptly return any or all of the Equipment or the Improvements to the possession of Seller at such place within the United States as Seller shall specify, and Seller may thereafter dispose of the Property in accordance with Article 9 of the Uniform Commercial Code; provided, however, that any proceeds from the disposition of the property in excess of the sum required to (i) discharge the District's obligations under this Agreement, (ii) pay any other amounts then due to Seller under this Agreement, and (iii) pay Seller's costs and expenses associated with the disposition of the Equipment or the Improvements (including attorneys fees), shall be paid to the District or such other creditor of the District as may be entitled thereto; (c) The Seller may take whatever action at law or in equity necessary or desirable to enforce its rights under this Agreement.

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

<u>ISSUE</u>	<u>ORIGINAL ISSUE AMOUNT</u>	<u>INTEREST RATE</u>	<u>OUTSTANDING BALANCE 6/30/2024</u>	<u>FINAL MATURITY DATE</u>
Series 2010	<u>\$ 3,600,000</u>	1.95%	<u>\$ 515,000</u>	3/16/2026
Total	<u>\$ 3,600,000</u>		<u>\$ 515,000</u>	

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

13. LONG TERM OBLIGATIONS (CONTINUED)

Changes in long-term obligations

Long-term obligation activity for the fiscal year ended June 30, 2024, was as follows:

	Beginning Balance 7/1/23	Additions	Deletions	Ending Balance 6/30/24	Due Within One Year
Governmental Activities:					
Bonds payable:					
General Obligation Bonds	\$ 53,365,000	\$ -	\$ 2,905,000	\$ 50,460,000	\$ 3,160,000
Pension Oblifation Bond (2002 PERS Refinanced 2011)	7,390,000	-	1,370,000	6,020,000	1,530,000
Pension Obligation Bond (2004 PERS)	5,275,000	-	975,000	4,300,000	1,095,000
Direct Placement:					
QSCB	765,000	-	250,000	515,000	255,000
Unamortized bond premiums and (discounts)	8,199,436	-	553,199	7,646,237	-
Other Debt:					
Leases	281,208	26,589	224,159	83,638	79,562
Total Liabilities	<u>\$ 75,275,644</u>	<u>\$ 26,589</u>	<u>\$ 6,277,358</u>	<u>\$ 69,024,875</u>	<u>\$ 6,119,562</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

13. LONG TERM OBLIGATIONS (CONTINUED)

The future maturities of long-term obligations outstanding as of June 30, 2024, are as follows:

Fiscal Year	Pension Obligation Bonds			
	Series 2011		Series 2004	
	Principal	Interest	Principal	Interest
2025	\$ 1,530,000	\$ 334,110	\$ 1,095,000	\$ 237,704
2026	1,710,000	249,195	1,220,000	177,172
2027	1,895,000	154,290	1,355,000	109,731
2028	885,000	49,118	630,000	34,829
2029	-	-	-	-
	<u>\$ 6,020,000</u>	<u>\$ 786,713</u>	<u>\$ 4,300,000</u>	<u>\$ 559,436</u>

Fiscal Year	Qualified School Construction Bond Series 2010 Direct Placement		General Obligation and Refunding Bonds Series 2016	
	Principal	Interest	Principal	Interest
2025	\$ 255,000	\$ 10,043	\$ 3,160,000	\$ 1,935,600
2026	260,000	5,070	3,455,000	1,777,600
2027	-	-	3,740,000	1,639,400
2028	-	-	3,960,000	1,564,600
2029	-	-	4,235,000	1,445,800
2030-34	-	-	26,415,000	4,417,400
2035-39	-	-	5,495,000	333,400
	<u>\$ 515,000</u>	<u>\$ 15,112</u>	<u>\$ 50,460,000</u>	<u>\$ 13,113,800</u>

Other Debt – Leases

On 11/16/2021, the District entered into a 36 month lease as Lessee for the use of Folding Machine. An initial lease liability was recorded in the amount of \$12,972. As of 06/30/2024, the value of the lease liability is \$1,092. The District is required to make quarterly fixed payments of \$1,094. The lease has an interest rate of 0.8770%. The value of the right to use asset is included in the capital asset note.

On 07/01/2021, the District entered into a 32 month lease as Lessee for the use of Digital Mailing System (#0040811362) - Feb 2019. An initial lease liability was recorded in the amount of \$6,607. As of 06/30/2024, the value of the lease liability is \$0. The District is required to make quarterly fixed payments of \$607. The lease has an interest rate of 0.7270%. The value of the right to use asset is included in the capital asset note.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

13. LONG TERM OBLIGATIONS (CONTINUED)

On 07/01/2021, the District entered into a 36 month lease as Lessee for the use of Multifunctional Printers. An initial lease liability was recorded in the amount of \$270,837. As of 06/30/2024, the value of the lease liability is \$7,396. The District is required to make monthly fixed payments of \$7,400. The lease has an interest rate of 0.7270%. The value of the right to use asset is included in the capital asset note.

On 07/01/2021, the District entered into a 45 month lease as Lessee for the use of Printer and MFP Imaging Device. An initial lease liability was recorded in the amount of \$87,662. As of 06/30/2024, the value of the lease liability is \$17,776. The District is required to make monthly fixed payments of \$1,981. The lease has an interest rate of 0.8930%. The value of the right to use asset is included in the capital asset note.

On 07/01/2021, the District entered into a 27 month lease as Lessee for the use of Digital Mailing System (#0040772107) - Oct 2018. An initial lease liability was recorded in the amount of \$4,470. As of 06/30/2024, the value of the lease liability is \$0. The District is required to make quarterly fixed payments of \$501. The lease has an interest rate of 0.7270%. The value of the right to use asset is included in the capital asset note.

On 07/01/2022, the District entered into a 36 month lease as Lessee for the use of Mobile Modular Storage. An initial lease liability was recorded in the amount of \$25,189. As of 06/30/2024, the value of the lease liability is \$14,056, which included an increase of \$7,241. The District is required to make monthly fixed payments of \$720. The lease has an interest rate of 0.7902%. The value of the right to use asset is included in the capital asset note.

On 01/01/2022, the District entered into a 24 month lease as Lessee for the use of 902 WASCO ST., SUITE 150. HOOD RIVER, OR 97031. An initial lease liability was recorded in the amount of \$188,941. As of 06/30/2024, the value of the lease liability is \$40,571, which included an increase of \$15,867. The District is required to make quarterly fixed payments of \$7,800. The lease has an interest rate of 0.7902%. The value of the right to use asset is included in the capital asset note.

On 05/31/23, the District entered into a 60 month lease as Lessee for the use of a stamp machine. An initial lease liability was recorded in the amount of \$3,481. As of 06/30/2024, the value of the lease liability is \$2,747. The District is required to make quarterly fixed payments of \$187. The lease has an interest rate of 0.7%. The value of the right to use asset is included in the capital asset note.

Future payments are as follows:

<u>By Fiscal Year:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 79,562	\$ 207	79,769
2026	2,780	13	2,793
2027	739	7	746
2028	557	1	558
	<u>\$ 83,638</u>	<u>\$ 228</u>	<u>\$ 83,866</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

14. 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.

15. 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, 2024, employees had accumulated 25,874 days of sick leave.

16. 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 in each of the past three years.

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.

17. ACCRUED VACATION

At the beginning of the fiscal year, the District had an accrued vacation liability totaling \$162,657. During the year, the liability had a net increase of \$45,487, resulting in total accrued vacation liability of \$208,144 as of June 30, 2024. Accrued vacation is not accrued beyond one year. The general fund is used to liquidate accrued vacation. Changes are as follows:

Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<u>\$ 162,657</u>	<u>\$ 208,144</u>	<u>\$ 162,657</u>	<u>\$ 208,144</u>	<u>\$ 208,144</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

18. 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.

19. FUND BALANCE CONSTRAINTS

The District reports Assigned General Fund balances for two purposes, Reserves and for Bus Replacement. Reserves were established by the School Board for the purpose of smoothing of the state school fund resources and for an operational reserve for future Oregon Public Employees' Retirement System employer contribution rate increases. The purpose of the Bus Replacement fund balance is the amount received from the state school fund payment related to depreciation on school buses and is required by the State Department of Education to be spent on school bus replacements. The School Board is granted authority to establish reserve funds by the Oregon Revised Statute 294.346 Reserve Fund Established Without Vote.

The specific purposes for each of the categories of fund balance as of June 30, 2024 are as follows:

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

19. FUND BALANCE CONSTRAINTS (CONTINUED)

	General Fund	Grant Fund	Debt Service Fund	Capital Construction & Improvement Fund	Total
Fund Balances:					
Nonspendable	\$ -	\$ 18,732	\$ -	\$ -	\$ 18,732
Restricted for:					
Grants	-	779,396	-	-	779,396
Capital Projects	-	-	-	477,034	477,034
Debt Service	-	-	649,614	-	649,614
Other	-	1,138,598	-	-	1,138,598
Unemployment	-	271,997	-	-	271,997
Assigned	-	2,524,276	-	-	2,524,276
Unassigned	5,322,631	-	-	-	5,322,631
Total:	<u>\$ 5,322,631</u>	<u>\$ 4,732,999</u>	<u>\$ 649,614</u>	<u>\$ 477,034</u>	<u>\$ 11,182,278</u>

20. DEFICIT OF NET POSITION

The District reported a negative net position amount of \$(10,248,717) resulting from recording the District's proportionate share of the PERS net pension liability, total pension liability of the early retirement, and the total OPEB liability.

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, 2024

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
2024	0.22 %	\$ 41,904,624	\$ 37,272,729	112.4 %	81.7 %
2023	0.24	37,357,653	32,568,683	114.7	84.5
2022	0.22	26,712,134	29,965,241	89.1	87.6
2021	0.23	51,215,828	27,707,429	184.8	75.8
2020	0.23	40,596,300	26,086,819	155.6	80.2
2019	0.25	37,616,887	25,780,177	145.9	82.1
2018	0.25	33,241,447	25,375,591	131.0	83.1
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)	23,550,653	-26.7	103.6

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

SCHEDULE OF CONTRIBUTIONS

For Year End	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
2024	\$ 5,067,076	\$ 5,067,076	\$ -	\$ 39,267,867	12.9 %
2023	4,574,735	4,574,735	-	37,272,729	12.3
2022	4,353,458	4,353,458	-	32,568,683	13.4
2021	5,066,354	5,066,354	-	29,965,241	16.9
2020	4,709,341	4,709,341	-	27,707,429	17.0
2019	3,414,552	3,414,552	-	26,086,819	13.1
2018	3,243,115	3,243,115	-	25,780,177	12.6
2017	2,140,784	2,140,784	-	25,375,591	8.4
2016	2,116,707	2,116,707	-	23,868,521	8.9
2015	2,913,322	2,913,322	-	23,176,164	12.6

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

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
AND RELATED RATIO STIPEND BENEFITS
For the Year Ended June 30, 2024

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

Year ended June 30	Service Cost	Interest	Changes of Benefit Terms	Differences between expected and actual experience	Changes of assumption or other input	Benefit Payments	Net Changes for the Year
2024	\$ 688	\$ 841	\$ -	\$ 6,789	\$ (514)	\$ -	\$ 7,804
2023	698	898	-	-	(23)	(9,589)	(8,016)
2022	1,541	837	-	7,428	(206)	(17,500)	(7,900)
2021	1,489	1,137	-	-	-	(9,679)	(7,053)
2020	1,317	1,518	-	2,514	198	-	5,547
2019	1,272	1,496	-	-	-	(5,753)	(2,985)
2018	1,272	1,817	-	9,990	(144)	(17,500)	(4,565)
2017	2,981	1,825	-	-	-	(17,500)	(12,694)

SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS

Year ended June 30	Total OPEB Liability Beginning (asset)	Net Changes for the Year	Total OPEB Liability (asset) Ending	Covered Payroll	Net Single Employer Pension Plan as a Percentage of Covered Payroll
2024	\$ 21,736	\$ 7,804	\$ 29,540	\$ 185,672	15.91%
2023	29,752	(8,016)	21,736	174,027	12.49%
2022	37,652	(7,900)	29,752	168,958	17.61%
2021	44,705	(7,053)	37,652	249,900	15.07%
2020	39,159	5,547	44,705	241,449	18.52%
2019	42,144	(2,985)	39,159	383,582	10.21%
2018	46,709	(4,565)	42,144	370,592	11.37%
2017	59,403	(12,694)	46,709	382,952	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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)
RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)
For the Year Ended June 30, 2024

SCHEDULE OF CHANGES IN THE TOTAL OPEB - RHIA LIABILITY

Year Ended June 30,	Service Cost	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Employer Actual Contributions	Changes in Employer Proportion	Employer Total Expense
2024	\$ -	\$ (23,906)	\$ (10,267)	\$ 2,701	\$ 1,605	\$ (36,740)	\$ (26,175)
2023	-	(22,893)	(21,545)	(64,425)	5,125	116,377	(75,007)
2022	-	(23,147)	3,993	(197,723)	5,860	161,440	(96,908)
2021	-	(95,625)	(49,721)	104,024	6,482	(221,619)	(268,768)
2020	-	(61,948)	(487)	(28,996)	32,783	(3,837)	63,633

SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability Beginning (Asset)	Net Change in Total OPEB Liability (Asset)	Total OPEB Liability (Asset) Ending	Covered Payroll	Total OPEB Liability as a Percentage of Covered Payroll	Discount Rate
2024	\$ (844,774)	\$ (107,466)	\$ (952,240)	\$ 37,272,729	-2.55%	0.00%
2023	(831,983)	(12,791)	(844,774)	32,568,683	-2.59%	6.90%
2022	(935,400)	103,417	(831,983)	29,965,241	-2.78%	6.90%
2021	(469,763)	(465,637)	(935,400)	27,707,429	-3.38%	7.20%
2020	(267,237)	(202,526)	(469,763)	26,086,819	-1.80%	7.20%

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2024

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

Year ended June 30	Service Cost	Interest	Changes of Benefit Terms	Differences between expected and actual experience	Changes of assumption or other input	Benefit Payments	Net Changes for the Year
2024	\$ 219,259	\$ 142,112	\$ -	\$ 648,543	\$ (736,942)	\$ (150,125)	\$ 122,847
2023	222,152	128,222	-	-	(67,247)	(157,996)	125,131
2022	247,459	115,416	-	(457,869)	(250,832)	(166,681)	(512,507)
2021	239,091	111,554	-	-	-	(270,446)	80,199
2020	201,709	149,163	-	66,988	(121,487)	(239,424)	56,949
2019	194,888	142,918	-	-	1,013,796	(311,648)	1,039,954
2018	136,368	105,430	-	-	-	(258,694)	(16,896)

SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS

Year ended June 30	Total OPEB Liability Beginning (asset)	Net Changes for the Year	Total OPEB Liability (asset) Ending	Covered Payroll	Net Single Employer Pension Plan as a Percentage of Covered Payroll
2024	\$ 3,645,466	\$ 122,847	\$ 3,768,313	\$ 33,100,816	11.38%
2023	3,520,335	125,131	3,645,466	32,836,434	11.10%
2022	4,032,842	(512,507)	3,520,335	31,880,033	11.04%
2021	3,952,643	80,199	4,032,842	27,841,669	14.48%
2020	3,895,694	56,949	3,952,643	26,900,163	14.69%
2019	2,855,740	1,039,954	3,895,694	42,774,031	9.11%
2018	2,872,636	(16,896)	2,855,740	41,327,566	6.91%

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 75 in the fiscal year ending June 30, 2017.

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:					
Local sources	\$ 19,163,091	\$ 19,163,091		\$ 19,888,054	\$ 724,963
Intermediate sources	1,996,849	1,996,849		1,387,231	(609,618)
State sources	34,522,710	34,522,710		36,652,410	2,129,700
Federal sources	<u>100,000</u>	<u>100,000</u>		<u>-</u>	<u>(100,000)</u>
Total revenues	<u>55,782,650</u>	<u>55,782,650</u>		<u>57,927,695</u>	<u>2,145,045</u>
Expenditures:					
Instruction	34,682,636	34,668,398	(1)	34,686,161	(17,763)
Support services	25,257,683	25,550,834	(1)	24,899,863	650,971
Debt service	270,211	270,211	(1)	264,918	5,293
Contingency	<u>278,913</u>	<u>-</u>	(1)	<u>-</u>	<u>-</u>
Total expenditures	<u>60,489,443</u>	<u>60,489,443</u>		<u>59,850,942</u>	<u>638,501</u>
Revenues over (under) expenditures	(4,706,793)	(4,706,793)		(1,923,247)	2,783,546
Other financing sources (uses):					
Transfers in	<u>2,005,926</u>	<u>2,005,926</u>		<u>2,005,926</u>	<u>-</u>
Total other financing sources (uses)	<u>2,005,926</u>	<u>2,005,926</u>		<u>2,005,926</u>	<u>-</u>
Net change in fund balance	(2,700,867)	(2,700,867)		82,679	2,783,546
Fund balance, beginning of year	<u>5,490,000</u>	<u>5,490,000</u>		<u>5,239,952</u>	<u>(250,048)</u>
Fund balance, end of year	<u><u>\$ 2,789,133</u></u>	<u><u>\$ 2,789,133</u></u>		<u><u>\$ 5,322,631</u></u>	<u><u>\$ 2,533,498</u></u>
(1) Appropriation level					

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 2,057,109	\$ 2,057,109	\$ 947,072	\$ (1,110,037)
Intermediate sources	2,300,000	2,300,000	299,333	(2,000,667)
State Sources	7,760,208	7,760,208	8,326,493	566,285
Federal sources	8,741,620	8,741,620	6,765,161	(1,976,459)
Total revenues	20,858,937	20,858,937	16,338,059	(4,520,878)
Expenditures:				
Instruction	8,004,331	8,004,331 (1)	7,641,661	362,670
Support services	8,958,853	8,958,853 (1)	5,369,805	3,589,048
Enterprise & Community Services	3,804,333	3,804,333 (1)	2,852,698	951,635
Facilities Acquisition	1,006,592	1,006,592 (1)	917,643	88,949
Total expenditures	21,774,109	21,774,109	16,781,807	4,992,302
Revenues over (under) expenditures	(915,172)	(915,172)	(443,748)	471,424
Other financing sources (uses):				
Transfers Out	(2,005,926)	(2,005,926) (1)	(2,005,926)	-
Total other financing sources (uses)	(2,005,926)	(2,005,926)	(2,005,926)	-
Net change in fund balance	(2,921,098)	(2,921,098)	(2,449,674)	471,424
Fund balance, beginning of year	6,371,683	6,371,683	7,182,673	-
Fund balance, end of year	<u>\$ 3,450,585</u>	<u>\$ 3,450,585</u>	<u>\$ 4,732,999</u>	<u>\$ 1,282,414</u>

(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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenues:				
Local Sources	\$ 4,718,372	\$ 4,718,372	\$ 5,107,443	\$ 389,071
Total revenues	<u>4,718,372</u>	<u>4,718,372</u>	<u>5,107,443</u>	<u>389,071</u>
Expenditures:				
Debt service	<u>4,956,800</u>	<u>4,956,800</u> (1)	<u>4,956,800</u>	<u>-</u>
Total expenditures	<u>4,956,800</u>	<u>4,956,800</u>	<u>4,956,800</u>	<u>-</u>
Net change in fund balance	(238,428)	(238,428)	150,643	389,071
Fund balance, beginning of year	<u>238,428</u>	<u>238,428</u>	<u>498,971</u>	<u>260,543</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 649,614</u></u>	<u><u>\$ 649,614</u></u>

(1) Appropriation level

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
CAPITAL CONSTRUCTION & IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance to Final Budget
Revenues:				
Local sources	\$ 181,505	\$ 181,505	\$ 351,314	\$ 169,809
Total revenues	181,505	181,505	351,314	169,809
Expenditures:				
Facilities acquisition and construction	1,282,678	1,282,678 (1)	1,050,417	232,261
Total expenditures	1,282,678	1,282,678	1,050,417	232,261
Net change in fund balance	(1,101,173)	(1,101,173)	(699,103)	402,070
Fund balance, beginning of year	1,101,173	1,101,173	1,176,137	74,964
Fund balance, end of year	\$ -	\$ -	\$ 477,034	\$ 477,034

(1) Appropriation level

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Program Title	Pass-Through Organization	Subgrant Number	AL Number	Expenditures	Passthrough to Subrecipients
U.S. DEPARTMENT OF EDUCATION					
Passed through Oregon Department of Education:					
Title I State Agency Program for Neglected and Delinquent Children and Youth (LTCT)	ODE	35379	84.013	\$ 17,418	\$ -
Special Education - Grants to States (IDEA PART B 611)	ODE	77983	84.027	795,766	-
Special Education - Grants to States (LTCT)	ODE	12294	84.027	3,292	-
Special Education - Preschool Grants (IDEA Preschool Section 619)	ODE	74223	84.173	5,757	-
Special Education - Preschool Grants (IDEA Preschool Section 619)	ODE	77797	84.173	5,962	-
Total Special Education Cluster				810,777	-
Migrant Education State Grant Program (Title I-C Regular)	ODE	73276	84.011	229,802	-
Migrant Education State Grant Program (Title I-C Regular)	ODE	77036	84.011	514,952	-
Migrant Education State Grant Program (Basic State Grant Program)	ODE	66109	84.011	17,311	-
Migrant Education State Grant Program (Title I-C Summer)	ODE	70939	84.011	140,305	-
Migrant Education State Grant Program (Title I-C Summer)	ODE	68144	84.011	20,761	-
Subtotal				923,131	-
Title I Grants to Local Educational Agencies	ODE	72529	84.010	75,798	-
Title I Grants to Local Educational Agencies	ODE	76494	84.010	686,077	-
Subtotal				761,875	-
Supporting Effective Instruction State Grants (Title II-A Teacher Quality)	ODE	72726	84.367	47,314	-
Supporting Effective Instruction State Grants (Title II-A Teacher Quality)	ODE	76691	84.367	64,877	-
Subtotal				112,191	-
English Language Acquisition State Grants (Title III)	ODE	73097	84.365	27,400	-
English Language Acquisition State Grants (Title III)	ODE	67138	84.365	91,706	-
Subtotal				119,106	-
Student Support and Academic Enrichment Program (Title IV-A)	ODE	72923	84.424	3,329	-
Student Support and Academic Enrichment Program (Title IV-A)	ODE	77117	84.424	71,929	-
Subtotal				75,258	-
COVID-19 Elementary and Secondary School Emergency Relief Fund	ODE		84.425D	54,037	-
COVID-19 Elementary and Secondary School Emergency Relief Fund	ODE		84.425D	37,825	-
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) - COVID-19	ODE	74694	84.425U	150,184	-
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) - COVID-19	ODE	75897	84.425U	71,929	-
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) - COVID-19	ODE	75947	84.425U	115,965	-
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) - COVID-19	ODE	64902	84.425U	742,960	-
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) - COVID-19	ODE	79829	84.425U	590,086	-
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) - COVID-19	ODE	69356	84.425U	18,971	-
Governor's Emergency Education Relief Fund (GEER) - COVID-19	ODE		84.425C	23,952	-
Total Education Stabilization Fund Cluster - COVID-19				1,805,909	-
Twenty-First Century Community Learning Centers (Year 4)	ODE	77609	84.287	281,432	-
Subtotal				281,432	-
Total Department of Education				4,907,097	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through Oregon Health Care Authority					
Medical Assistance Program (Medicaid; Title XIX ages 5-21)	OHA		93.778	26,635	-
Medical Assistance Program (Medicaid; Title XIX ages 3-5)	OHA		93.778	148,864	-
Medical Assistance Program (Medicaid; Title XIX ages 0-3)	OHA		93.778	52,002	-
Total Medicaid Cluster				227,501	-
Every Student Succeeds Act (Preschool Development)	DDSD		93.434	50,000	-
Total Department of Health and Human Services				\$ 277,501	\$ -

U.S. DEPARTMENT OF AGRICULTURE**Passed through Oregon Department of Education:****Child Nutrition Cluster**

National School Lunch Program (Commodities)	ODE	N/A	10.555	\$ 128,463	\$ -
COVID-19 National School Lunch Program (Supply Chain Assistance)	ODE	N/A	10.555	35,722	-
School Breakfast Program	ODE	N/A	10.553	273,735	-
National School Lunch Program	ODE	N/A	10.555	1,067,086	-
Summer Food Service Program For Children (CNP Block)	ODE	N/A	10.559	7,296	-
Summer Food Service Program For Children (CNP Block Sponsor Admin)	ODE	N/A	10.559	887	-
Summer Food Service Program For Children (CNP Block Sponsor Admin)	ODE	N/A	10.559	79,417	-
National School Lunch Program Equipment Assistance Grant	ODE	77646	10.578	13,866	-
CNP SNAP State and Local P-EBT	ODE	N/A	10.649	3,256	-
Fresh Fruit and Vegetable Program	ODE	69574	10.582	21,611	-
Fresh Fruit and Vegetable Program	ODE	69575	10.582	1,326	-
Fresh Fruit and Vegetable Program	ODE	74996	10.582	13,370	-
Total Child Nutrition Cluster				<u>1,646,035</u>	<u>-</u>

Child and Adult Care Food Program

Child and Adult Care Food Program (Commodities)	ODE	N/A	10.558	12,126	-
Child and Adult Care Food Program (CACFP)	ODE	N/A	10.558	74,957	-
Total Child and Adult Nutrition Care Food Program				<u>87,083</u>	<u>-</u>

Local Food For Schools Cooperative	ODE	76128	10.185	<u>14,099</u>	<u>-</u>
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TOTAL DEPARTMENT OF AGRICULTURE1,747,217 -**TOTAL GRANTS EXPENDED OR PASSED THROUGH TO SUBRECIPIENTS**\$ 6,931,815 \$ -

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 2023-24 fiscal year, the district received U.S.D.A. commodities in the amount of \$140,589

(1) - Major Program

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
GENERAL FUND
SCHEDULE OF PROPERTY TAXES TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2024

Transactions By Year	Original Levy or Balance Uncollected at July 1, 2023	Interest	Discounts	Collections	Adjustments	Property Taxes Uncollected at June 30, 2024
2023-2024	\$ 18,559,939	\$ 6,802	\$ 471,848	\$ 17,858,736	\$ 27,594	\$ 263,751
2022-2023	264,799	8,887	77,143	69,740	(11,265)	115,538
2021-2022	111,207	5,215	44,914	4,874	(4,230)	62,404
2020-2021	70,801	8,010	19,577	3,542	(8,033)	47,659
2019-2020	30,610	4,825	1,700	1,993	(4,173)	27,569
2018-2019 & Prior	13,814	1,480	1,201	10	8	14,091
	<u>\$ 19,051,170</u>	<u>\$ 35,219</u>	<u>\$ 616,383</u>	<u>\$ 17,938,895</u>	<u>\$ (99)</u>	<u>\$ 531,012</u>

Reconciliation to revenue:

Collections	\$ 17,938,895
Accrual of receivables:	
June 30, 2023	(40,532)
June 30, 2024	38,035
Taxes in lieu	<u>134,825</u>
	<u>\$ 18,071,223</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON
DEBT SERVICE FUND
SCHEDULE OF PROPERTY TAXES TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2024

Transactions By Year	Original Levy or Balance Uncollected at July 1, 2023	Interest	Discounts	Collections	Adjustments	Property Taxes Uncollected at June 30, 2024
2023-2024	\$ 4,998,295	\$ 1,832	\$ 127,071	\$ 4,809,457	\$ (5,832)	\$ 57,767
2022-2023	72,961	2,449	(11)	19,545	(4,540)	51,336
2021-2022	31,489	1,483	-	12,336	(2,683)	17,953
2020-2021	18,028	2,226	-	7,387	(3,040)	9,827
2019-2020	9,211	1,307	-	3,448	(2,244)	4,826
2018-2019 & Prior	4,659	418	-	479	(1,438)	3,160
	<u>\$ 5,134,643</u>	<u>\$ 9,715</u>	<u>\$ 127,060</u>	<u>\$ 4,852,652</u>	<u>\$ (19,777)</u>	<u>\$ 144,869</u>

Reconciliation to revenue:

Collections	\$ 4,852,652
Accrual of receivables:	
June 30, 2023	(11,221)
June 30, 2024	10,259
Taxes in lieu	<u>15,481</u>
	<u>\$ 4,867,171</u>

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT AS REQUIRED BY
OREGON STATE REGULATIONS



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December 30, 2024

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, 2024, and have issued our report thereon dated December 30, 2024. 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, except for the following:

1. Budget over expenditures as noted on page 12.
2. During our review of budget appropriations, we noted two resolutions for budget adjustments that were made on the detailed account level and not at the appropriation level.
3. During our testing of bids/quotes process for the District, we noted two instances for vendors where the District did not perform bidding or quoting procedures in accordance with ORS 279.
4. During our testing of teacher experience, we noted an instance where a teacher's years of experience was not up to date.

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.

We noted matters involving the internal control structure and its operation, two of which that we consider to be material weaknesses, and six of which we consider significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in the Schedule of Findings and Questioned Costs.

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 30, 2024

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 and each major fund of Hood River County School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 30, 2024.

Report on 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) as a basis for designing 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. We consider the deficiencies described in our accompanying schedule of findings and questioned costs as FS-2024-001, FS-2024-002, to be material weaknesses.

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. We consider the deficiencies described in our accompanying schedule of findings and questioned costs as FS-2024-003, FS-2024-004, FS-2024-005, FS-2024-006, and FS-2024-007 to be significant deficiencies.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

Report on 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 financial statements. 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 *Government Auditing Standards*.

Response to Findings

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

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.



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



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December 30, 2024

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

Opinion on Each Major Federal Program

We have audited Hood River County School District's compliance with the types of compliance requirements identified as subject to audit 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, 2024. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hood River County School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial

likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item SA-2024-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, as discussed below, we did identify certain deficiencies in internal control over compliance we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item SA-2024-001 as a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned

costs. The response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2024

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued	Modified	
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 material to 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

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
84.425	Elementary and Secondary Education Cluster
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

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

FS-2024-001 – Material Weakness

CONDITION: The District did not accurately record Capital Assets, resulting in a material misstatement.

CRITERIA: Capital assets should be reported in accordance with generally accepted accounting principles.

EFFECT: Without controls or procedures in place to properly report capital assets, there exists the likelihood of material misstatement in the financial statements.

CAUSE: The District experienced significant turnover in key personnel during the audit year.

RECOMMENDATION: We recommend the District reevaluate internal procedures and controls to ensure capital assets are properly reported.

VIEWS OF RESPONSIBLE OFFICIALS: The District will review existing spreadsheets for consistency and errors and update audit procedures to include verification of spreadsheet amounts reported.

FS-2024-002 – Material Weakness

CONDITION: The District did not accurately report federal awards on the Schedule of Expenditures of Federal Awards.

CRITERIA: The Schedule of Expenditures of Federal Awards should be accurate based on requirements in the Uniform Guidance.

EFFECT: Without controls or procedures in place to properly report the Schedule of Expenditures of Federal Awards, there exists the likelihood of material misstatement in the financial statements.

CAUSE: The District experienced significant turnover in key personnel during the audit year.

RECOMMENDATION: We recommend the District reevaluate internal procedures and controls to ensure accounts are closed in a timely manner, and are accurate.

VIEWS OF RESPONSIBLE OFFICIALS: The District will revise procedures to include verification of coding between federal and state grants on pass through awards as are they are received.

FS-2024-003 – Significant Deficiency

CONDITION: The District did not accurately record accounts receivable, resulting in a significant misstatement.

CRITERIA: Accounts receivable should be recorded in accordance with generally accepted accounting principles.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2024

EFFECT: Without controls or procedures in place to properly close and review all accounts in a timely manner, there exists the likelihood of material misstatement in the financial statements.

CAUSE: The District experienced significant turnover in key personnel during the audit year.

RECOMMENDATION: We recommend the District reevaluate internal procedures and controls to ensure accounts are closed in a timely manner, and are accurate.

VIEWS OF RESPONSIBLE OFFICIALS: Additional reconciliation of accounts receivable accounts was discovered during audit preparation process (see FS-2023-001) which required restatement.

FS-2024-004 – Significant Deficiency

CONDITION: The District did not accurately record property tax receivables and related deferrals, resulting in a significant misstatement.

CRITERIA: Property taxes receivables and related deferrals should be recorded in accordance with generally accepted accounting principles.

EFFECT: Without controls or procedures in place to properly close and review all accounts in a timely manner, there exists the likelihood of material misstatement in the financial statements.

CAUSE: The District experienced significant turnover in key personnel during the audit year.

RECOMMENDATION: We recommend the District reevaluate internal procedures and controls to ensure accounts are closed in a timely manner, and are accurate.

VIEWS OF RESPONSIBLE OFFICIALS: The District will review existing spreadsheets for consistency and errors and update audit procedures to include verification of spreadsheet amounts reported.

FS-2024-005 – Significant Deficiency

CONDITION: The District did not accurately record payroll liabilities, resulting in a significant misstatement.

CRITERIA: Payroll liabilities should be recorded in accordance with generally accepted accounting principles.

EFFECT: Without controls or procedures in place to properly close and review all accounts in a timely manner, there exists the likelihood of material misstatement in the financial statements.

CAUSE: The District experienced significant turnover in key personnel during the audit year.

RECOMMENDATION: We recommend the District reevaluate internal procedures and controls to ensure accounts are closed in a timely manner, and are accurate.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2024

VIEWS OF RESPONSIBLE OFFICIALS: Additional reconciliation of payroll liability accounts was discovered during audit preparation process (see FS-2023-001) which required restatement.

FS-2024-006 – Significant Deficiency

CONDITION: The District did not accurately report long term debt liabilities resulting in a significant misstatement.

CRITERIA: Long term debt should be reported in accordance with generally accepted accounting principles.

EFFECT: Without controls or procedures in place to properly close and review all accounts in a timely manner, there exists the likelihood of material misstatement in the financial statements.

CAUSE: The District experienced significant turnover in key personnel during the audit year.

RECOMMENDATION: We recommend the District reevaluate internal procedures and controls to ensure long term debt is reported in accordance with generally accepted accounting principles.

VIEWS OF RESPONSIBLE OFFICIALS: The District will review existing spreadsheets for consistency and errors and update audit procedures to include verification of spreadsheet amounts reported.

FS-2024-007 – Significant Deficiency

CONDITION: A High School within the District was not able to provide copies of pre-numbered receipts and backup for the non-credit card payments received by the school. Therefore, there was not an appropriate audit trail for the receipts that documented what it was for, the proper account code it should be charged to, who receipted the monies, and an approval with a date.

CRITERIA: The District should have controls and procedures in place to ensure all transactions are recorded correctly, and appropriate backup exists to support the receipts.

EFFECT: Without controls or procedures in place to properly document all receipts, there exists the likelihood of material misstatement in the financial statements.

CAUSE: The District did not have system for recording cash receipts and point of sale transactions at the High School.

RECOMMENDATION: We recommend the District reevaluate internal procedures and controls to ensure record keeping is complete and accurate.

VIEWS OF RESPONSIBLE OFFICIALS: Point of sale and payment system currently being implemented to capture receipt data on all transactions.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2024

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

SA-2024-001 – Significant Deficiency

FEDERAL PROGRAM: 84.425 Elementary and Secondary Education Emergency Relief Fund

SPECIFIC REQUIREMENT: Recipients and sub-recipients that use ESF funds for remodeling, renovation, or construction projects over \$2,000 and use laborers and mechanics must meet Davis-Bacon prevailing wage requirements.

CONDITION: The District did not collect the certified payroll reports from the contractors during the year under audit.

QUESTIONED COSTS: None.

CONTEXT: The finding is limited to this major program and the context noted in the condition.

EFFECT: Without certified payroll reports being collected there exists the possibility that prevailing wages were not met.

CAUSE: Certified payroll reports from the contractors were not obtained during the year under audit.

RECOMMENDATION: We recommend the District collect and review certified payroll reports from contractors for construction projects with labor funded through federal dollars as the project is happening.

VIEWS OF RESPONSIBLE OFFICIALS: Certified payrolls are being collected for each subcontractor. A system for tracking of certified payrolls will be implemented prior to June 30, 2025.

SECTION IV – SCHEDULE OF PRIOR FINANCIAL STATEMENT FINDINGS

FS-2023-001 – Material Weakness

CONDITION: The District did not accurately close their books, resulting in material misstatements in Taxes Receivable, Accounts Payable, Payroll Liabilities, and Deferred Revenue.

CURRENT STATUS: The District did not take appropriate or sufficient action to correct the prior year material weakness.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

For the Year Ended June 30, 2024

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.

HOOD RIVER COUNTY SCHOOL DISTRICT
HOOD RIVER COUNTY, OREGON

OTHER INFORMATION

AUDIT REVENUE SUMMARY
HOOD RIVER COUNTY SCHOOL DISTRICT

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	14,828,530		4,882,652				
1120 Local Option Ad Valorem Taxes Levied by District	3,377,518						
1130 Construction Excise Tax				161,138			
1190 Penalties and Interest on Taxes							
1200 Revenue from Local Governmental Units Other Than Districts							
1311 Regular Day School Tuition - From Individuals	71,794						
1312 Regular Day School Tuition - Other Dist Within State							
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1411 Transportation Fees - From Individuals							
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	661,776		224,791	47,874			
1600 Food Service		207,799					
1700 Extracurricular Activities	600	108,897					
1800 Community Services Activities							
1910 Rentals	113,768	18					
1920 Contributions and Donations From Private Sources	81,700	454,577					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	(317)	136,430					
1970 Services Provided Other Funds							
1980 Fees Charged to Grants	575,385	6,508					
1990 Miscellaneous	177,300	32,843		142,302			
Total Revenue from Local Sources	19,888,054	947,072	5,107,443	351,314	\$0	\$0	\$0
Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds							
2102 General ESD Revenue	1,386,972	161,680					
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources		50,000					
2200 Restricted Revenue		87,653					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District	259						
Total Revenue from Intermediate Sources	1,387,231	299,333	-	-	\$0	\$0	\$0
Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	35,212,263						
3102 State School Fund - School Lunch Match		17,504					
3103 Common School Fund	462,869						
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	767,701	59,455					
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment		160,448					
3299 Other Restricted Grants-in-Aid	209,577	8,089,086					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	36,652,410	8,326,493	-	-	\$0	\$0	\$0
Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State		75,455					
4201 Transportation Fees for Foster Children							
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)							
4300 Restricted Revenue From the Federal Government		281,432					
4500 Restricted Revenue From the Federal Government Through the State		6,267,685					
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)							
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)							
4700 Grants-in-Aid From the Federal Government Through Other Intermediate Agencies							
4801 Federal Forest Fees							
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District		140,589					
Total Revenue from Federal Sources	-	6,765,161	-	-	\$0	\$0	\$0
Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources							
5200 Interfund Transfers	2,005,926			-			
5300 Sale of or Compensation for Loss of Fixed Assets	-	-					
5400 Resources - Beginning Fund Balance	5,239,951	7,182,674	498,971	1,176,138			
Total Revenue from Other Sources	7,245,877	7,182,674	498,971	1,176,138	\$0	\$0	\$0
Grand Total	65,173,572	23,520,733	5,606,414	1,527,452	\$0	\$0	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
HOOD RIVER COUNTY SCHOOL DISTRICT

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$12,204,500	\$7,481,257	\$4,118,091	\$986	\$601,815	\$0	\$2,351	
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$6,558,377	\$3,981,661	\$2,291,908	\$3,767	\$279,834	\$0	\$1,206	
1122	Middle/Junior High School Extracurricular	\$215,983	\$136,094	\$39,028	\$4,468	\$18,279	\$8,825	\$9,291	
1131	High School Programs	\$7,544,618	\$4,614,086	\$2,635,856	\$17,196	\$269,635	\$1,009	\$6,836	
1132	High School Extracurricular	\$1,099,448	\$636,547	\$183,460	\$68,616	\$113,072	\$13,722	\$84,031	
1140	Pre-Kindergarten Programs	\$0	\$0	\$0	\$0				
1210	Programs for the Talented and Gifted	\$37,795	\$30,114	\$7,603	\$0	\$78			
1220	Restrictive Programs for Students with Disabilities	\$1,518,622	\$918,476	\$584,344	\$4,809	\$10,993			
1250	Less Restrictive Programs for Students with Disabilities	\$2,323,512	\$1,388,160	\$929,073	\$41	\$6,238		\$0	
1260	Treatment and Habilitation	-\$20,713	-\$25,482	-\$4,424	\$6,166	\$3,027		\$0	
1271	Remediation	\$507,394	\$304,303	\$203,090	\$0				
1272	Title I	\$0							
1280	Alternative Education	\$912,296	\$500,029	\$331,888	\$42,437	\$37,760		\$181	
1291	English Second Language Programs	\$1,905,754	\$1,196,636	\$706,929	\$0	\$2,190			
1292	Teen Parent Program	\$777	\$0	\$0	\$0	\$777			
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	-\$122,201	-\$75,217	-\$49,136	\$949	\$1,202			
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$34,686,161	\$21,086,664	\$11,977,710	\$149,436	\$1,344,900	\$23,556	\$103,896	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$65,700			\$65,700				
2120	Guidance Services	\$1,713,958	\$1,075,639	\$622,311	\$11,019	\$2,476		\$2,512	
2130	Health Services	\$189,410	\$96,631	\$58,284	\$34,494				
2140	Psychological Services	\$412,943	\$265,202	\$142,393	\$2,089	\$3,258		\$0	
2150	Speech Pathology and Audiology Services	\$755,302	\$411,900	\$217,519	\$119,870	\$5,914		\$99	
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$536,822	\$299,114	\$166,526	\$36,598	\$33,294		\$1,290	
2210	Improvement of Instruction Services	\$1,669,943	\$918,265	\$528,587	\$50,882	\$166,907		\$5,302	
2220	Educational Media Services	\$538,363	\$295,788	\$201,215	\$1,405	\$39,852		\$104	
2230	Assessment & Testing	\$62,778	\$44,890	\$13,940	\$0	\$3,948			
2240	Instructional Staff Development	\$246,240	\$100,648	\$79,209	\$50,478	\$14,329		\$1,576	
2310	Board of Education Services	\$315,076	\$0	\$0	\$152,965	\$15,089		\$147,022	
2320	Executive Administration Services	\$436,925	\$235,782	\$127,195	\$57,772	\$14,869		\$1,307	
2410	Office of the Principal Services	\$4,103,423	\$2,352,977	\$1,488,217	\$43,193	\$197,839	\$0	\$21,197	
2490	Other Support Services - School Administration	\$177,647	\$118,680	\$58,024	\$688	\$255		\$0	
2510	Direction of Business Support Services	\$441,903	\$37,496	\$57,777	\$179,526	\$29,223	\$9,032	\$128,850	
2520	Fiscal Services	\$525,785	\$350,602	\$172,065	\$3,119	\$0		\$0	
2540	Operation and Maintenance of Plant Services	\$6,086,403	\$1,931,569	\$1,269,675	\$1,920,216	\$476,900	\$36,562	\$451,482	
2550	Student Transportation Services	\$2,537,144	\$1,096,654	\$688,898	\$300,523	\$400,922	\$5,783	\$44,364	
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630	Information Services	\$171,193	\$96,636	\$59,060	\$11,408	\$2,452		\$1,637	
2640	Staff Services	\$732,503	\$376,610	\$181,925	\$26,203	\$97,268		\$50,497	
2660	Technology Services	\$2,953,345	\$942,823	\$543,957	\$661,899	\$692,110	\$0	\$112,555	
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$3,697			\$3,697				
2690	Other Support Services - Central	\$221,463	\$0	\$0	\$221,463				
2700	Supplemental Retirement Program	\$1,897	\$0	\$1,897	\$0				
Total Support Services Expenditures		\$24,899,862	\$11,047,906	\$6,678,676	\$3,955,205	\$2,196,904	\$51,377	\$969,794	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0					\$0		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$264,918						\$264,918	
5200	Transfers of Funds	\$0							\$0
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$264,918	\$0	\$0	\$0	\$0	\$0	\$264,918	\$0
Grand Total		\$59,850,940	\$32,134,569	\$18,656,386	\$4,104,641	\$3,541,804	\$74,932	\$1,338,607	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
HOOD RIVER COUNTY SCHOOL DISTRICT

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$433,539	\$174,194	\$98,954	\$29,972	\$41,857	\$88,079	\$484	
1113	Elementary Extracurricular	\$41,836	\$0	\$0	\$13,532	\$28,303	\$0		
1121	Middle/Junior High Programs	\$194,964	\$18,934	\$6,332	\$119,707	\$44,539	\$5,400	\$52	
1122	Middle/Junior High School Extracurricular	\$88,595	\$0	\$0	\$3,604	\$84,640		\$350	
1131	High School Programs	\$1,225,968	\$722,502	\$403,905	\$3,960	\$87,737	\$2,596	\$5,270	
1132	High School Extracurricular	\$53,417	\$10,772	\$0	\$24,582	\$17,864	\$0	\$200	
1140	Pre-Kindergarten Programs	\$2,503	\$0	\$0	\$0	\$0	\$2,503		
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$186,508	\$125,319	\$61,189	\$0	\$0	\$0		
1250	Less Restrictive Programs for Students with Disabilities	\$469,912	\$279,689	\$151,224	\$14,024	\$24,974	\$0	\$0	
1260	Treatment and Habilitation	\$1,587,579	\$960,439	\$555,321	\$61,064	\$10,756	\$0	\$0	
1271	Remediation	\$1,369,391	\$818,083	\$431,182	\$21,072	\$86,555	\$0	\$12,500	
1272	Title I	\$517,894	\$314,299	\$203,595	\$0	\$0			
1280	Alternative Education	\$294,426	\$85,443	\$58,093	\$150,891	\$0		\$0	
1291	English Second Language Programs	\$17,185	\$450	\$167	\$0	\$16,568			
1292	Teen Parent Program	\$0	\$0	\$0	\$0	\$0			
1293	Migrant Education	\$519,216	\$273,672	\$133,317	\$32,854	\$79,364	\$0	\$9	
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$489,762	\$0	\$0	\$488,903	\$859	\$0	\$0	
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$148,967	\$68,291	\$25,545	\$18,365	\$36,766		\$0	
Total Instruction Expenditures		\$7,641,662	\$3,852,086	\$2,128,823	\$982,529	\$560,782	\$98,578	\$18,864	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$160,104	\$23,081	\$22,324	\$105,704	\$6,496		\$2,499	
2120	Guidance Services	\$1,317,938	\$832,618	\$466,157	\$25,217	\$-6,054		\$0	
2130	Health Services	\$78,637	\$6,463	\$2,433	\$67,603	\$2,037	\$0	\$100	
2140	Psychological Services	\$0	\$0	\$0	\$0	\$0			
2150	Speech Pathology and Audiology Services	\$149,541	\$94,117	\$55,424	\$0				
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$178,107	\$133,781	\$43,424	\$0	\$902			
2210	Improvement of Instruction Services	\$821,520	\$486,833	\$289,945	\$30,510	\$11,817	\$0	\$2,415	
2220	Educational Media Services	\$0				\$0			
2230	Assessment & Testing	\$11,396	\$0	\$0		\$11,396			
2240	Instructional Staff Development	\$1,540,521	\$965,956	\$517,461	\$55,186	\$1,289	\$0	\$630	
2310	Board of Education Services	\$0	\$0	\$0	\$0	\$0			
2320	Executive Administration Services	\$0			\$0				
2410	Office of the Principal Services	\$162,325	\$95,802	\$47,833	\$300	\$18,391	\$0	\$0	
2490	Other Support Services - School Administration	\$64,566	\$41,128	\$23,399	\$0	\$39	\$0		
2510	Direction of Business Support Services	\$200	\$0	\$0	\$0	\$200	\$0	\$0	
2520	Fiscal Services	\$559,636	\$0	\$0				\$559,636	
2540	Operation and Maintenance of Plant Services	\$32,200	\$7,967	\$2,958	\$20,000	\$1,275	\$0		
2550	Student Transportation Services	\$147,495	\$0	\$0	\$10,565	\$0	\$136,931		
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$10,976	\$5,985	\$4,991	\$0	\$0			
2630	Information Services	\$0	\$0	\$0					
2640	Staff Services	\$115,965	\$70,204	\$34,505	\$3,990	\$720		\$6,546	
2660	Technology Services	\$0	\$0	\$0	\$0	\$0	\$0		
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$18,677		\$18,677					
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$5,369,805	\$2,763,933	\$1,529,531	\$319,076	\$48,510	\$136,931	\$571,825	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$2,555,284	\$808,207	\$615,821	\$18,371	\$1,054,412	\$45,884	\$12,590	
3200	Other Enterprise Services	\$0							
3300	Community Services	\$297,414	\$10,967	\$6,621	\$115,197	\$164,629	\$0	\$0	
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$2,852,698	\$819,174	\$622,441	\$133,568	\$1,219,041	\$45,884	\$12,590	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$917,643			\$4,117	\$0	\$913,526		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$917,643	\$0	\$0	\$4,117	\$0	\$913,526	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$2,005,926							\$2,005,926
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$2,005,926	\$0	\$0	\$0	\$0	\$0	\$0	\$2,005,926
Grand Total		\$18,787,734	\$7,435,193	\$4,280,795	\$1,439,290	\$1,828,332	\$1,194,919	\$603,279	\$2,005,926

DISTRICT AUDIT EXPENDITURE SUMMARY
HOOD RIVER COUNTY SCHOOL DISTRICT

Fund: 300 Debt Service Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Se	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$4,956,800						\$4,956,800	
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$4,956,800	\$0	\$0	\$0	\$0	\$0	\$4,956,800	\$0
Grand Total		\$4,956,800	\$0	\$0	\$0	\$0	\$0	\$4,956,800	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
HOOD RIVER COUNTY SCHOOL DISTRICT

Fund: 400 Capital Projects Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Se	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$96,904			\$96,904				
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$953,514			\$8,985	\$0	\$944,529	\$0	
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$1,050,419	\$0	\$0	\$105,890	\$0	\$944,529	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$1,050,419	\$0	\$0	\$105,890	\$0	\$944,529	\$0	\$0

SUPPLEMENTAL INFORMATION

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.
Part A is needed for computing Oregon’s full allocation for ESSA, Title I & other Federal Funds for Education.

A. Energy Bill for Heating - All Funds:
Please enter your expenditures for electricity,
heating fuel, and water & sewage for these
Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 1,143,168.88
Function 2550	\$ 12,455.12

B. Replacement of Equipment – General Fund:
Include all General Fund expenditures in object 542, except for the following exclusions:

Exclude these functions:

\$ 0

- 1113 Elementary Co-curricular Activities
- 1122 Middle School Co-curricular Activities
- 1132 High School Co-curricular Activities
- 1140 Pre-Kindergarten
- 1300 Continuing Education
- 1400 Summer School
- 2550 Pupil Transportation
- 3100 Food Service
- 3300 Community Services
- 4150 Construction

**Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.*