

**CENTRAL CURRY SCHOOL  
DISTRICT NO. 1  
Gold Beach, Oregon**

**ANNUAL FINANCIAL REPORT**

June 30, 2015

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**DISTRICT OFFICIALS**

June 30, 2015

**BOARD OF DIRECTORS**

Scott McNair, Chair  
94369 11<sup>th</sup> Street  
Gold Beach, Oregon 97444

Greg Marstall, Vice Chair  
P.O. Box 168  
Gold Beach, Oregon 97444

Marilyn Cohen  
P.O. Box 55  
Gold Beach, Oregon 97444

Jerry Herbage  
29664 Walker Street  
Gold Beach, Oregon 97444

Wendy Carpenter  
P.O. Box 671  
Gold Beach, Oregon 97444

**ADMINISTRATION**

Dennis Johnson  
Superintendent  
P.O. Box 1391  
Gold Beach, Oregon 97444

Kristal Carpenter  
Business Manager  
32776 Cedar Valley Road  
Gold Beach, Oregon 97444

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

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## **FINANCIAL SECTION**



KOONTZ, PERDUE, BLASQUEZ & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Central Curry School District No. 1  
Gold Beach, Oregon 97444

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of Central Curry School District No. 1, Gold Beach, Oregon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of Central Curry School District No. 1, Gold Beach, Oregon, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions, and budgetary comparison information on pages 4 through 9, 43, 44, and 45 through 46, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, schedule of the proportionate share of the net pension liability, and schedule of contributions in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis, schedule of the proportionate share of the net pension liability, or schedule of contributions because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Central Curry School District No. 1's basic financial statements. The individual fund schedules, revenue and expenditure summaries, schedule of property tax transactions, statistical section, supplemental information required by the Oregon Department of Education, and the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund schedules, revenue and expenditure summaries, and schedule of expenditures of federal awards are the responsibility of management, and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules, other financial schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of property tax transactions, statistical section, and supplemental information required by the Oregon Department of Education have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have issued our report dated December 15, 2015 on our consideration of the District's internal control over financial reporting and our tests of its 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 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 Central Curry School District No. 1's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 15, 2015 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.

Koontz, Perdue, Blasquez & Co., P.C.

By: \_\_\_\_\_

Debra L. Blasquez, CPA

Albany, Oregon  
December 15, 2015

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **CENTRAL CURRY SCHOOL DISTRICT NO. 1**

## **Gold Beach, Oregon**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

#### **INTRODUCTION**

As management of Central Curry School District No. 1, Gold Beach, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. It should be read in conjunction with the District's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- At June 30, 2015, total net position of Central Curry School District No. 1 amounted to \$1,447,371. Of this amount, \$811,058 was invested in capital assets, net of related debt. The remaining balance included \$37,296 restricted for debt service, \$19,554 restricted for athletic activities, \$35,768 restricted for special projects, \$153,568 restricted for student body activities, and \$390,127 of unrestricted net position.
- At June 30, 2015, the District's governmental funds reported combined ending fund balances of \$1,315,472.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to Central Curry School District No. 1's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to 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.

The statement of net position presents information on all of the District's assets and liabilities with the difference between the two 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 District's net position changed during the most recent fiscal year. 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).

The government-wide financial statements can be found on pages 10 through 12 of this report.

##### **Fund Financial Statements**

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Central Curry School District No. 1 are governmental funds.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

**Governmental Funds**

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

Because 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 District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General and Special Revenue Funds, both of which are considered to be major governmental funds, as well as for the Debt Service Fund, which is considered to be a nonmajor governmental fund.

Central Curry School District No. 1 adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 13 through 16 of this report.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 17 through 42 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes the schedule of the proportionate share of the net pension liability, schedule of contributions, and budgetary comparison information for the General and Special Revenue Funds. This required supplementary information can be found on pages 43 through 46 of this report.

Individual fund schedules can be found immediately following the required supplementary information on page 47 of this report.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2015, the District's assets exceeded liabilities by \$1,447,371.

A large portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets for classrooms and supporting services for providing kindergarten through twelfth grade education; consequently, these assets are not available for future spending. Although the District's investment in 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, since the capital assets themselves cannot be used to liquidate these liabilities.

**District's Net Position**

At the end of the current fiscal year, the District was able to report positive balances in all categories of net position. The District's net position increased by \$2,032,993 during the current fiscal year. This increase is primarily due to a decrease in program expenses.

Condensed statement of net position information is shown below.

**Condensed Statement of Net Position**

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>Assets and deferred outflows of resources</b>		
Current assets	\$ 1,687,221	\$ 1,506,586
Restricted assets	317,936	327,984
Net capital assets	3,774,260	3,726,787
Other assets	1,088,314	(2,450,166)
Deferred outflows of resources	<u>598,562</u>	<u>575,414</u>
Total assets and deferred outflows of resources	<u>7,466,293</u>	<u>3,686,605</u>
<b>Liabilities and deferred inflows of resources</b>		
Current liabilities	885,036	919,251
Noncurrent liabilities	3,019,048	3,352,976
Deferred inflows of resources	<u>2,114,838</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>6,018,922</u>	<u>4,272,227</u>
<b>Net position</b>		
Net investment in capital assets	811,058	597,396
Restricted for various purposes	246,186	242,480
Unrestricted	<u>390,127</u>	<u>(1,425,498)</u>
Total net position	<u>\$ 1,447,371</u>	<u>\$ (585,622)</u>

**District's Changes in Net Position**

The condensed statement of activities information shown on the following page explains changes in net position.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

**Changes in Net Position**

	<b>Governmental Activities</b>	
	<u>2015</u>	<u>2014</u>
<b>Program revenues</b>		
Regular programs	\$ 20,983	\$ 20,302
Special programs	238,098	284,866
Summer school programs	-	75
Student support services	229,071	338,191
Instructional staff support	16,063	-
Food services	<u>221,256</u>	<u>239,890</u>
Total program revenues	<u>725,471</u>	<u>883,324</u>
<b>General revenues</b>		
Property taxes - general	2,829,559	2,656,631
Property taxes - debt service	315,667	339,098
State school fund - general support	1,995,751	1,828,073
Common school fund	42,774	41,267
Unrestricted grants and contributions	20,000	19,194
Unrestricted federal revenue	108,103	110,163
Investment earnings	6,676	6,970
Amortization of bond premium	17,179	17,179
Miscellaneous	112,949	97,047
Gain on disposal of capital assets	<u>2,000</u>	<u>-</u>
Total general revenues	<u>5,450,658</u>	<u>5,115,622</u>
Total revenues	<u>6,176,129</u>	<u>5,998,946</u>
<b>Program expenses</b>		
Regular programs	1,667,812	3,601,103
Special programs	287,930	583,907
Summer school programs	5,211	13,859
Student support services	187,091	208,521
Instructional staff support	95,482	149,922
General administrative support	74,397	157,781
School administrative support	273,061	668,822
Business support services	895,546	1,475,299
Central activities support	137,711	165,400
Supplemental retirement	-	36,732
Food services	275,272	361,583
Community services	209	-
Facilities acquisition and construction	-	3,000
Unallocated depreciation expense	142,984	145,740
Interest on long-term debt	<u>100,430</u>	<u>104,363</u>
Total program expenses	<u>4,143,136</u>	<u>7,676,032</u>
<b>Change in net position</b>	2,032,993	(1,677,086)
<b>Net position - beginning of year, as restated</b>	<u>(585,622)</u>	<u>1,091,464</u>
<b>Net position - end of year</b>	<u>\$ 1,447,371</u>	<u>\$ (585,622)</u>

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

**Revenues**

Since the District's mission is to provide a free and appropriate public education for kindergarten through twelfth grade students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide 88% of the funding required for governmental programs. Property taxes and state school funding combined for 94% of general revenues and 83% of total revenues.

Charges for services make up only 4% of total revenues and are composed of the following items for which it is appropriate that the District charge tuition or fees:

• Food service charges for breakfast and lunch	\$ 40,033
• Various student extracurricular activities	<u>195,871</u>
Total charges for services	<u>\$ 235,904</u>

Operating grants and contributions represent 8% of total revenues. Included in this category are \$489,567 for grants and contributions to support various educational activities.

**Expenses**

Expenses related to governmental activities are presented in several broad functional categories. Costs of direct classroom instruction activities account for 47% of the total expenses of \$4,143,136. In addition, approximately 47% of the costs in supporting services relate to students, instructional staff, and school administration.

**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 near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the District's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined fund balances of \$1,315,472. Of this amount, \$1,056,547 constitutes unassigned fund balance, which is available for spending at the District's discretion.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund was \$1,069,286. Of this amount, \$1,056,547 constitutes unassigned fund balance.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

**BUDGETARY HIGHLIGHTS**

Budget amounts shown in the financial statements reflect the original budget amounts and two approved appropriation transfers.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2015 amounted to \$3,774,260, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, furniture, fixtures, machinery, and equipment. The total depreciation related to the District's investment in capital assets for the current fiscal year was \$142,984.

Additional information on the District's capital assets can be found in Note III-B on pages 26 through 27 of this report.

**Long-Term Liabilities**

At the end of the current fiscal year, the District had total debt outstanding of \$3,364,002. This amount is comprised of general obligation bonds, a loan, capital leases, and a settlement. The District's total debt decreased by \$283,789 during the current fiscal year.

Additional information on the District's long-term debt can be found in Note III-E on pages 28 through 29 of this report.

**KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE**

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could affect its future health:

- It is anticipated that the costs of providing medical insurance coverage to employees will continue to rise.
- PERS rates are expected to continue to rise in the coming years.
- Due to the age and condition of the District's facilities, costs for repair and maintenance are expected to increase.

All of these factors were considered in preparing the District's budget for fiscal year 2015-2016.

The ending General Fund unassigned balance of \$1,056,547 will be available for program resources in fiscal year 2015-2016.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in the report or requests for additional information should be addressed to: Kristal Carpenter, Business Manager, Central Curry School District No. 1, 29516 Ellensburg Avenue, Gold Beach, Oregon 97444.

## **BASIC FINANCIAL STATEMENTS**

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

STATEMENT OF NET POSITION

June 30, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 1,358,488
Undistributed taxes with county	18,700
Property taxes receivable	263,533
Accounts receivable	33,761
Inventories	<u>12,739</u>
Total current assets	<u>1,687,221</u>
Restricted assets	
Cash and cash equivalents	129,630
Undistributed taxes with county	2,149
Property taxes receivable, debt service	35,137
Accounts receivable	<u>151,020</u>
Total restricted assets	<u>317,936</u>
Capital assets	
Land	25,330
Capital assets, net of accumulated depreciation	<u>3,748,930</u>
Total capital assets	<u>3,774,260</u>
Net pension asset	<u>1,088,314</u>
Total assets	<u>6,867,731</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	133,361
Net deferred outflow of pension related resources	<u>465,201</u>
Total deferred outflows of resources	<u>598,562</u>
Total assets and deferred outflows of resources	<u>7,466,293</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	76,162
Payroll payables	334,757
Accrued interest payable	6,587
Settlement payable, current portion	109,800
Bonds payable, current portion	270,000
Capital leases payable, current portion	36,311
Loans payable, current portion	<u>51,419</u>
Total current liabilities	<u>885,036</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

STATEMENT OF NET POSITION

June 30, 2015

(Continued)

	<u>Governmental Activities</u>
<b>LIABILITIES (Continued)</b>	
Noncurrent liabilities	
Compensated absences payable	\$ 122,576
Settlement payable, less current portion	291,000
Bonds payable, less current portion	2,491,002
Capital leases payable, less current portion	<u>114,470</u>
 Total noncurrent liabilities	 <u>3,019,048</u>
 Total liabilities	 <u>3,904,084</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Net deferred inflow of pension related resources	<u>2,114,838</u>
 Total liabilities and deferred inflows of resources	 <u>6,018,922</u>
<b>NET POSITION</b>	
Net investment in capital assets	811,058
Restricted for:	
Debt service	37,296
Athletic activities	19,554
Special projects	35,768
Student body activities	153,568
Unrestricted	<u>390,127</u>
 Total net position	 <u>\$ 1,447,371</u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense)</b>
		<b>Charges for</b>	<b>Operating</b>	<b>Capital</b>	<b>Revenue and</b>
		<b>Services</b>	<b>Grants and</b>	<b>Grants and</b>	<b>Changes in</b>
			<b>Contributions</b>	<b>Contributions</b>	<b>Net Position</b>
					<b>Governmental</b>
					<b>Activities</b>
Governmental activities					
Regular programs	\$ 1,667,812	\$ 19,178	\$ 1,805	\$ -	\$ (1,646,829)
Special programs	287,930	-	238,098	-	(49,832)
Summer school programs	5,211	-	-	-	(5,211)
Student support services	187,091	176,693	52,378	-	41,980
Instructional staff support	95,482	-	16,063	-	(79,419)
General administrative support	74,397	-	-	-	(74,397)
School administrative support	273,061	-	-	-	(273,061)
Business support services	895,546	-	-	-	(895,546)
Central activities support	137,711	-	-	-	(137,711)
Food services	275,272	40,033	181,223	-	(54,016)
Community services	209	-	-	-	(209)
Unallocated depreciation expense	142,984	-	-	-	(142,984)
Interest on long-term debt	<u>100,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,430)</u>
Total governmental activities	<u>\$ 4,143,136</u>	<u>\$ 235,904</u>	<u>\$ 489,567</u>	<u>\$ -</u>	<u>(3,417,665)</u>
General revenues					
Property taxes levied for general purposes					2,829,559
Property taxes levied for debt service					315,667
State school fund - general support					1,995,751
Common school fund					42,774
Unrestricted grants and contributions					20,000
Unrestricted federal revenue					108,103
Investment earnings					6,676
Amortization of bond premium					17,179
Miscellaneous					112,949
Gain on disposal of capital assets					<u>2,000</u>
Total general revenues					<u>5,450,658</u>
Change in net position					2,032,993
Net position - beginning, as restated					<u>(585,622)</u>
Net position - ending					<u>\$ 1,447,371</u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

June 30, 2015

	General Fund	Special Revenue Fund	Nonmajor Governmental Fund Debt Service	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,358,488	\$ 96,679	\$ 32,951	\$ 1,488,118
Undistributed taxes with county	18,700	-	2,149	20,849
Property taxes receivable	263,533	-	35,137	298,670
Accounts receivable	33,761	151,020	-	184,781
Inventories	<u>12,739</u>	<u>-</u>	<u>-</u>	<u>12,739</u>
 Total assets	 <u>\$ 1,687,221</u>	 <u>\$ 247,699</u>	 <u>\$ 70,237</u>	 <u>\$ 2,005,157</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 37,353	\$ 38,809	\$ -	\$ 76,162
Payroll payables	<u>334,757</u>	<u>-</u>	<u>-</u>	<u>334,757</u>
 Total liabilities	 <u>372,110</u>	 <u>38,809</u>	 <u>-</u>	 <u>410,919</u>
 Deferred inflows of resources				
Unavailable revenue - property taxes	<u>245,825</u>	<u>-</u>	<u>32,941</u>	<u>278,766</u>
 Fund balances				
Nonspendable	12,739	-	-	12,739
Restricted	-	208,890	37,296	246,186
Unassigned	<u>1,056,547</u>	<u>-</u>	<u>-</u>	<u>1,056,547</u>
 Total fund balances	 <u>1,069,286</u>	 <u>208,890</u>	 <u>37,296</u>	 <u>1,315,472</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 1,687,221</u>	 <u>\$ 247,699</u>	 <u>\$ 70,237</u>	 <u>\$ 2,005,157</u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

June 30, 2015

<b>Total fund balances</b>		<b>\$ 1,315,472</b>
Capital assets are not financial resources and are therefore not reported in the governmental funds.		
Cost	8,371,066	
Accumulated depreciation and amortization	<u>(4,596,806)</u>	3,774,260
Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 30 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.		
		278,766
The net pension asset is not available to pay for current period expenditures and is therefore not reported in governmental funds.		
		1,088,314
Liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	(6,587)	
Compensated absences payable	(122,576)	
Settlement payable	(400,800)	
Bonds payable	(2,761,002)	
Capital leases payable	(150,781)	
Loans payable	<u>(51,419)</u>	(3,493,165)
Deferred charges related to refunded bonds are not considered current assets and therefore are not reported in the governmental funds.		
Deferred charges	193,726	
Amortization of deferred charges	<u>(60,365)</u>	133,361
Current year PERS contributions are deferred outflows of resources that will be recognized as expenditures in the subsequent year.		
		<u>(1,649,637)</u>
<b>Net position of governmental activities</b>		<b><u>\$ 1,447,371</u></b>

The accompanying notes are an integral part of these financial statements.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Nonmajor Governmental Fund Debt Service	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 2,795,687	\$ -	\$ 311,151	\$ 3,106,838
Intergovernmental	2,329,656	254,161	-	2,583,817
Charges for services	59,211	176,693	-	235,904
Miscellaneous	<u>55,197</u>	<u>136,085</u>	<u>721</u>	<u>192,003</u>
Total revenues	<u>5,239,751</u>	<u>566,939</u>	<u>311,872</u>	<u>6,118,562</u>
<b>EXPENDITURES</b>				
Current				
Instruction	2,523,474	452,951	-	2,976,425
Support services	2,116,860	69,457	-	2,186,317
Enterprise and community services	318,007	209	-	318,216
Debt service	92,401	-	330,650	423,051
Capital outlay	<u>190,457</u>	<u>-</u>	<u>-</u>	<u>190,457</u>
Total expenditures	<u>5,241,199</u>	<u>522,617</u>	<u>330,650</u>	<u>6,094,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,448)</u>	<u>44,322</u>	<u>(18,778)</u>	<u>24,096</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Lease proceeds	190,457	-	-	190,457
Gain on disposal of capital assets	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Total other financing sources (uses)	<u>192,457</u>	<u>-</u>	<u>-</u>	<u>192,457</u>
Net change in fund balances	191,009	44,322	(18,778)	216,553
Fund balances - beginning	<u>878,277</u>	<u>164,568</u>	<u>56,074</u>	<u>1,098,919</u>
Fund balances - ending	<u>\$ 1,069,286</u>	<u>\$ 208,890</u>	<u>\$ 37,296</u>	<u>\$ 1,315,472</u>

The accompanying notes are an integral part of these financial statements.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

<b>Net change in fund balances</b>	<b>\$ 216,553</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital asset expenditures	190,457	
Disposal of capital assets	(94,449)	
Related accumulated depreciation	94,449	
Less current year depreciation	<u>(142,984)</u>	47,473

Governmental funds report prepayments on unfunded pension liability as an expenditure; however, in the statement of activities, this payment is capitalized and amortized over the life of the unfunded liability.

3,538,480

Long-term debt proceeds are reported as other financing sources in the governmental funds. In the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.

Debt proceeds	(190,457)	
Amortization of bond premiums	17,179	
Debt principal paid	339,467	
Settlements paid	<u>117,600</u>	283,789

The refunding of bonds results in an increase in debt for which no proceeds are received. This increase in debt is recorded as an addition to deferred charges and is amortized over the life of the refunding bond.

Amortization of deferred charges	(16,846)
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Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the statement of activities, property taxes are recognized when levied.

38,388

Changes in the net pension assets and liabilities, as well as the related changes in deferred outflows and deferred inflows of resources, are not recognized as expenditures in the governmental funds.

(2,074,844)

<b>Change in net position</b>	<b><u>\$ 2,032,993</u></b>
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The accompanying notes are an integral part of these financial statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Central Curry School District No. 1 have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

Central Curry School District No. 1 functions as a local education agency consisting of one elementary school and one high school. The District is governed by a five-member board of directors.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges for goods and services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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 the 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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, the District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, as well as expenditures related to compensated absences, are recorded only when payment is due.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Property taxes, investment earnings, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have therefore 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 by the District.

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The primary sources of revenue are property taxes and state revenues.

Special Revenue Fund – The Special Revenue Fund accounts for the proceeds of specific revenue sources that have restricted expenditures for specific purposes. The principal sources of revenue are grants from county and state sources and federal grants passed through the state. The primary uses of revenue are for salaries and employment benefits, education program enhancement, and equipment purchases.

Additionally, the District reports the following nonmajor governmental fund:

Debt Service Fund – The Debt Service Fund accounts for the repayment of the District's long-term debt. The principal source of revenue is property taxes. The primary use of revenue is payments of interest and principal due on long-term debt.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity**

**1. Deposits and Investments**

The District's 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.

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

**2. Property Taxes**

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 remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 30 days of fiscal year-end are recognized as revenue, while the remaining amount of taxes receivable are recorded as unavailable revenue because they are not deemed available to finance operations of the current period.

**3. Accounts Receivable**

Receivables are recorded as revenue when earned. No allowance for uncollectible accounts has been established, as management deems all receivables collectible.

**4. Inventories**

Inventories of food are valued at cost using the first-in, first-out method. Donated commodities are valued at their estimated fair market value at the date of donation. Inventories consist of donated commodities and purchased food. Inventories are recorded as expenditures when consumed, rather than when purchased.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)**

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and intangibles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets are computed on the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Office equipment and furniture	5-7
Equipment	10
Buildings and building improvements	50

**6. Compensated Absences**

Amounts of vested or accumulated vacation leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities on the statement of net position. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**7. Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)**

**7. Long-Term Liabilities (Continued)**

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the current period. The face amounts of debt issued are reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**8. Retirement Plan**

Most of the District's employees participate in Oregon's Public Employees Retirement System (PERS). Contributions are made on a current basis as required by the plan and are recorded as expenses or expenditures.

**9. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet 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 or fund balance that applies to a future period and so will not be recognized as an outflow of resources until then. In addition to liabilities, the statement of net position and/or balance sheet 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 or fund balance that applies to a future period and therefore, will not be recognized as an inflow of resources until that time.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense information about the net position of the Oregon Public Retirement System (OPERS) and additions to/deductions from OPERS' net position have been determined on the same basis as they are reported by OPERS. 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.

Under a modified accrual basis of accounting, unavailable revenue, is reported on the balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)**

**10. Fund Equity**

The District reports fund equity in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Commitment of fund balance is accomplished through adoption of a resolution or ordinance by the board of directors. Further, commitments of fund balance may be modified or rescinded only through approval of the board of directors via resolution or ordinance. Authority to assign fund balances has been granted to the Superintendent and Business Manager.

The District has not formally adopted a minimum fund balance policy.

**E. Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, and debt service funds. All funds are budgeted on the modified accrual basis of accounting with certain exceptions relating to accrual of available revenue.

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of directors by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total instruction, support services, community services, debt service, interfund transfers, and operating contingencies are the levels of control for the funds established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line item budgets within appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of a fund's original budget may be adopted by the board of directors at a regular board meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of directors. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were no supplemental budgets. The District does not use encumbrances and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts and two approved appropriation transfers.

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. Deposits and Investments**

Central Curry School District No. 1 maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**A. Deposits and Investments (Continued)**

The Oregon State Treasury administers the LGIP. The LGIP is an open-ended, no-load, diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

Credit Risk

Oregon statutes authorize the District to invest 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 or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The District has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2015, the District had the following investments:

	<u>Credit Quality Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
Oregon Local Government Investment Pool	Unrated	-	<u>\$ 768,241</u>

Interest Rate Risk

The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100% of the District's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**A. Deposits and Investments (Continued)**

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the District's deposits may not be returned. All District deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds accounts at Umpqua Bank, for which the FDIC provides insurance coverage of \$250,000 for demand deposit accounts and an additional \$250,000 for time and savings accounts. At June 30, 2015, the District had deposits of \$250,000 insured by the FDIC and \$597,957 covered by the PFCP.

Deposits

The District's deposits and investments at June 30, 2015 are as follows:

Checking accounts	\$ 719,877
Total investments	<u>768,241</u>
 Total deposits and investments	 <u><u>\$ 1,488,118</u></u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	<u>\$ 1,358,488</u>
 Governmental activities - restricted	
Special Revenue Fund	96,679
Debt Service Fund	<u>32,951</u>
 Total governmental activities - restricted	 <u>129,630</u>
 Total cash and investments	 <u><u>\$ 1,488,118</u></u>

Restricted cash is for expenditures for athletic activities, special projects, and student body activities, and for future payments of principal and interest on long-term debt.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 25,330	\$ -	\$ -	\$ 25,330
Construction in progress	<u>35,169</u>	<u>-</u>	<u>(35,169)</u>	<u>-</u>
Total capital assets not being depreciated	<u>60,499</u>	<u>-</u>	<u>(35,169)</u>	<u>25,330</u>
Capital assets being depreciated				
Buildings and improvements	7,132,815	-	-	7,132,815
Furniture and fixtures	117,422	-	-	117,422
Land improvements	172,912	-	-	172,912
Machinery and equipment	<u>791,410</u>	<u>225,626</u>	<u>(94,449)</u>	<u>922,587</u>
Total capital assets being depreciated	<u>8,214,559</u>	<u>225,626</u>	<u>(94,449)</u>	<u>8,345,736</u>
Less accumulated depreciation for				
Buildings and improvements	(3,731,807)	(90,009)	-	(3,821,816)
Furniture and fixtures	(117,333)	(89)	-	(117,422)
Land improvements	(30,546)	(3,458)	-	(34,004)
Machinery and equipment	<u>(668,585)</u>	<u>(49,428)</u>	<u>94,449</u>	<u>(623,564)</u>
Total accumulated depreciation	<u>(4,548,271)</u>	<u>(142,984)</u>	<u>94,449</u>	<u>(4,596,806)</u>
Total capital assets being depreciated, net	<u>3,666,288</u>	<u>82,642</u>	<u>-</u>	<u>3,748,930</u>
Governmental activities capital assets, net	<u>\$ 3,726,787</u>	<u>\$ 82,642</u>	<u>\$ (35,169)</u>	<u>\$ 3,774,260</u>

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**B. Capital Assets (Continued)**

Capital assets are reported on the statement of net position as follows:

	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Governmental activities			
Land	\$ 25,330	\$ -	\$ 25,330
Buildings and improvements	7,132,815	(3,821,816)	3,310,999
Furniture and fixtures	117,422	(117,422)	-
Land improvements	172,912	(34,004)	138,908
Machinery and equipment	<u>922,587</u>	<u>(623,564)</u>	<u>299,023</u>
Total capital assets	<u>\$ 8,371,066</u>	<u>\$ (4,596,806)</u>	<u>\$ 3,774,260</u>

Depreciation was not charged to specific functions or programs of the District. Capital assets of the District are for the use of the entire District and are therefore unallocated. Depreciation expense is recorded on the statement of activities as follows:

Unallocated depreciation expense	<u>\$ 142,984</u>
----------------------------------	-------------------

**C. Compensated Absences**

The following is a summary of compensated absences transactions for the year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Compensated absences	<u>\$ 122,576</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,576</u>

**D. Operating Leases**

The District leases copy machines, servers, and postage machines under noncancelable operating leases. For the year ended June 30, 2015, total lease payments amounted to \$22,075.

Future minimum payments for the leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2016	\$ 22,661
2017	19,187
2018	11,111
2019	7,033
2020	<u>586</u>
Total	<u>\$ 60,578</u>

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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**E. Long-Term Liabilities**

**1. Changes in Long-Term Liabilities**

The following is a summary of long-term liabilities transactions for the year:

	Interest Rates	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
Refunding series 2011	1-4%	<u>\$ 3,150,000</u>	<u>\$ 2,875,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 2,625,000</u>	<u>\$ 270,000</u>
Unamortized premium on bonds	N/A	<u>197,560</u>	<u>153,181</u>	<u>-</u>	<u>17,179</u>	<u>136,002</u>	<u>-</u>
Loan payable	3.22%	<u>149,424</u>	<u>101,210</u>	<u>-</u>	<u>49,791</u>	<u>51,419</u>	<u>51,419</u>
Capital leases							
Bus lease #1	2.50%	<u>128,949</u>	<u>-</u>	<u>128,949</u>	<u>26,863</u>	<u>102,086</u>	<u>24,584</u>
Bus lease #2	2.50%	<u>61,508</u>	<u>-</u>	<u>61,508</u>	<u>12,813</u>	<u>48,695</u>	<u>11,727</u>
Total capital leases		<u>190,457</u>	<u>-</u>	<u>190,457</u>	<u>39,676</u>	<u>150,781</u>	<u>36,311</u>
Settlement payable	N/A	<u>586,440</u>	<u>518,400</u>	<u>-</u>	<u>117,600</u>	<u>400,800</u>	<u>109,800</u>
Total governmental activities		<u>\$ 4,273,881</u>	<u>\$ 3,647,791</u>	<u>\$ 190,457</u>	<u>\$ 474,246</u>	<u>\$ 3,364,002</u>	<u>\$ 467,530</u>

For governmental activities, compensated absences and accrued interest payable are liquidated by the General Fund.

**2. Refunding Series 2011**

On December 15, 2011, the District issued general obligation bonds in the amount of \$3,150,000 to advance refund general obligation bonds that were originally issued in 2003. General obligation bonds are direct obligations that pledge the full faith and credit of the District and are payable from ad valorem debt service levy proceeds. The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Interest is fixed and ranges between 1% and 4%. Interest rates increase in accordance with original bond agreements. Interest is due semiannually on June 15 and December 15.

**3. Loan Payable**

On June 14, 2013, the District signed a tax-exempt installment purchase agreement for the direct financing of the replacement of a portion of the roof of Gold Beach High School. Interest is fixed at 3.22%, with payments of principal and interest due on the 14th of each month.

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**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**E. Long-Term Liabilities (Continued)**

**4. Capital Leases**

**a. Bus Leases**

On July 11, 2014, the District entered into two lease agreements as lessee for financing the acquisition of school buses. These lease agreements qualified as capital leases for accounting purposes and were therefore recorded at the present value of minimum lease payments as of the inception date.

**b. Leased Capital Assets**

Leased capital assets and related accumulated amortization under the capital lease are as follows:

Equipment	\$ 190,457
Less: accumulated amortization	<u>(19,046)</u>
Net value	<u><u>\$ 171,411</u></u>

Amortization of lease capital assets is included with depreciation expense.

**5. Settlement Payable**

On December 19, 2013, the District signed a settlement agreement in relation to a claim asserted against the District in October 2011. The total amount that the District is required to pay under the settlement agreement is \$586,440, which is to be paid quarterly over a period of six years. Payments are due on the first day of each quarter, beginning January 1, 2014.

**6. Future Maturities of Long-Term Liabilities**

Year Ending June 30	Bonds		Loan		Settlement		Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 270,000	\$ 80,650	\$ 51,419	\$ 902	\$ 109,800	\$ -	\$ 36,311	\$ 3,770	\$ 467,530	\$ 85,322
2017	285,000	74,150	-	-	96,000	-	37,219	2,862	418,219	77,012
2018	295,000	68,750	-	-	90,000	-	38,149	1,931	423,149	70,681
2019	315,000	63,050	-	-	90,000	-	39,102	978	444,102	64,028
2020	330,000	57,150	-	-	15,000	-	-	-	345,000	57,150
2021-2023	<u>1,130,000</u>	<u>127,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,130,000</u>	<u>127,800</u>
Total	<u>\$ 2,625,000</u>	<u>\$ 471,550</u>	<u>\$ 51,419</u>	<u>\$ 902</u>	<u>\$ 400,800</u>	<u>\$ -</u>	<u>\$ 150,781</u>	<u>\$ 9,541</u>	<u>\$ 3,228,000</u>	<u>\$ 481,993</u>

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**F. Constraints on Fund Balances**

Constraints on fund balances reported on the balance sheet are as follows:

	General Fund	Special Revenue Fund	Nonmajor Governmental Fund Debt Service	Total Governmental Funds
Fund balances:				
Nonspendable	\$ 12,739	\$ -	\$ -	\$ 12,739
Restricted for:				
Debt service	-	-	37,296	37,296
Athletic activities	-	19,554	-	19,554
Special projects	-	35,768	-	35,768
Student body activities	-	153,568	-	153,568
Unassigned	<u>1,056,547</u>	<u>-</u>	<u>-</u>	<u>1,056,547</u>
Total fund balances	<u>\$ 1,069,286</u>	<u>\$ 208,890</u>	<u>\$ 37,296</u>	<u>\$ 1,315,472</u>

**IV. OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

**B. Pension Plan**

**1. Plan Description**

Employees of the District are provided with pensions through the Oregon Public Employees Retirement System (OPERS), a cost-sharing, multiple-employer, defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the system are established by the legislature, pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available comprehensive annual financial report and actuarial valuation, both of which can be obtained at [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**B. Pension Plan (Continued)**

**2. Benefits Provided**

**a. Tier One/Tier Two Retirement Benefit (ORS Chapter 238)**

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 (1.67% 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 benefit 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. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two 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.

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 conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**B. Pension Plan (Continued)**

**2. Benefits Provided (Continued)**

**a. Tier One/Tier Two Retirement Benefit (ORS Chapter 238) (Continued)**

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 when determining the monthly benefit.

Benefit Changes after Retirement

After retirement, members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.630, monthly benefits are adjusted annually through cost-of-living adjustments (COLA). Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

**b. OPSRP Pension Program (Defined Benefit)**

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. 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:

General service: 1.5% 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 OPSRP 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.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**B. Pension Plan (Continued)**

**2. Benefits Provided (Continued)**

**b. OPSRP Pension Program (Defined Benefit) (Continued)**

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% of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credit before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes after Retirement

Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living adjustments (COLA). Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

**c. OPSRP Individual Account Program (IAP)**

Pension Benefits

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-, or 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**B. Pension Plan (Continued)**

**2. Benefits Provided (Continued)**

**c. OPSRP Individual Account Program (IAP) (Continued)**

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.

Recordkeeping

OPERS contracts with Voya Financial to maintain IAP participant records.

**3. 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. This 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, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates, based on a percentage of payroll, first became effective July 1, 2013. Employer contributions for the year ended June 30, 2015 were \$465,201, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2015 were 20.29% for Tier One/Tier Two general service members, 22.29% for OPSRP Pension Program general service members, and 6% for OPSRP IAP.

**C. Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2015, the District reported an asset of \$1,088,314 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan, relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the District's proportion was 0.0480%, which was unchanged from its proportion measured as of June 30, 2013.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**C. Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2015, the District recognized pension expense (income) of \$(1,002,267). At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes in assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,100,006	(2,100,006)
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>-</u>	<u>14,832</u>	<u>(14,832)</u>
	-	2,114,838	<u><u>\$(2,114,838)</u></u>
District contributions subsequent to the measurement date	<u>465,201</u>	<u>-</u>	
Total	<u><u>\$ 465,201</u></u>	<u><u>\$ 2,114,838</u></u>	

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**C. Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

\$465,201 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	
2016	\$ (528,225)
2017	(528,225)
2018	(528,225)
2019	(528,225)
2020	(1,938)
Thereafter	<u>-</u>
	<u>\$ (2,114,838)</u>

**D. Actuarial Assumptions**

The employer contribution rates effective July 1, 2013 through June 30, 2015 were set using the projected unit credit 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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) 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 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) 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.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**D. Actuarial Assumptions (Continued)**

The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75%
Investment Rate of Return	7.75%
Projected Salary Increases	3.75% overall payroll growth
Mortality	<p>Health retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of health retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits 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 methods and assumptions shown above are based on the 2012 Experience Study, which reviewed experience for the four-year period ended on December 31, 2012.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**E. Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target 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 of 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	Compounded Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equities	20.00%	8.26%
Opportunity Funds / Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
Total	<u>100.00%</u>	
Assumed Inflation - Mean		2.75%

**F. Discount Rate**

The discount rate used to measure the total pension liability was 7.75% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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 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.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**G. Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75%, 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 percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate:

	<u>1% Decrease</u> <u>(6.75%)</u>	<u>Discount Rate</u> <u>(7.75%)</u>	<u>1% Increase</u> <u>(8.75%)</u>
District's proportionate share of the net pension liability (asset)	\$ 2,304,657	\$ (1,088,314)	\$ (3,957,972)

**H. Pension Plan Net Position**

Detailed information about the pension plan's net position is available in the separately issued OPERS financial report.

**I. Changes in Plan Provision Subsequent to Measurement Date**

On April 30, 2015, the Oregon Supreme Court ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension liability (asset) proportionate shares provided by OPERS.

**J. Deferred Compensation Plan**

The District has authorized a deferred compensation plan to be made available to its employees wherein they may execute an individual agreement with the District for amounts earned by them, not to be paid until a future date when they are terminated by reason of death, permanent disability, retirement, or separation. The deferred compensation plan is authorized under IRC Section 403(b) and has been approved by the Internal Revenue Service. The District matches between \$20 and \$50 based on years of service for any employee. The District has no liability for any losses that may be incurred under the plan. Cost to the District for the year ended June 30, 2015 was \$8,680.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**K. Other Post-Employment Benefits**

**1. Retirement Health Insurance Account (RHIA)**

Plan Description

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 post-employment 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 PERS, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling (503) 598-7377, or by accessing the PERS website at <http://oregon.gov/PERS/>.

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 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 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 PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS 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 PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Funding Policy

Participating entities are contractually required to contribute to RHIA at a rate assessed each year by OPERS; currently 0.59% of PERS covered payroll and 0.49% of OPSRP covered payroll. The OPERS board of trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance within the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. The District's contributions to RHIA for the years ended June 30, 2013, 2014, and 2015 were \$5,920, \$11,533, and \$12,720, respectively, which equaled the required contributions each year.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**L. Restatement**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The District implemented GASB Statements Nos. 68 and 71 for the year ended June 30, 2015. Additional information can be found in Note IV-B.

Based on implementation of GASB Statements Nos. 68 and 71, the District restated the beginning net position for governmental activities. Net position has been restated as follows:

	<u>Governmental Activities</u>
Net position - beginning, as originally reported	\$ 1,439,337
Cumulative effect of change in accounting principle	<u>(2,024,959)</u>
Net position - beginning, as restated	<u><u>\$ (585,622)</u></u>

**M. Concentrations**

**1. Collective Bargaining Agreements**

At June 30, 2015, the District had a total of approximately 69 employees. Of this total, approximately 78% are covered under collective bargaining agreements and 39% are licensed staff represented by a union. The current union agreement was signed on November 19, 2014 and will expire on June 30, 2017. Approximately 39% of employees are classified staff, the majority of which are covered by a collective bargaining agreement, which was signed November 24, 2014 and will expire on June 30, 2017.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2015

**IV. OTHER INFORMATION (Continued)**

**N. New Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that have future effective dates that will impact future financial presentations. Management has not currently determined what impact implementation of the following statements will have on future financial statements.

GASB Statement No. 72, *Fair Value Measurement and Application* will be effective for the District beginning with its fiscal year ending June 30, 2016. This statement addresses accounting and financial reporting issues related to fair value measurements. It provides guidance for determining a fair value measurement for financial reporting purposes, as well as guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 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*, will be effective for the District beginning with its fiscal year ending June 30, 2016. This statement improves the usefulness of information about pensions reported in state and local governments' financial statements.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* will be effective for the District beginning with its fiscal year ending June 30, 2017. This statement replaces the requirements for GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as well as the requirements of GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This statement improves the usefulness of information about postemployment benefits other than pensions (OPEB) reported in state and local governments' financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective for the District beginning with its fiscal year ending June 30, 2017. This statement replaces the requirements for GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as well as the requirements of GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions.

**O. Subsequent Events**

Management has evaluated subsequent events through December 15, 2015, which was the date that the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended June 30	(a) District's proportion of the net pension liability (asset)	(b) District's proportionate share of the net pension liability (asset)	(c) District's covered payroll	(b/c) District's proportionate share of the net position liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.04801285%	\$ (1,088,314)	\$ 2,214,823	(49.14)%	103.60%
2014	0.04801285%	2,450,166	2,038,983	120.17%	91.97%

**Changes in Plan Provisions**

A summary of key changes in plan provisions are described in the OPERS' GASB 68 Disclosure Information, which can be found at:

[http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

**Changes of Assumptions**

A summary of key changes implemented since the December 31, 2011 valuation are described in the OPERS' GASB 68 Disclosure Information, which can be found at:

[http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at:

<http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**SCHEDULE OF CONTRIBUTIONS**

Year Ended June 30	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) District's covered payroll	(b/c) Contributions as a percent of covered payroll
2015	\$ 465,201	\$ 465,201	\$ -	\$ 2,214,823	21.00%
2014	425,207	425,207	-	2,038,983	20.85%

**Changes in Plan Provisions**

A summary of key changes in plan provisions are described in the OPERS' GASB 68 Disclosure Information, which can be found at:

[http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

**Changes of Assumptions**

A summary of key changes implemented since the December 31, 2011 valuation are described in the OPERS' GASB 68 Disclosure Information, which can be found at:

[http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

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<http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2015

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
<b>REVENUES</b>			
Local revenue	\$ 2,836,993	\$ 73,102	\$ 2,910,095
State revenue	1,768,000	274,698	2,042,698
Federal revenue	<u>188,000</u>	<u>98,958</u>	<u>286,958</u>
Total revenues	<u>4,792,993</u>	<u>446,758</u>	<u>5,239,751</u>
<b>EXPENDITURES</b>			
Current			
Instruction	2,633,990	(110,516)	2,523,474
Support services	2,449,989	(142,672)	2,307,317
Enterprise and community services	340,604	(22,597)	318,007
Debt service	92,410	(9)	92,401
Contingency	<u>150,000</u>	<u>(150,000)</u>	<u>-</u>
Total expenditures	<u>5,666,993</u>	<u>(425,794)</u>	<u>5,241,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(874,000)</u>	<u>872,552</u>	<u>(1,448)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Lease proceeds	-	190,457	190,457
Gain on disposal of capital assets	-	2,000	2,000
Transfers out	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,000)</u>	<u>193,457</u>	<u>192,457</u>
Net change in fund balance	(875,000)	1,066,009	191,009
Fund balance - beginning	<u>875,000</u>	<u>3,277</u>	<u>878,277</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,069,286</u>	<u>\$ 1,069,286</u>

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL

SPECIAL REVENUE FUND

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
<b>REVENUES</b>				
Local revenue	\$ 460,025	\$ 547,025	\$ (234,247)	\$ 312,778
State revenue	-	-	16,063	16,063
Federal revenue	<u>349,900</u>	<u>349,900</u>	<u>(111,802)</u>	<u>238,098</u>
Total revenues	<u>809,925</u>	<u>896,925</u>	<u>(329,986)</u>	<u>566,939</u>
<b>EXPENDITURES</b>				
Current				
Instruction	973,031	993,031	(540,080)	452,951
Support services	48,608	115,608	(46,151)	69,457
Enterprise and community services	<u>500</u>	<u>500</u>	<u>(291)</u>	<u>209</u>
Total expenditures	<u>1,022,139</u>	<u>1,109,139</u>	<u>(586,522)</u>	<u>522,617</u>
Excess (deficiency) of revenues over (under) expenditures	(212,214)	(212,214)	256,536	44,322
Fund balance - beginning	<u>212,214</u>	<u>212,214</u>	<u>(47,646)</u>	<u>164,568</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,890</u>	<u>\$ 208,890</u>

**OTHER SUPPLEMENTARY INFORMATION**

INDIVIDUAL FUND SCHEDULES

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended June 30, 2015

	Original and Final Budget	Variance with Final Budget Over (Under)	<u>Actual GAAP Basis</u>
<b>REVENUES</b>			
Local revenue	\$ 309,725	\$ 2,147	\$ 311,872
<b>EXPENDITURES</b>			
Debt service	<u>330,650</u>	<u>-</u>	<u>330,650</u>
Excess (deficiency) of revenues over (under) expenditures	(20,925)	2,147	(18,778)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
Net change in fund balance	(19,925)	1,147	(18,778)
Fund balance - beginning	<u>57,000</u>	<u>(926)</u>	<u>56,074</u>
Fund balance - ending	<u><u>\$ 37,075</u></u>	<u><u>\$ 221</u></u>	<u><u>\$ 37,296</u></u>

## **OTHER FINANCIAL SCHEDULES**

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**REVENUE SUMMARY - ALL FUNDS**

June 30, 2015

**Revenue from Local Sources**

	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>
1110 Ad Valorem Taxes Levied by District	\$ 2,795,687	\$ -	\$ 311,151
1411 Transportation Fees - From Individuals	1,385	-	-
1500 Earnings on Investments	5,940	15	721
1600 Food Service	40,033	-	-
1700 Extracurricular Activities	14,355	176,693	-
1910 Rentals	3,438	-	-
1920 Contributions and Donations From Private Sources	-	72,378	-
1990 Miscellaneous	49,257	63,692	-
<b>Total Revenue from Local Sources</b>	<b>\$ 2,910,095</b>	<b>\$ 312,778</b>	<b>\$ 311,872</b>

**Revenue from State Sources**

	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>
3101 State School Fund - General Support	\$ 1,995,751	\$ -	\$ -
3102 State School Fund - School Lunch Match	2,368	-	-
3103 Common School Fund	42,774	-	-
3299 Other Restricted Grants-in-Aid	1,805	16,063	-
<b>Total Revenue from State Sources</b>	<b>\$ 2,042,698</b>	<b>\$ 16,063</b>	<b>\$ -</b>

**Revenue from Federal Sources**

	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>
4300 Restricted Revenue From the Federal Government	\$ -	\$ 36,281	\$ -
4500 Restricted Revenue From the Federal Government Through the State	163,864	201,817	-
4801 Federal Forest Fees	108,103	-	-
4900 Revenue for/on Behalf of the District	14,991	-	-
<b>Total Revenue from Federal Sources</b>	<b>\$ 286,958</b>	<b>\$ 238,098</b>	<b>\$ -</b>

**Revenue from Other Sources**

	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>
5100 Long Term Debt Financing Sources	\$ 190,457	\$ -	\$ -
5300 Sale of or Compensation for Loss of Fixed Assets	2,000	-	-
5400 Resources - Beginning Fund Balance	878,277	164,568	56,074
<b>Total Revenue from Other Sources</b>	<b>\$ 1,070,734</b>	<b>\$ 164,568</b>	<b>\$ 56,074</b>

**Grand Totals**

<b>\$ 6,310,485</b>	<b>\$ 731,507</b>	<b>\$ 367,946</b>
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**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**EXPENDITURE SUMMARY - GENERAL FUND**

June 30, 2015

**Instruction Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>
1111 Elementary, K-5 or K-6	\$ 892,369	\$ 531,182	\$ 334,442
1121 Middle/Junior High Programs	446,199	263,377	171,458
1122 Middle/Junior High School Extracurricular	21,142	14,529	3,995
1131 High School Programs	718,027	430,204	254,438
1132 High School Extracurricular	102,540	56,921	16,627
1210 Programs for the Talented and Gifted	2,155	1,588	477
1220 Restrictive Programs for Students with Disabilities	123,493	750	239
1250 Less Restrictive Programs for Students with Disabilities	211,065	97,589	96,857
1291 English Second Language Programs	6,484	4,763	1,366
<b>Total Instruction Expenditures</b>	<b>\$ 2,523,474</b>	<b>\$ 1,400,903</b>	<b>\$ 879,899</b>

**Support Services Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>
2120 Guidance Services	\$ 81,089	\$ 48,702	\$ 31,239
2140 Psychological Services	49,609	-	-
2160 Other Student Treatment Services	30,774	-	-
2190 Service Direction, Student Support Services	22,078	-	-
2210 Improvement of Instruction Services	4,957	-	4,155
2220 Educational Media Services	84,227	39,139	40,918
2230 Assessment & Testing	10,229	7,249	1,932
2310 Board of Education Services	29,219	-	-
2320 Executive Administration Services	77,526	24,500	48,757
2410 Office of the Principal Services	436,217	224,525	195,199
2520 Fiscal Services	191,445	114,111	70,353
2540 Operation and Maintenance of Plant Services	648,103	143,271	112,486
2550 Student Transportation Services	499,523	137,399	86,272
2640 Staff Services	885	-	-
2660 Technology Services	141,436	29,446	22,930
<b>Total Support Services Expenditures</b>	<b>\$ 2,307,317</b>	<b>\$ 768,342</b>	<b>\$ 614,241</b>

**Enterprise and Community Services Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>
3100 Food Services	\$ 318,007	\$ 84,021	\$ 91,219
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$ 318,007</b>	<b>\$ 84,021</b>	<b>\$ 91,219</b>

**Other Uses Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>
5100 Debt Service	\$ 92,401	\$ -	\$ -
<b>Total Other Uses Expenditures</b>	<b>\$ 92,401</b>	<b>\$ -</b>	<b>\$ -</b>

**Grand Total**

<b>\$ 5,241,199</b>	<b>\$ 2,253,266</b>	<b>\$ 1,585,359</b>
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Object 300	Object 400	Object 500	Object 600
\$ 7,066	\$ 19,407	\$ -	\$ 272
3,533	7,831	-	-
2,618	-	-	-
8,826	23,184	-	1,375
19,508	595	-	8,889
90	-	-	-
122,504	-	-	-
15,833	786	-	-
355	-	-	-
<b>\$ 180,333</b>	<b>\$ 51,803</b>	<b>\$ -</b>	<b>\$ 10,536</b>

Object 300	Object 400	Object 500	Object 600
\$ 582	\$ 566	\$ -	\$ -
49,609	-	-	-
30,774	-	-	-
22,078	-	-	-
433	230	-	139
-	4,090	-	80
592	456	-	-
21,922	545	-	6,752
2,634	401	-	1,234
13,117	2,781	-	595
4,974	790	-	1,217
271,936	50,998	-	69,412
25,729	39,425	190,457	20,241
885	-	-	-
70,073	18,912	-	75
<b>\$ 515,338</b>	<b>\$ 119,194</b>	<b>\$ 190,457</b>	<b>\$ 99,745</b>

Object 300	Object 400	Object 500	Object 600
\$ 5,403	\$ 136,376	\$ -	\$ 988
<b>\$ 5,403</b>	<b>\$ 136,376</b>	<b>\$ -</b>	<b>\$ 988</b>

Object 300	Object 400	Object 500	Object 600
\$ -	\$ -	\$ 52,321	\$ 40,080
<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52,321</b>	<b>\$ 40,080</b>
<b>\$ 701,074</b>	<b>\$ 307,373</b>	<b>\$ 242,778</b>	<b>\$ 151,349</b>

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**EXPENDITURE SUMMARY - SPECIAL REVENUE FUND**

June 30, 2015

**Instruction Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>
1111 Elementary, K-5 or K-6	\$ 22,148	\$ -	\$ -
1121 Middle/Junior High Programs	1,134	-	-
1122 Middle/Junior High School Extracurricular	17,817	-	-
1131 High School Programs	20,436	-	-
1132 High School Extracurricular	203,108	8,544	1,457
1250 Less Restrictive Programs for Students with Disabilities	79,724	48,372	31,217
1272 Title I	103,373	51,117	48,609
1400 Summer School Programs	5,211	4,170	1,041
<b>Total Instruction Expenditures</b>	<b>\$ 452,951</b>	<b>\$ 112,203</b>	<b>\$ 82,324</b>

**Support Services Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>
2120 Guidance Services	\$ 33,755	\$ 10,400	\$ 1,562
2160 Other Student Treatment Services	200	-	-
2210 Improvement of Instruction Services	926	-	-
2230 Assessment & Testing	2,773	686	68
2240 Instructional Staff Development	17,011	11,704	1,493
2640 Staff Services	11,461	1,651	512
2660 Technology Services	3,331	-	-
<b>Total Support Services Expenditures</b>	<b>\$ 69,457</b>	<b>\$ 24,441</b>	<b>\$ 3,635</b>

**Enterprise and Community Services Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>
3300 Community Services	\$ 209	\$ -	\$ -
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$ 209</b>	<b>\$ -</b>	<b>\$ -</b>

**Grand Total**

<b>\$ 522,617</b>	<b>\$ 136,644</b>	<b>\$ 85,959</b>
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Object 300	Object 400	Object 600
\$ -	\$ 22,148	\$ -
-	1,134	-
-	17,321	496
10,000	10,436	-
30,148	108,343	54,616
-	135	-
-	3,647	-
-	-	-
<b>\$ 40,148</b>	<b>\$ 163,164</b>	<b>\$ 55,112</b>

Object 300	Object 400	Object 600
\$ 4,406	\$ 17,112	\$ 275
-	200	-
-	926	-
789	1,230	-
1,641	40	2,133
1,107	8,191	-
-	3,331	-
<b>\$ 7,943</b>	<b>\$ 31,030</b>	<b>\$ 2,408</b>

Object 300	Object 400	Object 600
\$ -	\$ 209	\$ -
<b>\$ -</b>	<b>\$ 209</b>	<b>\$ -</b>
<b>\$ 48,091</b>	<b>\$ 194,403</b>	<b>\$ 57,520</b>

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

EXPENDITURE SUMMARY - DEBT SERVICE FUND

June 30, 2015

**Other Uses Expenditures**

5100 Debt Service

	<b>Totals</b>	<b>Object 600</b>
	\$ 330,650	\$ 330,650
<b>Total Other Uses Expenditures</b>	<b>\$ 330,650</b>	<b>\$ 330,650</b>
<b>Grand Total</b>	<b>\$ 330,650</b>	<b>\$ 330,650</b>

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS**

For the Year Ended June 30, 2015

<u>Tax Year</u>	<u>Taxes Receivable July 1, 2014</u>	<u>2014-2015 Levy</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Taxes Receivable June 30, 2015</u>
2014-2015	\$ -	\$ 3,129,106	\$ (92,678)	\$ 2,906,323	\$ 130,105
2013-2014	137,347	-	13,232	79,362	71,217
2012-2013	57,885	-	11,072	23,856	45,101
2011-2012	35,408	-	10,095	23,166	22,337
2010-2011	14,211	-	6,270	10,899	9,582
2009-2010	3,636	-	6,556	564	9,628
2008-2009	2,190	-	(403)	223	1,564
Prior	<u>9,605</u>	<u>-</u>	<u>(254)</u>	<u>215</u>	<u>9,136</u>
Subtotal - Prior	<u>260,282</u>	<u>-</u>	<u>46,568</u>	<u>138,285</u>	<u>168,565</u>
	<u>\$ 260,282</u>	<u>\$ 3,129,106</u>	<u>\$ (46,110)</u>	<u>3,044,608</u>	<u>\$ 298,670</u>
Add:					
Other taxes and interest				63,175	
Undistributed taxes with county, July 1, 2014				<u>19,904</u>	
Total available				3,127,687	
Less: Turnovers to District				<u>(3,106,838)</u>	
Undistributed taxes with county, June 30, 2015				<u>\$ 20,849</u>	

## **STATISTICAL SECTION**

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

LEGAL DEBT MARGIN INFORMATION

Real Market Value (Fiscal Year 2015)	\$ 841,118,808
<b>Debt Capacity</b>	
General Obligation Debt Capacity (7.95% of Real Market Value)	\$ 66,868,945
Less: Outstanding Debt Subject to Limit	<u>(2,625,000)</u>
Remaining General Obligation Debt Capacity	\$ 64,243,945
Percent of Capacity Issued	3.93%

<b>Issuer Type</b>	<b>School District</b>
<b>Capacity</b>	<b>7.95%</b>

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AND  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Real Market Value	\$	841,118,808	
Estimated Population		5,328	
Per Capita Real Market Value	\$	157,868	
		<b>Gross Direct Debt<sup>(1)</sup></b>	<b>Net Direct Debt<sup>(2)</sup></b>
<b>Debt Information</b>			
District Direct Debt	\$	2,625,000	\$ 2,625,000
<b>Bonded Debt Ratios</b>			
District Direct Debt to Real Market Value		0.31%	0.31%
Per Capita District Direct Debt	\$	493	\$ 493

(1) **Gross Direct Debt** = all limited and unlimited debt (GO & FFCO)

(2) **Net Debt** = Gross debt - Self-supporting (any GO or FFCOs paid from revenue streams other than property taxes or GF revenues)

Short-term debt is not included in either calculation.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY**

<b>Fiscal Year</b>	<b>Real Market Value<sup>(1)</sup></b>	<b>Total Assessed Valuation</b>	<b>Urban Renewal Excess</b>	<b>AV Used to Calculate Rates<sup>(2)</sup></b>
2015	\$ 841,118,808	\$ 720,150,098		\$ 720,150,098
2014	818,521,792	694,324,994	-	694,324,994
2013	812,202,891	676,347,946	-	676,347,946
2012	863,721,304	671,847,569	-	671,847,569
2011	917,665,708	655,935,020	-	655,935,020
2010	1,045,918,431	642,118,377	-	642,118,377
2009	1,144,322,439	616,361,179	-	616,361,179
2008	1,132,563,054	592,326,112	-	592,326,112
2007	1,008,836,568	563,656,038	-	563,656,038

(1) Value represents the Real Market Value of taxable properties, including special assessed properties such as farms. This value is also commonly referred to as the "Measure 5 value" by county assessors.

(2) Assessed Value of property in the District on which the permanent tax rate limit is applied to derive *ad valorem* property taxes, excluding urban renewal and any other offsets.

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**PRINCIPAL PROPERTY TAXPAYERS**

**Central Curry School District No. 1**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax <sup>(1)</sup></b>	<b>Assessed Value <sup>(2)</sup></b>	<b>Percent of Value</b>
South Coast Lumber Co. (SOCOMI) <sup>(3)</sup>	Lumber Mill	\$ 141,729	\$ 18,528,790	2.57%
Charter Communications	Telecommunications	96,222	9,834,100	1.37%
Menasha Forest Products Corp	Forest Mgmt./Timber	56,877	7,272,630	1.01%
Jots Resort	Recreational Resort	67,590	6,778,880	0.94%
CLR Timber Holdings, Inc.	Forest Mgmt./Timber	25,853	3,582,860	0.50%
Frontier Communications	Telecommunications	33,294	3,050,000	0.42%
Ireland's at Gold Beach, LLC	Hotel	32,706	3,143,180	0.44%
Treffers, John Trustee	Property Management	23,329	3,053,550	0.42%
Oh, Baek K & Sung C	Property Management	24,136	2,327,340	0.32%
Zaninovich, Antone V & K Trustees	Property Management	22,630	2,230,330	0.31%
Subtotal - ten of District's largest taxpayers			59,801,660	8.30%
All other District's taxpayers			660,348,438	91.70%
Total District			<u>\$ 720,150,098</u>	<u>100.00%</u>

**Curry County**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax <sup>(1)</sup></b>	<b>Assessed Value <sup>(2)</sup></b>	<b>Percent of Value</b>
South Coast Lumber Co. (SOCOMI) <sup>(3)</sup>	Lumber Mill	\$ 591,257	\$ 76,264,495	2.79%
Charter Communications	Telecommunications	131,636	14,428,700	0.53%
Fred Meyer Stores, Inc.	Grocery Store	111,260	10,896,880	0.40%
Frontier Communications	Telecommunications	109,283	11,717,000	0.43%
C&K Market, Inc.	Grocery Store	86,759	10,390,010	0.38%
Jots Resort	Recreational Resort	67,590	6,778,880	0.25%
Sea View Assisted Living, LLC et al.	Assisted Living Center	62,771	9,396,090	0.34%
Menasha Forest Products Corp	Forest Mgmt./Timber	59,865	7,648,380	0.28%
Goh Properties, LLC	Property Management	52,952	7,926,410	0.29%
Ocean Winds Brookings	Recreational Resort	40,785	3,994,540	0.15%
Subtotal - ten of County's largest taxpayers			159,441,385	5.83%
All other County taxpayers			2,575,707,648	94.17%
Total County taxpayers			<u>\$ 2,735,149,033</u>	<u>100.00%</u>

(1) Tax amount is the total tax paid by the taxpayer within the boundaries of the District and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

(2) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

(3) South Coast Lumber Company (SOCOMI) is Located in Brookings, Oregon where it manufactures veneer, plywood, plywood specialties, laminated veneer lumber (LVL) for industrial applications, lumber, studs, chips, and other byproducts. The company also produces siding, sanded plywood, laminated plywood products, and concrete forms. The company employs approximately 490 people and was founded in the 1950s. Source: [www.socomi.com](http://www.socomi.com).

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

PROPERTY TAX COLLECTIONS

**Curry County**  
**Tax Collections**<sup>(1)</sup>

Fiscal Year	Percent Collected as of	
	Levy Year <sup>(2)</sup>	6/30/2015 <sup>(3)</sup>
2015	95.82%	95.82%
2014	95.49%	97.66%
2013	94.87%	98.44%
2012	94.91%	99.24%
2011	95.18%	99.67%
2010	95.27%	99.66%

(1) Percentage of total tax levy collection in the County. Pre-payment discounts are considered to be **collected** when outstanding taxes are calculated. The tax rates are before offsets.

(2) The percentage of taxes collected in the "year of levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.

(3) The percentage of taxes shown in the column represents taxes collected cumulatively from July 1 of a given levy year through June 20, 2015.

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY  
STATE REGULATIONS**



KOONTZ, PERDUE, BLASQUEZ & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors  
Central Curry School District No. 1  
Gold Beach, Oregon 97444

We have audited the basic financial statements of Central Curry School District No. 1 as of and for the year ended June 30, 2015, and have issued our report thereon dated December 15, 2015. 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 Central Curry School District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

**Accounting records**

**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 that the District was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

#### **OAR 162-010-0230 Internal Control**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting. However, we noted certain matters that we have reported to management of the District in a separate letter dated December 15, 2015.

This report is intended solely for the information and use of the board of directors and management of Central Curry School District No. 1 and the Oregon Secretary of State, and is not intended to be and should not be used by anyone other than these parties.

*Koontz, Perdue, Blasquez & Co., P.C.*

Koontz, Perdue, Blasquez & Co., P.C.

December 15, 2015

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

SUPPLEMENTAL INFORMATION REQUIRED BY OREGON DEPARTMENT OF EDUCATION

For the Year Ended June 30, 2015

Part A is needed for computing Oregon's full allocation for ESEA, Title I, and other Federal Funds for Education.

- A. **Energy Bill for Heating – All Funds:**  
Please enter your expenditures for electricity and heating fuel for these Functions and Objects.

	Objects 325 and 326
Function 2540	\$ 115,713
Function 2550	\$ 2,850

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

\$ -

Exclude these functions:

1113, 1122, and 1132 Co-curricular Activities  
1140 Pre-Kindergarten  
1300 Continuing Education  
1400 Summer School

Exclude these functions:

4150 Construction  
2550 Pupil Transportation  
3100 Food Service  
3300 Community Services

## **SINGLE AUDIT SECTION**

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2015

Federal Grantor, Pass through Grantor, Program Title	Grant Period	CFDA	Expenditures
<b><u>U.S. Department of Education</u></b>			
Direct Grant			
Small Rural School Achievement Program	2013-2015	84.358	\$ 36,281
Passed through Oregon State Department of Education			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	2013-2015	84.010	103,781
Special Education Cluster			
IDEA Special Education Grants To States	2013-2016	84.027	79,993
Title IIA Improving Teaching Quality State Grants	2013-2015	84.367	18,043
Total passed through Oregon State Department of Education			201,817
Total U.S. Department of Education			238,098
<b><u>U.S. Department of Agriculture</u></b>			
Passed through Oregon State Department of Education			
Child Nutrition Cluster*			
School Breakfast Program		10.553	43,433
National School Lunch Program		10.555	110,067
Food Donation - National School Lunch Program		10.555	14,991
Summer Food Service Program for Children		10.559	10,364
Total passed through Oregon State Department of Education			178,855
Passed through Curry County			
Schools and Roads - Grants to States*		10.665	108,103
Total U.S. Department of Agriculture			286,958
Total federal expenditures			\$ 525,056

\*Major programs

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2015

**I. PURPOSE OF SCHEDULE**

The schedule of expenditures of federal awards is a supplementary schedule to Central Curry School District No. 1's basic financial statements and is presented for additional analysis. Because the schedule presents only a selected portion of the activities of the District, it is not intended to and does not present the financial position, changes in net position, nor the operating funds' revenues and expenses.

**II. SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The information in the schedule of expenditures of federal awards is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**B. Federal Financial Assistance**

Pursuant to the Single Audit Act of 1984 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the schedule of expenditures of federal awards, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

**C. Major Programs**

The Single Audit Act of 1984 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

**D. Reporting Entity**

The reporting entity is fully described in the notes to the financial statements of the District's basic financial statements. Additionally, the schedule of expenditures of federal awards includes all federal programs administered by the District for the year ended June 30, 2015.

**E. Revenue and Expenditure Recognition**

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting.



KOONTZ, PERDUE, BLASQUEZ & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S 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**

Board of Directors  
Central Curry School District No. 1  
Gold Beach, Oregon 97444

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the remaining fund information of Central Curry School District No. 1 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Central Curry School District No. 1's basic financial statements, and have issued our report thereon dated December 15, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Central Curry School District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Central Curry School District No. 1's 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2015-01, that we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Central Curry School District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

## **Central Curry School District No. 1's Response to Findings**

Central Curry School District No. 1's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Koontz, Perdue, Blasquez & Co., P.C.*

Koontz, Perdue, Blasquez & Co., P.C.

Albany, Oregon  
December 15, 2015



KOONTZ, PERDUE, BLASQUEZ & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

Board of Directors  
Central Curry School District No. 1  
Gold Beach, Oregon 97444

**Report on Compliance for Each Major Federal Program**

We have audited Central Curry School District No. 1's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Central Curry School District No. 1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Central Curry School District No. 1's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Central Curry School District No. 1 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, 2015.

## **Report on Internal Control over Compliance**

Management of Central Curry School District No. 1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Curry School District No. 1's internal control over compliance.

A deficiency in internal control over compliance 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 in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

*Koontz, Perdue, Blasquez & Co., P.C.*

Koontz, Perdue, Blasquez & Co., P.C.

Albany, Oregon  
December 15, 2015

**CENTRAL CURRY SCHOOL DISTRICT NO. 1**  
**Gold Beach, Oregon**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2015

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s opinion issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? No

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance  
Circular A-133, section 510(a)? No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.55X	Child Nutrition Cluster
10.665	Schools and Roads - Grants to States

Dollar threshold used to distinguish between type A and type B programs: \$300,000

District qualified as low-risk auditee? No

## SECTION II – FINANCIAL STATEMENT FINDINGS

<u>Finding Number</u>	<u>Finding</u>
2015-01	Lack of adequate segregation of duties.
<b>Condition:</b>	During testing, it was noted that the District has a lack of adequate segregation of duties relating to accounting, payroll, and financial reporting functions.
<b>Prevalence:</b>	Entity-wide
<b>Criteria:</b>	In an ideal situation, no one employee has access to both physical assets and the related accounting records or to all phases of a transaction.
<b>Questioned costs:</b>	None
<b>Effect:</b>	The possibility exists that unintentional errors or irregularities could exist and not be promptly detected.
<b>Recommendations:</b>	We recommend that the board of directors and all members of management remain diligent in monitoring the financial activities of the District.
<b>Management's response:</b>	Management is aware of the deficiency and has implemented mitigating controls where it is practical to do so.

## SECTION III – CORRECTIVE ACTION PLAN

<u>Finding Number</u>	<u>Corrective Action</u>
2015-01	While it is improbable that more staff will be added due to budget constraints, management and the board of directors will remain diligent in their monitoring duties.

## SECTION IV – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

<u>Finding Number</u>	<u>Finding</u>
2014-01	Lack of adequate segregation of duties.

## SECTION V – STATUS OF PRIOR YEAR FINDINGS

<u>Finding Number</u>	<u>Status</u>
2014-01	Repeat finding this fiscal year. (2015-01)