ANNUAL FINANCIAL REPORT

June 30, 2019

DISTRICT OFFICIALS

June 30, 2019

#### **BOARD OF DIRECTORS**

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

Andy Wright, Vice Chair 27781 Hunter Creek Road Gold Beach, Oregon 97444

Luke Martinez 95825 N. Bank Pistol River Road Gold Beach, Oregon 97444

Brandon McGinnis 95380 Tututni Hollow Road Gold Beach, Oregon 97444

Nancy Sorensen (Effective 1/16/2019) 27796 Hunter Creek Road Gold Beach, Oregon 97444

Barbara Gaston (7/1/2018 – 1/16/2019) 30520 Sandy Drive Gold Beach, Oregon 97444

#### **ADMINISTRATION**

Tim Wilson Superintendent 28679 Brooks Road Gold Beach, Oregon 97444

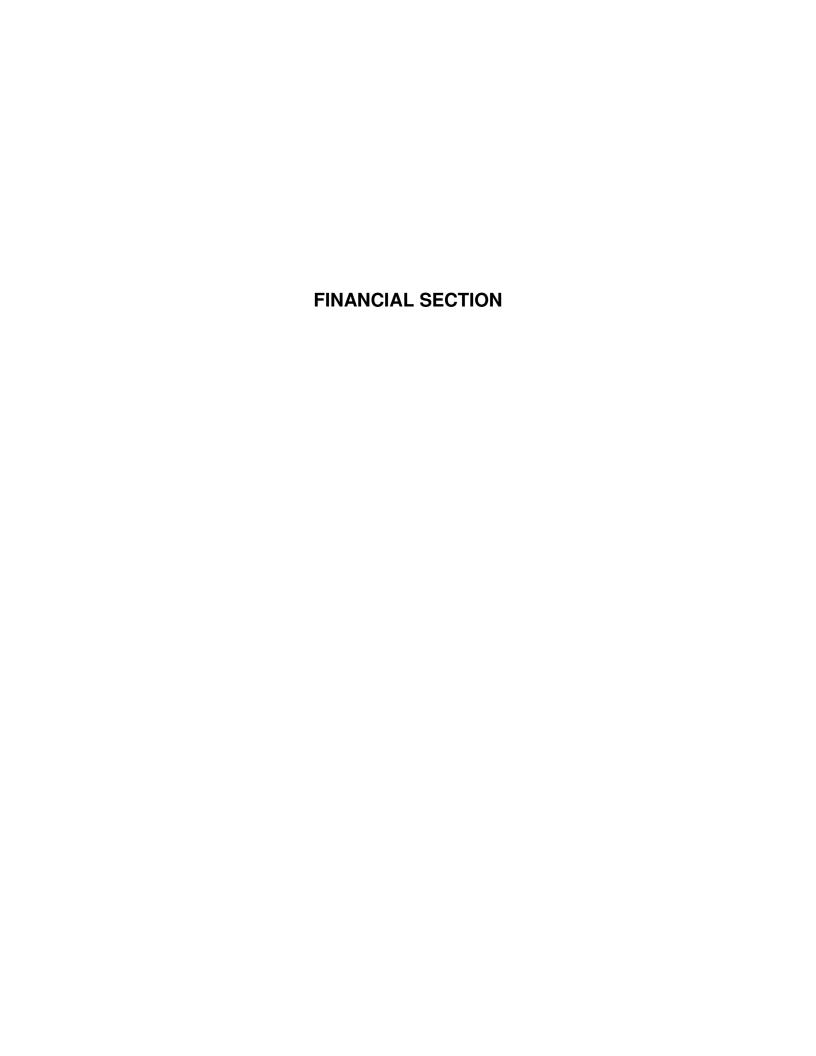
Kristal Carpenter Business Manager 32774 Cedar Valley Road Gold Beach, Oregon 97444

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### 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, 2019, 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. 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, 2019, and the respective changes in financial position 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, schedule of changes in the District's total OPEB liability and related ratios. schedule of the proportionate share of the net OPEB liability (asset), schedule of contributions – other postemployment benefits, and budgetary comparison information on pages 4 through 10, 52, 53, 54, 55, 56, and 57 through 58, 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, schedule of contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the proportionate share of the net OPEB liability (asset), and schedule of contributions - other postemployment benefits 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, schedule of contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the proportionate share of the net OPEB liability (asset), or schedule of contributions - other postemployment benefits 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 certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### 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, schedule of expenditures of federal awards, statistical section, and supplemental information required by the Oregon Department of Education 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, revenue and expenditure summaries, 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.

### **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 18, 2019 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, Blasquez & Associates, P.C.

Debra L. Blasc

Albany, Oregon December 18, 2019

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

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, 2019. It should be read in conjunction with the District's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- At June 30, 2019, total net position of Central Curry School District No. 1 amounted to \$273,759. Of this amount, \$1,780,326 was invested in capital assets, net of related debt; \$29,441 was restricted for debt service; \$29,717 was restricted for special projects; and \$200,308 was restricted for student body activities. The remaining balance of \$(1,766,033) was unrestricted.
- At June 30, 2019, the District's governmental funds reported combined ending fund balances of \$1,590,316.

#### **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 11 through 13 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.

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 four 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, Special Revenue, and Capital Projects Funds, all 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 14 through 17 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 18 through 51 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, schedule of changes in the District's total OPEB liability and related ratios, schedule of the proportionate share of the net OPEB liability (asset), schedule of contributions – other postemployment benefits, and budgetary comparison information for the General and Special Revenue Funds. This required supplementary information can be found on pages 52 through 58 of this report.

Individual fund schedules can be found immediately following the required supplementary information on pages 59 through 60 of this report.

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, 2019, the District's assets exceeded its liabilities by \$273,759.

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**

The District's net position increased by \$487,840 during the current fiscal year. This increase is primarily due to increases in instructional staff support and state school funding.

Condensed statement of net position information is shown below.

#### **Condensed Statement of Net Position**

	Governmen	Governmental Activities		
	2019	2018		
Assets and deferred outflows of resources				
Current assets	\$ 1,708,622	\$ 1,096,428		
Restricted assets	785,821	940,423		
Net capital assets	3,377,557	3,414,347		
Noncurrent assets	-	9,346		
Deferred outflows of resources	2,071,858	1,799,905		
Total assets and deferred outflows of resources	7,943,858	7,260,449		
Liabilities and deferred inflows of resources				
Current liabilities	953,620	855,447		
Noncurrent liabilities	5,889,474	5,875,517		
Deferred inflows of resources	827,005	743,566		
Total liabilities and deferred inflows of resources	7,670,099	7,474,530		
Net position				
Net investment in capital assets	1,780,326	1,515,780		
Restricted for various purposes	259,466	262,458		
Unrestricted	(1,766,033)	(1,992,319)		
Total net position	\$ 273,759	\$ (214,081)		

#### **District's Changes in Net Position**

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

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

#### **Condensed Statement of Activities**

	<b>Governmental Activities</b>	
	2019	2018
Program revenues Regular programs	\$ 21,842	\$ 19,565
Special programs	332,510	264,352
Student support services	188,659	191,435
Instructional staff support	1,365,210	1,077,048
Food services	230,260	223,269
Total program revenues	2,138,481	1,775,669
General revenues		
Property taxes - general	3,160,976	3,066,604
Property taxes - debt service	358,089	357,191
State school fund - general support	2,209,306	2,066,042
Common school fund	44,202	40,912
Unrestricted grants and contributions	4,000	752
Unrestricted federal revenue	81,991	87,653
Investment earnings	38,554	22,341
Amortization of bond premium	17,179	17,179
Miscellaneous	<u>175,463</u>	121,246
Total general revenues	6,089,760	5,779,920
Total revenues	8,228,241	7,555,589
Program expenses		
Regular programs	2,906,567	2,943,865
Special programs	463,580	536,687
Summer school programs	6,784	7,812
Student support services	251,524	152,199
Instructional staff support	128,474	118,869
General administrative support	142,042	138,390
School administrative support	541,579	550,406
Business support services	1,232,267	1,208,445
Central activities support	156,132	154,715
Food services	360,057	323,010
Community service activities	2,760	-
Capital outlay	1,336,925	1,062,208
Unallocated depreciation expense	136,735	127,582
Interest on long-term debt	74,975	81,827
Total program expenses	7,740,401	7,406,015
Change in net position	487,840	149,574
Net position - beginning of year, as restated	(214,081)	(363,655)
Net position - end of year	\$ 273,759	\$ (214,081)

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 74% of the funding required for governmental programs. Property taxes and state school funding combined for 94% of general revenues and 70% of total revenues.

Charges for services make up only 2% 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	\$ 50,332
•	Various student extracurricular activities	 123,933
	Total charges for services	\$ 174,265

Operating grants and contributions represent 24% of total revenues. Included in this category are \$1,964,216 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 44% of the total expenses of \$7,740,401. In addition, approximately 36% 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 major governmental funds reported combined fund balances of \$1,560,875, an increase of \$265,668 over the prior year. This amount included \$42,438 of nonspendable amounts related to inventories and prepaid expenses, \$29,717 restricted for special projects, and \$200,308 restricted for student body activities. The remaining \$1,288,412 constitutes unassigned fund balance available for spending at the District's discretion.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

#### Significant Changes in Major Governmental Fund Balances

- General Fund: Nonspendable fund balance increased 463% due to the required payment of workers' compensation insurance (SAIF) prior to the new fiscal year.
- Special Revenue Fund: Amounts restricted for special projects decreased 29% due to the spending of individual/one-time grants.

#### **BUDGETARY HIGHLIGHTS: GENERAL FUND**

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

Significant variances between budgeted and actual amounts in the General Fund for the year ended June 30, 2019 include:

- Federal revenue was budgeted for \$180,000. Actual revenues were \$259,817 (44% over budget) due to unexpected federal forest receipts.
- Unbudgeted lease proceeds amounted to \$99,945.

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2019 amounted to \$3,377,557, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, furniture and fixtures, land improvements, and machinery and equipment. The total depreciation related to the District's investment in capital assets for the current fiscal year was \$136,735.

Additional information on the District's capital assets can be found in Note III-B on page 29 of this report.

#### **Long-Term Liabilities**

At the end of the current fiscal year, the District had total debt outstanding of \$1,597,231. This amount is comprised of general obligation bonds and capital leases. The District's total debt decreased by \$406,336 during the current fiscal year.

Additional information on the District's long-term debt can be found in Note III-E on pages 31 through 32 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

#### 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 circumstance that could affect its future health:

• Due to the age and condition of the District's facilities, costs for repairs and maintenance are expected to increase.

This factor was considered in preparing the District's budget for fiscal year 2019-2020.

The ending General Fund unassigned balance of \$1,288,412 will be available for program resources in fiscal year 2019-2020.

#### 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.



### STATEMENT OF NET POSITION

June 30, 2019

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets	<b>A</b> 4 000 500
Cash and cash equivalents	\$ 1,306,539
Undistributed taxes with county	19,941
Property taxes receivable	292,038
Accounts receivable	47,666
Inventories	6,458
Prepaids	35,980
Total current assets	1,708,622
Restricted assets	
Cash and cash equivalents	150,853
Undistributed taxes with county	2,315
Property taxes receivable, debt service	38,938
Accounts receivable	593,715
Total restricted assets	785,821
Capital assets	
Land	25,330
Capital assets, net of accumulated depreciation	3,352,227
Total capital assets	3,377,557
Total assets	5,872,000
Deferred outflows of resources	
Deferred charge on refunding	65,977
Net deferred outflow of pension related resources	1,995,046
Net deferred outflow of OPEB related resources	10,835
Total deferred outflows of resources	2,071,858
Total assets and deferred outflows of resources	7,943,858
	(Continued)

### STATEMENT OF NET POSITION

June 30, 2019

(Continued)

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	Governmental Activities
Current liabilities	
Accounts payable	\$ 241,967
Payroll payables	353,440
Accrued interest payable	6,587
Compensated absences payable, current portion	7,321
Bonds payable, current portion	330,000
Capital lease payable, current portion	14,305
Total current liabilities	953,620
Noncurrent liabilities	
Compensated absences payable, less current portion	102,099
Net pension liability	4,410,350
Net OPEB liability	124,099
Bonds payable, less current portion	1,197,286
Capital lease payable, less current portion	55,640
Total noncurrent liabilities	5,889,474
Total liabilities	6,843,094
Deferred inflows of resources	
Net deferred inflow of pension related resources	819,453
Net deferred inflow of OPEB related resources	7,552
Total deferred inflows of resources	827,005
Total liabilities and deferred inflows of resources	7,670,099
NET POSITION	
Net investment in capital assets	1,780,326
Restricted for:	1,760,320
Debt service	29,441
Special projects	29,441 29,717
Student body activities	29,717
Unrestricted	(1,766,033)
Onlestricted	(1,700,033)
Total net position	\$ 273,759

### STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

		P	rogram Revenu		Net (Expense) Revenue and Changes in Net Position
		Charges for	Operating Grants and	Capital Grants and	Governmental
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities
Governmental activities					
Regular programs	\$ 2,906,567	\$ 12,393	\$ 9,449	\$ -	\$ (2,884,725)
Special programs	463,580	-	332,510	-	(131,070)
Summer school programs	6,784	-	-	-	(6,784)
Student support services	251,524	111,540	77,119	-	(62,865)
Instructional staff support	128,474	-	1,365,210	-	1,236,736
General administrative support	142,042	-	-	-	(142,042)
School administrative support	541,579	-	-	-	(541,579)
Business support services	1,232,267	-	-	-	(1,232,267)
Central activities support	156,132	-	-	-	(156,132)
Food services	360,057	50,332	179,928	-	(129,797)
Community service activities	2,760	-	-	-	(2,760)
Capital outlay	1,336,925	-	-	-	(1,336,925)
Unallocated depreciation expense	136,735	-	-	-	(136,735)
Interest on long-term debt	74,975				(74,975)
Total governmental activities	\$ 7,740,401	\$ 174,265	\$1,964,216	<u>\$ -</u>	(5,601,920)
	General revenu	ues			
	Property taxe	es levied for ge	neral purposes		3,160,976
		es levied for de			358,089
		fund - general	support		2,209,306
	Common sch				44,202
		grants and cor			4,000
		federal revenu	е		81,991
	Investment e	-			38,554
		of bond premi	um		17,179
	Miscellaneou	IS			175,463
	Total gener	ral revenues			6,089,760
	Change i	n net position			487,840
	Net position - b	peginning, as re	estated		(214,081)
	Net position - e	ending			\$ 273,759

#### **BALANCE SHEET**

### **GOVERNMENTAL FUNDS**

June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund
ASSETS Cash and cash equivalents Undistributed taxes with county Property taxes receivable Accounts receivable Inventories Prepaids	\$ 1,521,797 19,941 292,038 47,666 6,458 35,980	\$ 126,042 - - 181,098 - -	\$ - - 412,617 - -
Total assets	\$ 1,923,880	\$ 307,140	\$ 412,617
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES Liabilities			
Book overdraft Accounts payable Payroll payables	\$ - 28,986 291,947	\$ - 15,622 61,493	\$ 215,258 197,359
Total liabilities	320,933	77,115	412,617
Deferred inflows of resources Unavailable revenue - property taxes	272,097		
Fund balances Nonspendable Restricted Unassigned	42,438 - 1,288,412	230,025	- - -
Total fund balances	1,330,850	230,025	
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,923,880	\$ 307,140	<u>\$ 412,617</u>

Gov	onmajor rernmental Fund ot Service	Go	Total overnmental Funds
\$	24,811 2,315 38,938 - -	\$	1,672,650 22,256 330,976 641,381 6,458 35,980
\$	66,064	\$	2,709,701
\$	- - -	\$	215,258 241,967 353,440
	<u>-</u>		810,665
	36,623		308,720
	- 29,441 <u>-</u>		42,438 259,466 1,288,412
	29,441		1,590,316
\$	66,064	<u>\$</u>	2,709,701

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

June 30, 2019

Capital assets are not financial resources and are therefore not reported in the governmental funds.  Cost Accumulated depreciation and amortization  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.  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  Compensated absences payable  Compensated absences payable  Capital lease payable  Capital lease payable  Capital lease payable  Deferred charges related to refunding bonds are not considered current assets and therefore are not reported in the governmental funds.  Deferred charges related to refunding bonds are not considered current assets and therefore are not reported in the governmental funds.  Deferred charges related to net position. The amounts included in governmental activities on the statement of net position. The amounts include in governmental activities on the statement of net position.  Net pension liability  OPEB assets or liabilities, with related deferred outflows of resources and deferred inflows of pension related resources  Poeter dinflows of pension related resources  OPEB assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position. The amounts included in governmental activities on the statement of net position. The amounts included in governmental	Total fund balances		\$ 1,590,316
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.  Liabilities not payable in the current year are not reported as governmental funds but rather is recognized as an expenditure when due. These liabilities consist of:  Accrued interest payable  Compensated absences payable  Compensated absences payable  Capital lease payable  Capital lease payable  Capital lease related to refunding bonds are not considered current assets and therefore are not reported in the governmental funds.  Deferred charges related to refunding bonds are not considered current assets and therefore are not reported in the governmental funds.  Deferred charges and therefore are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net pension liability  Deferred inflows of pension related resources  Deferred inflows of pension related deferred outflows of resources and deferred inflows of pension related resources  Deferred inflows of pension related resources  Deferred inflows of pension related deferred outflows of resources and deferred inflows of pension related resources  Deferred inflows of pension related deferred outflows of resources and deferred inflows of pension related resources  OPEB assets or liabilities, with related deferred outflows of resources and deferred inflows of pension related resources  Net OPEB liability  Deferred outflows of OPEB related resources  Deferred inflows of OPEB related resources  Deferred inflows of OPEB related resources  Deferred inflows of OPEB related resources  Liabilities and are therefore and are therefore not repor	governmental funds.	8,507,264	
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.  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  Compensated absences payable  Compensated absences payable  Capital lease payable  Capital lease payable  Capital lease payable  Ceptred charges related to refunding bonds are not considered current assets and therefore are not reported in the governmental funds.  Deferred charges  Amortization of deferred charges  Pension assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position:  Net pension liability  Deferred outflows of pension related resources  Deferred inflows of pension related resources  Deferred inflows of pension related resources  OPEB assets or liabilities, with related deferred outflows of resources and deferred inflows of pension related resources  Net OPEB liability  Net OPEB liability  Deferred outflows of OPEB related resources  Deferred inflows of OPEB related resources  Net OPEB liability  Deferred on the statement of net position:  Net OPEB liability  Deferred outflows of OPEB related resources  C(124,099)  Deferred on the statement of net position:	Accumulated depreciation and amortization	(5,129,707)	3,377,557
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 Compensated absences payable Capital lease pay	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		308,720
Compensated absences payable Bonds payable Capital lease payable Cit,527,286 Cit,713,238 Cit,713,23 Cit,713,23 Cit,713,23 Cit,713,23 Cit,713,23 Cit,713,23 Cit,713,23 Cit,713,	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		
Bonds payable Capital lease payable Capital lease payable Capital lease payable Capital lease payable  Deferred charges related to refunding bonds are not considered current assets and therefore are not reported in the governmental funds.  Deferred charges Amortization of deferred charges  Pension assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net pension liability Deferred outflows of pension related resources Deferred inflows of pension related resources Deferred inflows of pension related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net OPEB liability Deferred outflows of OPEB related resources Deferred inflows of OPEB related resources Deferred inflows of OPEB related resources Deferred inflows of OPEB related resources (124,099) Deferred inflows of OPEB related resources (7,552) (120,816)	· ·	, ,	
Capital lease payable (69,945) (1,713,238)  Deferred charges related to refunding bonds are not considered current assets and therefore are not reported in the governmental funds.  Deferred charges 193,726 Amortization of deferred charges (127,749) 65,977  Pension assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net pension liability (4,410,350) Deferred outflows of pension related resources 1,995,046 Deferred inflows of pension related resources (819,453) (3,234,757)  OPEB assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net OPEB liability (124,099) Deferred outflows of OPEB related resources 10,835 Deferred inflows of OPEB related resources (7,552) (120,816)	· · · · · · · · · · · · · · · · · · ·	,	
assets and therefore are not reported in the governmental funds.  Deferred charges Amortization of deferred charges  Pension assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net pension liability  Deferred outflows of pension related resources  Deferred inflows of pension related resources  OPEB assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net OPEB liability  Deferred outflows of OPEB related resources  Deferred inflows of OPEB related resources  (124,099)  Deferred inflows of OPEB related resources  (120,816)	· ·	,	(1,713,238)
deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net pension liability  Deferred outflows of pension related resources  Deferred inflows of pension related resources  OPEB assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net OPEB liability  Deferred outflows of OPEB related resources  Deferred inflows of OPEB related resources  Deferred inflows of OPEB related resources  (124,099)  10,835  Deferred inflows of OPEB related resources  (7,552)  (120,816)	assets and therefore are not reported in the governmental funds.  Deferred charges	•	65,977
OPEB assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net OPEB liability  Deferred outflows of OPEB related resources  Deferred inflows of OPEB related resources  (124,099)  10,835  (7,552)	deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net pension liability  Deferred outflows of pension related resources	1,995,046	(3 234 757)
Net position of governmental activities <u>\$ 273,759</u>	OPEB assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:  Net OPEB liability  Deferred outflows of OPEB related resources	(124,099) 10,835	
	Net position of governmental activities		\$ 273,759

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

#### **GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund
REVENUES	Φ 0.450.770	Φ	Φ
Taxes	\$ 3,158,773	\$ -	1 220 205
Intergovernmental	2,519,134	366,537	1,336,925
Charges for services	62,725	111,540	-
Miscellaneous	132,086	157,730	<del>-</del>
Total revenues	5,872,718	635,807	1,336,925
EXPENDITURES			
Current			
Instruction	2,908,974	501,755	-
Support services	2,376,889	127,695	-
Enterprise and community services	357,208	200	-
Debt service	70,081	-	-
Facilities acquisition and construction			1,336,925
Total expenditures	5,713,152	629,650	1,336,925
Excess (deficiency) of revenues over (under) expenditures	159,566	6,157	-
OTHER FINANCING SOURCES (USES)			
Lease proceeds	99,945		
Net change in fund balances	259,511	6,157	-
Fund balances - beginning	1,071,339	223,868	
Fund balances - ending	\$ 1,330,850	\$ 230,025	\$ -

Nonmajor Governmental Fund Debt Service		Go	Total overnmental Funds
\$	357,681 - - 5,320	\$	3,516,454 4,222,596 174,265 295,136
	363,001		8,208,451
	372,150 372,150 (9,149)		3,410,729 2,504,584 357,408 442,231 1,336,925 8,051,877
	<u>-</u>		99,945
	(9,149)		256,519
	38,590		1,333,797
\$	29,441	\$	1,590,316

# 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, 2019

Net change in fund balances		\$ 256,519
Amounts reported for governmental activities in the statement of activities are different because:		
·	99,945 36,735)	(36,790)
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 principal paid 38 Settlements paid 10	17,179 84,102 05,000 99,945)	406,336
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)
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.		2,611
Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds.  Compensated absences		8,703
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 in the governmental funds.		(147,086)
Changes in the net OPEB assets and liabilities, as well as the related changes in deferred outflows and deferred inflows of resources, are not recognized in the governmental funds.		 14,393
Change in net position		\$ 487,840

# NOTES TO BASIC FINANCIAL STATEMENTS

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

### 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:

<u>General Fund</u> – 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.

<u>Special Revenue Fund</u> – 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.

<u>Capital Projects Fund</u> – The Capital Projects Fund is utilized to account for major capital improvements within the District. The principal source of revenue is governmental grants. The primary use of revenue is facilities acquisition and construction.

Additionally, the District reports the following nonmajor governmental fund:

<u>Debt Service Fund</u> – 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 payment 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### 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. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the associated property. 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### 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, and equipment, 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>
Furniture and fixtures	5-7
Machinery and equipment	10
Buildings and 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

### 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 the Oregon Public Employees Retirement System (OPERS). Contributions are made on a current basis as required by the plan and are recorded as 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. The District has three items that qualify for reporting in this category, which are deferred charges on refunding, deferred amounts related to pensions, and deferred amounts related to other postemployment benefits. These amounts are deferred and recognized as outflows of resources when the District recognizes the related expenditures. Deferred outflows of these amounts are included in the government-wide statement of net position.

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. The District has three items that qualify for reporting in this category, which are unavailable revenue from property taxes, deferred amounts related to pensions, and deferred amounts related to other postemployment benefits. Unavailable revenue from property taxes are deferred and recognized as inflows of resources in the period that the amounts become available. Unavailable revenue from property taxes is reported in the balance sheet. Deferred amounts related to pensions and other postemployment benefits are deferred and recognized as inflows of resources in the period when the District recognizes pension or other postemployment benefit income. Deferred inflows of amounts related to pensions and other postemployment benefits are included in the government-wide statement of net position.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

#### 9. Deferred Outflows and Inflows of Resources (Continued)

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 Employees 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.

For purposes of measuring the implicit rate subsidy liability, the District has relied on actuarial reports. The net OPEB liability, deferred outflows of resources, and deferred inflows of resources are related to changes in assumptions for the covered active and inactive participants.

For purposes of measuring the net other postemployment benefits (OPEB) retirement health insurance account (RHIA) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense information about the net position of 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 are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

#### 10. Fund Equity (Continued)

- 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.

#### 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, debt service, and capital projects funds. All funds are budgeted on the modified accrual basis of accounting with certain exceptions relating to accrual of available revenue.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

### II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

#### A. Budgetary Information (Continued)

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, facilities acquisition and construction, 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. 72, *Fair Value Measurement and Application*, 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### 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, 2019, the District had the following investments:

	Credit Quality			
	Rating	Maturities	Fair Value	
Oregon Local Government Investment Pool	Unrated	-	\$ 468,543	

#### 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

#### <u>Custodial Credit Risk – Deposits</u>

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, 2019, the District had deposits of \$250,000 insured by the FDIC and \$1,188,361 covered by the PFCP.

#### Deposits

The District's deposits and investments at June 30, 2019 are as follows:

Petty cash	\$ 850
Checking accounts	987,999
Total investments	 468,543
Total deposits and investments	\$ 1,457,392

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

Cash and investments by fund:

Governmental activities - unrestricted General Fund Capital Projects Fund (book overdraft)	\$ 1,521,797 (215,258)
Total governmental activities - unrestricted	1,306,539
Governmental activities - restricted Special Revenue Fund Debt Service Fund	126,042 24,811
Total governmental activities - restricted	150,853
Total cash and investments	\$ 1,457,392

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

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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

#### **B.** Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated Land	\$ 25,330	<u>\$</u> -	<u>\$</u> -	\$ 25,330
Capital assets being depreciated Buildings and improvements Furniture and fixtures Land improvements Machinery and equipment	7,132,815 117,422 172,912 958,840	- - - 99,945	- - - -	7,132,815 117,422 172,912 1,058,785
Total capital assets being depreciated	8,381,989	99,945		8,481,934
Less accumulated depreciation for Buildings and improvements Furniture and fixtures Land improvements Machinery and equipment	(4,080,968) (117,422) (44,378) (750,204)	(86,088) - (3,458) <u>(47,189)</u>	- - - -	(4,167,056) (117,422) (47,836) (797,393)
Total accumulated depreciation	(4,992,972)	(136,735)		(5,129,707)
Total capital assets being depreciated, net	3,389,017	(36,790)		3,352,227
Governmental activities capital assets, net	\$3,414,347	\$ (36,790)	<u> </u>	\$3,377,557

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

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land	\$ 25,330	\$ -	\$ 25,330
Buildings and improvements	7,132,815	(4,167,056)	2,965,759
Furniture and fixtures	117,422	(117,422)	-
Land improvements	172,912	(47,836)	125,076
Machinery and equipment	1,058,785	(797,393)	261,392
Total capital assets	\$ 8,507,264	\$ (5,129,707)	\$ 3,377,557

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

136,735

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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

#### C. Compensated Absences

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

	Beginning Balance	Additions	Ending Balance	Due Within One Year	
Compensated absences	\$ 118,123	<u>\$</u>	\$ (8,703)	\$ 109,420	\$ 7,321

#### D. Operating Leases

The District leases copy machines, servers, and postage machines under noncancelable operating leases. For the year ended June 30, 2019, total lease payments amounted to \$23,809.

Future minimum payments for the leases are as follows:

	Year Ending			
_	June 30	_	A	mount
	2020		\$	16,361
	2021			15,775
	2022			12,416
	2023			10,017
	Thereafter			3,916
	Total		\$	58,485

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### 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							
General obligation bonds							
Refunding series 2011	1-4%	\$ 3,150,000	\$ 1,775,000	<u>\$ -</u>	\$ 315,000	\$ 1,460,000	\$ 330,000
Unamortized premium on							
bonds	N/A	197,560	84,465		17,179	67,286	
Capital leases							
Bus lease #1	2.50%	128,949	26,474	-	26,474	-	-
Bus lease #2	2.50%	61,508	12,628	-	12,628	-	-
Bus lease #22	3.88%	99,945		99,945	30,000	69,945	14,305
Total capital leases		290,402	39,102	99,945	69,102	69,945	14,305
Settlement payable	N/A	518,400	105,000		105,000		
Total governmental		Ф 4450.000	Ф. 0.000 507	Φ 00 045	Ф 500,004	Ф 4 507 004	Ф. 044.005
activities		<u>\$ 4,156,362</u>	\$ 2,003,567	<u>\$ 99,945</u>	\$ 506,281	<u>\$ 1,597,231</u>	<u>\$ 344,305</u>

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

#### 2. General Obligation Bonds - 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 the original bond agreements. Interest is due semiannually on December 15 and June 15.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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

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

#### 3. 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. As of June 30, 2019, these two leases had been paid in full. On March 4, 2019, the District entered into a lease agreement as lessee for financing the acquisition of a school bus. This lease agreement qualified as a capital lease for accounting purposes and was therefore recorded at the present value of minimum lease payments as of the inception date.

#### b. Leased Capital Asset

The leased capital asset and related accumulated amortization under the capital lease are as follows:

Equipment	\$ 99,945
Less: accumulated amortization	 (3,332)
Net value	\$ 96,613

Amortization of the leased capital asset is included with depreciation expense.

#### 4. 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 \$518,400, 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. The final settlement payment was made during the year ended June 30, 2019.

#### 5. Future Maturities of Long-Term Liabilities

Year Ending	Bond	ds	Lea	ase	To	otal
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 330,000	\$ 50,850	\$ 14,305	\$ 981	\$ 344,305	\$ 51,831
2021	350,000	37,650	13,127	2,159	363,127	39,809
2022	375,000	27,150	13,636	1,650	388,636	28,800
2023	405,000	12,150	14,166	1,120	419,166	13,270
2024	<u>-</u>		14,711	575	14,711	575
Total	\$ 1,460,000	\$ 127,800	\$ 69,945	\$ 6,485	\$ 1,529,945	\$ 134,285

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### 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:

							No	onmajor		
			Sp	ecial	Cap	ital	Gov	ernmental		Total
	G	General	Re	venue	Proje	ects		Fund	Go	vernmental
		Fund	F	und	Fu	nd	Deb	ot Service		Funds
Fund balances:										
Nonspendable:										
Inventory	\$	6,458	\$	-	\$	-	\$	-	\$	6,458
Prepaids		35,980		-		-		-		35,980
Restricted for:										
Debt service		-		-		-		29,441		29,441
Special projects		-		29,717		-		-		29,717
Student body activities		-	2	00,308		-		-		200,308
Unassigned	1	,288,412		<u>-</u>						1,288,412
Total fund balances	<u>\$ 1</u>	,330,850	\$ 2	30,025	\$		\$	29,441	\$	1,590,316

#### IV. PENSION PLAN

#### A. 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 System 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/Financials/Actuarial-Financial-Information.aspx.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### IV. PENSION PLAN (Continued)

#### B. Benefits Provided

#### 1. 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.

#### **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 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### IV. PENSION PLAN (Continued)

#### B. Benefits Provided (Continued)

#### 1. Tier One/Tier Two Retirement Benefit (ORS Chapter 238) (Continued)

#### Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.630, monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The COLA is capped at 2.0%.

#### 2. Oregon Public Service Retirement Plan (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.

#### 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### IV. PENSION PLAN (Continued)

#### **B.** Benefits Provided (Continued)

#### 3. 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.

#### 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.

#### C. 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, 2016 actuarial valuation, which became effective July 1, 2018. Employer contributions for the year ended June 30, 2019 were \$569,447, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2019 were 27.20% for Tier One/Tier Two general service members, 21.87% for OPSRP Pension Program general service members, and 6% for OPSRP IAP.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### IV. PENSION PLAN (Continued)

## D. Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the District reported a liability of \$4,410,350 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The District's proportion of the net pension asset/liability was based on a projection of the District's long-term share of contributions to the pension plan, relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the District's proportion was 0.0291%, which decreased from its proportion of 0.0301% measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$147,086. At June 30, 2019, 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
Differences between expected and actual experience	\$ 150,027	\$ -
Changes of assumptions	1,025,398	-
Net difference between projected and actual earnings on investments	-	195,844
Changes in proportion	-	621,673
Differences between employer contributions and proportionate share of contributions	250,174	1,936
Total (prior to post measurement date contributions)	1,425,599	819,453
Contributions subsequent to the measurement date	569,447	
Total	\$ 1,995,046	<u>\$ 819,453</u>

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### IV. PENSION PLAN (Continued)

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

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amortization Period Ending June 30	Deferred Outflows	Deferred Inflows
2020	\$ 475,183	\$ \$ 63,131
2021	461,810	196,577
2022	281,690	418,749
2023	174,818	137,205
2024	32,098	3,791
	\$ 1,425,599	\$ 819,453

#### **E.** Actuarial Assumptions

The employer contribution rates effective July 1, 2017 through June 30, 2019 were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (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 actuarially determined amount for funding a disability benefit component, and (3) 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### IV. PENSION PLAN (Continued)

#### E. Actuarial Assumptions (Continued)

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Long-Term Expected Rate of Return	7.20%
Discount Rate	7.20%
Projected Salary Increases	3.50%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25% / 0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.  Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.  Disabled retirees: RP-2014 Disabled retirees, sex-distinct,
	generational with Unisex, Social Security Data Scale.

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 2016 Experience Study.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### IV. PENSION PLAN (Continued)

#### F. 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 2015, the Public Employees Retirement System 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 displays the OIC approved asset allocation policy, revised as of June 7, 2017.

Asset Class	Target Allocation_
Cash Debt Securities Public Equity Private Equity Real Estate Alternative Equity Opportunity Portfolio	0.00 % 20.00 % 37.50 % 17.50 % 12.50 % 0.00 %
Total	100.00 %

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### IV. PENSION PLAN (Continued)

#### F. Long-Term Expected Rate of Return (Continued)

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 asset 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	Compound Annual (Geometric) Return
Core Fixed Income	8.00 %	3.49 %
Short-Term Bonds	8.00 %	3.38 %
Bank/Leveraged Loans	3.00 %	5.09 %
High Yield Bonds	1.00 %	6.45 %
Large/Mid Cap US Equities	15.75 %	6.30 %
Small Cap US Equities	1.31 %	6.69 %
Micro Cap US Equities	1.31 %	6.80 %
Developed Foreign Equities	13.13 %	6.71 %
Emerging Market Equities	4.12 %	7.45 %
Non-US Small Cap Equities	1.87 %	7.01 %
Private Equity	17.50 %	7.82 %
Real Estate (Property)	10.00 %	5.51 %
Real Estate (REITS)	2.50 %	6.37 %
Hedge Fund of Funds - Diversified	2.50 %	4.09 %
Hedge Fund - Event-driven	0.63 %	5.86 %
Timber	1.87 %	5.62 %
Farmland	1.88 %	6.15 %
Infrastructure	3.75 %	6.60 %
Commodities	<u>1.88</u> %	3.84 %
Total	<u>100.00</u> %	
Assumed Inflation - Mean		2.50 %

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### IV. PENSION PLAN (Continued)

#### G. Depletion Date Projection

GASB Statement No. 68 generally requires that a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB Statement No. 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB Statement No. 68 (paragraph 67) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. The Governmental Accounting Standards Board does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation for sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB Statement No. 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 68 would clearly indicate that the net position is always projected to be sufficient to cover benefit payments and administrative expenses.

#### H. Discount Rate

The discount rate used to measure the total pension liability was 7.20% 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.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### IV. PENSION PLAN (Continued)

### I. 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 7.20%, 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 (6.20%) or one percentage point higher (8.20%) than the current rate:

	Current				
	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)		
District's proportionate share of the net	<u> </u>				
pension liability (asset)	\$ 7,370,527	\$ 4,410,350	\$ 1,966,965		

#### J. Pension Plan Net Position

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

#### K. Changes in Plan Provisions During Measurement Period

The Public Employees Retirement System board lowered the assumed rate of return from 7.50% to 7.20% on July 28, 2017, effective January 1, 2018.

#### L. Changes in Plan Provisions Subsequent to Measurement Date

There were no changes in plan provisions subsequent to the June 30, 2018 measurement date.

#### V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

#### A. Benefit Plans

The other postemployment benefits (OPEB) for the District combines two separate plans. The District provides an implicit rate subsidy for retiree health insurance continuation premiums, and a contribution to the State of Oregon's PERS cost-sharing, multiple-employer, defined health insurance benefit plan.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

#### **B.** Financial Statement Presentation

The amounts on the financial statements relate to the plans as follows:

	Implicit Rate Plan		PERS RHIA Plan		Total OPEB	
Net OPEB (asset) liability	\$ 150,702	\$	(26,603)	\$	124,099	
Deferred outflows of resources Change in proportionate share Contributions after measurement date	- -		34 10,801		34 10,801	
Deferred inflows of resources  Difference between expected and actual						
experience	-		(1,508)		(1,508)	
Change in proportionate share	-		(224)		(224)	
Change in assumptions	-		(84)		(84)	
Difference in earnings	-		(5,736)		(5,736)	
OPEB expense	9,246		(2,576)		6,670	

#### C. Implicit Rate Subsidy

#### 1. Plan Description

The District's healthcare plan is administered by the Oregon Educators Benefit Board. The District has a health insurance continuation option available for most groups of retirees. It is a substantive postemployment benefits plan offered under Oregon Revised Statutes (ORS) 243. ORS 243.303 requires that the District provide retirees with an opportunity to participate in group health and dental insurance from the date of retirement to age 65, and the rate would be calculated using claims experience from retirees and active employees for health plan rating purposes. Providing the same rate to retirees as provided to current employees constitutes an implicit rate subsidy for OPEB. This cost-sharing, multiple-employer plan is not a standalone plan and therefore does not issue its own financial statements.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

#### C. Implicit Rate Subsidy (Continued)

#### 2. Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same healthcare coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2017, the following employees were covered by the benefit terms:

Active employees	58
Inactive employees or beneficiaries receiving benefits	6
Total	64

#### 3. Total OPEB Liability and OPEB Expense

The District's total OPEB liability of \$150,702 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2016.

For the fiscal year ended June 30, 2019, the District recognized OPEB expense from this plan of \$9,246.

#### 4. Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2017 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Salary Increases	4.50%
Withdrawal, retirement, and mortality rates	December 31, 2016 Oregon PERS valuation
Discount Rate	3.50%
Healthcare Cost Trend Rate	Medical:
	3.40% per year
	Dental and vision :
	3.00% per year

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

#### C. Implicit Rate Subsidy (Continued)

#### 5. Changes in the Total OPEB Liability

		otal OPEB Liability
Balance as of June 30, 2018	\$	151,429
Changes for the year: Service cost Interest on total OPEB liability Effect of assumption changes or inputs Benefit payments	_	4,120 5,126 - (9,973)
Balance as of June 30, 2019	<u>\$</u>	150,702

Changes in assumptions is the result of the change in the discount rate from 3.58% to 3.87%.

#### 6. Sensitivity of the Total OPEB Liability

The following presents the District's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

	Discount	Rate				
		Current				
		Decrease (2.50%)	Discount Rate (3.50%)			Increase (4.50%)
Total OPEB Liability	\$	158,035	\$	150,702	\$	143,756
	Healthcare C	ost Trend				
		Current				_
	1%	Decrease	Dis	count Rate	1%	Increase
		(2.50%)		(3.50%)		(4.50%)
				_		_
Total OPEB Liability	\$	142,261	\$	150,702	\$	160,175

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

#### D. PERS Retirement Health Insurance Account (RHIA)

#### 1. Plan Description

The District contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing, multiple-employer, defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. 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 hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained at:

http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

#### 2. Benefits Provided

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 RHIA 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.

#### 3. Contributions

PERS' funding policy provides for 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. Employer contribution rates for the period were based on the December 31, 2016 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2018. The District's contribution rates for the period were 0.07% for Tier One/Tier Two members, and 0.43% for OPSRP members. The District's total contributions for the year ended June 30, 2019 amounted to \$10,801.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

#### D. PERS Retirement Health Insurance Account (RHIA) (Continued)

#### 4. OPEB Assets, Liabilities, and Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2019, the District reported an asset of \$26,603 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The District's proportion of the net OPEB asset was based on the District's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2018, the District's proportionate share was 0.0238%, which is an increase from its proportion of 0.0224% as of June 30, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense from this plan of \$(2,576). At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Outflo	erred ows of ources	Deferred Inflows of Resources	
Difference between actual and expected experience	\$	-	\$	1,508
Net differences between projected and actual earnings		-		5,736
Changes in assumptions		-		84
Changes of proportionate share		34		224
Contributions subsequent to the measurement date		10,801		
Total	\$	10,835	\$	7,552

Deferred outflows of resources related to OPEB of \$10,801 resulting from the District's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Amortization Period Ending June 30	Deferred Outflows		Deferred Inflows	
2020 2021	\$	19 15	\$	2,512 2,512
2022 2023		-		1,958 570
	\$	34	\$	7,552

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

#### D. PERS Retirement Health Insurance Account (RHIA) (Continued)

#### 5. Actuarial Methods and Assumptions

The RHIA plan is unaffected by healthcare cost trends since the benefit is limited to a \$60 monthly payment toward Medicare companion insurance premiums; consequently, the disclosure of a healthcare cost trend is not applicable. Other significant actuarial assumptions are consistent with those disclosed for the OPERS pension plan in Note IV-E.

## 6. Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.20%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.20%) or one percentage point higher (8.20%) than the current rate:

	1% Decrease (6.20%)		Discount Rate (7.20%)		1% Increase (8.20%)	
District's proportionate share of the net						
OPEB liability (asset)	\$	(15,490)	\$	(26,603)	\$	(36,063)

#### 7. OPEB Plan Net Position

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

#### 8. Changes in Plan Provisions During Measurement Period

The Public Employees Retirement System Board lowered the assumed rate of return from 7.50% to 7.20% on July 28, 2017. This change is effective January 1, 2018 and will decrease the net OPEB asset or increase the net OPEB liability in future periods.

#### 9. Changes in Plan Provisions Subsequent to Measurement Date

There were no changes in plan provisions subsequent to the June 30, 2018 measurement date.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### VI. 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.** Restatement

In implementing GASB Statement No. 75, the District has restated beginning net position in order to recognize the correct total OPEB liability for the District's implicit rate subsidy and RHIA plans. The restatement also recognizes a deferred outflow of resources related to OPEB for contributions from the RHIA plan made after the June 30, 2018 measurement date.

	Governmenta Activities				
Net position - beginning, as originally reported	\$	(62,652)			
Cumulative effect of change in accounting principle		(151,429)			
Net position - beginning, as restated	\$	(214,081)			

#### C. 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 some employees. 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, 2019 was \$5,520.

#### D. Concentrations

#### 1. Collective Bargaining Agreements

At June 30, 2019, the District had a total of approximately 71 employees. Of this total, approximately 81% are covered under collective bargaining agreements and 55% are licensed staff represented by a union. The current collective bargaining agreement for licensed staff was signed October 31, 2017 and expires June 30, 2021. The classified collective bargaining agreement was signed October 26, 2017 and expired June 30, 2019. Approximately 36% of employees are classified staff.

#### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

#### VI. OTHER INFORMATION (Continued)

#### E. Tax Abatements

The District did not have tax abatements for the year ended June 30, 2019.

#### F. 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. 84, *Fiduciary Activities*, will be effective for the District beginning with its fiscal year ending June 30, 2020. This statement improves guidance regarding the identification of fiduciary activities.

GASB Statement No. 87, *Leases*, will be effective for the District beginning with its fiscal year ending June 30, 2021. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting of leases by governments.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, will be effective for the District beginning with its fiscal year ending June 30, 2021. The objective of this statement is to simplify accounting for interest cost incurred before the end of a construction period, and enhance the relevance and comparability of capital asset information.

#### G. Subsequent Events

Management has evaluated subsequent events through December 18, 2019, which was the date that the financial statements were available to be issued.

# REQUIRED SUPPLEMENTARY INFORMATION

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

Pension Plan						(b/c) District's	
Year Ended June 30	(a) District's proportion of the net pension liability (asset)	propo of the	(b) District's ortionate share e net pension bility (asset)		(c) District's covered payroll	proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.02911375%	\$	4,410,350	\$	2,415,569	182.58%	82.10%
2018	0.03007642%		4,054,313		2,269,395	178.65%	83.10%
2017	0.03796608%		5,699,590		2,099,533	271.47%	80.50%
2016	0.04127202%		2,369,617		2,214,823	106.99%	91.90%
2015	0.04801285%		(1,088,314)		2,038,983	(53.38)%	103.60%
2014	0.04801285%		2,450,166		2,179,572	112.42%	91.97%

#### **Changes in Benefit Terms**

The Oregon Supreme Court decision in Moro v. State of Oregon issued on April 30, 2015 reversed a significant portion of the reductions that the 2013 Oregon Legislature made to future COLA through Senate Bills 822 and 861. This reversal increased the proportionate share of the net pension liability (asset) as of June 30, 2015 as compared to June 30, 2014.

#### **Changes of Assumptions**

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50% and the lowering of the assumed inflation to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

<sup>\*</sup>This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

#### SCHEDULE OF CONTRIBUTIONS

Pension Pla	<u>an</u>			(b)					(b/c)
Year Ended June 30	I	(a) statutorily required entribution	rela statut	Contributions in relation to the statutorily required contribution		(a-b) Contribution deficiency (excess)		(c) District's covered payroll	Contributions as a percent of covered payroll
2019	\$	569,447	\$	569,447	\$	-	\$	2,360,757	24.12%
2018		567,814		567,814		-		2,415,569	23.51%
2017		450,388		450,388		-		2,269,395	19.85%
2016		420,332		420,332		-		2,099,533	20.02%
2015		465,201		465,201		-		2,214,823	21.00%
2014		425,207		425,207		-		2,038,983	20.85%

#### **Changes in Benefit Terms**

The Oregon Supreme Court decision in Moro v. State of Oregon issued on April 30, 2015 reversed a significant portion of the reductions that the 2013 Oregon Legislature made to future COLA through Senate Bills 822 and 861. This reversal increased the proportionate share of the net pension liability (asset) as of June 30, 2015 as compared to June 30, 2014.

#### **Changes of Assumptions**

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50% and the lowering of the assumed inflation to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

<sup>\*</sup>This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

#### SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Implicit Rate Subsidy	 2019
Total OPEB Liability Service cost Interest Changes of assumptions Benefit payments	\$ 4,120 5,126 - (9,973)
Net change in total OPEB liability	(727)
Total OPEB liability - beginning	 151,429
Total OPEB liability - ending	\$ 150,702
Covered employee payroll	\$ 2,146,018
Total OPEB liability as a percentage of covered employee payroll	7.02%

<sup>\*</sup>This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

#### SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

RHIA		2019		2018	2017	
Proportion of the OPEB pension liability (asset)	0.	0.02383237%		02239513%	0.	02213122%
Proportionate share of the net OPEB liability (asset)	\$	(26,603)	\$	(9,346)	\$	6,010
Covered payroll	\$	2,415,569	\$	2,269,395	\$	2,099,533
Proportionate share of the OPEB liability (asset) as a percentage of covered employee payroll		-1.10%		-0.41%		0.29%
Plan net position as a percentage of the total OPEB liability		124.0%		108.9%		94.2%

#### **Changes of Assumptions**

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2018 total OPEB liability. The changes include the lowering of the long-term expected rate of return to 7.20% In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups.

No assets have been accumulated in a trust to pay for the related benefits.

<sup>\*</sup>This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

#### SCHEDULE OF CONTRIBUTIONS

#### OTHER POSTEMPLOYMENT BENEFITS

RHIA	2019		2018	2017		
Contractually required contributions	\$	10,801	\$ 11,150	\$	9,868	
Contributions in relation to the contractually required contribution	\$	10,801	 11,150		9,868	
Contribution deficiency (excess)	\$	_	\$ 	\$	_	
Covered employee payroll	\$	2,360,757	\$ 2,415,569	\$	2,269,395	
Contributions as a percentage of covered employee payroll		0.46%	0.46%		0.43%	

#### **Changes of Assumptions**

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2018 total OPEB liability. The changes include the lowering of the long-term expected rate of return to 7.20% In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups.

No assets have been accumulated in a trust to pay for the related benefits.

<sup>\*</sup>This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

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

#### GENERAL FUND

#### For the Year Ended June 30, 2019

				Va	riance with		Actual
	Original Final		Final Budget			GAAP	
	Budget	Budget		Over (Under)			Basis
REVENUES							
Local revenue	\$ 3,237,052	\$	3,237,052	\$	116,532	\$	3,353,584
State revenue	1,940,650		1,940,650		318,667		2,259,317
Federal revenue	 180,000	_	180,000		79,817		259,817
Total revenues	 5,357,702	_	5,357,702		515,016		5,872,718
EXPENDITURES							
Current							
Instruction	3,106,019		3,186,019		(277,045)		2,908,974
Support services	2,691,739		2,691,739		(314,850)		2,376,889
Enterprise and community services	388,863		388,863		(31,655)		357,208
Debt service	40,081		70,081		-		70,081
Contingency	 130,000	_	20,000		(20,000)		<u>-</u>
Total expenditures	 6,356,702	_	6,356,702		(643,550)		5,713,152
Excess (deficiency) of revenues							
over (under) expenditures	 (999,000)	_	(999,000)		1,158,566	_	159,566
OTHER FINANCING SOURCES (USES)							
Lease proceeds	-		-		99,945		99,945
Transfers out	 (1,000)		(1,000)		(1,000)	_	<del>-</del>
Total other financing sources (uses)	 (1,000)	_	(1,000)		100,945		99,945
Net change in fund balance	(1,000,000)		(1,000,000)		1,259,511		259,511
Fund balance - beginning	 1,000,000	_	1,000,000		71,339		1,071,339
Fund balance - ending	\$ <u>-</u>	\$	<u>-</u>	\$	1,330,850	\$	1,330,850

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

#### SPECIAL REVENUE FUND

#### For the Year Ended June 30, 2019

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES Local revenue State revenue Federal revenue	\$ 246,070 145,000 418,000	(20,274) (176,189)	\$ 269,270 124,726 241,811
Total revenues  EXPENDITURES  Current	809,070	(173,263)	635,807
Instruction Support services Enterprise and community services	800,095 206,670 500	(78,975)	501,755 127,695 200
Total expenditures	1,007,265	(377,615)	629,650
Excess (deficiency) of revenues over (under) expenditures	(198,195	5) 204,352	6,157
Fund balance - beginning	198,195	25,673	223,868
Fund balance - ending	\$ -	\$ 230,025	\$ 230,025

#### OTHER SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND SCHEDULES

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

#### DEBT SERVICE FUND

#### For the Year Ended June 30, 2019

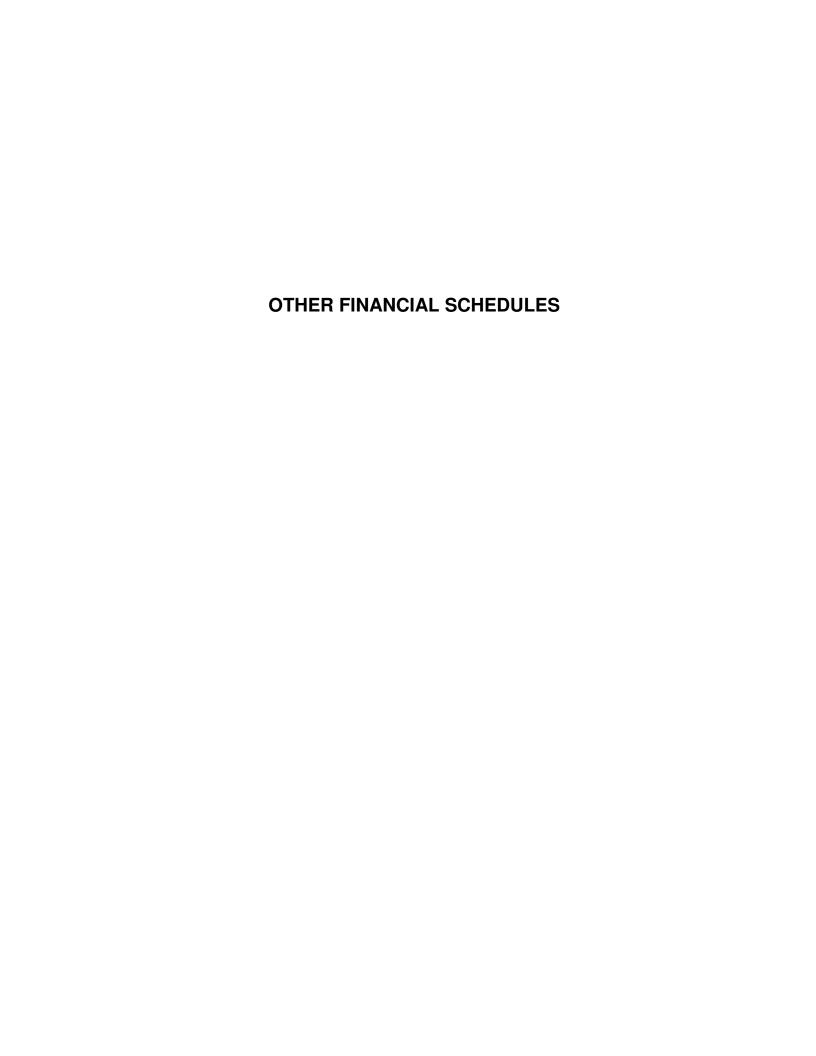
	Original and Final Budget		Fina	ance with Il Budget r (Under)	 Actual GAAP Basis
REVENUES Local revenue	\$	357,575	\$	5,426	\$ 363,001
EXPENDITURES Debt service		372,150		<u>-</u>	 372,150
Excess (deficiency) of revenues over (under) expenditures		(14,575)		5,426	(9,149)
OTHER FINANCING SOURCES (USES) Transfers in		1,000		(1,000)	 
Net change in fund balance		(13,575)		4,426	(9,149)
Fund balance - beginning		39,000		(410)	 38,590
Fund balance - ending	\$	25,425	\$	4,016	\$ 29,441

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

#### CAPITAL PROJECTS FUND

#### For the Year Ended June 30, 2019

		original and Final Budget	Fii	riance with nal Budget ver (Under)	Actual GAAP Basis	
REVENUES State revenue	\$	2,000,000	\$	(663,075)	\$	1,336,925
EXPENDITURES Facilities acquisition and construction		2,000,000		(663,075)		1,336,925
Excess (deficiency) of revenues over (under) expenditures		-		-		-
Fund balance - beginning	_	<u>-</u>				
Fund balance - ending	\$		\$	<u>-</u>	\$	<u>-</u>



#### **REVENUE SUMMARY - ALL FUNDS**

For the Year Ended June 30, 2019

Fund 100 Fund 200

Fund 300

Fund 400

\$

38,590

38,590

**Revenue from Local Sources** 

5100 Long Term Debt Financing Sources

**Grand Totals** 

5400 Resources - Beginning Fund Balance

1110 Ad Valorem Taxes Levied by District	\$ 3,158,773	\$ -	\$ 357,681	\$ -
1500 Earnings on Investments	33,184	50	5,320	-
1600 Food Service	50,332	-	-	-
1700 Extracurricular Activities	9,706	111,540	-	-
1910 Rentals	2,687	-	-	-
1920 Contributions and Donations From Private Sources	4,000	77,119	-	-
1990 Miscellaneous	94,902	80,561	-	-
Total Revenue from Local Sources	\$ 3,353,584	\$ 269,270	\$ 363,001	\$ -
Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400
3101 State School Fund - General Support	\$ 2,209,306	\$ -	\$ -	\$ -
3102 State School Fund - School Lunch Match	2,102	-	-	-
3103 Common School Fund	44,202	-	-	-
3299 Other Restricted Grants-in-Aid	3,707	124,726	-	1,336,925
Total Revenue from State Sources	\$ 2,259,317	\$ 124,726	\$ -	\$ 1,336,925
Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 400
4300 Restricted Revenue From the Federal Government	\$ -	\$ 2,493	\$ -	\$ -
4500 Restricted Revenue From the Federal Government				
Through the State	160,736	239,318	-	-
4801 Federal Forest Fees	81,991	-	-	-
4900 Revenue for/on Behalf of the District	17,090	-	-	-
Total Revenue from Federal Sources	\$ 259,817	\$ 241,811	\$ -	\$ -
Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400

99,945

223,868

223,868

\$ 7,044,002 \$ 859,675 \$ 401,591 \$ 1,336,925

1,071,339

Total Revenue from Other Sources \$ 1,171,284

#### **EXPENDITURE SUMMARY - GENERAL FUND**

For the Year Ended June 30, 2019

Totals

1,068,302

571,121

22,377

769,800

Object 100

Object 100

Object 100

\$ 5,713,152 \$ 2,599,175 \$ 1,772,225

100,481

100,481

Object 200

Object 200

\$

104,939

104,939

Totals

Totals

357,208

357,208

70,081

70,081

621,389

329,699

14,889

456,371

Object 200

405,947

230,682

3,965 290,599

**Instruction Expenditures** 

1111 Elementary, K-5 or K-6

1131 High School Programs

1121 Middle/Junior High Programs

1122 Middle/Junior High School Extracurricular

**Enterprise and Community Services Expenditures** 

Total Enterprise and Community Services Expenditures \$

3100 Food Services

**Grand Total** 

Other Uses Expenditures 5100 Debt Service

1132 High School Extracurricular	131,894		75,421		24,938
1210 Programs for the Talented and Gifted	1,324		577		209
1220 Restrictive Programs for Students with Disabilities	135,221		-		-
1250 Less Restrictive Programs for Students with Disabilities	197,224		92,292		87,125
1291 English Second Language Programs	11,711		6,897		3,947
Total Instruction Expenditures	\$ 2,908,974	\$	1,597,535	\$	1,047,412
Support Services Expenditures	Totals	О	bject 100	0	bject 200
2120 Guidance Services	\$ 84,828	\$	63,240	\$	20,491
2130 Health Services	2,060		-		-
2150 Speech Pathology and Audiology Services	38,195		-		-
2160 Other Student Treatment Services	36,846		-		-
2190 Service Direction, Student Support Services	728		-		-
2210 Improvement of Instruction Services	5,561		-		2,841
2220 Educational Media Services	99,473		42,867		49,517
2230 Assessment & Testing	9,301		6,156		2,222
2310 Board of Education Services	24,662		-		-
2320 Executive Administration Services	115,793		72,085		37,832
2410 Office of the Principal Services	525,659		281,143		228,518
2490 Other Support Services - School Administration	105		-		-
2520 Fiscal Services	203,956		111,677		79,113
2540 Operation and Maintenance of Plant Services	644,219		165,039		121,416
2550 Student Transportation Services	435,505		158,952		77,924
2640 Staff Services	1,930		-		-
2660 Technology Services	148,068		-		-
Total Support Services Expenditures	\$ 2,376,889	\$	901,159	\$	619,874

**Total Other Uses Expenditures \$** 

Object 300	Object 400	Object 500	Object 600
\$ 7,315	\$ 32,652	\$ -	\$ 999
5,240	5,403	-	97
3,448	ı	-	75
5,822	16,603	-	405
28,503	-	-	3,032
-	275	-	263
135,221	-	-	-
16,502	1,305	-	-
-	867	-	-
\$ 202.051	\$ 57.105	\$ -	\$ 4.871

Object 300	Object 400	Object 500	Object 600
\$ 952	\$ 110	\$ -	\$ 35
2,060	ı	1	-
38,195	ı	1	-
36,846	-	-	-
-	728	1	-
1,710	ı	1	1,010
-	7,044	-	45
-	923	1	-
18,144	236	-	6,282
4,019	417	1	1,440
11,646	1,932	1	2,420
-	105	1	-
5,464	5,941	ı	1,761
249,078	48,486	-	60,200
38,683	47,060	99,945	12,941
1,062	-	-	868
90,681	57,312	-	75
\$ 498,540	\$ 170,294	\$ 99,945	\$ 87,077

Ob	ject 300	0	bject 400	Object 500		O	oject 600
\$	7,374	\$	140,381	\$	-	\$	4,033
\$	7,374	\$	140,381	\$	-	\$	4,033

OI	bject 300 Object 400 Ob			Object 500			bject 600
\$	-	\$	-	\$	-	\$	70,081
\$	-	\$	-	\$	-	\$	70,081
\$	707,965	\$	367,780	\$	99,945	\$	166,062

### **EXPENDITURE SUMMARY - SPECIAL REVENUE FUND**

Instruction Expenditures		Totals	Ol	bject 100	0	bject 200
1111 Elementary, K-5 or K-6	\$	6,107	\$	4,136	\$	347
1121 Middle/Junior High Programs		11,771		4,118		658
1122 Middle/Junior High School Extracurricular		46,147		-		-
1131 High School Programs		91,384		17,050		8,573
1132 High School Extracurricular		124,428		-		-
1250 Less Restrictive Programs for Students with Disabilities		72,772		44,201		28,571
1271 Remediation		667		490		177
1272 Title I		137,105		63,199		56,919
1280 Alternative Education		4,792		-		-
1400 Summer School Programs		6,582		3,620		1,312
Total Instruction Expenditures	\$	501,755	\$	136,814	\$	96,557
		<b>-</b>		1 1 100		
Support Services Expenditures	_	Totals		bject 100		oject 200
2120 Guidance Services	\$	84,476	\$	43,891	\$	21,755
2240 Instructional Staff Development		11,453		1,081		2,905
2540 Operation and Maintenance of Plant Services		25,000		-		-
2550 Student Transportation Services		632		434		198
2640 Staff Services		3,999		520		44
2660 Technology Services		2,135		-		-
Total Support Services Expenditures	\$	127,695	\$	45,926	\$	24,902
Enterprise and Community Services Expenditures		Totals	Ol	bject 100	0	bject 200
3300 Community Services	\$	200	\$	-	\$	-
<b>Total Enterprise and Community Services Expenditures</b>	\$	200	\$	-	\$	-
Grand Total	\$	629,650	\$	182,740	\$	121,459

Object 300	Object 400	Object 600
\$ 198	\$ 1,295	\$ 131
3,708	2,943	344
1,387	43,690	1,070
6,550	59,211	-
9,807	51,262	63,359
-	-	-
-	-	-
461	16,526	-
-	4,792	-
1,650	-	-
\$ 23,761	\$ 179,719	\$ 64,904

Ob	ject 300	0	bject 400	0	bject 600
\$	3,101	\$	15,412	\$	317
	881		5,936		650
	25,000		-		-
					-
	2,700		195		540
	-		2,135		-
\$	31 682	\$	23 678	\$	1 507

Ob	bject 300 Object 400				bject 600
\$	-	\$	200	\$	-
\$	-	\$	200	\$	-
\$	55,443	\$	203,597	\$	66,411

### **EXPENDITURE SUMMARY - DEBT SERVICE FUND**

Other Uses Expenditures		Totals	0	bject 600
5100 Debt Service		\$ 372,150	\$	372,150
	Total Other Uses Expenditures	\$ 372,150	\$	372,150
Grand Total		\$ 372,150	\$	372,150

### **EXPENDITURE SUMMARY - CAPITAL PROJECTS FUND**

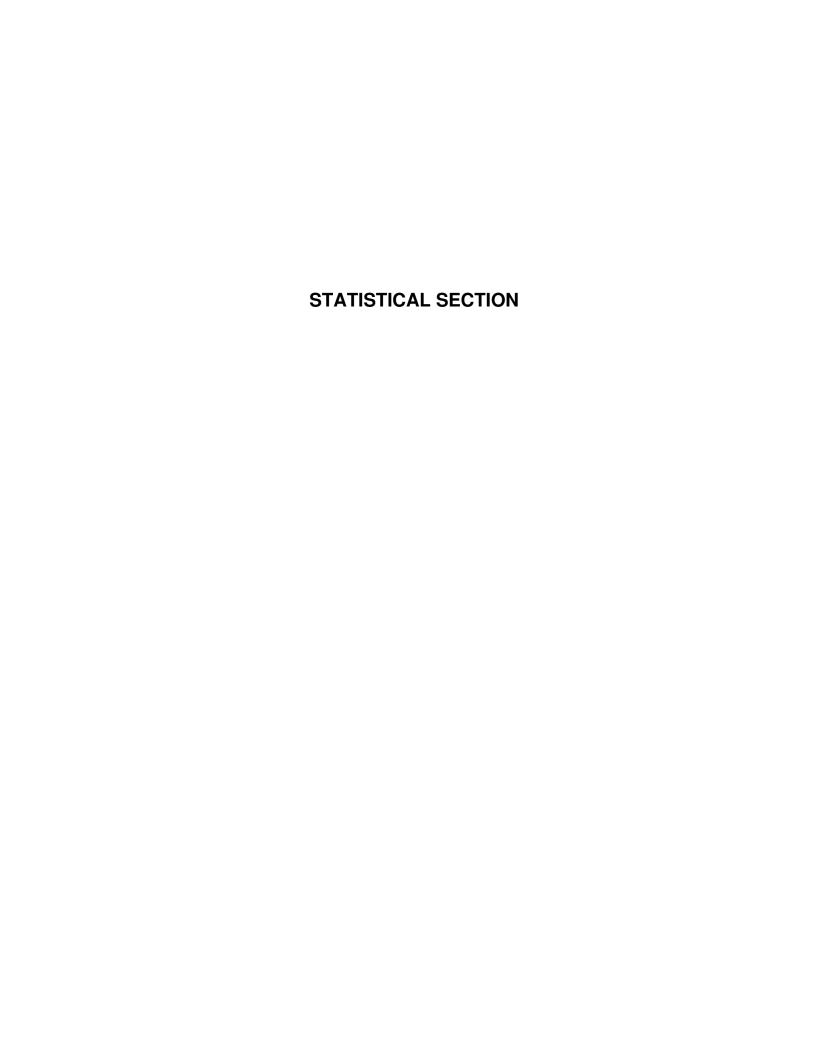
Facilities Acquisition and Construction Expenditures		Totals		Object 300		Object 600	
4150 Building Acquisition, Construction, and Improvement Services	\$	1,336,925	\$	1,327,890	\$	9,035	
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$	1,336,925	\$	1,327,890	\$	9,035	
Grand Total	\$	1,336,925	\$	1,327,890	\$	9,035	

### SCHEDULE OF PROPERTY TAX TRANSACTIONS

Tax Year	Taxes Receivable July 1, 2018	2018-2019 Levy	Adjustments	Collections	Taxes Receivable June 30, 2019
2018-2019	\$ -	\$ 3,569,111	\$ (92,434)	\$ 3,365,810	\$ 110,867
2017-2018 2016-2017 2015-2016 2014-2015 2013-2014 2012-2013 Prior	123,366 63,728 45,261 25,910 15,506 12,872 36,082	- - - - -	(227) (83) (8) (8) (6) (6) 1,420	57,501 20,505 18,554 6,158 473 360 147	65,638 43,140 26,699 19,744 15,027 12,506 37,355
Subtotal - Prior	322,725 \$ 322,725		1,082 \$ (91,352)	103,698	220,109
Add: Other taxes and inte Undistributed taxes v	<u>\$ 330,976</u>				
Total available Less: Turnovers to Dis	trict			3,538,710 (3,516,454)	
Undistributed taxes v	with county, June 3	0, 2019		\$ 22,256	

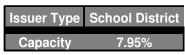
### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor, Pass through Grantor, Program Title	Grant Period	CFDA	Expenditures
U.S. Department of Education			
Direct Grant Small Rural School Achievement Program	2017-2018	84.358	\$ 2,493
Passed through Oregon State Department of Education			
Title I, Part A Cluster Title I Grants to Local Educational Agencies	2017-2019	84.010	142,189
Special Education Cluster IDEA Special Education Grants To States	2016-2020	84.027	72,771
Title IIA Improving Teaching Quality State Grants	2017-2019	84.367	13,059
Title IVA Student Support and Academic Enrichment Grants	2017-2019	84.424	10,000
McKinney Homeless Assistance Grant	2017-2019	84.196	1,299
Total passed through Oregon State Department of Education			239,318
Total U.S. Department of Education			241,811
U.S. Department of Agriculture			
Passed through Oregon State Department of Education			
Child Nutrition Cluster School Breakfast Program National School Lunch Program Commodity - National School Lunch Program Summer Food Service Program for Children Commodity Fee Refund		10.553 10.555 10.555 10.559 10.560	43,921 106,685 17,090 10,059
Total passed through Oregon State Department of Education			177,826
Passed through Curry County			
Schools and Roads - Grants to States		10.665	81,991
Total U.S. Department of Agriculture			259,817
Total federal expenditures			\$ 501,628



### LEGAL DEBT MARGIN INFORMATION

Real Market Value (Fiscal Year 2019)		\$ 1,025,529,333		
Debt Capacity				
General Obligation Debt Capacity (7.95% of Real Market Value) Less: Outstanding Debt Subject to Limit Remaining General Obligation Debt Capacity	\$ <del></del>	81,529,582 (1,460,000) 80,069,582		
Percent of Capacity Issued		1.79%		



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

Real Market Value Estimated Population Per Capita Real Market Value	\$1, \$	025,529,333 5,430 188,864		
Debt Information	Gr	oss Direct Debt <sup>(1)</sup>	ľ	Net Direct Debt <sup>(2)</sup>
District Direct Debt	\$	1,529,945	\$	1,529,945
Bonded Debt Ratios				
District Direct Debt to Real Market Value Per Capita District Direct Debt	\$	0.15% 282	\$	0.15% 282

<sup>(1)</sup> Gross Direct Debt = all limited and unlimited debt (GO & FFCO)

Short-term debt is not included in either calculation.

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

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

						AV Used to
	Real Market	To	otal Assessed	Urk	oan Renewal	Calculate
Fiscal Year	Value <sup>(1)</sup>		Valuation		Excess	Rates <sup>(2)</sup>
2019	\$1,025,529,333	\$	822,669,181	\$	4,592,555	\$ 818,076,626
2018	982,820,472		793,212,371		3,393,109	789,819,262
2017	919,297,208		762,943,512		2,459,499	760,484,013
2016	858,483,710		738,631,415		-	738,631,415
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

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

#### PRINCIPAL PROPERTY TAXPAYERS

### **Central Curry School District No. 1**

Taxpayer	Business/Service	Tax <sup>(1)</sup>	Assessed Value (2)	Percent of Value
Charter Communications	Telecommunications	\$ 93,670	\$ 9,118,000	1.11%
Pistol Resources, LLC	Lumber Mill	81,811	9,702,120	1.18%
Rayonier WA Timberlands Co. 1, LLC	Forest Mgmt./Timber	68,074	8,105,910	0.99%
Rogue Resources LLC	Forest Mgmt./Timber	54,005	6,242,330	0.76%
Jots Resort	Recreational Resort	51,936	4,919,790	0.60%
Chetco Resources, LLC	Forest Mgmt./Timber	51,721	7,225,410	0.88%
Ireland's at Gold Beach, LLC	Hotel	39,991	3,557,690	0.43%
Gold Beach Senior Living, LLC	Retirement Home	34,761	3,278,990	0.40%
Frontier Communications	Telecommunications	31,919	3,259,800	0.40%
Pacific Reef Condominiums, LLC	Lodging	29,755	2,647,080	0.32%
Subtotal - ten of District's largest taxpaye	rs		58,057,120	7.07%
All other District's taxpayers			764,612,061	92.93%
Total District			\$ 822,669,181	100.00%

### **Curry County**

Taxpayer	Business/Service	Tax <sup>(1)</sup>	Assessed Value (2)	Percent of Value
South Coast Lumber Co. (SOCOMI)	Lumber Mill	\$453,560	\$ 56,366,434	1.85%
Fred Meyer Stores Inc.	Grocery Store	139,693	13,682,129	0.45%
Charter Communications	Telecommunications	138,145	14,846,500	0.49%
Chetco Resources, LLC	Wood Products	139,693	15,082,720	0.49%
Pistol Resources, LLC	Mining	81,811	9,702,120	0.32%
Frontier Communications	Telecommunications	72,470	7,594,400	0.25%
Jacobsen, Eric W	Sea View Assisted Living	69,126	10,348,090	0.34%
Rayonier WA Timberlands, LLC	Wood Products	68,284	8,137,560	0.27%
AT&T, Inc.	Telecommunications	67,921	8,166,900	0.27%
Goh Properties, LLC	Property Management	59,594	8,921,160	0.29%
Subtotal - ten of County's largest taxpaye	ers		152,848,013	5.02%
All other County taxpayers			2,895,878,910	94.98%
Total County taxpayers			\$3,048,726,923	100.00%

<sup>(1)</sup> 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.

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

#### PROPERTY TAX COLLECTIONS

## Curry County <u>Tax Collections</u> (1)

	Percent Collected as of			
Fiscal Year	Levy Year <sup>(2)</sup>	6/30/2019 <sup>(3)</sup>		
2019	96.89%	96.89%		
2018	96.41%	98.09%		
2017	96.16%	98.71%		
2016	96.21%	99.17%		
2015	95.82%	99.37%		
2014	95.49%	99.57%		
2013	94.87%	99.55%		

- (1) Percentage of total tax levy collection in the County. Pre-payment discounts are considered to be **<u>collected</u>** 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 30, 2019.

# AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

### 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, 2019, and have issued our report thereon dated December 18, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### 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

Accountability for collecting or receiving money by elected officials

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.

The District does not have any elected officials collecting or receiving money.

#### 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 18, 2019.

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, Blasquez & Associates, P.C.

Debra L. Blasquez, CPA

Albany, Oregon December 18, 2019

### SUPPLEMENTAL INFORMATION REQUIRED BY OREGON DEPARTMENT OF EDUCATION

For the Year Ended June 30, 2019

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.

Exclude these functions:

	Objects 325 and 326
Function 2540	\$ 120,357
Function 2550	\$ 2,672

Exclude these functions:

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

*			
\$ -	\$	_	

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