

DOUGLAS COUNTY SCHOOL DISTRICT No. 77

GLENDALE, OREGON

Audit Report

June 30, 2017

Douglas County School District #77
Glendale, Oregon
June 30, 2017

BOARD OF DIRECTORS

RYAN OWENS..... Chairman
10598 Azalea Glen Road, Glendale, OR 97442

NEDRA MITCHELL..... Vice-Chairman
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SAMANTHA CLINE..... Director
10598 Azalea Glen Road, Glendale, OR 97442

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10598 Azalea Glen Road, Glendale, OR 97442

CAROLINE LYDON..... Director
10598 Azalea Glen Road, Glendale, OR 97442

JANICE AUSTIN Director
10598 Azalea Glen Road, Glendale, OR 97442

ADMINISTRATION

DAVID HANSON.....Superintendent
10598 Azalea Glen Road, Glendale, OR 97442

CLAIRE COTTON Business Manager
1871 NE Stephens Street, Roseburg, OR 97470

Douglas County School District #77
Glendale, Oregon
June 30, 2017

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Douglas County School District #77
Glendale, Oregon
June 30, 2017

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NEUNER, DAVIDSON, COOLEY & RAPP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Thomas J. Davidson, C.P.A.
Jeffrey R. Cooley, C.P.A.
Vickie L. Rapp, C.P.A.
Traci I. Trotter, C.P.A.
Brandon R. Lee, C.P.A.

2500 W. Harvard Ave
Roseburg, Oregon 97471
<http://www.ndkccpa.com>

P.O. Box 1786
Roseburg, Oregon 97470
Phone (541) 672-4886
Fax (541) 673-3712

INDEPENDENT AUDITORS' REPORT

Board of Directors
Douglas County School District #77
PO Box E
Glendale, OR 97442

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DOUGLAS COUNTY SCHOOL DISTRICT #77 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Member:
American Institute of Certified Public Accountants
Oregon Society of Certified Public Accountants
Private Companies Practice Section

Douglas County School District #77
Independent Auditor's Report

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the DOUGLAS COUNTY SCHOOL DISTRICT #77 as of June 30, 2017, 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, budgetary comparison information, and schedule of pension amounts as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the DOUGLAS COUNTY SCHOOL DISTRICT #77 basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has 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.

**Douglas County School District #77
Independent Auditor's Report**

Other Reporting Required by *Government Auditing Standards*

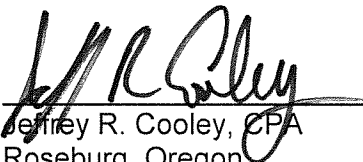
In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2017 on our consideration of the DOUGLAS COUNTY SCHOOL DISTRICT #77's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DOUGLAS COUNTY SCHOOL DISTRICT #77's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Revised Statutes

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 21, 2017 on our consideration of the District's compliance with certain provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. 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.

Neuner, Davidson, Cooley & Rapp, LLC
Certified Public Accountants

By: 
Jeffrey R. Cooley, CPA
Roseburg, Oregon
November 21, 2017

Management's Discussion and Analysis

DOUGLAS COUNTY SCHOOL DISTRICT #77

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

As management of Douglas County School District No. 77 (Glendale School District), we offer readers of the District's financial statements, this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the basic financial statements that follow this section.

Glendale School District's financial records are prepared on an accounting basis accepted in the United States of America. Glendale School District uses the modified accrual method of accounting. (Modified accrual accounting is based on revenues being recognized in the period when they become available and measurable (known). The term "available" means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. Expenditures, if measurable, are recognized in the accounting period in which the liabilities are incurred, regardless of when the receipt or payment of cash takes place. In both the accrual basis and the modified accrual basis of accounting, when the amount of the revenues or expenditures is not known (measurable), it should not be recorded). The term available, with respect to revenue, means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period (within 45, 60 or 90 days).

Financial Highlights

- Net position as reflected on the Statement of Net Position increased \$310,572 from \$1,545,521 to 1,856,093 on June 30, 2017. The bulk of this increase is due to the continued adjustment regarding implementation of GASB 68.
- Net Liabilities as reflected on the Statement of Net Position increased \$1,718,286 from \$3,205,275 to \$4,923,561 on June 30, 2017. This increase is also due to the continued reporting adjustment and implementation of GASB 68.
- The general fund ending balance increased \$419,773 from \$1,006,191 on June 30, 2016 to 1,425,964 on June 30, 2017.
- General fund receipts were greater than expenditures by \$585,273; then transfers to other funds in the amount of \$165,500 reduced this number to \$419,773.
- Revenues from all other governmental funds were more than disbursements by \$180,010.

Discussion of Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-Wide Financial Statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. These statements are found on pages 8-11 of the audit report and include:

- Statement of Net Assets – Modified Accrual
- Statement of Activities – Modified Accrual
- In the government-wide financial statements, the District's activities are shown in one category:
- Governmental activities. Most of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

DOUGLAS COUNTY SCHOOL DISTRICT #77
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Fund Financial Statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending on particular programs. These statements are found on pages 12-15 of this audit report and include:

- Governmental Funds, Balance Sheet
- Governmental Funds, Statement of Receipts, Disbursements, and Changes in Fund Balances
- Some funds are required by state law.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (such as federal grants).

The District has two types of funds: governmental funds and a fiduciary fund.

Governmental Funds

All of the District's basic services are included in the Governmental Funds. The District has the following governmental funds:

- Fund 100-General Fund
- Funds 200-Special Revenue Funds (Currently active Special Revenue Funds include
 - 201-Federal Grants
 - 210-Curriculum Replacement
 - 220-Bus Replacement
 - 230-Technology Replacement
 - 243-Pers Fund
 - 250-State Grants
 - 261-Extra-Curricular
 - 280-Food Services
 - 290-Building
 - 291-Maintenance
- Other types of governmental funds are the Debt Service Funds (300-General Obligation and 301-QSCB), Capital Project Fund; Fund 400, the Gregory Scholarship Fund 700 and the Charter School; Fund 702.

Fiduciary Funds

The District is the trustee, or fiduciary, for assets that belong to others, such as a student body fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. Glendale School District currently has one fiduciary fund, The Student Body Fund.

Government Wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. As outlined on page 8 of the audit report, total net position as of June 30, 2017 was \$1,856,093 of which \$2,659,898 is held as cash in the state's local government investment pools and checking account, \$306,290 is due to the district from property taxes and accounts receivable. Noncurrent assets (land and land improvements, vehicles, equipment, less accumulated depreciation) equal \$1,733,457.

The District's financial position is the product of many factors: increase in employee benefits, staffing changes, decrease in expenditures, increase in State School Fund receipts and implementation of GASB 68.

DOUGLAS COUNTY SCHOOL DISTRICT #77
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Analysis of Financial Positions & the Results of Operations

The following is a graphic representation of Governmental Funds receipts and disbursements as presented on page 12 of the audit.

Receipts by Source- Governmental Funds (All)

REVENUES	2015-16 Modified Accrual	2016-17 Modified Accrual
Local	1,328,749	1,597,883
Intermediate	45,071	42,059
State	2,468,472	2,486,091
Federal	366,577	355,485
Total Revenues	4,208,869	4,481,518

The major operations of the District are conducted within the framework of the General Fund. Of the revenue to support the general operations of Glendale School District in 2016-2017, 58% was received as State School Support. The district's State School Support receipts for fiscal 2016-17 increased \$18,653 from 2015-16. Property taxes contributed 22.5% of the total revenue.

Disbursements - Governmental Funds (All Funds)

Disbursements	2015-16 Modified Accrual	2016-17 Modified Accrual
Instruction	2,278,846	2,123,179
Support Services	1,295,120	1,850,221
Enterprise and Community	205,958	172,377
Debt Service	138,925	155,731
Total Expenditures	3,918,849	4,301,508

Total expenditures for all governmental funds increased \$382,659 from the previous year. During fiscal year 2016-2017 disbursements for instruction decreased \$155,667 and disbursements for supporting services increased \$555,101 as compared to 2015-2016. The district spent \$246,248 on transportation equipment in 2016-17.

Analysis of Fund Balances & Transactions

The General Fund is the chief operating fund of the District. It is one of two funds identified as major funds. The General Fund balance at June 30, 2017 was \$1,425,964. This is a \$419,773 increase from 2015-2016.

The Building Fund is the other identified major fund. The fund balance as of June 30, 2017 is \$370,881, a decrease of \$1,330 from June 30, 2016.

The Non-Major governmental Funds balance decreased from \$1,159,316 in 2015-16 to \$926,385 in 2016-17, a difference of \$232,931. These funds received a transfer from General Fund of \$165,500 in 2016-17.

DOUGLAS COUNTY SCHOOL DISTRICT #77
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Budget Variance Analysis

There was one budget appropriation change for the 16-17 year. Resolution #16-17-19 authorized a transfer of appropriations within the General Fund to allow for an increase in expenditures in 2000 Support Services and to transfer additional funds for the purchase of buses.

Long Term Debt Activity

At June 30, 2017 the District had \$583,000 of bonded indebtedness outstanding

Analysis of Currently Known Facts

The Glendale School District has been conservative in spending for quite a few years. This conservatism has enabled the district to rebuild a solid ending fund balance. These funds have been put aside for purchases other than continuing operating salaries and benefits including PERS reserves.

Circumstances that may still have a significant impact on future ending fund balances are:

- Negotiated Salary & Benefit increases
- PERS legislative reforms and rate increases that will take effect every two years for the unforeseeable future.
- Increased enrollment of special needs children, who require additional support
- State Funding

Contacting the District's Financial Management

This financial report is designed to provide the district's citizens, taxpayers, customers, investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability. For answers to questions concerning any of the information provided or to request additional information, please contact the District Business Manager at PO Box E, Glendale, OR 97442.

Basic Financial Statements

Douglas County School District #77

Statement of Net Position

June 30, 2017

	Governmental Activities	Component Unit
ASSETS		
Current Assets:		
Cash and Investments	\$ 2,659,898	\$ 63,693
Accounts Receivable	196,806	7,967
Property Taxes Receivable	109,484	
Inventory-Food, Supplies & Commodities	4,070	
Total Current Assets	<u>2,970,258</u>	<u>71,660</u>
Capital Assets		
Land	70,514	
Land Improvements	144,034	
Buildings & Improvements	6,663,954	
Vehicles	1,054,353	
Equipment	138,591	
Less: Accumulated Depreciation	<u>(6,337,989)</u>	
Total Capital Assets, Net of Depreciation	<u>1,733,457</u>	<u>-</u>
Deferred Outflow of Resources:		
Deferred Amount of Bond Interest Funding	10,915	
PERS Pension Related Deferred Outflows	<u>2,065,024</u>	
	2,075,939	
Total Assets	<u>\$ 6,779,654</u>	<u>\$ 71,660</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	6,878	425
Payroll Liabilities	143,248	
Accrued Vacation Liability	16,782	
Current Portion of QSCB Bond Payable	36,000	
Current Portion of Bonds Payable	<u>85,000</u>	
Total Current Liabilities	<u>287,908</u>	<u>425</u>
Noncurrent Liabilities		
Net Pension Liability	<u>3,648,466</u>	
	<u>3,648,466</u>	
Long-Term Liabilities:		
QSCB Bond Payable	298,000	
Bonds Payable	285,000	
Less: Current Portion	<u>(121,000)</u>	
Total Long-Term Liabilities	<u>462,000</u>	<u>-</u>
Deferred Inflow of Resources:		
Actual to Expected Differences		
Net Difference PERS Investments	<u>525,187</u>	
Total Deferred Inflow of Resources	<u>525,187</u>	<u>-</u>
Total Liabilities	<u>4,923,561</u>	<u>425</u>
NET POSITION		
Net investment in capital assets	1,150,457	
Unrestricted	<u>705,636</u>	<u>71,235</u>
Total Net Position	<u>\$ 1,856,093</u>	<u>\$ 71,235</u>

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

Douglas County School District #77

Statement of Activities

For the Year Ended June 30, 2017

		Program Revenues		Net (Expense) Revenue and Change in Net Position	
	(Expenses)	Charges for Services	Operating Grants and Contributions	Governmental Activities	Component Units
Governmental Activities:					
Instruction					
Regular Instruction	\$ (825,986)		\$ 204,584	\$ (621,402)	\$ (482,502)
Special Programs	(1,297,241)		5,570	(1,291,671)	(13,363)
Total Instruction	<u>(2,123,227)</u>		<u>210,154</u>	<u>(1,913,073)</u>	<u>(495,865)</u>
Supporting Services					
Students	(130,336)		119,035	(11,301)	(7,847)
Instructional Staff	(88,616)		3,254	(85,362)	(826)
General Administration	(199,429)			(199,429)	(925)
School Administration	(178,712)			(178,712)	(435,874)
Business & Internal Services	(47,054)			(47,054)	
Operation & Maintenance of Plant Services	(341,997)		21,714	(320,283)	(232,912)
Student Transportation Services	(328,303)			(328,303)	
Internal Service -Printing	(2,014)			(2,014)	
Technology Services	(274,692)		68,533	(206,159)	
Total Support Services	<u>(1,591,153)</u>		<u>212,536</u>	<u>(1,378,617)</u>	<u>(678,934)</u>
Enterprise & Community Services	<u>(172,377)</u>			<u>(172,377)</u>	
Debt Service	<u>(38,665)</u>			<u>(38,665)</u>	
Depreciation	<u>(145,294)</u>			<u>(145,294)</u>	
Total Governmental Activities	<u>\$ (4,070,716)</u>	<u>\$ -</u>	<u>\$ 422,690</u>	<u>\$ (3,648,026)</u>	<u>\$ (1,174,799)</u>
General Revenues:					
Local Sources					
Property Taxes, levied for general purposes				994,664	
Interest and Investment Earnings				18,720	
Miscellaneous Revenue				515,916	5,817
Intermediate Sources					930,476
County School Fund				3,656	
ESD Apportionment				38,403	
GASB 68 Pension Income (Expense)				(102,470)	
Common School Fund				35,344	
State Manager Timber				155,087	
State School Support available for general purposes				2,292,417	-
Other State Sources				1,333	
Federal Forest Fees available for general purposes				5,528	
Subtotal - General Revenues				<u>3,958,598</u>	<u>936,293</u>
Excess (deficiency) of revenues over expenses before special items				310,572	(238,506)
Change in Net Position				310,572	(238,506)
Net Position, July 1, 2016				<u>1,545,521</u>	<u>309,741</u>
Net Position, June 30, 2017				\$ 1,856,093	\$ 71,235

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

Douglas County School District #77Balance Sheet
Governmental Funds

June 30, 2017

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,332,208	\$ 370,881	\$ 956,809	\$ 2,659,898
Receivables:				
Due From Other Funds	168,262			168,262
Due From Other Governments	62,455		134,350	196,805
Property Taxes	98,520		10,964	109,484
Prepaid Interest	-		10,915	10,915
Inventory-Food, Supplies & Commodities			4,070	4,070
Total Assets	<u>\$ 1,661,445</u>	<u>\$ 370,881</u>	<u>\$ 1,117,108</u>	<u>\$ 3,149,434</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 5,782		\$ 1,096	\$ 6,878
Due To Other Funds	-		168,262	168,262
Accrued Salaries & Benefits	143,248			143,248
Short Term Loan Payable	-			-
Total Current Liabilities	<u>149,030</u>	<u>\$ -</u>	<u>169,358</u>	<u>318,388</u>
Deferred Inflows of Resources				
Deferred Property Taxes	86,451			96,041
Total Deferred Inflows	<u>86,451</u>	<u>-</u>	<u>9,590</u>	<u>96,041</u>
Fund Balances:				
Reserved for Inventories			4,070	4,070
Restricted			55,479	55,479
Assigned		370,881	878,611	1,249,492
Unassigned	1,425,964			1,425,964
Total Fund Balances	<u>1,425,964</u>	<u>370,881</u>	<u>938,160</u>	<u>2,735,005</u>
Total Liabilities & Fund Balances	<u>\$ 1,661,445</u>	<u>\$ 370,881</u>	<u>\$ 1,117,108</u>	<u>\$ 3,149,434</u>

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

Douglas County School District #77Reconciliation of the Balance Sheet -- Governmental Funds
To the Statement of Net Position

June 30, 2017

Total governmental fund balances		\$ 2,735,005
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
	Cost of Assets	\$ 8,071,446
	Accumulated Depreciation	(6,337,989)
Total Governmental Capital Assets net of Depreciation		1,733,457
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds		
Liabilities consist of:		
Accrued Vacation Benefits		(16,781)
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		96,041
Net pension liability is not a financial resource and therefore is not reported in the government funds:		(3,648,466)
Current year PERS contributions are deferred outflows of resources that will be recognized expense in the subsequent period:		2,065,024
District's proportionate share of net differences between projected and actual earnings on investments that will be amortized over the next five years:		(525,187)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
	QSC Bonds Payable	(298,000)
	General Obligation Bonds	<u>(285,000)</u>
Total Long-term liabilities		<u>(583,000)</u>
Net Position of Governmental Activities		<u><u>\$1,856,093</u></u>

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

Douglas County School District #77Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds

For the Fiscal Year Ended June 30, 2017

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Local Sources	\$ 1,429,610	\$ 5,570	\$ 162,703	\$ 1,597,883
Intermediate Sources	42,059			42,059
State Sources	2,484,181		1,910	2,486,091
Federal Sources	5,528		349,957	355,485
Total Revenues	<u>3,961,378</u>	<u>5,570</u>	<u>514,570</u>	<u>4,481,518</u>
EXPENDITURES:				
Instruction				
Regular Instruction	783,318		42,620	825,938
Special Programs	1,207,946		89,295	1,297,241
Supporting Services				
Students	55,936		74,400	130,336
Instructional Staff	41,031		47,585	88,616
General Administration	199,429			199,429
School Administration	178,712			178,712
Business & Internal Services	47,054		-	47,054
Operation & Maintenance of Plant Services	326,703	6,900	21,714	355,317
Student Transportation Services	327,803		246,248	574,051
Internal Services-Printing	2,014			2,014
Technology Services	206,159		68,533	274,692
Enterprise and Community Services				
Food Services			172,377	172,377
Debt Service			155,731	155,731
			-	
Total Expenditures	<u>3,376,105</u>	<u>6,900</u>	<u>918,503</u>	<u>4,301,508</u>
Excess (Deficiency) of Revenues Over Expenditures	585,273	(1,330)	(403,933)	180,010
OTHER FINANCING SOURCES and (USES):				
Operating Transfers In			165,500	165,500
Operating Transfers Out	(165,500)			(165,500)
Total Other Financing Sources (Uses)	<u>(165,500)</u>	<u>-</u>	<u>165,500</u>	<u>-</u>
Net Change in Fund Balances	419,773	(1,330)	(238,433)	180,010
FUND BALANCE, July 1, 2016	<u>1,006,191</u>	<u>372,211</u>	<u>1,176,593</u>	<u>2,554,995</u>
Reserve for Inventory			4,070	4,070
Assigned		372,211		372,211
Unassigned	<u>1,425,964</u>			<u>1,425,964</u>
FUND BALANCE, June 30, 2017	<u>\$ 1,425,964</u>	<u>\$ 370,881</u>	<u>\$ 938,160</u>	<u>\$ 2,735,005</u>

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

Douglas County School District #77Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2017

Net changes in fund balances - total governmental funds		\$ 180,010
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Expenditures for capitalized assets		
Operation and Maintenance of Plant Services	\$ 13,320	
Student Transportation Services	245,748	
Less current year depreciation	<u>(145,294)</u>	113,774
Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred inflows of resources.		
Deferred In-Flows of Resources	<u>2,240</u>	2,240
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net change in those payable is reconciled here.		
Vacation Benefit Payable	(48)	(48)
Changes in net pension liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:		
		(102,470)
Long-term and short-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases fund liabilities. Similarly, repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position		
Bonds Principal Repaid	<u>117,066</u>	117,066
Change in Net Position - Governmental Activities		<u>\$ 310,572</u>

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

Douglas County School District #77

Statement of Fiduciary Net Position

For the Fiscal Year Ended June 30, 2017

	<u>Agency Funds</u>
ASSETS:	
Cash in Checking and Certificates of Deposit:	\$ 47,149
Total Assets	<u>\$ 47,149</u>
 NET POSITION	 <u>\$ 47,149</u>

Douglas County School District #77

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2017

	Private Purpose Trusts
ADDITIONS	
Interest on Investments	\$ 500
Total Resources	<u>500</u>
DISBURSEMENTS	
Scholarships and Grants Awarded	-
Change in Net Position	<u>500</u>
Net Position - July 1, 2016	<u>46,649</u>
Net Position - June 30, 2017	<u><u>\$ 47,149</u></u>

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

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DOUGLAS COUNTY SCHOOL DISTRICT #77 was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is government by a separately elected seven-member Board of Directors who approve the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The basic financial statements of DOUGLAS COUNTY SCHOOL DISTRICT #77 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the government's accounting policies are described below.

A. Reporting Entity

In determining the financial reporting entity, DOUGLAS COUNTY SCHOOL DISTRICT #77 complies with Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the District appoints a voting majority of the organization's board; 2) the District is able to impose its will on the organization; 3) the organization has the potential to impose a financial benefit or burden on the District; and 4) there is fiscal dependency by the organization on the District.

Based on the fiscal dependency criteria above, Glendale School District No. 77 has one component unit.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, State and County aid, and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements - The government-wide financial statements are reported using the *economic resource management focus* and the *accrual basis of accounting*, as is the fiduciary financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of interfund activity has been eliminated from the governmental-wide financial statements.

Fund Financial Statements - Governmental fund financial statements are reported using the *current financial resources measurement focus* and *modified accrual basis of accounting*. Under this method of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenue available if collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred, except for expenditures for principal and interest on long-term debt which is recognized when due, certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources, and early retirement benefits which are recorded when paid.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Delinquent property taxes and property taxes for which there is an enforceable legal claim which are not collected within 60 days of the fiscal year end, have been recorded as deferred revenue.

The major governmental funds reported by the District include:

General Fund - The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General Fund expenditures are categorized by "Instruction" which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are transportation, maintenance of facilities (i.e. heating, phones, electricity, cleaning,) administration, counseling for students, and technology support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

The major governmental funds reported by the District include: (Cont'd)

Building Fund - This fund accounts for the building operation and maintenance expenditures. The revenues in this fund are transfers in.

The other Governmental Funds included in the District's Financial Statements are considered Non-major Funds.

Additionally, the District reports the following fund types:

Special Revenue Funds - accounts for grant proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Funds include Federal Fund, Curriculum Replacement Fund, Bus Replacement, Technology, Grant Fund, PERS Fund, Student Body, Extra Curricular, Food Service, and Maintenance Fund.

Debt Service Fund - These funds account for and report on servicing of long-term debt. Resources are provided by property tax receipts and interest earnings.

Trust Funds - used to account for assets where both the principal and interest may be spent. The Scholarship Fund is included in this category.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and fiduciary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Standards Board.

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.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

D. Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors.

Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)D. Budgeting (Cont'd)

Budget amounts shown in the budgetary comparison schedules include both the original and, when applicable, the revised amount. The combining fund financial statements and individual fund financial statements include, in the budget column, any revisions to the budget since original budget amounts were adopted.

E. Changes in Appropriations

Local Budget Law allows appropriation changes to be made to the originally adopted budget. Appropriation changes made by the Board during the fiscal year were as follows:

General Fund	Original Budget	Change	Final Budget
1000 Instruction	\$ 2,434,265	\$ (115,500)	\$ 2,318,765
2000 Support Service	1,326,050	80,000	1,406,050
5200 Transfer of Funds	130,000	35,500	165,500

F. Cash & Investments

Cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less. The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-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 included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

The funds deposited in the banks are collateralized by the banks with certificates of participation and with the Federal Deposit Insurance Corporation.

Investments are recorded at cost which approximates market value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)G. Property Taxes

Real and personal property taxes attach as an enforceable lien on property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

H. Receivables

Uncollected property taxes and revenues from other sources that are earned but not received by the fiscal year end are reported as receivable in the current assets section in the government-wide statement of net position by the District. Government grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as due from other governments in the current assets section in the government-wide statement of net position by the District. All receivables are considered fully collectible; consequently no allowance for uncollectible taxes has been established.

Under the modified accrual basis of accounting used in the governmental fund financial statements, property taxes which have been collected within sixty days subsequent to year-end are considered measurable and available and are therefore recognized as revenue. All other property taxes receivable are offset by deferred inflows of resources and, accordingly, have not been recognized as revenue. All taxes are considered collectible; consequently no allowance for uncollectible taxes has been established.

Government grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as due from other governments in the fund financial statements by the District. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

I. Inventory

Food & supplies inventories in the Food Services Fund are valued at cost determined on the First In First Out (FIFO) method. Commodities inventory in the Food Services Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

J. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized, but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)J. Capital Assets (Cont'd)

In the governmental fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

Proceeds from sales of capital assets are recorded as revenue in the fund originally financing the purchase if identifiable; if not, then the revenue is recorded in the General Fund.

K. Compensated Absences and Accrued Liabilities

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual vacation.

All payables and accrued liabilities are reported on the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full by current financial resources are reported as obligations of the funds.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

M. Fund Balance & Fund Equity*Government-wide Statements*

Equity is classified as net position, which represents the difference between assets and liabilities. Net position is displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)M. Fund Balance & Fund Equity (Cont'd)

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision making authority, the Board of Directors, and does not lapse at year-end.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

N. Deferred Inflows of Resources

In the governmental funds, property taxes which have not been collected within sixty days subsequent to year-end are not considered measurable and available and are therefore not recognized as revenue, but rather as deferred inflows of resources.

O. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)O. Interfund Transactions (Cont'd)

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates

2. CASH & INVESTMENTS

At year-end the carrying amount of the District's cash consisted of the following:

Cash on Hand	\$ 438
Checking	331,935
State Pool	2,327,526
	<u>\$ 2,659,898</u>

For discussion of deposit and investment policies and other related information, see Note 1 .E.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Note 1 .E.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, 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.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FD1C insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website. Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. The balances in excess of the FDIC insurance are considered exposed to custodial credit risk.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

2. CASH & INVESTMENTS (Cont'd)Investments

The Local Government Investment Pool (LGIP) is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. OSTF is not subject to SEC regulation and does not receive credit quality ratings from nationally recognized statistical rating organizations. OSTF is subject to requirements established in Oregon Revised Statutes, investment policies adopted by the Oregon Investment Council, and portfolio guidelines established by the Oregon Short Term Fund Board. The Governor appoints the members of the Oregon Investment Council and the Oregon Short Term Fund Board. The OSTF financial statements are available at <http://www.ost.state.or.us/>. The fair value of the District's deposit with the LGIP approximates the cost.

The Local Government Investment Pool is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. The Oregon Short Term Fund Board and the Oregon Investment Council regulate OSTF investments (ORS 294.805 to 294.895).

The District has no formal investment policy to deal with the interest rate risk and credit risk. In practice, the District has limited the investments in the LGIP and Certificates of Deposits that mature within one year. The LGIP is not rated.

Credit Risk. The LGIP's portfolio concentration of credit risk at June 30, 2017 included: U.S. Government and Agency securities (27.43%), Municipal Government Securities (1.67%), Non U.S. Government Debt Obligations (6.06%), Corporate Securities (4.76%), Corporate Obligations (43.58%), Asset-Backed Securities (12.49%) Certificates of Deposits (3.70%), Cash in various banks (.31%).

Interest Rate Risk. While the District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, it has historically invested only in the LGIP. As of June 30, 2017, 64.88% of the investments in the LGIP mature within 93 days, 19.80% mature within 94 days to one year, and 15.32% mature one year and beyond.

The carrying amount and market value of the investment was:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	\$ 2,372,526	N/A
Total Investments	<u>\$ 2,372,526</u>	

Amounts in the state local government pool are not required by law to be collateralized.

DOUGLAS COUNTY SCHOOL DISTRICT #77

Notes to
Financial Statements

June 30, 2017

3. RECEIVABLES

Receivables as of the end of the year for the District's individual major funds and non-major funds in the aggregate are as follows:

	General Fund	Other Funds	Total
Property Tax Receivable	\$ 98,520	\$ 10,964	\$ 109,484
Due From Other Governments	62,455	134,350	196,805
	<u>\$ 160,975</u>	<u>\$ 145,314</u>	<u>\$ 306,289</u>

4. CAPITAL ASSETS

The following is a summary of changes in the Capital Assets Account Group:

	July 1, 2016	Additions	Deletions	June 30, 2017
Land	\$ 70,514	\$ -	\$ -	\$ 70,514
Land Improvements	144,034	-	-	144,034
Buildings	6,663,954	-	-	6,663,954
Buses & Vehicles	808,605	245,748	-	1,054,353
Equipment	125,271	13,320	-	138,591
Total Capital Assets	<u>7,812,378</u>	<u>259,068</u>	<u>-</u>	<u>8,071,446</u>
Depreciation-Land Improvements	(121,521)	(3,503)	-	(125,024)
Depreciation-Buildings	(5,248,092)	(95,418)	-	(5,343,510)
Depreciation-Bus and Vehicles	(716,985)	(42,063)	-	(759,048)
Depreciation-Equipment	(106,097)	(4,310)	-	(110,407)
Total Depreciation	<u>(6,192,695)</u>	<u>(145,294)</u>	<u>-</u>	<u>(6,337,989)</u>
Net Capital Assets	<u>\$ 1,619,683</u>	<u>\$ 113,774</u>	<u>\$ -</u>	<u>\$ 1,733,457</u>

Estimated historical cost was used to value approximately seventy-five percent of the fixed assets.

5. ACCOUNTS PAYABLE

Expenses incurred during the current fiscal year which were unpaid at the end of the year have been accrued and reflected as a liability in the combined balance sheet. The amounts are recorded as fund expenditures under the appropriate function and object expenditure category.

DOUGLAS COUNTY SCHOOL DISTRICT #77

Notes to
Financial Statements

June 30, 2017

6. LONG TERM DEBT

A Summary of debt transactions for the year ended June 30, 2017 is as follows:

	Outstanding July 01, 2016	Matured	Redeemed	Outstanding June 30, 2017	Due Within One Year
General Obligation Bond, Series 2000 for Building Repairs and Improvements Original Balance \$990,000 Dated July 15, 2000 Interest Rate - 5.150% to 5.625%					
Principal	\$ 365,000		\$ 80,000	\$ 285,000	\$ 85,000
Interest		\$ 20,531	20,531		16,031
Totals	365,000	20,531	100,531	285,000	101,031
QSCB loan with Bank of New York Mellon Series 2010A Flex Fund Program Original Balance \$540,000 Dated July 1, 2010 Interest Rate - 5.2043%					
Principal	334,000		36,000	298,000	36,000
Interest		-	-		18,200
Totals	334,000	-	36,000	298,000	54,200
TOTAL DEBT AGREEMENTS:					
Principal	699,000	-	116,000	583,000	121,000
Interest	-	20,531	20,531	-	34,231
Totals	<u>\$ 699,000</u>	<u>\$ 20,531</u>	<u>\$ 136,531</u>	<u>\$ 583,000</u>	<u>\$ 155,231</u>

6. LONG TERM DEBT (Cont'd)

The debt service requirements on the above debt is as follows:

	Fiscal Year Ended June 30,	Principal	Interest	Total
General Obligation Bond	2018	\$ 85,000	\$ 16,031	\$ 101,031
	2019	95,000	11,250	106,250
	2020	105,000	5,906	110,906
	Total	<u>\$ 285,000</u>	<u>\$ 33,187</u>	<u>\$ 318,187</u>
Flex Fund Bonds	2018	\$ 36,000	\$ 18,200	\$ 54,200
	2019	36,000	18,200	54,200
	2020	36,000	18,200	54,200
	2021	38,000	10,450	48,450
	2022	38,000	10,450	48,450
	2023-2025	114,000	31,350	145,350
	Total	<u>\$ 298,000</u>	<u>\$ 106,850</u>	<u>\$ 404,850</u>

For further detail on debt service, see the "Schedule of Long Term Debt Transactions" and "Schedule of Future Requirements for Retirement of Long Term" in the supplemental Data section of this report.

7. PENSION PLAN

General Information about the Pension Plan

Plan Description

Employees of the district are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to 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 that can be obtained at <http://www.oregon.gov/pers/Pages/section/financial-reports/fmancials.aspx>.

Benefits Provided**1. Tier One/Tier Two Retirement Benefit ORS Chapter 238**

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

7. PENSION PLAN (Cont'd)**Pension Benefits**

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. 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 (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes

After Retirement 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 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

2. **OPSRP Pension Program (OPSRP DB)****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:

7. PENSION PLAN (Cont'd)**2. OPSRP Pension Program (OPSRP DB) (Cont'd)****Pension Benefits (Cont'd)**

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the 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 percent 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 credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

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

3. OPSRP Individual Account Program (OPSRP 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 Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

7. PENSION PLAN (Cont'd)**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.

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, 2014 actuarial valuation as subsequently modified by 2016 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2017 were \$397,671, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2017 were 22.33 percent for Tier One/Tier Two General Service Member, 17.64 percent for OPSRP Pension Program General Service Members, and 6 percent for OPSRP Individual Account Program.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the district reported a liability of \$3,648,466 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. The district's proportion of the net pension liability was based on a projection of the district's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the district's proportion was 0.024303 percent, which was decreased from its proportion of 0.0317537 measured as of June 30, 2015.

7. PENSION PLAN (Cont'd)

For the year ended June 30, 2017, the district's recognized pension expense was \$ 102,470. At June 30, 2017, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Differences between expected and actual experience	\$ 120,707	
Changes of assumptions	778,130	
Net difference between projected and actual earnings on investments	720,784	
Changes in proportion		\$ 479,706
Difference between employer contributions and proportionate share of contributions	47,732	45,481
Total (prior to post-MD contributions)	1,667,353	525,187
Contributions subsequent to the MD	397,671	
Total	<u>\$ 2,065,024</u>	<u>\$ 525,187</u>

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

<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Amortization Period	Amortization Period
FY2018 171,355	FY2018
FY2019 171,356	FY2019
FY2020 439,566	FY2020
FY2021 325,889	FY2021
FY2022 34,000	FY2022
<u>\$ 1,142,166</u>	<u>\$ -</u>

Actuarial Assumptions

The employer contribution rates effective July 1, 2013, through June 30, 2015 and effective July 1, 2015, through June 30, 2017, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) 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.

7. PENSION PLAN (Cont'd)

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2014 rolled forward to June 30, 2016
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Inflation Rate	2.5 Percent
Investment Rate of Return	7.5 Percent
Discount Rate	7.5 Percent
Projected Salary Increases	3.50 percent overall payroll growth; salaries for individuals are assumed to grow at 3.50 percent plus assumed rates of merit/longevity increases based on service. For COLA, a blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision, blend based on service.
Cost of Living Adjustments (COLA)	Blend of 2.0 percent COLA and grade COLA (1.25 percent/0.15 percent) in accordance with MORO decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

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 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

7. PENSION PLAN (Cont'd)**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 2014 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption.

These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class/ Strategy</u>	<u>Assumed Asset Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>Target</u>
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			<u>100.0%</u>

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate - Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equities	20.00%	8.26%
Opportunity Funds/ Absolute Return	5.00%	6.01%
Real Estate (property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
Total	100.00%	
Assumed Inflation - Mean		2.75%

7. PENSION PLAN (Cont'd)**Depletion Date Projection**

GASB 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 Fiduciary Net Position 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 Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB 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 of sufficiency for PERS:

PERS 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 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate 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 which 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 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Discount Rate

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

7. PENSION PLAN (Cont'd)**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 7.50 percent, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% increase (8.5%)
District's proportionate share of the net pension liability (asset)	\$ 5,891,055	\$ 3,648,466	\$ 1,774,053

Pension Plan Fiduciary Net Position

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

Changes in Plan Provisions During the Measurement Period

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

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

This change in benefit terms were reflected in the current valuation.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2016 measurement date.

8. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any, to be immaterial.

The potential effects of an illegal act or of material revenue derived from transactions involving illegal acts or significant unusual risks may constitute a liability of the applicable fund. The District expects such liability amount, if any, to be immaterial.

The District is not currently named as a defendant in any pending or threatened litigation.

9. ACCRUED VACATION PAY

As of June 30, 2017, employees of the District had earned vacation pay in the amount of \$16,782. The liability is reflected on the combined balance sheet in the general fund.

10. COMMODITIES RECEIVED IN FOOD SERVICE FUND

During the year the District received USDA commodities. Fair market value of the amount of commodities used during the 2016-2017 fiscal year is \$10,380. The amount is reflected as federal revenue received and as a food expenditure in the Food Service Fund in the financial statements. Fair market value is determined by the Oregon Department of Education.

11. RISK MANAGEMENT

The school District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District pays annual insurance premiums to commercial insurance providers for coverage of the above risks in amounts it has determined is appropriate. Therefore, insurance coverage is the primary source of managing the District's risks. Settled claims resulting from insured risks have not exceeded their coverage in any of the past three fiscal years.

12. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of interfund transfers reported in the fund financial statements:

Major Funds:	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		\$ 165,500
Non-Major Funds:		
Bus Replacement Fund	\$ 65,500	
Debt Service Fund	25,000	
Food Service Fund	25,000	
Maintenance Fund	50,000	
	<u>\$ 165,500</u>	<u>\$ 165,500</u>

The transfers were to build up reserves for future purchases and improvements for the District. Food Service fund transfer made to eliminate the decrease in the deficit of the food service fund balance.

13. FUND BALANCE COMPARISONS

	Actual June 30, 2017	Budgeted July 01, 2017
General Fund	\$ 1,425,964	\$ 1,104,107
Federal Fund	-	-
Curriculum Replacement Fund	210,019	205,000
Bus Replacement Fund	1,442	104,000
Technology Fund	126,470	120,000
Pers Fund	154,127	151,774
Grant Fund	4,435	4,434
Student Body Fund	61,525	71,000
Extra Curricular Fund	204,647	201,000
Food Service Fund	(18,186)	49,079
Building Fund	370,881	360,000
Maintenance Fund	181,906	180,000
Debt Service Fund	15,020	14,611
QSCB Debt Service Fund	(3,245)	62,000
Gregory Scholarship Fund	47,149	46,649

14. DEFICIT FUND BALANCE

Deficit fund balances in individual funds for the year ended June 30, 2017 occurred as follows:

<u>Fund</u>	<u>Fund Balance</u>
Food Service Fund	\$ (18,186)
QSCB Debt Service Fund	\$ (3,245)

15. IMPLEMENTATION OF GASB STATEMENT NO. 54 – NEW FUND BALANCE

The District was required to implement GASB Statement No. 54 for year ending June 30, 2016. GASB Statement 54 requires analysis and presentation of fund balance in five categories. The new fund balance categories are:

- Non-Spendable – Includes items not immediately converted to cash, such as prepaid items and inventory.
- Restricted – Includes items that are restricted by external creditors, grantors, or contributors, or restricted by legal constitutional provisions.
- Committed – Includes items committed by the District's Board of Education, by formal board action.
- Assigned – Includes items assigned for specific uses, authorized by the District's Superintendent and/or Director of Finance Operations.
- Unassigned – This is the residual classification used for those balances not assigned to another company.

DOUGLAS COUNTY SCHOOL DISTRICT #77

Notes to
Financial Statements

June 30, 2017

15. IMPLEMENTATION OF GASB STATEMENT NO. 54 – NEW FUND BALANCE (Cont'd)

Below is a schedule of ending fund balances, based on GASB Statement No. 54 implementation:

	General Fund	Building Project Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:				
<u>Non-Spendable</u>				
Reserved for Inventory			\$ 4,070	\$ 4,070
	\$ -	\$ -	4,070	4,070
<u>Restricted:</u>				
Federal Funds			-	-
State Grant Fund			4,435	4,435
Food Service Fund			(22,256)	(22,256)
Student Body Fund			61,525	61,525
Debt Service			11,775	11,775
	-	-	55,479	55,479
<u>Assigned to:</u>				
Curriculum Replacement Fund			210,019	210,019
Technology Fund			126,470	126,470
Extra Curriculum Fund			204,647	204,647
Maintenance Fund			181,906	181,906
Pers Fund			154,127	154,127
Building Fund		370,881		370,881
Bus Replacement Fund			1,442	1,442
	-	370,881	878,611	1,249,492
<u>Unassigned:</u>	1,425,964			1,425,964
Total Fund Balances	\$ 1,425,964	\$ 370,881	\$ 938,160	\$ 2,735,005

16. TAX ABATEMENT (GASB 77)

Douglas County, Oregon has entered into tax abatement programs with businesses that operate and/or own property within the country. These programs reduce the amount of property taxes assessed and it results in Glendale School District not receiving \$232,134 in property tax revenue for 2016-17. However, the District's tax decrease from property tax abatement is offset with an increase from state school support effectively making a zero-net effect in funding.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 21, 2017, the date on which the financial statements were available to be issued. No subsequent events were noted.

Required Supplemental Information

Budgetary Comparison Schedules

General Fund

Building Fund

GASB 68

Douglas County School District #77

Budgetary Comparison Schedule for the General Fund

For the Fiscal Year Ended June 30, 2017

	Actual	Original Budget	Final Budget	Over (Under) Budget
REVENUES:				
Local Sources:				
Tax Levy-Current Year & Offsets	\$ 855,008	\$ 860,000	\$ 860,000	\$ (4,992)
Tax Levy-Prior Years	38,680	40,000	40,000	(1,320)
County Land Sales	1,286	-	-	1,286
Earnings on Investments	18,720	7,500	7,500	11,220
Rental	150	-	-	150
Services Provided to Other Districts	301,096	375,000	375,000	(73,904)
Recovery of Prior Years Expenditures	7,756	-	-	7,756
Miscellaneous Local Sources & Refunds	206,914	80,000	80,000	126,914
Total Local Sources	1,429,610	1,362,500	1,362,500	67,110
Intermediate Sources:				
County School Funds	3,656	3,500	3,500	156
ESD Apportionment	38,403	39,393	39,393	(990)
Total Intermediate Sources	42,059	42,893	42,893	(834)
State Sources:				
Basic School Support	2,292,417	2,465,684	2,465,684	(173,267)
Common School Fund	35,344	29,238	29,238	6,106
State Managed County Timber	155,087	75,000	75,000	80,087
Other Restricted Grants in Aid	1,333	-	-	1,333
Total State Sources	2,484,181	2,569,922	2,569,922	(85,741)
Federal Sources:				
Federal Forest Fees	5,528	15,000	15,000	(9,472)
Total Federal Sources	5,528	15,000	15,000	(9,472)
Total Revenues	3,961,378	3,990,315	3,990,315	(28,937)
EXPENDITURES: Schedule C-2	3,376,105	3,860,315	3,824,815	(448,710)
Excess of Revenues Over (Under) Expenditures	585,273	130,000	165,500	419,773
OTHER FINANCING SOURCES (USES):				
Operating Transfers (Out)	(165,500)	(130,000)	(165,500)	-
Total Other Financing Sources (Uses)	(165,500)	(130,000)	(165,500)	-
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	419,773	-	(0)	419,773
FUND BALANCE, July 1, 2016	1,006,191	600,000	600,000	406,191
FUND BALANCE, June 30, 2017	\$ 1,425,964	\$ 600,000	\$ 600,000	\$ 825,964

Douglas County School District #77

Budgetary Comparison Schedule of General Fund Expenditures

For the Fiscal Year Ended June 30, 2017

	Salaries	Employees Benefits	Purchased Services	Supplies and Materials
INSTRUCTION:				
Regular Programs:				
Primary, K-3	\$ 294,263	\$ 164,660	\$ 12,880	\$ 4,837
Intermediate Programs	-	-	-	150
Elementary Extracurricular	-	-	100	-
Middle/Junior High Programs	182,608	97,977	6,198	3,675
Extracurricular	11,500	1,729	1,800	591
High School Programs	-	-	-	-
Extracurricular	-	-	175	-
Special Programs:				
Restrictive Programs for Students with Disabilities	-	-	-	-
Resource Rooms	177,360	83,153	16,731	227
Alternative Education Programs	-	-	930,475	-
Total Instruction	<u>665,731</u>	<u>347,519</u>	<u>968,359</u>	<u>9,480</u>
SUPPORTING SERVICES:				
Students:				
Guidance & Counseling Services	21,568	2,401	425	-
Health Services	-	-	-	164
Psychological Services	-	-	31,378	-
Instructional Staff:				
Improvement of Instruction	-	-	-	-
Service Area Direction	23,297	9,874	-	-
Educational Media Services	-	-	-	4,936
Assessment & Testing	-	-	257	-
Instructional Staff Development	-	-	-	175
Board of Education Services	-	-	25,427	390
Executive Administration Services	74,872	49,044	32,020	6,827
Office of Principal	109,247	66,556	1,864	1,045
Business:				
Fiscal Services	-	-	45,100	-
Operation & Maintenance of Plant	82,228	45,849	120,592	27,573
Student Transportation	156,319	104,546	17,815	39,410
Internal Services-Printing	-	-	2,014	-
Central Services:				
Technology Services	-	-	160,106	45,978
Total Supporting Services	<u>467,531</u>	<u>278,270</u>	<u>436,998</u>	<u>126,498</u>
CONTINGENCIES	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,133,262</u>	<u>\$ 625,789</u>	<u>\$ 1,405,357</u>	<u>\$ 135,978</u>

(1) Level of Budget Appropriation

Capital Outlay	Other	Total Expenditures	Original Budget	Final Budget	Over (Under) Budget
\$ -	-	\$ 476,640			
-	-	150			
-	-	100			
-	-	290,458			
-	\$ 175	15,795			
-	-	-			
-	-	175			
-	-	-			
-	-	277,471			
-	-	930,475			
<u>\$ -</u>	<u>175</u>	<u>1,991,264</u>	<u>\$ 2,434,265</u>	<u>\$ 2,318,765 (1)</u>	<u>\$ (327,501)</u>
-	-	24,394			
-	-	164			
-	-	31,378			
-	-	-			
-	-	33,171			
-	2,492	7,428			
-	-	257			
-	-	175			
-	5,816	31,633			
-	5,033	167,796			
-	-	178,712			
-	1,954	47,054			
13,320	37,141	326,703			
-	9,713	327,803			
-	-	2,014			
-	75	206,159			
<u>13,320</u>	<u>62,224</u>	<u>1,384,841</u>	<u>1,326,050</u>	<u>1,406,050 (1)</u>	<u>(21,209)</u>
-	-	-	100,000	100,000 (1)	(100,000)
<u>\$ 13,320</u>	<u>\$ 62,399</u>	<u>\$ 3,376,105</u>	<u>\$ 3,860,315</u>	<u>\$ 3,824,815</u>	<u>\$ (448,710)</u>

Douglas County School District #77

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Building Fund

For the Fiscal Year Ended June 30, 2017

	<u>Supplies and Materials</u>	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Local Sources:				
Earnings on Investments		\$5,570	\$ -	\$5,570
Total Local Sources		<u>5,570</u>	<u>-</u>	<u>5,570</u>
Total Revenues		<u>5,570</u>	<u>-</u>	<u>5,570</u>
EXPENDITURES:				
Support Services				
Repair and Maintenance	\$6,900	6,900		6,900
Total Support Services	<u>6,900</u>	<u>6,900</u>	<u>-</u>	<u>6,900</u>
Facilities Acquisition and Construction				
Service Area Direction			135,000	
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>135,000</u>	<u>-</u>
Total Expenditures	<u>\$ 6,900</u>	<u>6,900</u>	<u>135,000</u>	<u>13,800</u>
Excess (Deficiency) of Revenues Over Expenditures		(1,330)	(135,000)	(8,230)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		(1,330)	(135,000)	(8,230)
FUND BALANCE, July 1, 2016		<u>372,211</u>	<u>369,606</u>	<u>2,605</u>
FUND BALANCE, June 30, 2017		<u>\$ 370,881</u>	<u>\$ 234,606</u>	<u>\$ (5,625)</u>

Douglas County School District No. 77

Schedules of Required Supplementary Information
Relating to the Oregon Public Employees Retirement System Net Pension Liability
For the Fiscal Year Ended June 30, 2017

Schedule of Proportionate Share of Net Pension Liability

	<u>2017</u>	<u>2016</u>	<u>2015</u>
OPERS net pension liability (asset) - calculated	\$15,012,323,510	\$5,741,462,792	(\$2,266,715,500)
District's proportion of the net pension liability (asset)	0.02430314%	0.03175365%	0.03767910%
District's proportionate share of the net pension liability (asset)	\$ 3,648,466	\$ 1,823,124	\$ (854,078)
District's PERS covered payroll	\$1,664,331	\$1,616,123	\$1,621,512
District's proportionate share of the net pension liability (asset) as a percentage of it's PERS covered payroll	219.22%	112.81%	-52.67%

Note: The amounts presented for each fiscal year were determined as of June 30.
Additional years will be added to the schedule as information becomes available.

Schedule of Contributions

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$2,065,024	\$361,175	\$353,151
Contributions in relation to the contractually required contribution	<u>(\$397,671)</u>	<u>(\$262,863)</u>	<u>(\$353,151)</u>
Contribution deficiency (excess)	<u>\$1,667,353</u>	<u>\$98,312</u>	<u>\$0</u>
District's PERS covered payroll	\$1,664,331	\$1,616,123	\$1,621,512
	124.08%	22.35%	21.78%
Contributions as a percentage of PERS covered payroll			

Douglas County School District #77Combining Balance Sheet
All Non-Major Governmental Funds

June 30, 2017

	Special Revenue	Debt Service	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 943,163	\$ 13,646	\$ 956,809
Receivables:			
Due From Other Governments	133,032	1,318	134,350
Property Taxes		10,964	10,964
Prepaid Interest		10,915	10,915
Inventory-Food, Supplies & Commodities	4,070		4,070
Total Assets	<u>\$ 1,080,265</u>	<u>\$ 36,843</u>	<u>\$ 1,117,108</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	1,096		1,096
Due To Other Funds	152,784	15,478	168,262
Total Current Liabilities	<u>153,880</u>	<u>15,478.00</u>	<u>169,358</u>
Deferred Inflows of Resources			
Deferred Property Taxes		9,590	9,590
Total Deferred Inflows	<u>-</u>	<u>9,590</u>	<u>9,590</u>
Fund Balances:			
Reserved for Inventories	4,070		4,070
Restricted For Debt Service		11,775	11,775
Assigned			
Student Body Fund	61,525		61,525
Food Service Fund	(18,186)		(18,186)
Unreserved	878,976		878,976
Total Fund Balances	<u>926,385</u>	<u>11,775</u>	<u>938,160</u>
Total Liabilities & Fund Balances	<u>\$ 1,080,265</u>	<u>\$ 36,843</u>	<u>\$ 1,117,108</u>

Douglas County School District #77Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
All Non-Major Governmental Funds - by Fund Type

For the Fiscal Year Ended June 30, 2017

	Special Revenue	Debt Service	Total
REVENUES			
Revenues from:			
Basic School Support			
Taxes - Current Year		\$ 93,287	\$ 93,287
Taxes - Prior Years		4,163	4,163
Interest on Investments	\$ 12,487		12,487
Fees & Charges	17,933		17,933
Miscellaneous Local Revenues	26,254	8,579	34,833
State Grants	1,910		1,910
Federal Reimbursement Grants	330,757	19,200	349,957
Total Revenues	<u>389,341</u>	<u>125,229</u>	<u>514,570</u>
EXPENDITURES			
Instruction			
Regular Instruction	131,915		131,915
Support Services			
Psychological Services	74,400		74,400
Improvement of Instruction Services	44,635		44,635
Instructional Staff Development	2,950		2,950
Operation of Plant Services	21,714		21,714
Student Transportation Services	246,248		246,248
Technology Services	68,533		68,533
Enterprise & Community Services	172,377		172,377
Debt Service	-	155,731	155,731
Total Expenditures	<u>762,772</u>	<u>155,731</u>	<u>918,503</u>
Excess (Deficiency) of Revenues Over Expenditures	(373,431)	(30,502)	(403,933)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	140,500	25,000	165,500
Total Other Financing Sources (Uses)	140,500	25,000	165,500
Net Change in Fund Balance	(232,931)	(5,502)	(238,433)
FUND BALANCE - July 1, 2016	1,159,316	17,277	1,176,593
FUND BALANCE - June 30, 2017	<u>\$ 926,385</u>	<u>\$ 11,775</u>	<u>\$ 938,160</u>

Other Supplementary Information

Combining and Individual Fund Financial
Statements and Schedules

Federal Fund
Curriculum Fund
Bus Replacement Fund
Technology Fund
PERS Fund
Grant Fund
Student Body Fund
Extra-Curricular Fund
Food Service Fund
Maintenance Fund

Douglas County School District #77

Combining Balance Sheet
Non-Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2017

	Federal Fund	Curriculum Replace- ment Fund	Bus Replacement Fund	Technology Fund	Pers Fund	Grant Fund
ASSETS						
Cash and Investments		\$ 210,019	\$ 1,442	\$ 126,470	\$ 154,127	\$ 4,435
Receivables						
Intergovernmental Accounts Receivable	\$ 124,452					
Inventory						
Total Assets	<u>124,452</u>	<u>210,019</u>	<u>1,442</u>	<u>126,470</u>	<u>154,127</u>	<u>4,435</u>
LIABILITIES & FUND EQUITY						
LIABILITIES:						
Accounts Payable	217	-				
Due to General Fund	124,235					
Total Liabilities	<u>124,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY:						
Unreserved	<u>-</u>	<u>210,019</u>	<u>1,442</u>	<u>126,470</u>	<u>154,127</u>	<u>4,435</u>
Total Liabilities & Fund Balance	<u>\$ 124,452</u>	<u>\$ 210,019</u>	<u>\$ 1,442</u>	<u>\$ 126,470</u>	<u>\$ 154,127</u>	<u>\$ 4,435</u>

Student Body Fund	Extra Curricular Fund	Food Service Fund	Maintenance Fund	Totals
\$ 60,116	\$ 204,647	\$ 1	\$ 181,906	\$ 943,163
\$ 2,288		6,292		133,032
		4,070		4,070
<u>62,404</u>	<u>204,647</u>	<u>10,363</u>	<u>181,906</u>	<u>1,080,265</u>
879		-		1,096
		28,549		152,784
<u>879</u>	<u>-</u>	<u>28,549</u>	<u>-</u>	<u>153,880</u>
61,525	204,647	(18,186)	181,906	926,385
<u>\$ 62,404</u>	<u>\$ 204,647</u>	<u>\$ 10,363</u>	<u>\$ 181,906</u>	<u>\$ 1,080,265</u>

Douglas County School District #77

Non-Major Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual and Budget

For the Fiscal Year Ended June 30, 2017

	Federal Fund	Curriculum Replace- ment Fund	Bus Replace- ment Fund	Technology Fund	PERS Fund	Grant Fund	Student Body Fund	Extra Curricular Fund
REVENUES:								
Local Sources		\$3,143		\$1,891	\$2,353		\$43,740	\$3,137
Intermediate Sources								
State Sources			-			\$500		
Federal Sources	\$213,871							
Total Revenues	213,871	3,143	-	1,891	2,353	500	43,740	3,137
EXPENDITURES:								
Instruction	94,836	3,028		-			34,051	
Supporting Services	119,035	2,950	\$246,248	68,533		-		
Enterprise and Community Services	-							
Total Expenditures	213,871	5,978	246,248	68,533		-	34,051	-
Excess of Receipts Over (Under) Expenditures	-	(2,835)	(246,248)	(66,642)	2,353	500	9,689	3,137
OTHER FINANCING SOURCES (USES):								
Operating Transfer In		-	65,500	-	-		-	-
Total Other Financing Sources	-	-	65,500	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	(2,835)	(180,748)	(66,642)	2,353	500	9,689	3,137
FUND BALANCES, July 01, 2016	-	212,854	182,190	193,112	151,774	3,935	51,836	201,510
FUND BALANCES, June 30, 2017	\$ -	\$ 210,019	\$ 1,442	\$ 126,470	\$ 154,127	\$ 4,435	\$ 61,525	\$ 204,647
Schedule:	E-3	E-4	E-5	E-6	E-7	E-8	E-9	E-10

Food Service Fund	Maintenance Fund	Actual	Final Budget	Over (Under) Budget
\$447	\$1,963	\$56,674	\$35,323	\$21,351
		-	1,600	(1,600)
1,410		1,910	1,600	310
116,886		330,757	400,384	(69,627)
<u>118,743</u>	<u>1,963</u>	<u>389,341</u>	<u>438,907</u>	<u>(49,566)</u>
	-	131,915	326,238	(194,323)
	21,714	458,480	539,575	(81,095)
<u>172,377</u>	<u></u>	<u>172,377</u>	<u>155,300</u>	<u>17,077</u>
<u>172,377</u>	<u>21,714</u>	<u>762,772</u>	<u>1,021,113</u>	<u>(258,341)</u>
(53,634)	(19,751)	(373,431)	(582,206)	208,775
25,000	50,000	140,500	105,000	35,500
<u>25,000</u>	<u>50,000</u>	<u>140,500</u>	<u>105,000</u>	<u>35,500</u>
(28,634)	30,249	(232,931)	(477,206)	244,275
<u>10,448</u>	<u>151,657</u>	<u>1,159,316</u>	<u>971,325</u>	<u>187,991</u>
<u>\$ (18,186)</u>	<u>\$ 181,906</u>	<u>\$ 926,385</u>	<u>\$ 494,119</u>	<u>\$ 432,266</u>
E-11	E-12			

Douglas County School District #77

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Federal Fund

For the Fiscal Year Ended June 30, 2017

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>
REVENUES:			
Federal Sources:			
Small Rural School Grant			
Title IA / ID Grant			
Improve Teacher Quality Grant			
IDEA Grant			
Perkins Grant			
Total Federal Sources			
Total Revenue			
EXPENDITURES:			
Instructional Services:			
High School Programs	-	-	\$672
Pre-Kindergarten Programs	-	-	-
IDEA	\$248	\$21	1,051
Title IA/D	45,812	29,236	8,171
Total Instruction	<u>46,060</u>	<u>29,257</u>	<u>9,894</u>
Support Services:			
Guidance Services	-	-	-
Psychological Services	38,580	35,820	-
Improvement of Instruction Services	30,289	14,346	-
Total Support Services	<u>68,869</u>	<u>50,166</u>	<u>-</u>
Enterprise and Community Services			
Community Services	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 114,929</u>	<u>\$ 79,423</u>	<u>\$ 9,894</u>
Excess of Receipts Over (Under) Expenditures			

FUND BALANCE, July 1, 2016

FUND BALANCE, June 30, 2017

(1) Level of Budget Appropriation

Supplies and Materials	Actual	Budget	Over (Under) Budget
	\$ 11,185	\$ 15,000	\$ (3,815)
	98,336	155,000	(56,664)
	23,089	29,525	(6,436)
	75,720	72,859	2,861
	5,541	-	5,541
	<u>213,871</u>	<u>272,384</u>	<u>(58,513)</u>
	<u>213,871</u>	<u>272,384</u>	<u>(58,513)</u>
\$4,869	5,541		
-	-	38,708	
-	1,320	-	
4,756	87,975	107,580	
<u>9,625</u>	<u>94,836</u>	<u>146,288</u>	(1) <u>\$ (51,452)</u>
-	-		
-	74,400	61,758	
-	44,635	64,238	
<u>-</u>	<u>119,035</u>	<u>125,996</u>	(1) <u>(6,961)</u>
-	-	100	
<u>-</u>	<u>-</u>	<u>100</u>	(1) <u>-</u>
<u>\$ 9,625</u>	<u>213,871</u>	<u>272,384</u>	<u>(58,413)</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Douglas County School District #77

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Curriculum Replacement Fund

For the Fiscal Year Ended June 30, 2017

	<u>Supplies and Materials</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Local Sources:				
Interest on Investment		\$ 3,143	\$ -	\$ 3,143
Total Local Sources		<u>3,143</u>	<u>-</u>	<u>3,143</u>
Total Revenues		<u>3,143</u>	<u>-</u>	<u>\$ 3,143</u>
EXPENDITURES:				
Instructional Services:				
Primary, K-3	\$ 1,087	1,087	20,000	(18,913)
Middle/Jr High Programs	-	-	15,000	(15,000)
High School Programs	1,941	1,941	15,000	(13,059)
Total Instruction	<u>3,028</u>	<u>3,028</u>	<u>50,000</u>	(1) <u>\$ (46,972)</u>
Support Services				
Instructional Staff Development	<u>2,950</u>	<u>2,950</u>	<u>-</u>	
Total Support Services	<u>2,950</u>	<u>2,950</u>	<u>50,000</u>	(1) <u>\$ (47,050)</u>
Total Expenditures	<u>\$ 2,950</u>	<u>5,978</u>	<u>50,000</u>	<u>(47,050)</u>
Excess of Receipts Over (Under) Expenditures		(2,835)	(50,000)	50,193
Other Financing Sources (Uses):				
Transfers In		-	-	-
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		<u>(2,835)</u>	<u>(50,000)</u>	<u>50,193</u>
FUND BALANCE, July 1, 2016		<u>212,854</u>	<u>200,000</u>	<u>12,854</u>
FUND BALANCE, June 30, 2017		<u>\$ 210,019</u>	<u>\$ 150,000</u>	<u>\$ 63,047</u>

(1) Level of Budget Appropriation

Douglas County School District #77

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Bus Replacement Fund

For the Fiscal Year Ended June 30, 2017

	<u>Capital Outlay</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Local Sources				
Interest on Investment		\$ -	\$ -	\$ -
Total Local Sources		<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Support Services:				
Student Transportation Services	\$ 246,248	246,248	210,825	35,423
Total Support Services	<u>246,248</u>	<u>246,248</u>	<u>210,825</u>	(1) <u>35,423</u>
Total Expenditures	<u>\$ 246,248</u>	<u>246,248</u>	<u>210,825</u>	<u>35,423</u>
Excess of Revenues Over (Under) Expenditures		(246,248)	(210,825)	(35,423)
OTHER FINANCING SOURCES & (USES):				
Operating Transfer In		65,500	30,000	35,500
Total Other Financing Sources		<u>65,500</u>	<u>30,000</u>	<u>35,500</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources		(180,748)	(180,825)	77
FUND BALANCE, July 1, 2016		<u>182,190</u>	<u>180,825</u>	<u>1,365</u>
FUND BALANCE, June 30, 2017		<u>\$ 1,442</u>	<u>\$ -</u>	<u>\$ 1,442</u>

(1) Level of Budget Appropriation

Douglas County School District #77

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Technology Fund

For the Fiscal Year Ended June 30, 2017

	Actual	Budget	Over (Under) Budget
REVENUES:			
Local Sources:			
Interest Income	\$ 1,891	\$ -	\$ 1,891
Total Local Sources	<u>1,891</u>	<u>-</u>	<u>1,891</u>
EXPENDITURES:			
Support Services:			
Technology Services	68,533	100,000	
Total Support Services	<u>68,533</u>	<u>100,000</u>	(1) <u>(31,467)</u>
Total Expenditures	<u>68,533</u>	<u>100,000</u>	<u>(31,467)</u>
Excess of Receipts Over (Under) Expenditures	(66,642)	(100,000)	33,358
Other Financing Sources (Uses):			
Transfers In	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(66,642)</u>	<u>(100,000)</u>	<u>33,358</u>
FUND BALANCE, July 1, 2016	<u>193,112</u>	<u>200,000</u>	<u>(6,888)</u>
FUND BALANCE, June 30, 2017	<u>\$ 126,470</u>	<u>\$ 100,000</u>	<u>\$ 26,470</u>

(1) Level of Budget Appropriation

Douglas County School District #77

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Pers Fund

For the Fiscal Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES:			
Local Sources			
Interest on Investmets	\$ 2,353		\$ 2,353
Total Local Sources	<u>2,353</u>		<u>2,353</u>
Excess of Receipts Over (Under) Expenditures	2,353	-	2,353
FUND BALANCE, July 1, 2016	<u>151,774</u>	\$ 150,637	<u>1,137</u>
FUND BALANCE, June 30, 2017	<u>\$ 154,127</u>	<u>\$ 150,637</u>	<u>\$ 3,490</u>

Douglas County School District #77Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Grant Fund

For the Fiscal Year Ended June 30, 2017

	<u>Actual</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:			
State Sources:			
State Grant-Restricted	\$ 500	\$ -	\$500
Total State Grants	<u>500</u>	<u>-</u>	<u>500</u>
EXPENDITURES:			
Support Services:			
Curriculum Development	-	1,000	(1,000)
Instructional Staff Development	-	2,254	(2,254)
Total Support Services	<u>-</u>	<u>3,254 (1)</u>	<u>(3,254)</u>
Total Expenditures	<u>-</u>	<u>3,254</u>	<u>(3,254)</u>
Excess of Receipts Over (Under) Expenditures	500	(3,254)	3,754
FUND BALANCE, July 1, 2016	<u>3,935</u>	<u>3,254</u>	<u>681</u>
FUND BALANCE, June 30, 2017	<u>\$4,435</u>	<u>\$ -</u>	<u>\$4,435</u>

(1) Level of Budget Appropriation

Douglas County School District #77

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Student Body Funds

For the Fiscal Year Ended June 30, 2017

	<u>Purchase Services</u>	<u>Supplies and Materials</u>	<u>Other Objects</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES:						
Local Sources						
Extra Curricular Activities				\$ 17,486	\$ 30,328	\$ (12,842)
Contributions from Private Sources				26,254	4,395	21,859
Total Local Sources				<u>43,740</u>	<u>34,723</u>	<u>9,017</u>
Total Revenues				<u>43,740</u>	<u>34,723</u>	<u>9,017</u>
EXPENDITURES:						
Instruction Services:						
Elementary Extracurricular	\$ 81	\$ 2,326	\$ -	2,407		
Middle/Jr High Extracurricular	-	2,846	-	2,846		
High School Extracurricular	5,208	23,267	323	28,798	29,950	
Total Instruction Services	<u>5,289</u>	<u>28,439</u>	<u>323</u>	<u>34,051</u>	<u>29,950</u>	(1) <u>4,101</u>
Total Expenditures	<u>\$ 5,289</u>	<u>\$ 28,439</u>	<u>\$ 323</u>	<u>34,051</u>	<u>29,950</u>	<u>4,101</u>
Excess of Revenues Over (Under) Expenditures				9,689	4,773	4,916
FUND BALANCE, July 1, 2016				<u>51,836</u>	<u>40,000</u>	<u>11,836</u>
FUND BALANCE, June 30, 2017				<u>\$ 61,525</u>	<u>\$ 44,773</u>	<u>\$ 16,752</u>

(1) Level of Budget Appropriation

Douglas County School District #77

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Extra Curricular Fund

For the Fiscal Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES:			
Local Sources			
Interest on Investments	\$ 3,137	\$ -	\$ 3,137
Total Local Sources	<u>\$ 3,137</u>	<u>\$ -</u>	<u>\$ 3,137</u>
EXPENDITURES:			
Instructional Services:			
High School Extracurricular	-	100,000	
Total Instructional Services	<u>-</u>	<u>100,000</u>	<u>(1) (100,000)</u>
Excess of Revenues Over (Under) Expenditures	3,137	(100,000)	103,137
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	3,137	(100,000)	103,137
FUND BALANCE, July 1, 2016	<u>201,510</u>	<u>200,000</u>	<u>1,510</u>
FUND BALANCE, June 30, 2017	<u>\$ 204,647</u>	<u>\$ 100,000</u>	<u>\$ 104,647</u>

(1) Level of Budget Appropriation

Douglas County School District #77

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Food Services Fund

For the Fiscal Year Ended June 30, 2017

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
REVENUES:				
Local Sources:				
Food Service Sales				
Total Local Sources				
State Sources:				
State School Fund Match				
Total State Sources				
Federal Sources:				
Child Nutrition Program				
Commodities				
Total Federal Sources				
Total Revenues				
EXPENDITURES:				
Enterprise and Community Services	\$ 37,762	\$ 52,807	\$ 9,089	\$ 70,093
Total Expenditures	<u>\$ 37,762</u>	<u>\$ 52,807</u>	<u>\$ 9,089</u>	<u>\$ 70,093</u>
Excess of Revenues Over (Under) Expenditures				
OTHER FINANCING SOURCES & (USES):				
Operating Transfers In				
Total Other Financing Sources				
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)				
FUND BALANCE, July 1, 2016				
FUND BALANCE, June 30, 2017				
(1) Level of Budget Appropriation				

Other Objects	Actual	Budget	Over (Under) Budget
	\$ 447	\$ 600	\$ (153)
	<u>447</u>	<u>600</u>	<u>(153)</u>
	1,410	1,600	(190)
	<u>1,410</u>	<u>1,600</u>	<u>(190)</u>
	106,506	120,000	(13,494)
	10,380	8,000	2,380
	<u>116,886</u>	<u>128,000</u>	<u>(11,114)</u>
	<u>118,743</u>	<u>130,200</u>	<u>(11,457)</u>
\$ 2,626	<u>172,377</u>	<u>155,200</u>	<u>17,177</u>
<u>\$ 2,626</u>	<u>172,377</u>	<u>155,200</u>	(1) <u>17,177</u>
	(53,634)	(25,000)	(28,634)
	25,000	25,000	-
	<u>25,000</u>	<u>25,000</u>	(1) <u>-</u>
	(28,634)	-	(28,634)
	10,448	-	10,448
<u>\$ (18,186)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,186)</u>

Douglas County School District #77

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Maintenance Fund

For the Fiscal Year Ended June 30, 2017

	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES:					
Local Sources:					
Earnings on Investments:					
Interest on Investment			\$ 1,963	\$ -	\$ 1,963
Total Local Sources			<u>1,963</u>	<u>-</u>	<u>1,963</u>
Total Revenues			<u>1,963</u>	<u>-</u>	<u>1,963</u>
EXPENDITURES:					
Support Services:					
Operation & Maintenance of Plant	\$ 21,468	\$ 246	21,714	100,500	(78,786)
Total Support Services	<u>21,468</u>	<u>246</u>	<u>21,714</u>	<u>100,500</u>	(1) <u>(78,786)</u>
Total Expenditures	<u>\$ 21,468</u>	<u>\$ 246</u>	<u>21,714</u>	<u>100,500</u>	<u>(78,786)</u>
Excess of Receipts Over (Under) Expenditures			(19,751)	(100,500)	80,749
OTHER FINANCING SOURCES & (USES):					
Operating Transfers In			50,000	50,000	-
Operating Transfers (Out)			-	-	-
Contingency			-	-	-
Total Other Financing Sources			<u>50,000</u>	<u>50,000</u>	(1) <u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)			30,249	(50,500)	(80,749)
FUND BALANCE, July 1, 2016			<u>151,657</u>	<u>150,500</u>	<u>1,157</u>
FUND BALANCE, June 30, 2017			<u>\$ 181,906</u>	<u>\$ 100,000</u>	<u>\$ (81,906)</u>

(1) Level of Budget Appropriation

Other Supporting Schedules

Debt Service Funds

Douglas County School District #77Combining Balance Sheet
Non-Major Debt Service Funds

For the Fiscal Year Ended June 30, 2017

	Debt Service Fund	QSBC Debt Service Fund	Totals
ASSETS			
Cash and Investments	\$ 13,646	\$ -	\$ 13,646
Receivables			
Intergovernmental Accounts Receivable		1,318	1,318
Property Taxes	10,964		10,964
Prepaid Interest		10,915	10,915
Total Assets	<u>\$ 24,610</u>	<u>\$ 12,233</u>	<u>\$ 36,843</u>
LIABILITIES & FUND BALANCES			
LIABILITIES:			
Deferred Inflows of Resources			
Deferred Property Taxes	\$ 9,590	\$ -	\$ 9,590
Due to the General Fund		15,478	15,478
Total Liabilities	<u>9,590</u>	<u>15,478</u>	<u>25,068</u>
FUND BALANCE:			
Reserved for Payment of Debt Service	<u>15,020</u>	<u>(3,245)</u>	<u>11,775</u>
Total Liabilities & Fund Equity	<u>\$ 24,610</u>	<u>\$ 12,233</u>	<u>\$ 36,843</u>

Douglas County School District #77

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Actual and Budget
 Non-Major Debt Service Funds

For the Fiscal Year Ended June 30, 2017

	Debt Service Fund	QSBC Debt Service Fund	Total
REVENUES:			
Local Sources:			
Property Tax - Current	\$ 93,287	\$ -	\$ 93,287
Property Tax - Prior Years	4,163	-	4,163
Miscellaneous Revenue	-	8,579	8,579
Total Local Sources	<u>97,450</u>	<u>8,579</u>	<u>106,029</u>
Federal Sources:			
Federal Subsidy Payments	-	19,200	19,200
Total Federal Sources	<u>-</u>	<u>19,200</u>	<u>19,200</u>
Total Revenue	97,450	27,779	125,229
EXPENDITURES:			
Other Sources (Uses)			
Debt Reduction - Principal	80,000	36,000	116,000
Interest	20,531	19,200	39,731
Total Other Uses	<u>100,531</u>	<u>55,200</u>	<u>155,731</u>
Total Expenditures	<u>100,531</u>	<u>55,200</u>	<u>155,731</u>
Excess of Revenues Over (Under) Expenditures	(3,081)	(27,421)	(30,502)
OTHER FINANCING SOURCES:			
Operating Transfer In	-	25,000	25,000
Total Other Financing Sources	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	(3,081)	(2,421)	(5,502)
FUND BALANCE, July 1, 2016	<u>18,101</u>	<u>(824)</u>	<u>17,277</u>
FUND BALANCE, June 30, 2017	<u>\$ 15,020</u>	<u>\$ (3,245)</u>	<u>\$ 11,775</u>

Douglas County School District #77Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Debt Service Fund

For the Fiscal Year Ended June 30, 2017

	<u>Other</u>	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Local Sources:				
Property Tax - Current		\$ 93,287	\$ 95,000	\$ (1,713)
Property Tax - Prior Years		4,163	4,000	163
Total Local Sources		<u>97,450</u>	<u>99,000</u>	<u>(1,550)</u>
EXPENDITURES:				
Other Sources (Uses)				
Debt Reduction - Principal	\$ 80,000	80,000	80,000	-
Interest	20,531	20,531	20,531	-
Total Other Uses	<u>100,531</u>	<u>100,531</u>	<u>100,531</u>	<u>-</u>
Total Expenditures	<u>\$ 100,531</u>	<u>100,531</u>	<u>100,531</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures		(3,081)	(1,531)	(1,550)
FUND BALANCE, July 1, 2016		<u>18,101</u>	<u>10,781</u>	<u>7,320</u>
FUND BALANCE, June 30, 2017		<u>\$ 15,020</u>	<u>\$ 9,250</u>	<u>\$ 5,770</u>

(1) Level of Budget Appropriation

Douglas County School District #77Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
QSBC Service Fund

For the Fiscal Year Ended June 30, 2017

	<u>Other</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Local Sources:				
Miscellaneous		\$ 8,579	\$ 8,500	\$ 79
Total Local Sources		<u>8,579</u>	<u>8,500</u>	<u>79</u>
Federal Sources				
Federal Subsidy Payment		<u>19,200</u>	-	<u>19,200</u>
Total Federal Sources		<u>19,200</u>	<u>-</u>	<u>19,200</u>
Total Revenue		<u>27,779</u>	<u>8,500</u>	<u>19,279</u>
Other Sources (Uses)				
Debt Reduction - Principal	\$ 36,000	36,000	36,000	-
Interest	19,200	19,200	575	18,625
Total Other Uses	<u>55,200</u>	<u>55,200</u>	<u>36,575</u>	<u>18,625</u>
Total Expenditures	<u>\$ 55,200</u>	<u>55,200</u>	<u>36,575</u>	<u>18,625</u>
Excess of Revenues Over (Under) Expenditures		(27,421)	(28,075)	654
OTHER FINANCING SOURCES:				
Operating Transfer In		<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total Other Financing Sources		<u>25,000</u>	<u>25,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources		(2,421)	(3,075)	654
FUND BALANCE, July 1, 2016		<u>(824)</u>	<u>28,500</u>	<u>(29,324)</u>
FUND BALANCE, June 30, 2017		<u>\$ (3,245)</u>	<u>\$ 25,425</u>	<u>\$ (28,670)</u>
(1) Level of Budget Appropriation				

Fiduciary Funds

Scholarship Fund

Douglas County School District #77Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Gregory Scholarship Fund

For the Fiscal Year Ended June 30, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
ADDITIONS:			
Local Sources:			
Miscellaneous Income	\$ 500	\$ 500	\$ -
Total Local Sources	<u>500</u>	<u>500</u>	<u>-</u>
DEDUCTIONS:			
Support Services:			
Fiscal Services	-	1,000	(1,000)
Total Support Services	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>
Total Expenditures	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>
Change in Net Position	500	(500)	1,000
Net Position, July 1, 2016	<u>46,649</u>	<u>46,500</u>	<u>149</u>
Net Position, June 30, 2017	<u>\$ 47,149</u>	<u>\$ 46,000</u>	<u>\$ 1,149</u>

Other Supplemental Schedules

Schedule of Taxes

District Audit Revenue Summary

Schedule of Expenditures

Schedule of Federal Financial Assistance

Douglas County School District #77

Schedule of Taxes

For the Fiscal Year Ended June 30, 2017

Assessed Valuation, 2016-2017 Tax Roll	<u>\$ 207,797,835</u>
District's Permanent Tax Rate	<u>4.7431</u>
District's Bond Tax Rate	<u>0.4812</u>
Net Tax Levy	<u>\$ 1,085,598</u>
Total Tax Imposed	<u>\$ 1,016,462</u>

	Uncollected Balance July 1, 2016	Discounts	County Interest Distributed	Tax Collector's Adjustment Increase (Decrease)	Collections During the Year	Uncollected Balance June 30, 2017
2016-17	44,895	(25,536)	486	(968,171)	943,882	44,134
2015-16	25,603	2	1,199	(10,771)	12,685	24,891
2014-15	16,527	3	1,300	(6,024)	6,899	16,955
2013-14	10,086	2	1,898	(5,504)	7,480	10,010
2012-13	4,028	3	1,614	(1,270)	2,865	4,049
2011-12	2,762	-	307	(820)	555	3,334
2010-11	2,155	-	232	(234)	381	2,239
2009-10 & Prior	2,000	-	361	(2,005)	493	3,872
Totals	<u>\$ 108,055</u>	<u>\$ (25,526)</u>	<u>\$ 7,397</u>	<u>\$ (994,798)</u>	<u>\$ 975,240</u>	<u>\$ 109,484</u>

	Current	Prior	Total
Current Year Collections:			
Douglas County:			
Tax Levies	\$ 943,882	\$ 31,358	\$ 975,240
Add: Accrued Taxes at June 30, 2017	11,414	20,024	\$ 31,438
Less: Accrued Taxes at June 30, 2016	(7,001)	(7,253)	(14,905)
	<u>\$ 948,295</u>	<u>\$ 44,129</u>	<u>992,424</u>
Land Sales			
Add: Change in Deferred Income			2,220
			<u>\$ 994,644</u>
			A-2

Schedule:	C-1	855,008	39,966
	F-3	93,287	4,163
		<u>\$ 948,295</u>	<u>\$ 44,129</u>

2016-17 DISTRICT AUDIT REVENUE SUMMARY
Douglas County School District #77

Revenue from Local Sources

1110 Ad Valorem Taxes Levied by District
1120 Local Option Ad Valorem Taxes Levied by District
1130 Construction Excise Tax
1190 Penalties and Interest on Taxes
1200 Revenue from Local Governmental Units Other Than Districts
1300 Tuition
1400 Transportation
1500 Earnings on Investments
1600 Food Service
1700 Extracurricular Activities
1800 Community Services Activities
1910 Rentals
1920 Contributions and Donations From Private Sources
1930 Rental or Lease Payments From Private Contractors
1940 Services Provided Other Local Education Agencies
1950 Textbook Sales and Rentals
1960 Recovery of Prior Years' Expenditure
1970 Services Provided Other Funds
1980 Fees Charged to Grants
1990 Miscellaneous

Fund 100	Fund 200	Fund 300	Fund 700
894,974		97,450	
18,720	18,057		
	447		
	17,486		
150			
-	26,254		500
301,096			
7756			
206,914	-	8,579	
\$ 1,429,610	\$ 62,244	\$ 106,029	\$ 500

Total Revenue from Local Sources**Revenue from Intermediate Sources**

2101 County School Funds
2102 General ESD Revenue
2199 Charter District Revenue
2200 Restricted Revenue
2800 Revenue in Lieu of Taxes
2900 Revenue for/on Behalf of the District

Total Revenue from Intermediate Sources

Fund 100	Fund 200	Fund 300	Fund 700
3,656			
38,403			
\$ 42,059	\$ -	\$ -	\$ -

Revenue from State Sources

3101 State School Fund - General Support
3102 State School Fund - School Lunch Match
3103 Common School Fund
3104 State Managed County Timber
3106 State School Fund - Accrual
3199 Other Unrestricted Grants-in-Aid
3200 Restricted Grants-In-Aid
3222 State School Fund (SSF) Transportation Equipment
3299 Other Restricted Grants-in-Aid
3800 Revenue in Lieu of Taxes
3900 Revenue for/on Behalf of the District

Total Revenue from State Sources

Fund 100	Fund 200	Fund 300	Fund 700
2,292,417			
	1,410		
35,344			
155,087			
1,333			
	500		
\$ 2,484,181	\$ 1,910	\$ -	\$ -

Revenue from Federal Sources

4100 Unrestricted Revenue Direct From the Federal Government
4200 Unrestricted Revenue From the Federal Government Through the State
4300 Restricted Revenue From the Federal Government
4500 Restricted Revenue From the Federal Government Through the State
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies
4801 Federal Forest Fees
4802 Impact Aid to School Districts for Operation (PL 874)
4803 Coos Bay Wagon Road Funds
4899 Other Revenue in Lieu of Taxes
4900 Revenue for/on Behalf of the District

Total Revenue from Federal Sources

Fund 100	Fund 200	Fund 300	Fund 700
	11,185		
	303,651		
	5,541		
5,528			
	10,380	19,200	
\$ 5,528	\$ 330,757	\$ 19,200	\$ -

Revenue from Other Sources

5100 Long Term Debt Financing Sources
5200 Interfund Transfers In
5300 Sale of or Compensation for Loss of Fixed Assets
5400 Resources - Beginning Fund Balance

Total Revenue from Other Sources

Fund 100	Fund 200	Fund 300	Fund 700
	140,500	25,000	
1,006,191	1,531,527	17,277	46,649
\$ 1,006,191	\$ 1,672,027	\$ 42,277	\$ 46,649

Grand Totals

\$ 4,967,569	\$ 2,066,938	\$ 167,506	\$ 47,149
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2016-17 DISTRICT AUDIT EXPENDITURE SUMMARY
Douglas County School District #77
Fund: 100 General Fund

Instruction Disbursements

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	476,640	294,263	164,660	12,880	4,837			
1112 Intermediate Programs	150				150			
1113 Elementary Extracurricular	100			100				
1121 Middle/Junior High Programs	290,458	182,608	97,977	6,198	3,675			
1122 Middle/Junior High School Extracurricular	15,795	11,500	1,729	1,800	591		175	
1131 High School Programs								
1132 High School Extracurricular	175			175				
1140 Pre-Kindergarten Programs								
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities								
1250 Less Restrictive Programs for Students with Disabilities	277,471	177,360	83,153	16,731	227		-	
1260 Treatment and Habilitation								
1271 Remediation								
1272 Title I								
1280 Alternative Education	930,475			930,475				
1290 Designated Programs								
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
Total Instruction Disbursements	\$ 1,991,264	\$ 665,731	\$ 347,519	\$ 968,359	\$ 9,480	\$ -	\$ 175	\$ -

Support Services Disbursements

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services								
2120 Guidance Services	24,394	21,568	2,401	425	-			
2130 Health Services	164				164			
2140 Psychological Services	31,378			31,378				
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Direction, Student Support Services								
2210 Improvement of Instruction Services	33,171	23,297	9,874	-				
2220 Educational Media Services	7,428				4,936		2,492	
2230 Assessment & Testing	257			257				
2240 Instructional Staff Development	175			-	175			
2310 Board of Education Services	31,633			25,427	390		5,816	
2320 Executive Administration Services	167,796	74,872	49,044	32,020	6,827		5,033	
2410 Office of the Principal Services	178,712	109,247	66,556	1,864	1,045			
2490 Other Support Services - School Administration								
2510 Direction of Business Support Services								
2520 Fiscal Services	47,054		-	45,100	-		1,954	
2540 Operation and Maintenance of Plant Services	326,703	82,228	45,849	120,592	27,573	13,320	37,141	
2550 Student Transportation Services	327,803	156,319	104,546	17,815	39,410		9,713	
2558 Special Education Transportation								
2570 Internal Services	2,014			2,014	-			
2610 Direction of Central Support Services								
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services								
2630 Information Services								
2640 Staff Services								
2660 Technology Services	206,159			160,106	45,978		75	
2670 Records Management Services								
2690 Other Support Services - Central								
2700 Supplemental Retirement Program								
Total Support Services Disbursements	\$ 1,384,841	\$ 467,531	\$ 278,270	\$ 436,998	\$ 126,498	\$ 13,320	\$ 62,224	\$ -

Enterprise and Community Services Disbursements

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services								
3200 Other Enterprise Services								
3300 Community Services								
3500 Custody and Care of Children Services								
Total Enterprise and Community Services Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Facilities Acquisition and Construction Disbursements

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction								
4120 Site Acquisition and Development Services								
4150 Building Acquisition, Construction, and Improvement Services								
4190 Other Facilities Construction Services								
Total Facilities Acquisition and Construction Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Other Uses Disbursements

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service								
5200 Transfers of Funds	165,500							165,500
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
Total Other Uses Disbursements	\$ 165,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,500

Grand Total

\$ 3,541,605	\$ 1,133,262	\$ 625,789	\$ 1,405,357	\$ 135,978	\$ 13,320	\$ 62,399	\$ 165,500
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2016-17 DISTRICT AUDIT EXPENDITURE SUMMARY
Douglas County School District #77
Fund: 200 Special Revenue Funds

Instruction Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	1,087				1,087			
1112 Intermediate Programs								
1113 Elementary Extracurricular	2,407			81	2,326			
1121 Middle/Junior High Programs	-				-			
1122 Middle/Junior High School Extracurricular	2,846				2,846			
1131 High School Programs	7,482			672	6,810			
1132 High School Extracurricular	28,798			5,208	23,267		323	
1140 Pre-Kindergarten Programs	-	-	-		-			
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities								
1250 Less Restrictive Programs for Students with Disabilities	1,320	248	21	1,051				
1260 Treatment and Habilitation								
1271 Remediation								
1272 Title I	87,975	45,812	29,236	8,171	4,756			
1280 Alternative Education								
1291 English Second Language Programs								
1292 Teen Parent Program								
1293 Migrant Education								
1294 Youth Corrections Education								
1299 Other Programs								
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
Total Instruction Disbursements	\$131,915	\$ 46,060	\$ 29,257	\$ 15,183	\$ 41,092	\$ -	\$ 323	\$ -
Support Services Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-			-				
2120 Guidance Services								
2130 Health Services								
2140 Psychological Services	74,400	38,580	35,820					
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Direction, Student Support Services								
2210 Improvement of Instruction Services	44,635	30,289	14,346					
2220 Educational Media Services	-			-				
2230 Assessment & Testing								
2240 Instructional Staff Development	2,950			2,950				
2310 Board of Education Services								
2320 Executive Administration Services								
2410 Office of the Principal Services								
2490 Other Support Services - School Administration								
2510 Direction of Business Support Services								
2520 Fiscal Services								
2540 Operation and Maintenance of Plant Services	28,614			28,368	246			
2550 Student Transportation Services	246,248					246,248	-	
2570 Internal Services								
2610 Direction of Central Support Services								
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services								
2630 Information Services								
2640 Staff Services								
2660 Technology Services	68,533				68,533			
2670 Records Management Services								
2690 Other Support Services - Central								
2700 Supplemental Retirement Program								
Total Support Services Disbursements	\$465,380	\$ 68,869	\$ 50,166	\$ 31,318	\$ 68,779	\$ 246,248	\$ -	\$ -
Enterprise and Community Services Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	172,377	37,762	52,807	9,089	70,093		2,626	
3200 Other Enterprise Services								
3300 Community Services	-				-			
3500 Custody and Care of Children Services								
Total Enterprise and Community Services Disbursements	\$172,377	\$ 37,762	\$ 52,807	\$ 9,089	\$ 70,093	\$ -	\$ 2,626	\$ -
Facilities Acquisition and Construction Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction								
4120 Site Acquisition and Development Services								
4150 Building Acquisition, Construction, and Improvement Services	-							
4190 Other Facilities Construction Services								
Total Facilities Acquisition and Construction Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service								
5200 Transfers of Funds								
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
Total Other Uses Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$769,672	\$ 152,691	\$ 132,230	\$ 55,590	\$ 179,964	\$ 246,248	\$ 2,949	\$ -

2016-17 DISTRICT AUDIT EXPENDITURE SUMMARY
Douglas County School District #77
Fund: 300 Debt Service Funds

Instruction Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	-							
1112 Intermediate Programs								
1113 Elementary Extracurricular	-							
1121 Middle/Junior High Programs	-							
1122 Middle/Junior High School Extracurricular	-							
1131 High School Programs	-							
1132 High School Extracurricular	-							
1140 Pre-Kindergarten Programs	-							
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities								
1250 Less Restrictive Programs for Students with Disabilities	-							
1260 Treatment and Habilitation								
1271 Remediation								
1272 Title I	-							
1280 Alternative Education								
1291 English Second Language Programs								
1292 Teen Parent Program								
1293 Migrant Education								
1294 Youth Corrections Education								
1299 Other Programs								
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
Total Instruction Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services								
2120 Guidance Services	-							
2130 Health Services								
2140 Psychological Services	-							
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Direction, Student Support Services								
2210 Improvement of Instruction Services	-							
2220 Educational Media Services	-							
2230 Assessment & Testing								
2240 Instructional Staff Development	-							
2310 Board of Education Services								
2320 Executive Administration Services								
2410 Office of the Principal Services								
2490 Other Support Services - School Administration								
2510 Direction of Business Support Services								
2520 Fiscal Services								
2540 Operation and Maintenance of Plant Services	-							
2550 Student Transportation Services	-							
2570 Internal Services								
2610 Direction of Central Support Services								
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services								
2630 Information Services								
2640 Staff Services								
2660 Technology Services	-							
2670 Records Management Services								
2690 Other Support Services - Central								
2700 Supplemental Retirement Program								
Total Support Services Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise and Community Services Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	-							
3200 Other Enterprise Services								
3300 Community Services	-							
3500 Custody and Care of Children Services								
Total Enterprise and Community Services Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction								
4120 Site Acquisition and Development Services								
4150 Building Acquisition, Construction, and Improvement Services	-							
4190 Other Facilities Construction Services								
Total Facilities Acquisition and Construction Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	155,731						155,731	
5200 Transfers of Funds								
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
Total Other Uses Disbursements	\$ 155,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,731	\$ -
Grand Total	\$ 155,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,731	\$ -

Douglas County School District No.77

Schedule of Federal Financial Assistance

For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Period Beginning Ending		Grant #	Program or Award Amount	2016-17 Revenue	2016-17 Expenditures
U.S. Department of Agriculture							
Passed through State Department of Education:							
Commodities	10.550	07/01/16	06/30/17		\$ 10,380	\$ 10,380	\$ 10,380
National School Breakfast Program	10.553	07/01/16	06/30/17		36,052	36,052	36,052
National School Lunch Program	10.555	07/01/16	06/30/17		70,454	70,454	70,454
Passed Through Douglas County:							
Federal Forest Fees	10.665	07/01/16	06/30/17		5,528	5,528	5,528
Total U.S. Department of Agriculture						122,414	122,414
U.S. Department of Education							
Direct Program:							
Rural Education Achievement Program	84.358	07/01/15	06/30/16	S358A154088	14,878	11,185	11,185
Passed Through Douglas County:							
Douglas Education Service District							
Carl Perkins - Vocational Education	84.048	07/01/16	06/30/17	DESD	5,541	5,541	5,541
Passed Through State Department of Education:							
Title I Grants to Local Education Agencies	84.010	07/01/15	09/03/16	35978	128,207	19,259	19,259
Title I Grants to Local Education Agencies	84.010	07/01/16	09/30/17	41062	146,662	79,077	79,077
SPR&I	84.027	07/01/16	06/30/17	40830	1,320	1,320	1,320
IDEA - Part B, Section 611 - Formula	84.027	07/01/16	06/30/17	41509	61,987	60,945	60,945
IDEA - Part B, Section 611 - Formula	84.027	07/01/15	09/30/17	36853	59,699	11,864	11,864
IDEA - Part B, Section 619	84.173	07/01/16	09/30/18	40591	270		
IDEA - Part B, Section 620	84.173	07/01/15	09/30/17	37165	66		
IDEA Enhancement	84.027	10/01/16	09/30/17	42648	1,591	1,591	1,591
Title II A	84.367	07/01/15	09/30/16	36175	19,525	9,397	9,397
Title II A	84.367	07/01/16	09/30/17	41317	18,709	13,692	13,692
Total U.S. Department of Education						213,871	213,871
TOTAL FEDERAL ASSISTANCE						\$ 336,285	\$ 336,285

Oregon Public Employees Retirement System
Schedule of Pension Amounts under GASB 68
Employer #2765: Glendale School District

Measurement Date [MD] of the Net Pension Liability/(Asset) [NPL(A)]	June 30, 2016
Actuarial Valuation Date (liability rolled forward to MD)	December 31, 2014
Discount rate	7.50%
Employer's proportionate share at prior MD	0.0317537%
Employer's proportionate share at MD	0.0243031%
Employer's proportionate share of system NPL(A) at prior MD	\$ 1,823,124
Employer's proportionate share of system NPL(A) at MD	3,648,466
• Sensitivity: NPU(A) using discount rate 1.00% lower	5,891,055
• Sensitivity: NPU(A) using discount rate 1.00% higher	1,774,053

Employer Pension Expense for Measurement Period

• Employer's proportionate share of system Pension Expense/(Income)	653,758
• Net amortization of deferred amounts from:	
o Changes in proportionate share	(116,400)
o Differences between employer contributions and employer's proportionate share of system contributions	(3,725)
	-
Employer's Total Pension Expense/(Income)	\$ 533,633

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 120,707	\$ -
Changes of assumptions	778,130	-
Net difference between projected and actual earnings on	720,784	-
Changes in proportionate share	-	479,706
Changes in proportion and differences between employer	47,732	45,481
Total (prior to post-MD contributions)	\$ 1,667,353	\$ 525,187
Contributions subsequent to the MD	397,671	-
Total Deferred Outflow/(Inflow) of Resources	\$ 2,065,024	\$ 525,187
Net Deferred Outflow/(Inflow) of Resources		\$ 1,142,166

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 171,355
2nd Fiscal Year	171,356
3rd Fiscal Year	439,566
4th Fiscal Year	325,889
5th Fiscal Year	34,000
Thereafter	0
Total	\$ 1,142,166

Auditor's Comments and Disclosures
Required by State Law



NEUNER, DAVIDSON, COOLEY & RAPP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Thomas J. Davidson, C.P.A.
Jeffrey R. Cooley, C.P.A.
Vickie L. Rapp, C.P.A.
Traci I. Trotter, C.P.A.
Brandon R. Lee, C.P.A.

2500 W. Harvard Ave
Roseburg, Oregon 97471
<http://www.ndkccpa.com>

P.O. Box 1786
Roseburg, Oregon 97470
Phone (541) 672-4886
Fax (541) 673-3712

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Douglas County School District #77
PO Box E
Glendale, OR 97442

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Douglas County School District #77, as of and for the year ended June 30, 2017, and have issued our report thereon dated November 21, 2017.

Compliance

As part of obtaining reasonable assurance about whether the District'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 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial 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:

- 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).

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

Member:

American Institute of Certified Public Accountants
Oregon Society of Certified Public Accountants
Private Companies Practice Section

OAR 162-10-0230 Internal Control

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

Restrictions on Use

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

Neuner, Davidson, Cooley & Rapp, LLC
Certified Public Accountants

A handwritten signature in black ink, appearing to read 'J. R. Cooley', with a stylized flourish at the end.

Jeffrey R. Cooley, CPA
Roseburg, Oregon
November 21, 2017



NEUNER, DAVIDSON, COOLEY & RAPP, LLC

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Roseburg, Oregon 97470
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Fax (541) 673-3712

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

Board of Directors
Douglas County School District #77
PO Box E
Glendale, OR 97442

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Douglas County School District #77, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise of Douglas County School District #77's basic financial statements, and have issued our report thereon dated November 21, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglas County School District #77's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the of Douglas County School District #77's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglas County School District #77's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Douglas County School District #77's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Neuner, Davidson, Cooley & Rapp, LLC
Roseburg, Oregon
November 21, 2017

Form 581-3211-C

DOUGLAS COUNTY SCHOOL DISTRICT #77

June 30, 2017

SUPPLEMENTAL INFORMATION, 2016-2017

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.

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

A. Energy Bill for Heating - **All Funds:**

Please enter your expenditures for electricity
& heating fuel for these Functions & Objects.

	Objects 325 & 326
Function 2540	\$ 111,028
Function 2550	5,230

B. Replacement of Equipment – **General Fund:**

Include all General Fund expenditures in object 542, except for the following exclusions:

Exclude these functions:

1113, 1122 & 1132

1140

1300

1400

Co-curricular Activities

Pre-Kindergarten

Continuing Education

Summer School

Exclude these functions:

4150

2550

3100

3300

Construction

Pupil Transportation

Food Service

Community Services

\$ 0
