

DOUGLAS COUNTY SCHOOL DISTRICT No. 77

GLENDAL, OREGON

Audit Report

June 30, 2018

Douglas County School District #77

Glendale, Oregon

June 30, 2018

BOARD OF DIRECTORS

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

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

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10598 Azalea Glen Road, Glendale, OR 97442

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10598 Azalea Glen Road, Glendale, OR 97442

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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, 2018

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Douglas County School District #77

Glendale, Oregon

June 30, 2018

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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, 2018, 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.

**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, 2018, 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*

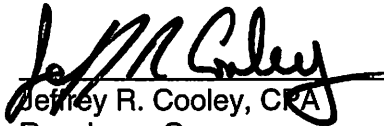
In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2018 on our consideration of the Douglas County School District #77's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 October 24, 2018 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 & Co
Certified Public Accountants

By:



Jeffrey R. Cooley, CPA
Roseburg, Oregon
October 24, 2018

Management's Discussion and Analysis

Douglas County School District No. 77
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

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, 2018. 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 \$69,271 from \$1,856,093 to 1,925,364 on June 30, 2018. 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 decreased \$665,308 from \$4,923,561 to \$4,258,253 on June 30, 2018. This decrease is also due to the continued reporting adjustment and implementation of GASB 68.
- The general fund ending balance decreased \$119,624 from \$1,425,966 on June 30, 2017 to 1,306,342 on June 30, 2018. This includes transfers to other funds in the amount of \$354,079.
- General fund receipts were greater than expenditures by \$234,455; then transfers to other funds in the amount of \$354,079 reduced this number to (\$119,624).
- Revenues from all other governmental funds were less than disbursements by \$118,378, then transfers from the general fund of \$354,079 resulted in a net increase of \$235,701.

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 No. 77
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

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
- 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
 - 260 Student Body Funds
 - 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 400, 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 Gregory Scholarship Fund 700.

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, 2018 was \$1,925,364 of which \$2,892,951 is held as cash in the state's local government investment pools and checking account, \$235,724 is due to the district from property taxes and accounts receivable. Noncurrent assets (land and land improvements, vehicles, equipment, less accumulated depreciation) equal \$1,680,915.

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

Douglas County School District No. 77
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

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	2016-17 Modified Accrual	2017-18 Modified Accrual
Local	1,597,883	1,186,970
Intermediate	42,059	46,186
State	2,486,091	2,847,199
Federal	355,485	517,673
Total Revenues	4,481,518	4,598,028

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 2017-2018, 65% was received as State School Support. The district's State School Support receipts for fiscal 2017-18 increased \$219,505 from the prior year. Property taxes contributed 24% of the total revenue.

Disbursements - Governmental Funds (All Funds)

Disbursements	2016-17 Modified Accrual	2017-18 Modified Accrual
Instruction	2,123,179	2,557,434
Support Services	1,850,221	1,570,429
Enterprise and Community	172,377	190,553
Debt Service	155,731	155,231
Total Expenditures	4,301,508	4,473,647

Total expenditures for all governmental funds increased \$172,139 from the previous year. During fiscal year 2017-2018, disbursements for instruction increased \$434,255 and disbursements for supporting services decreased \$279,792 as compared to 2016-2017. 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, 2018 was \$1,306,342. This is a \$119,624 decrease from 2016-2017.

The Building Fund is the other identified major fund. The fund balance as of June 30, 2018 is \$379,185, an increase of \$8,305 from June 30, 2017.

The Non-Major governmental Funds balance increased from \$938,159 in 2016-17 to \$1,173,859 in 2017-18, a difference of \$235,700. These funds received a transfer from General Fund of \$354,079 in 2017-18.

Douglas County School District No. 77
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Budget Variance Analysis

Budget appropriations changed for the 17-18 year as described in the Notes to Financial Statements 1E. The General Fund, Special Revenue Funds and Charter School Fund moved existing appropriations to specific categories as needed.

Long Term Debt Activity

At June 30, 2018 the District had \$462,000 of bonded indebtedness outstanding.

Analysis of Currently Known Facts

The Glendale School District has been conservative in spending for quite a few years. Funds have been put aside for purchases other than general operating expenses.

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, 2018

	Governmental Activities	Component Unit
ASSETS		
Current Assets:		
Cash and Investments	\$ 2,892,951	\$ 12,793
Accounts Receivable	98,995	795
Property Taxes Receivable	106,729	-
Other Receivables	30,000	-
Inventory-Food, Supplies & Commodities	1,909	-
Total Current Assets	<u>3,130,584</u>	<u>13,588</u>
Capital Assets		
Land	70,514	-
Land Improvements	144,034	-
Buildings & Improvements	6,702,092	-
Vehicles	1,054,353	-
Equipment	150,358	-
Less: Accumulated Depreciation	<u>(6,440,436)</u>	<u>-</u>
Total Capital Assets, Net of Depreciaton	<u>1,680,915</u>	<u>-</u>
Deferred Outflow of Resources:		
Share of Retirement Health Insurance Account	6,198	-
Deferred Amount of Bond Interest Funding	11,678	-
PERS Pension Related Deferred Outflows	<u>1,354,242</u>	<u>-</u>
	1,372,118	-
Total Assets	<u>\$ 6,183,617</u>	<u>\$ 13,588</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 28,122	\$ 13,588
Payroll Liabilities	160,863	-
Accrued Vacation Liability	9,723	-
Current Portion of QSCB Bond Payable	36,000	-
Current Portion of Bonds Payable	<u>95,000</u>	<u>-</u>
Total Current Liabilities	<u>329,708</u>	<u>13,588</u>
Noncurrent Liabilities		
Net Pension Liability	<u>3,124,382</u>	<u>-</u>
	<u>3,124,382</u>	<u>-</u>
Long-Term Liabilities:		
QSCB Bond Payable	262,000	-
Bonds Payable	200,000	-
Less: Current Portion	<u>(131,000)</u>	<u>-</u>
Total Long-Term Liabilities	<u>331,000</u>	<u>-</u>
Deferred Inflow of Resources:		
Actual to Expected Differences	-	-
Net Difference in RHIA Investments	2,986	-
Net Difference PERS Investments	470,177	-
Total Deferred Inflow of Resources	<u>473,163</u>	<u>-</u>
Total Liabilities	<u>4,258,253</u>	<u>13,588</u>
NET POSITION		
Net investment in capital assets	1,218,915	-
Unrestricted	<u>706,449</u>	<u>-</u>
Total Net Position	<u>\$ 1,925,364</u>	<u>\$ -</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, 2018

	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	\$ (1,150,380)	\$ 31,361	\$ 290,377	\$ (828,641)	\$ (647,975)
Special Programs	(1,399,995)	-	-	(1,399,995)	-
Total Instruction	<u>(2,550,375)</u>		<u>290,377</u>	<u>(2,259,997)</u>	<u>(647,975)</u>
Supporting Services					
Students	(94,099)	-	-	(94,099)	-
Instructional Staff	(90,827)	-	60,414	(30,413)	(1,515)
General Administration	(237,155)	-	-	(237,155)	(9,894)
School Administration	(182,004)	-	-	(182,004)	(203,630)
Business & Internal Services	(50,967)	-	-	(50,967)	-
Operation & Maintenance of Plant Services	(253,767)	-	16,443	(237,324)	(274,038)
Student Transportation Services	(374,903)	-	3,480	(371,423)	(16,785)
Internal Service -Printing	(1,015)	-	-	(1,015)	-
Technology Services	(235,643)	-	-	(235,643)	-
Total Support Services	<u>(1,520,380)</u>		<u>80,337</u>	<u>(1,440,043)</u>	<u>(505,862)</u>
Enterprise & Community Services	<u>(190,698)</u>	-	<u>190,698</u>	-	-
Debt Service	<u>(34,231)</u>	-	<u>34,231</u>	-	-
Depreciation	<u>(102,447)</u>	-	-	<u>(102,447)</u>	-
Total Governmental Activities	<u>\$ (4,398,130)</u>	<u>\$ -</u>	<u>\$ 595,643</u>	<u>\$ (3,802,487)</u>	<u>\$ (1,153,837)</u>
General Revenues:					
Local Sources					
Property Taxes, levied for general purposes				\$ 1,004,988	\$ -
Interest and Investment Earnings				29,064	-
Miscellaneous Revenue				76,690	17,282
Intermediate Sources				-	1,065,319
County School Fund				6,801	-
ESD Apportionment				39,385	-
GASB 68 & GASB 75 Pension Income (Expense)				(124,286)	-
Common School Fund				26,786	-
State Manager Timber				272,745	-
State School Support available for general purposes				2,511,922	-
Other State Sources				-	-
Federal Forest Fees available for general purposes				31,853	-
Subtotal - General Revenues				<u>3,875,948</u>	<u>1,082,601</u>
Excess (deficiency) of revenues over expenses before special items				<u>73,461</u>	<u>(71,236)</u>
Change in Net Position				<u>73,461</u>	<u>(71,236)</u>
Net Position, July 1, 2017				<u>1,856,093</u>	<u>71,236</u>
Restatement due to GASB 75 Implementation				<u>(4,190)</u>	-
Net Position, July 1, 2017, restated				<u>1,851,903</u>	<u>71,236</u>
Net Position, June 30, 2018				<u>\$ 1,925,364</u>	<u>\$ -</u>

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

Douglas County School District #77Balance Sheet
Governmental Funds

June 30, 2018

	General Fund	Building Fund	Federal Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,363,367	\$ 379,185	\$ -	\$ 1,150,399	\$ 2,892,951
Receivables:					
Due From Other Funds	80,704	-	-	-	80,704
Due From Other Governments	24,819	-	47,309	26,866	98,994
Property Taxes	97,656	-	-	9,073	106,729
Other Accounts Recievable	-	-	-	30,000	30,000
Prepaid Interest	-	-	-	11,678	11,678
Inventory-Food, Supplies & Commodities	-	-	-	1,909	1,909
Total Assets	\$ 1,566,546	\$ 379,185	\$ 47,309	\$ 1,229,925	\$ 3,222,965
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 14,681	\$ -	\$ 788	\$ 12,652	\$ 28,121
Due To Other Funds	-	-	46,521	34,183	80,704
Accrued Salaries & Benefits	160,863	-	-	-	160,863
Total Current Liabilities	175,544	-	47,309	46,835	269,688
Deferred Inflows of Resources					
Deferred Property Taxes	84,660	-	-	9,231	93,891
Total Deferred Inflows	84,660	-	-	9,231	93,891
Fund Balances:					
Reserved for Inventories	-	-	-	1,909	1,909
Restricted	-	-	-	78,664	78,664
Assigned	-	379,185	-	1,093,286	1,472,471
Unassigned	1,306,342	-	-	-	1,306,342
Total Fund Balances	1,306,342	379,185	-	1,173,859	2,859,386
Total Liabilities & Fund Balances	\$ 1,566,546	\$ 379,185	\$ 47,309	\$ 1,229,925	\$ 3,222,965

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, 2018

Total governmental fund balances		\$ 2,859,386
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	\$ 8,121,351
	Accumulated Depreciation	<u>(6,440,436)</u>
Total Governmental Capital Assets net of Depreciation		1,680,915
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		(9,723)
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		
		93,891
Net pension liability is not a financial resource and therefore is not reported in the government funds:		
		(3,124,382)
Current year PERS contributions are deferred outflows of resources that will be recognized expense in the subsequent period:		
		1,354,242
The PERS RHIA Asset (Liability), and deferred inflows and outflows related to the PERS RHIA Asset is the difference between the total OPEB liability and assets set aside to pay benefits earned to past and current employees.		
		3,212
District's proportionate share of net differences between projected and actual earnings on investments that will be amortized over the next five years:		
		(470,177)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
QSC Bonds Payable		(262,000)
General Obligation Bonds		<u>\$ (200,000)</u>
Total Long-term liabilities		(462,000)
Net Position of Governmental Activities		<u>\$1,925,364</u>

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

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

For the Fiscal Year Ended June 30, 2018

	General Fund	Building Fund	Federal Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Local Sources	\$ 1,016,594	\$ 8,305	\$ -	\$ 162,071	\$ 1,186,970
Intermediate Sources	46,186	-	-	-	46,186
State Sources	2,811,453	-	-	35,746	2,847,199
Federal Sources	31,853	-	335,583	150,237	517,673
Total Revenues	<u>3,906,086</u>	<u>8,305</u>	<u>335,583</u>	<u>348,054</u>	<u>4,598,028</u>
EXPENDITURES:					
Instruction					
Regular Instruction	822,364	-	275,024	60,051	1,157,439
Special Programs	1,399,995	-	-	-	1,399,995
Supporting Services					
Students	129,759	-	14,245	-	144,004
Instructional Staff	41,178	-	46,169	3,480	90,827
General Administration	237,155	-	-	-	237,155
School Administration	182,004	-	-	-	182,004
Business & Internal Services	50,967	-	-	-	50,967
Operation & Maintenance of Plant Services	245,629	-	-	8,138	253,767
Student Transportation Services	374,903	-	-	-	374,903
Internal Services-Printing	1,015	-	-	-	1,015
Technology Services	186,662	-	-	48,981	235,643
Enterprise and Community Services					
Food Services	-	-	-	190,553	190,553
Building Acquisition, Construction & Community Services	-	-	145	-	145
Facilities Acquisition and Construction Improvement Services	-	-	-	-	-
Debt Service	-	-	-	155,231	155,231
Total Expenditures	<u>3,671,631</u>	<u>-</u>	<u>335,583</u>	<u>466,433</u>	<u>4,473,647</u>
Excess (Deficiency) of Revenues Over Expenditures	234,455	8,305	-	(118,378)	124,381
OTHER FINANCING SOURCES and (USES):					
Operating Transfers In	-	-	-	354,079	354,079
Operating Transfers Out	(354,079)	-	-	-	(354,079)
Total Other Financing Sources (Uses)	<u>(354,079)</u>	<u>-</u>	<u>-</u>	<u>354,079</u>	<u>-</u>
Net Change in Fund Balances	(119,624)	8,305	-	235,701	124,381
FUND BALANCE, July 1, 2017	<u>1,425,966</u>	<u>370,880</u>	<u>-</u>	<u>938,159</u>	<u>2,735,005</u>
Reserve for Inventory	-	-	-	1,909	1,909
Assigned	-	372,211	-	-	372,211
Unassigned	1,306,342	-	-	-	1,306,342
FUND BALANCE, June 30, 2018	<u>\$ 1,306,342</u>	<u>\$ 379,185</u>	<u>\$ -</u>	<u>\$ 1,173,859</u>	<u>\$ 2,859,386</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, 2018

Net changes in fund balances - total governmental funds		\$	124,381
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>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.</p>			
Expenditures for capitalized assets	49,905		
Less current year depreciation	<u>(102,447)</u>	(52,542)	
<p>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.</p>			
Deferred In-Flows of Resources	<u>(2,151)</u>	(2,151)	
<p>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.</p>			
Vacation Benefit Payable	<u>7,059</u>	7,059	
<p>Changes in net RHIA liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:</p>			
	<u>7,402</u>	7,402	
<p>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:</p>			
		(131,688)	
<p>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</p>			
Bonds Principal Repaid	<u>121,000</u>	121,000	
Change in Net Position - Governmental Activities		\$	<u>73,461</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, 2018

	<u>Agency Funds</u>
ASSETS:	
Cash in Checking and Certificates of Deposit:	\$ 47,649
Total Assets	<u>\$ 47,649</u>
NET POSITION	<u>\$ 47,649</u>

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

Douglas County School District #77

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2018

	<u>Private Purpose Trusts</u>
ADDITIONS	
Donations from Private Sources	\$ 500
Total Resources	<u>500</u>
DISBURSEMENTS	
Scholarships and Grants Awarded	<u>-</u>
	500
Change in Net Position	500
Net Position - July 1, 2017	<u>47,149</u>
Net Position - June 30, 2018	<u>\$ 47,649</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 governed 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.

Federal Fund - This fund accounts for Federal funding received by the District to provide services.

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.

Douglas County School District No. 77

Notes to
Financial Statements

June 30, 2018

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	\$ 2,386,247	\$ (100,000)	\$ 2,286,247
5000 Transfer of Funds	154,079	200,000	354,079
6000 Operating Contingency	100,000	(100,000)	-
Special Revenue			
2000 Support Services	621,213	(50,000)	571,213
3000 Enterprise/Community Service	170,879	50,000	220,879

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.

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

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.

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.

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

J. **Capital Assets (Cont'd)**

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:

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.

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

M. **Fund Balance & Fund Equity** (Cont'd)

- 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."

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:

- **Non-spendable**: 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.

Douglas County School District No. 77

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

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.

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	\$ 437
Checking	760,805
State Pool	<u>2,131,709</u>
	<u>\$ 2,892,951</u>

At year-end the carrying amount of the Fiduciary Cash consisted of the following:

Cash on Hand	\$ -
Checking	2,149
State Pool	<u>45,000</u>
	<u>\$ 47,149</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

2. **CASH & INVESTMENTS** (Cont'd)

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.

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, 2018 included: U.S. Government and Agency securities (25.16%), Municipal Government Securities (3.04%), Non U.S. Government Debt Obligations (6.97%), Corporate Securities (4.36%), Corporate Obligations (42.93%), Asset-Backed Securities (13.82%) Certificates of Deposits (3.66%), Cash in various banks (.06%).

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, 2018, 60.58% of the investments in the LGIP mature within 93 days, 20.54% mature within 94 days to one year, and 18.88% mature one year and beyond.

Douglas County School District No. 77

Notes to
Financial Statements

June 30, 2018

2. **CASH & INVESTMENTS** (Cont'd)

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)	\$ 2,184,709	N/A
Total Investments	<u>\$ 2,184,709</u>	

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

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:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Property Tax Receivable	\$ 97,656	\$ 9,073	\$ 106,729
Due From Other Governments	24,819	74,175	98,995
Other Accounts Receivable	30,000	-	30,000
	<u>\$ 122,475</u>	<u>\$ 83,248</u>	<u>\$ 205,724</u>

4. **CAPITAL ASSETS**

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

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>
Land	\$ 70,514	\$ -	\$ -	\$ 70,514
Land Improvements	144,034	-	-	144,034
Buildings	6,663,954	38,138	-	6,702,092
Buses & Vehicles	1,054,353	-	-	1,054,353
Equipment	138,591	11,767	-	150,358
Total Capital Assets	<u>8,071,446</u>	<u>49,905</u>	<u>-</u>	<u>8,121,351</u>
Depreciation-Land Improvements	(125,024)	(3,503)	-	(128,527)
Depreciation-Buildings	(5,343,510)	(51,793)	-	(5,395,303)
Depreciation-Bus and Vehicles	(759,048)	(40,774)	-	(799,822)
Depreciation-Equipment	(110,407)	(6,377)	-	(116,784)
Total Depreciation	<u>(6,337,989)</u>	<u>(102,447)</u>	<u>-</u>	<u>(6,440,436)</u>
Net Capital Assets	<u>\$ 1,733,457</u>	<u>\$ (52,542)</u>	<u>\$ -</u>	<u>\$ 1,680,915</u>

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

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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.

6. LONG TERM DEBT

A Summary of debt transactions for the year ended June 30, 2018 is as follows:

	<u>Outstanding</u> <u>July 01, 2017</u>	<u>Matured</u>	<u>Redeemed</u>	<u>Outstanding</u> <u>June 30, 2018</u>	<u>Due Within</u> <u>One Year</u>
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	\$ 285,000		\$ 85,000	\$ 200,000	\$ 85,000
Interest		\$ 16,031	16,031		16,031
Totals	<u>285,000</u>	<u>16,031</u>	<u>101,031</u>	<u>200,000</u>	<u>101,031</u>
 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	298,000		36,000	262,000	36,000
Interest		-	-		18,200
Totals	<u>298,000</u>	<u>-</u>	<u>36,000</u>	<u>262,000</u>	<u>54,200</u>
 TOTAL DEBT AGREEMENTS:					
Principal	583,000	-	121,000	462,000	121,000
Interest	-	16,031	16,031	-	34,231
Totals	<u>\$ 583,000</u>	<u>\$ 16,031</u>	<u>\$ 137,031</u>	<u>\$ 462,000</u>	<u>\$ 155,231</u>

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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	2019	\$ 95,000	\$ 11,250	\$ 106,250
	2020	105,000	5,906	110,906
	Total	<u>\$ 200,000</u>	<u>\$ 17,156</u>	<u>\$ 217,156</u>
Flex Fund Bonds	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	38,000	10,450	48,450
	2023-2025	76,000	20,900	96,900
Total		<u>\$ 262,000</u>	<u>\$ 88,650</u>	<u>\$ 350,650</u>

As part of the QZAB program, interest payments are subsidized by the Federal government. Therefore, the District makes principal-only payments on the bonds and the Federal government issues tax credits to the buyer. The interest subsidy for 2017-18 was \$18,200.

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, 2017. Employer contributions for the year ended June 30, 2018 were \$510,464, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2018 were 27.2 percent for Tier One/Tier Two General Service Member, 21.37 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, 2018, the district reported a liability of \$3,124,382 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to June 30, 2017. 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, 2018, the district's proportion was 0.02317784 percent, which was decreased from its proportion of 0.024303 measured as of June 30, 2017.

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7. PENSION PLAN (Cont'd)

For the year ended June 30, 2018, the district's recognized pension expense was \$ 102,470. At June 30, 2018, 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	\$ 151,096	\$ -
Changes of assumptions	569,519	-
Net difference between projected and actual earnings on investments	32,188	-
Changes in proportion	-	439,522
Difference between employer contributions and proportionate share of contributions	90,975	30,655
Total (prior to post-MD contributions)	<u>843,778</u>	<u>470,177</u>
Contributions subsequent to the MD	510,464	-
Total	<u><u>\$ 1,354,242</u></u>	<u><u>\$ 470,177</u></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 \$ 23,158	FY2018 \$ -
FY2019 279,064	FY2019 -
FY2020 171,705	FY2020 -
FY2021 (103,417)	FY2021 -
FY2022 3,092	FY2022 -
<u><u>\$ 373,601</u></u>	<u><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.

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7. PENSION PLAN (Cont'd)

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2015 rolled forward to June 30, 2017
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>

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00%	4.50%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Foreign Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equities	17.50%	7.97%
Real Estate (property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event Driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	<u>1.88%</u>	4.58%

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

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

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.

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)	\$ 5,324,517	\$ 3,124,382	\$ 1,284,661

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, 2017 measurement date.

7b. **OTHER POST EMPLOYMENT BENEFITS RHIA – OREGON PERS PLAN**

Plan Description:

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

and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the

Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortized any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2016, 2017 and 2018 were \$0.3 million, \$0.3 million and \$0.3 million, respectively, which equaled the required contributions each year.

At June 30, 2018, the District reported a net OPEB liability/(asset) of \$2,986 for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2017, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2015. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2017, the District's proportion was 0.0204 percent. OPEB expense for the year ended June 30, 2018 was \$9.

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7b. **OTHER POST EMPLOYMENT BENEFITS RHIA – OREGON PERS PLAN (Cont'd)**

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/Income	33
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share	(42)
-Differences between employer contributions and employer's proportionate share of system contributions	<u>-</u>
Employer's Total OPEB Expense/(Income)	(9)

Components of Deferred Outflows/Inflows of Resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	-	2,871
Changes in proportion	-	115
Difference between employer contributions and proportionate share of contributions	-	-
Total (prior to post-MD contributions)	<u>-</u>	<u>2,986</u>
Contributions subsequent to the MD	-	-
Total	<u>\$ -</u>	<u>\$ 2,986</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2019.

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

Year Ending June 30	
2018	\$ (760)
2019	(760)
2020	(749)
2021	(718)
2022	-
Thereafter	-
Total	<u>\$ (2,987)</u>

7b. OTHER POST EMPLOYMENT BENEFITS RHIA – OREGON PERS PLAN (Cont'd)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2017. That independently audited report was dated April 11, 2018 and can be found at:

http://www.oregon.gov/pers/EMP/Documents/GASB/2018/GASB_75_06.30.2017.pdf

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2015 rolled forward to June 30, 2017
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
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
Retiree healthcare participation	Healthy retirees: 38% Disabled Retirees: 20%
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 value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based in the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

Discount Rate:

The discount rate used to measure the total OPEB liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

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7b. **OTHER POST EMPLOYMENT BENEFITS RHIA – OREGON PERS 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 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumption 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</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00%	4.50%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Foreign Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equities	17.50%	7.97%
Real Estate (property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event Driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	<u>1.88%</u>	4.58%
 Total	 <u><u>100%</u></u>	
 Assumed Inflation - Mean		 2.50%

(Source: June 30, 2017 PERS CAFR; p. 69)

Douglas County School District No. 77

7b. **OTHER POST EMPLOYMENT BENEFITS RHIA – OREGON PERS PLAN (Cont'd)**

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate - The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.50 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 (8.5 percent) than the current rate.

	<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% increase (8.5%)</u>
District's proportionate share of the net RHIA liability (asset)	\$ 864	\$ (6,198)	\$ (12,205)

Changes Subsequent to the Measurement Date

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

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, 2018, employees of the District had earned vacation pay in the amount of \$9,723. 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 2017-2018 fiscal year is \$9,767. 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

Douglas County School District No. 77

Notes to
Financial Statements

June 30, 2018

12. RISK MANAGEMENT(Cont'd)

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.

11. 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		\$ 354,079
Non-Major Funds:		
Bus Replacement Fund	\$ 55,000	
PERS Reserve Fund	100,000	
Food Service Fund	74,079	
Maintenance Fund	95,000	
QSCB Debt Service Fund	30,000	
	<u>\$ 354,079</u>	<u>\$ 354,079</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 <u>June 30, 2018</u>	Budgeted <u>July 01, 2018</u>
General Fund	\$ 1,306,342	\$ 1,350,000
Federal Fund	-	-
Curriculum Replacement Fund	199,452	197,000
Bus Replacement Fund	56,442	101,441
Technology Fund	98,181	150,000
Pers Fund	257,603	157,000
Grant Fund	2,671	-
Student Body Fund	66,973	65,000
Extra Curricular Fund	209,271	207,500
Food Service Fund	(335)	10,409
Building Fund	379,185	375,000
Maintenance Fund	272,337	185,000
Debt Service Fund	10,287	15,000
QSCB Debt Service Fund	978	24,450
Gregory Scholarship Fund	47,649	48,000

Douglas County School District No. 77

Notes to
Financial Statements

June 30, 2018

14. **DEFICIT FUND BALANCE**

Deficit fund balances in individual funds for the year ended June 30, 2018 occurred as follows:

<u>Fund</u>	<u>Fund Balance</u>
Food Service Fund	\$ (335)

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 No. 77

Notes to
Financial Statements

June 30, 2018

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:

	<u>General Fund</u>	<u>Building Project Fund</u>	<u>Federal Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:					
<u>Non-Spendable</u>					
Reserved for Inventory	\$ -	\$ -		\$ 1,909	\$ 1,909
	<u>-</u>	<u>-</u>		<u>1,909</u>	<u>1,909</u>
<u>Restricted:</u>					
Federal Funds			-		-
State Grant Fund				2,671	2,671
Food Service Fund				(2,245)	(2,245)
Student Body Fund				66,973	66,973
Debt Service				11,265	11,265
	<u>-</u>	<u>-</u>		<u>78,664</u>	<u>78,664</u>
<u>Assigned to:</u>					
Curriculum Replacment Fund				199,452	199,452
Technology Fund				98,181	98,181
Extra Curriculum Fund				209,271	209,271
Maintenance Fund				272,337	272,337
Pers Fund				257,603	257,603
Building Fund		379,185			379,185
Bus Replacment Fund				56,442	56,442
	<u>-</u>	<u>379,185</u>	<u>-</u>	<u>1,093,286</u>	<u>1,472,471</u>
<u>Unassigned:</u>	<u>1,306,342</u>	<u>-</u>		<u>-</u>	<u>1,306,342</u>
Total Fund Balances	<u>\$ 1,306,342</u>	<u>\$ 379,185</u>	<u>\$ -</u>	<u>\$ 1,173,859</u>	<u>\$ 2,859,386</u>

16. PRIOR PERIOD RESTATEMENT – GASB 75

Due to additional reporting made available by the State of Oregon PERS regarding Retire Healthcare Insurance account assets and liabilities, a prior period adjustment to beginning Net Position of (\$4,190) to recognize prior proportionate share of the PERS GASB 75 Net Pension Liability.

Governmental Activities	
Net Position, June 30, 2017	\$ 1,856,093
Adoption of GASB No. 75	<u>(4,190)</u>
Net Position, June 30, 2017 restated	<u>\$ 1,851,903</u>

Douglas County School District No. 77

Notes to
Financial Statements

June 30, 2018

17. **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. For the 17-18 year Glendale School District was not affected by tax abatements from the county.

18. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 24, 2018, 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

Federal Fund

GASB 68

Douglas County School District #77

Budgetary Comparison Schedule for the General Fund

For the Fiscal Year Ended June 30, 2018

	Actual	Original Budget	Final Budget	Over (Under) Budget
REVENUES:				
Local Sources:				
Tax Levy-Current Year & Offsets	\$ 869,374	\$ 890,000	\$ 890,000	\$ (20,626)
Tax Levy-Prior Years	37,750	20,000	20,000	17,750
County Land Sales	3,716	-	-	3,716
Earnings on Investments	29,064	23,000	23,000	6,064
Services Provided to Other Districts	-	345,000	345,000	(345,000)
Miscellaneous Local Sources & Refunds	76,690	80,000	80,000	(3,310)
Total Local Sources	<u>1,016,594</u>	<u>1,358,000</u>	<u>1,358,000</u>	<u>(341,406)</u>
Intermediate Sources:				
County School Funds	6,801	3,500	3,500	3,301
ESD Apportionment	39,385	39,000	39,000	385
Total Intermediate Sources	<u>46,186</u>	<u>42,500</u>	<u>42,500</u>	<u>3,686</u>
State Sources:				
Basic School Support	2,511,922	2,374,824	2,374,824	137,098
Common School Fund	26,786	18,000	18,000	8,786
State Managed County Timber	272,745	75,000	75,000	197,745
Total State Sources	<u>2,811,453</u>	<u>2,467,824</u>	<u>2,467,824</u>	<u>343,629</u>
Federal Sources:				
Federal Forest Fees	31,853	-	-	31,853
Total Federal Sources	<u>31,853</u>	<u>-</u>	<u>-</u>	<u>31,853</u>
Total Revenues	3,906,086	3,868,324	3,868,324	37,762
EXPENDITURES: Schedule C-2	<u>3,671,631</u>	<u>3,968,352</u>	<u>3,768,352</u>	<u>(96,721)</u>
Excess of Revenues Over (Under) Expenditures	234,455	(100,028)	99,972	134,483
OTHER FINANCING SOURCES (USES):				
Operating Transfers (Out)	(354,079)	(154,079)	(354,079)	-
Total Other Financing Sources (Uses)	<u>(354,079)</u>	<u>(154,079)</u>	<u>(354,079)</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(119,624)	(254,107)	(254,107)	134,483
FUND BALANCE, July 1, 2017	<u>1,425,966</u>	<u>1,104,107</u>	<u>1,104,107</u>	<u>321,859</u>
FUND BALANCE, June 30, 2018	<u>\$ 1,306,342</u>	<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ 456,342</u>

Douglas County School District #77

Budgetary Comparison Schedule of General Fund Expenditures

For the Fiscal Year Ended June 30, 2018

	<u>Salaries</u>	<u>Employees Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
INSTRUCTION:				
Regular Programs:				
Primary, K-3	\$ 321,154	\$ 206,502	\$ 25,314	\$ 16,761
Intermediate Programs	-	-	-	159
Middle/Junior High Programs	135,040	86,513	4,063	8,278
Extracurricular	12,899	1,356	2,959	961
High School Programs	55	20	-	-
Special Programs:				
Restrictive Programs for Students with Disabilities	1,128	408	-	-
Resource Rooms	183,691	78,014	61,808	9,627
Alternative Education Programs	-	-	1,065,319	-
Total Instruction	<u>653,967</u>	<u>372,813</u>	<u>1,159,463</u>	<u>35,786</u>
SUPPORTING SERVICES:				
Students:				
Guidance & Counseling Services	50,591	3,799	4,047	-
Health Services	-	-	-	594
Psychological Services	-	-	30,000	-
Service Direction, Student Support	33,007	2,959	4,462	300
Instructional Staff:				
Improvement of Instruction	-	-	-	-
Service Area Direction	23,090	11,846	284	-
Other Improvement of Instruction Services	-	-	-	455
Educational Media Services	-	-	-	2,081
Assessment & Testing	-	-	-	-
Instructional Staff Development	-	-	758	-
Board of Education Services	-	-	21,439	192
Executive Administration Services	104,740	63,718	23,334	14,270
Office of Principal	108,559	71,258	628	875
Business:				
Fiscal Services	-	-	49,100	-
Operation & Maintenance of Plant	66,182	38,151	81,362	17,861
Student Transportation	159,210	118,102	26,288	56,992
Internal Services-Printing	-	-	1,015	-
Central Services:				
Technology Services	-	-	151,336	35,251
Supplemental Retirement Program	-	-	-	-
Appropriation Changes	-	-	-	-
Total Supporting Services	<u>545,379</u>	<u>309,833</u>	<u>394,053</u>	<u>128,871</u>
ENTERPRISE AND COMMUNITY SERVICES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FACILITIES ACQUISITION AND CONSTRUCTION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CONTINGENCIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 1,199,346</u>	<u>\$ 682,646</u>	<u>\$ 1,553,516</u>	<u>\$ 164,656</u>

(1) Level of Budget Appropriation

Capital Outlay	Other	Total Expenditures	Original Budget	Final Budget	Over (Under) Budget
\$ -	\$ -	\$ 569,731			
-	-	159			
-	-	233,894			
-	330	18,505			
-	-	75			
-	-	1,536			
-	-	333,140			
-	-	1,065,319			
-	330	2,222,359	2,386,247	\$ 2,286,247 (1)	\$ (63,888)
-	-	58,437			
-	-	594			
-	-	30,000			
-	-	40,728			
-	-	-			
-	-	35,220			
-	-	455			
-	2,664	4,745			
-	-	-			
-	-	758			
-	5,578	27,209			
-	3,884	209,946			
-	684	182,004			
-	-	-			
-	1,867	50,967			
5,972	36,102	245,629			
-	14,311	374,903			
-	-	1,015			
-	-	-			
-	75	186,662			
-	-	-			
-	-	-			
5,972	65,165	1,449,272	1,482,105	1,482,105 (1)	(32,833)
-	-	-	-	- (1)	-
-	-	-	-	- (1)	-
-	-	-	100,000	- (1)	-
\$ 5,972	\$ 65,495	\$ 3,671,631	\$ 3,968,352	\$ 3,768,352	\$ (96,721)

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, 2018

	Actual	Original & Final Budget	Over (Under) Budget
REVENUES:			
Local Sources:			
Earnings on Investments	\$ 8,305	\$ -	\$ 8,305
Total Revenues	<u>8,305</u>	<u>-</u>	<u>8,305</u>
EXPENDITURES:			
Support Services			
Repair and Maintenance	-	235,000	(235,000)
Total Support Services	<u>-</u>	<u>235,000</u>	<u>(235,000)</u>
Facilities Acquisition and Construction			
Service Area Direction	-	-	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>235,000</u>	<u>(235,000)</u>
Excess (Deficiency) of Revenues Over Expenditures	8,305	(235,000)	243,305
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	8,305	(235,000)	243,305
FUND BALANCE, July 1, 2017	370,880	360,000	10,880
FUND BALANCE, June 30, 2018	<u>\$ 379,185</u>	<u>\$ 125,000</u>	<u>\$ 254,185</u>

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, 2018

	<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			
SPR & I			
IDEA Grant			
Perkins Grant			
Total Federal Sources			
Total Revenue			
EXPENDITURES:			
Instructional Services:			
High School Programs	\$ -	\$ -	\$ 653
Pre-Kindergarten Programs	30,020	10,159	-
IDEA	21,248	29,121	-
Title IA/D	109,806	68,639	-
Total Instruction	<u>161,074</u>	<u>107,919</u>	<u>653</u>
Support Services:			
Service Direction and Student Support Services	9,473	4,772	-
Improvement of Instruction Services	29,387	15,078	-
Instructional Staff Development	-	-	1,704
Total Support Services	<u>38,860</u>	<u>19,850</u>	<u>1,704</u>
Enterprise and Community Services			
Community Services	-	-	-
Total Support Services	-	-	-
Total Expenditures	<u>\$ 199,934</u>	<u>\$ 127,769</u>	<u>\$ 2,357</u>

Excess of Receipts Over
(Under) Expenditures

FUND BALANCE, July 1, 2017

FUND BALANCE, June 30, 2018

(1) Level of Budget Appropriation

Supplies and Materials	Actual	Budget	Over (Under) Budget
	\$ 44,975	\$ 19,514	\$ 25,461
	210,071	140,000	70,071
	21,260	18,709	2,551
	1,006	1,320	(314)
	52,351	70,859	(18,508)
	5,920	-	5,920
	<u>335,583</u>	<u>250,402</u>	<u>85,181</u>
	<u>335,583</u>	<u>250,402</u>	<u>85,181</u>
\$ 4,290	4,943	-	
224	40,403	-	
864	51,233	-	
-	178,445	-	
<u>5,378</u>	<u>275,024</u>	<u>182,623</u>	(1) <u>\$ 92,401</u>
-	14,245	-	
-	44,465	-	
-	1,704	-	
<u>-</u>	<u>60,414</u>	<u>17,779</u>	(1) <u>42,635</u>
145	145	-	
<u>145</u>	<u>145</u>	<u>50,000</u>	(1) <u>(49,855)</u>
<u>\$ 5,523</u>	<u>335,583</u>	<u>250,402</u>	<u>85,181</u>
	-	-	-
	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2018**

Schedule of Proportionate Share of Net Pension Liability

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
OPERS net pension liability (asset) - calculated	\$ 1,348,003,956	\$ 15,012,323,510	\$5,741,462,792	\$ (2,266,715,500)
District's proportion of the net pension liability (asset)	0.23177840%	2.43031400%	0.03175365%	0.03767910%
District's proportionate share of the net pension liability (asset)	\$ 3,124,382	\$ 3,648,466	\$ 1,823,124	\$ (854,078)
District's PERS covered payroll	\$1,781,140	\$1,644,331	\$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	175.41%	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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,354,242	\$ 2,065,024	\$ 361,175	\$ 353,151
Contributions in relation to the contractually required contribution	<u>\$ (510,464)</u>	<u>\$ (397,671)</u>	<u>\$ (262,863)</u>	<u>\$ (353,151)</u>
Contribution deficiency (excess)	<u>\$ 843,778</u>	<u>\$ 1,667,353</u>	<u>\$ 98,312</u>	<u>\$ -</u>
District's PERS covered payroll	\$1,781,140	\$1,664,331	\$1,616,123	\$1,621,512
Contributions as a percentage of PERS covered payroll	47.37%	124.08%	22.35%	21.78%

Other Supplemental Information

All Non-Major Governmental Funds

Combining Balance Sheet-All Funds

Combining Schedule of Revenues and Expenditures

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

June 30, 2018

	Special Revenue	Debt Service	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,138,592	\$ 11,807	\$ 1,150,399
Receivables:			
Due From Other Governments	26,866	-	26,866
Property Taxes	-	9,073	9,073
Other Accounts Receivable	30,000	-	30,000
Prepaid Interest	-	11,678	11,678
Inventory-Food, Supplies & Commodities	1,909	-	1,909
Total Assets	\$ 1,197,367	\$ 32,558	\$ 1,229,925
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 12,652	\$ -	\$ 12,652
Due To Other Funds	22,121	12,062	34,183
Total Current Liabilities	34,773	12,062	46,835
Deferred Inflows of Resources			
Deferred Property Taxes	-	9,231	9,231
Total Deferred Inflows	-	9,231	9,231
Fund Balances:			
Reserved for Inventories	1,909	-	1,909
Restricted For Debt Service	-	11,265	11,265
Assigned			
Student Body Fund	66,973	-	66,973
Food Service Fund	(335)	-	(335)
Unreserved	1,094,047	-	1,094,047
Total Fund Balances	1,162,594	11,265	1,173,859
Total Liabilities & Fund Balances	\$ 1,197,367	\$ 32,558	\$ 1,229,925

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, 2018

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES			
Revenues from:			
Basic School Support			
Taxes - Current Year	\$ -	\$ 92,291	\$ 92,291
Taxes - Prior Years	-	4,008	4,008
Interest on Investments	18,754	-	18,754
Fees & Charges	22,005	-	22,005
Miscellaneous Local Revenues	14,791	10,223	25,014
State Grants	35,746	-	35,746
Federal Reimbursement Grants	132,037	18,200	150,237
Total Revenues	<u>223,333</u>	<u>124,722</u>	<u>348,054</u>
EXPENDITURES			
Instruction			
Regular Instruction	60,051	-	60,051
Support Services			
Service Direction and Support Services	-	-	-
Operation of Plant Services	8,138	-	8,138
Student Transportation Services	3,480	-	3,480
Technology Services	48,981	-	48,981
Enterprise & Community Services	190,553	-	190,553
Debt Service	-	155,231	155,231
Total Expenditures	<u>311,202</u>	<u>155,231</u>	<u>466,433</u>
Excess (Deficiency) of Revenues Over Expenditures	(87,869)	(30,509)	(118,378)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	324,079	30,000	354,079
Total Other Financing Sources (Uses)	<u>324,079</u>	<u>30,000</u>	<u>354,079</u>
Net Change in Fund Balance	236,210	(509)	235,701
FUND BALANCE - July 1, 2017	926,385	11,774	938,159
FUND BALANCE - June 30, 2018	<u>\$ 1,162,594</u>	<u>\$ 11,265</u>	<u>\$ 1,173,859</u>

Douglas County School District #77

**Combining Balance Sheet
Non-Major Special Revenue Funds**

For the Fiscal Year Ended June 30, 2018

	<u>Curriculum Replace- ment Fund</u>	<u>Bus Replacement Fund</u>	<u>Technology Fund</u>	<u>Pers Fund</u>
ASSETS				
Cash and Investments	\$ 199,452	\$ 56,442	\$ 68,181	\$ 257,603
Receivables	-	-	30,000	-
Intergovernmental Accounts Receivable	-	-	-	-
Inventory	-	-	-	-
Total Assets	<u><u>\$ 199,452</u></u>	<u><u>\$ 56,442</u></u>	<u><u>\$ 98,181</u></u>	<u><u>\$ 257,603</u></u>
 LIABILITIES & FUND BALANCE				
LIABILITIES:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to General Fund	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 FUND BALANCE:				
Unreserved	<u>199,452</u>	<u>56,442</u>	<u>98,181</u>	<u>257,603</u>
 Total Liabilities & Fund Balance	<u><u>\$ 199,452</u></u>	<u><u>\$ 56,442</u></u>	<u><u>\$ 98,181</u></u>	<u><u>\$ 257,603</u></u>

Grant Fund	Student Body Fund	Extra Curricular Fund	Food Service Fund	Maintenance Fund	Totals
\$ -	\$ 67,167	\$ 209,271	\$ 1	\$ 280,475	\$ 1,138,592
-	-	-	-	-	30,000
4,394	1,315	-	21,157	-	26,866
-	-	-	1,909	-	1,909
<u>\$ 4,394</u>	<u>\$ 68,482</u>	<u>\$ 209,271</u>	<u>\$ 23,067</u>	<u>\$ 280,475</u>	<u>\$ 1,197,367</u>
\$ -	\$ 1,509	\$ -	\$ 3,004	\$ 8,138	\$ 12,651
1,723	-	-	20,398	-	22,121
<u>1,723</u>	<u>1,509</u>	<u>-</u>	<u>23,402</u>	<u>8,138</u>	<u>34,772</u>
2,671	66,973	209,271	(335)	272,337	1,162,594
<u>\$ 4,394</u>	<u>\$ 68,482</u>	<u>\$ 209,271</u>	<u>\$ 23,067</u>	<u>\$ 280,475</u>	<u>\$ 1,197,366</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, 2018

	<u>Curriculum Replace- ment Fund</u>	<u>Bus Replace- ment Fund</u>	<u>Technology Fund</u>	<u>PERS Fund</u>	<u>Grant Fund</u>	<u>Student Body Fund</u>
REVENUES:						
Local Sources	\$ 4,526	\$ -	\$ 2,559	\$ 3,476	\$ 4,500	\$ 31,361
Intermediate Sources	-	-	-	-	-	-
State Sources	-	-	30,000	-	4,394	-
Federal Sources	-	-	-	-	-	-
Total Revenues	<u>4,526</u>	<u>-</u>	<u>32,559</u>	<u>3,476</u>	<u>8,894</u>	<u>31,361</u>
EXPENDITURES:						
Instruction	15,093	-	11,867	-	7,178	25,912
Supporting Services	-	-	48,981	-	3,480	-
Enterprise and Community Services	-	-	-	-	-	-
Total Expenditures	<u>15,093</u>	<u>-</u>	<u>60,848</u>	<u>-</u>	<u>10,658</u>	<u>25,912</u>
Excess of Receipts Over (Under) Expenditures	(10,567)	-	(28,289)	3,476	(1,764)	5,449
OTHER FINANCING SOURCES (USES):						
Operating Transfer In	-	55,000	-	100,000	-	-
Total Other Financing Sources	<u>-</u>	<u>55,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(10,567)	55,000	(28,289)	103,476	(1,764)	5,449
FUND BALANCES,						
July 01, 2017	<u>210,019</u>	<u>1,442</u>	<u>126,470</u>	<u>154,127</u>	<u>4,435</u>	<u>61,524</u>
FUND BALANCES,						
June 30, 2018	<u>\$ 199,452</u>	<u>\$ 56,442</u>	<u>\$ 98,181</u>	<u>\$ 257,603</u>	<u>\$ 2,671</u>	<u>\$ 66,973</u>
Schedule:	E-3	E-5	E-6	E-7	E-8	E-9

Extra Curricular Fund	Food Service Fund	Maintenance Fund	Actual	Final Budget	Over (Under) Budget
\$ 4,624	\$ 935	\$ 3,568	\$ 55,550	\$ 34,923	\$ 20,627
-	-	-	-	-	-
-	1,352	-	35,746	1,600	34,146
-	132,037	-	132,037	120,000	12,037
<u>4,624</u>	<u>134,324</u>	<u>3,568</u>	<u>223,333</u>	<u>156,523</u>	<u>66,810</u>
-	-	-	60,051	205,763	(145,712)
-	-	8,138	60,599	268,434	(207,835)
-	190,553	-	190,553	170,879	19,674
-	<u>190,553</u>	<u>8,138</u>	<u>311,202</u>	<u>645,076</u>	<u>(333,874)</u>
4,624	(56,229)	(4,570)	(87,869)	(488,553)	400,684
-	74,079	95,000	324,079	129,079	195,000
-	<u>74,079</u>	<u>95,000</u>	<u>324,079</u>	<u>129,079</u>	<u>195,000</u>
4,624	17,850	90,430	236,210	(359,474)	595,684
<u>204,647</u>	<u>(18,185)</u>	<u>181,906</u>	<u>926,385</u>	<u>952,485</u>	<u>(26,100)</u>
<u>\$ 209,271</u>	<u>\$ (335)</u>	<u>\$ 272,337</u>	<u>\$ 1,162,594</u>	<u>\$ 593,011</u>	<u>\$ 569,583</u>
E-10	E-11	E-12			

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, 2018

	<u>Supplies and Materials</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Local Sources:				
Interest on Investment		\$ 4,526	\$ -	\$ 4,526
Total Revenues		<u>4,526</u>	<u>-</u>	<u>4,526</u>
EXPENDITURES:				
Instructional Services:				
Primary, K-3	\$ 4,884	4,884	10,000	(5,116)
Middle/Jr High Programs	4,699	4,699	10,000	(5,301)
High School Programs	5,510	5,510	35,000	(29,490)
Total Expenditures	<u>\$ -</u>	<u>15,093</u>	<u>55,000</u>	<u>(39,907)</u>
Excess of Receipts Over (Under) Expenditures		(10,567)	(55,000)	44,433
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		(10,567)	(55,000)	44,433
FUND BALANCE, July 1, 2017		<u>210,019</u>	<u>205,000</u>	<u>5,019</u>
FUND BALANCE, June 30, 2018		<u>\$ 199,452</u>	<u>\$ 150,000</u>	<u>\$ 49,452</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, 2018

	Actual	Original Budget	Final Budget	Over (Under) Budget
REVENUES:				
Local Sources				
Interest on Investment	\$ -	\$ -	\$ -	\$ -
Total Local Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Support Services:				
Student Transportation Services	-	134,000	134,000	(134,000)
Total Support Services	<u>-</u>	<u>134,000</u>	<u>134,000</u>	<u>(134,000)</u>
Total Expenditures	<u>-</u>	<u>134,000</u>	<u>134,000</u>	<u>(134,000)</u>
Excess of Revenues Over (Under) Expenditures	-	(134,000)	(134,000)	134,000
OTHER FINANCING SOURCES & (USES):				
Operating Transfer In	<u>55,000</u>	<u>30,000</u>	<u>55,000</u>	<u>-</u>
Total Other Financing Sources	<u>55,000</u>	<u>30,000</u>	<u>55,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	55,000	(104,000)	(79,000)	134,000
FUND BALANCE, July 1, 2017	<u>1,442</u>	<u>104,000</u>	<u>104,000</u>	<u>(102,558)</u>
FUND BALANCE, June 30, 2018	<u>\$ 56,442</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 31,442</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, 2018

	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES:					
Local Sources:					
Interest Income			\$ 2,559	\$ -	\$ 2,559
Total Local Sources			<u>2,559</u>	<u>-</u>	<u>2,559</u>
State Sources:					
State Grant-Restricted			30,000	-	30,000
Total State Grants			<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Revenues			<u>32,559</u>	<u>-</u>	<u>32,559</u>
EXPENDITURES:					
Instruction:					
High School Programs	\$ -	\$ 11,867	11,867	-	(11,867)
Total Instruction	<u>-</u>	<u>11,867</u>	<u>11,867</u>	<u>-</u>	<u>(11,867)</u>
Support Services:					
Technology Services	39,049	9,932	48,981	20,000	28,981
Total Support Services	<u>39,049</u>	<u>9,932</u>	<u>48,981</u>	<u>20,000</u>	<u>28,981</u>
Total Expenditures	<u>\$ 39,049</u>	<u>\$ 21,799</u>	<u>60,848</u>	<u>20,000</u>	<u>28,981</u>
Excess of Receipts Over (Under) Expenditures			(28,289)	(20,000)	(8,289)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)			(28,289)	(20,000)	(8,289)
FUND BALANCE, July 1, 2017			<u>126,470</u>	<u>120,000</u>	<u>6,470</u>
FUND BALANCE, June 30, 2018			<u>\$ 98,181</u>	<u>\$ 100,000</u>	<u>\$ (1,819)</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, 2018

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Local Sources				
Interest on Investmets	\$ 3,476	\$ -	\$ -	\$ 3,476
Total Local Sources	<u>3,476</u>	<u>-</u>	<u>-</u>	<u>3,476</u>
Other Uses				
Transfers				
Operating Transfer in	\$ 100,000	100,000	-	-
Total Other Uses	<u>\$ 100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Excess of Receipts Over (Under) Expenditures	103,476	-	100,000	3,476
FUND BALANCE, July 1, 2017	<u>154,127</u>	<u>151,774</u>	<u>151,774</u>	<u>2,353</u>
FUND BALANCE, June 30, 2018	<u>\$ 257,603</u>	<u>\$ 151,774</u>	<u>\$ 251,774</u>	<u>\$ 5,829</u>

Douglas County School District #77

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

For the Fiscal Year Ended June 30, 2018

	<u>Purchased Services</u>	<u>Supplies and Materials</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:					
Local Sources:					
Contributions			\$ 4,500	\$ -	\$4,500
Total Local Sources			<u>4,500</u>	<u>-</u>	<u>4,500</u>
State Sources:					
Miscellaneous State Revenue			4,394	-	4,394
Total State Sources			<u>4,394</u>	<u>-</u>	<u>4,394</u>
Total Revenues			<u>8,894</u>	<u>-</u>	<u>8,894</u>
EXPENDITURES:					
Instructional Services:					
High School Programs Extracurricular	\$ 1,964	\$ 5,214	7,178		7,178
Total Instruction	<u>1,964</u>	<u>5,214</u>	<u>7,178</u>	<u>-</u>	<u>7,178</u>
Support Services:					
Curriculum Development	-	-	-	1,500	(1,500)
Instructional Staff Development	3,480	-	3,480	2,934	546
Total Support Services	<u>3,480</u>	<u>-</u>	<u>3,480</u>	<u>4,434</u>	<u>(954)</u>
Total Expenditures	<u>\$ 5,444</u>	<u>\$ 5,214</u>	<u>10,658</u>	<u>4,434</u>	<u>6,224</u>
Excess of Receipts Over (Under) Expenditures			(1,764)	(4,434)	2,670
FUND BALANCE, July 1, 2017			<u>4,435</u>	<u>4,434</u>	<u>1</u>
FUND BALANCE, June 30, 2018			<u>\$2,671</u>	<u>\$ -</u>	<u>\$2,671</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, 2018

	<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				\$ 21,334	\$ 30,328	\$ (8,994)
Contributions from Private Sources				10,027	4,395	5,632
Total Revenues				<u>31,361</u>	<u>34,723</u>	<u>(3,362)</u>
EXPENDITURES:						
Instruction Services:						
Elementary Extracurricular	\$ -	\$ 60	\$ -	60		
Elementary Extracurricular	39	672	-	711		
Middle/Jr High Extracurricular	-	437	-	437		
High School Extracurricular	50	24,504	150	24,704		
Total Instruction Services	<u>89</u>	<u>25,613</u>	<u>150</u>	<u>25,912</u>	<u>49,763</u>	<u>(23,851)</u>
Total Expenditures	<u>\$ 89</u>	<u>\$ 25,613</u>	<u>\$ 150</u>	<u>25,912</u>	<u>49,763</u>	<u>(23,851)</u>
Excess of Revenues Over (Under) Expenditures				5,449	(15,040)	20,489
FUND BALANCE, July 1, 2017				<u>61,524</u>	<u>36,277</u>	<u>25,247</u>
FUND BALANCE, June 30, 2018				<u>\$ 66,973</u>	<u>\$ 21,237</u>	<u>\$ 45,736</u>

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, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES:			
Local Sources			
Interest on Investments	\$ 4,624	\$ -	\$ 4,624
Total Local Sources	<u>4,624</u>	<u>-</u>	<u>4,624</u>
EXPENDITURES:			
Instructional Services:			
High School Extracurricular	-	101,000	(101,000)
Total Instructional Services	<u>-</u>	<u>101,000</u>	<u>(101,000)</u>
Excess of Revenues Over (Under) Expenditures	4,624	(101,000)	105,624
FUND BALANCE, July 1, 2017	<u>204,647</u>	<u>201,000</u>	<u>3,647</u>
FUND BALANCE, June 30, 2018	<u>\$ 209,271</u>	<u>\$ 100,000</u>	<u>\$ 109,271</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, 2018

	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Purchased Services</u>	<u>Supplies and Materials</u>
REVENUES:				
Local Sources:				
Food Service Sales				
Miscellaneous Revenues				
Total Local Sources				
State Sources:				
State School Fund Match				
Total State Sources				
Federal Sources:				
Food Service Federal Revenue				
Child Nutrition Program				
Commodities				
Total Federal Sources				
Total Revenues				
EXPENDITURES:				
Enterprise and Community Services	\$ 45,826	\$ 45,011	\$ 12,322	\$ 79,434
Total Expenditures	<u>\$ 45,826</u>	<u>\$ 45,011</u>	<u>\$ 12,322</u>	<u>\$ 79,434</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, 2017				
FUND BALANCE, June 30, 2018				
(1) Level of Budget Appropriation				

<u>Capital Outlay</u>	<u>Other Objects</u>	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
		\$ 671	\$ 200	\$ 200	\$ 471
		264	-	-	264
		<u>935</u>	<u>200</u>	<u>200</u>	<u>735</u>
		1,352	1,600	1,600	(248)
		<u>1,352</u>	<u>1,600</u>	<u>1,600</u>	<u>(248)</u>
		241	-	-	241
		122,029	120,000	120,000	2,029
		9,767	-	-	9,767
		<u>132,037</u>	<u>120,000</u>	<u>120,000</u>	<u>12,037</u>
		<u>134,324</u>	<u>121,800</u>	<u>121,800</u>	<u>12,524</u>
<u>\$ 5,795</u>	<u>\$ 2,165</u>	<u>190,553</u>	<u>170,879</u>	<u>195,879</u>	<u>(5,326)</u>
<u>\$ 5,795</u>	<u>\$ 2,165</u>	<u>190,553</u>	<u>170,879</u>	<u>195,879</u>	<u>(5,326)</u> (1)
		(56,229)	(49,079)	(74,079)	17,850
		74,079	49,079	74,079	-
		<u>74,079</u>	<u>49,079</u>	<u>74,079</u>	<u>(1)</u> -
		17,850	-	-	17,850
		<u>(18,185)</u>	<u>-</u>	<u>-</u>	<u>(18,185)</u>
		<u>\$ (335)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (335)</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, 2018

	<u>Purchased Services</u>	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:					
Local Sources:					
Earnings on Investments:					
Interest on Investment		\$ 3,568	\$ -	\$ -	\$ 3,568
Total Revenues		<u>3,568</u>	<u>-</u>	<u>-</u>	<u>3,568</u>
EXPENDITURES:					
Support Services:					
Operation & Maintenance of Plant	\$ 8,138	8,138	110,000	110,000	(101,862)
Total Expenditures	<u>\$ 8,138</u>	<u>8,138</u>	<u>110,000</u>	<u>110,000</u>	<u>(101,862)</u>
Excess of Receipts Over (Under) Expenditures		(4,570)	(110,000)	(110,000)	105,430
OTHER FINANCING SOURCES & (USES):					
Operating Transfers In		95,000	50,000	95,000	-
Total Other Financing Sources		<u>95,000</u>	<u>50,000</u>	<u>95,000</u>	(1) <u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		90,430	(60,000)	(15,000)	(105,430)
FUND BALANCE, July 1, 2017		<u>181,906</u>	<u>130,000</u>	<u>130,000</u>	<u>51,906</u>
FUND BALANCE, June 30, 2018		<u>\$ 272,337</u>	<u>\$ 70,000</u>	<u>\$ 115,000</u>	<u>\$ (157,337)</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, 2018

	Debt Service Fund	QSBC Debt Service Fund	Totals
ASSETS			
Cash and Investments	\$ 10,445	\$ 1,362	\$ 11,807
Receivables			
Property Taxes	9,073	-	9,073
Prepaid Interest	-	11,678	11,678
Total Assets	<u>\$ 19,518</u>	<u>\$ 13,040</u>	<u>\$ 32,558</u>
LIABILITIES & FUND BALANCES			
LIABILITIES:			
Deferred Inflows of Resources			
Deferred Property Taxes	\$ 9,231	\$ -	\$ 9,231
Due to the General Fund	-	12,062	12,062
Total Liabilities	<u>9,231</u>	<u>12,062</u>	<u>21,293</u>
FUND BALANCE:			
Reserved for Payment of Debt Service	<u>10,287</u>	<u>978</u>	<u>11,265</u>
Total Liabilities & Fund Balance	<u>\$ 19,518</u>	<u>\$ 13,040</u>	<u>\$ 32,558</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, 2018

	Debt Service Fund	QSBC Debt Service Fund	Total
REVENUES:			
Local Sources:			
Property Tax - Current	\$ 92,291	\$ -	\$ 92,291
Property Tax - Prior Years	4,008	-	4,008
Miscellaneous Revenue	-	10,223	10,223
Total Local Sources	96,299	10,223	106,522
Federal Sources:			
Federal Subsidy Payments	-	18,200	18,200
Total Federal Sources	-	18,200	18,200
Total Revenue	96,299	28,423	124,722
EXPENDITURES:			
Other Sources (Uses)			
Debt Reduction - Principal	85,000	36,000	121,000
Interest	16,031	18,200	34,231
Total Other Uses	101,031	54,200	155,231
Total Expenditures	101,031	54,200	155,231
Excess of Revenues Over (Under) Expenditures	(4,732)	(25,777)	(30,509)
OTHER FINANCING SOURCES:			
Operating Transfer In	-	30,000	30,000
Total Other Financing Sources	-	30,000	30,000
Excess of Revenues Over (Under) Expenditures and Other Financing Sources	(4,732)	4,223	(509)
FUND BALANCE, July 1, 2017	15,019	(3,245)	11,774
FUND BALANCE, June 30, 2018	\$ 10,287	\$ 978	\$ 11,265

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

For the Fiscal Year Ended June 30, 2018

	<u>Other</u>	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:				
Local Sources:				
Property Tax - Current		\$ 92,291	\$ 89,000	\$ 3,291
Property Tax - Prior Years		4,008	2,500	1,508
Total Local Sources		<u>96,299</u>	<u>91,500</u>	<u>4,799</u>
EXPENDITURES:				
Other Sources (Uses)				
Debt Reduction - Principal	\$ 85,000	85,000	86,111	(1,111)
Interest	16,031	16,031	20,000	(3,969)
Total Expenditures	<u>\$ 101,031</u>	<u>101,031</u>	<u>106,111</u>	<u>(5,080)</u>
Excess of Revenues Over (Under) Expenditures		(4,732)	(14,611)	9,879
FUND BALANCE, July 1, 2017		<u>15,019</u>	<u>14,611</u>	<u>408</u>
FUND BALANCE, June 30, 2018		<u>\$ 10,287</u>	<u>\$ -</u>	<u>\$ 10,287</u>

(1) Level of Budget Appropriation

Fiduciary Funds

Scholarship Fund

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

For the Fiscal Year Ended June 30, 2018

	<u>Other</u>	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over (Under) Budget</u>
REVENUES:					
Local Sources:					
Miscellaneous		\$ 10,223	\$ -	\$ -	\$ 10,223
Total Local Sources		<u>10,223</u>	<u>-</u>	<u>-</u>	<u>10,223</u>
Federal Sources					
Federal Subsidy Payment		18,200	-	-	18,200
Total Federal Sources		<u>18,200</u>	<u>-</u>	<u>-</u>	<u>18,200</u>
Total Revenue		<u>28,423</u>	<u>-</u>	<u>-</u>	<u>28,423</u>
Other Sources (Uses)					
Debt Reduction - Principal	\$ 36,000	36,000	-	-	36,000
Interest	18,200	18,200	-	-	18,200
Total Expenditures	<u>\$ 54,200</u>	<u>54,200</u>	<u>40,000</u>	<u>40,000</u>	<u>14,200</u>
Excess of Revenues Over (Under) Expenditures		(25,777)	(40,000)	(40,000)	14,223
OTHER FINANCING SOURCES:					
Operating Transfer In		30,000	25,000	30,000	-
Total Other Financing Sources		<u>30,000</u>	<u>25,000</u>	<u>30,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources		4,223	(15,000)	(10,000)	14,223
FUND BALANCE, July 1, 2017		(3,245)	37,000	37,000	(40,245)
FUND BALANCE, June 30, 2018		<u>\$ 978</u>	<u>\$ 22,000</u>	<u>\$ 27,000</u>	<u>\$ (26,022)</u>

(1) Level of Budget Appropriation

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

For the Fiscal Year Ended June 30, 2018

	Actual	Budget	Over (Under) Budget
ADDITIONS:			
Local Sources:			
Miscellaneous Income	\$ 500	\$ -	\$ 500
Total Local Sources	500	-	500
DEDUCTIONS:			
Support Services:			
Fiscal Services	-	1,000	(1,000)
Total Expenditures	-	1,000	(1,000)
Change in Net Position	500	(1,000)	1,500
Net Position, July 1, 2017	47,149	46,649	500
Net Position, June 30, 2018	\$ 47,649	\$ 45,649	\$ 2,000

Other Supplemental Schedules

**District Audit Revenue Summary
Schedule of Expenditures
Schedule of Federal Financial Assistance**

**2017-18 DISTRICT AUDIT REVENUE SUMMARY
Douglas County School District #77**

Revenue from Local Sources

	Fund/100	Fund/200	Fund/300	Fund/700
1110 Ad Valorem Taxes Levied by District	\$ 910,840	\$ -	\$ 96,299	\$ -
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	29,064	27,059		
1600 Food Service		671		
1700 Extracurricular Activities		21,334		
1800 Community Services Activities				
1910 Rentals				
1920 Contributions and Donations From Private Sources		14,527		500
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				
Total Revenue from Local Sources	\$ 1,016,594	\$ 63,855	\$ 106,522	\$ 500

Revenue from Intermediate Sources

	Fund/100	Fund/200	Fund/300	Fund/700
2101 County School Funds	\$ 6,801	\$ -	\$ -	\$ -
2102 General ESD Revenue	39,385			
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	\$ 46,186	\$ -	\$ -	\$ -

Revenue from State Sources

	Fund/100	Fund/200	Fund/300	Fund/700
3101 State School Fund - General Support	\$ 2,511,922	\$ -	\$ -	\$ -
3102 State School Fund - School Lunch Match		1,352		
3103 Common School Fund	26,786			
3104 State Managed County Timber	272,745			
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		34,394		
3800 Revenue in Lieu of Taxes				
3900 Revenue for/on Behalf of the District				
Total Revenue from State Sources	\$ 2,811,453	\$ 35,746	\$ -	\$ -

Revenue from Federal Sources

	Fund/100	Fund/200	Fund/300	Fund/700
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		44,975		
4500 Restricted Revenue From the Federal Government Through the State		406,958		
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		5,920		
4801 Federal Forest Fees	31,853			
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		9,767	18,200	
Total Revenue from Federal Sources	\$ 31,853	\$ 467,620	\$ 18,200	\$ -

Revenue from Other Sources

	Fund/100	Fund/200	Fund/300	Fund/700
5100 Long Term Debt Financing Sources	\$ -	\$ -	\$ -	\$ -
5200 Interfund Transfers In		324,079	30,000	
5300 Sale of or Compensation for Loss of Fixed Assets				
5400 Resources - Beginning Fund Balance	1,425,966	1,297,265	11,774	47,149
Total Revenue from Other Sources	\$ 1,425,966	\$ 1,621,344	\$ 41,774	\$ 47,149

Grand Totals

\$ 5,332,052	\$ 2,188,564	\$ 166,496	\$ 47,649
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2016-17 DISTRICT AUDIT EXPENDITURE SUMMARY
Douglas County School District #77
Fund: 100 General Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Disbursements								
1111 Primary, K-3	\$ 569,731	\$ 321,154	\$ 206,502	\$ 25,314	\$ 16,761	\$ -	\$ -	\$ -
1112 Intermediate Programs	159				159			
1113 Elementary Extracurricular								
1121 Middle/Junior High Programs	233,894	135,040	86,513	4,063	8,278			
1122 Middle/Junior High School Extracurricular	18,505	12,899	1,356	2,959	961		330	
1131 High School Programs	75	55	20					
1132 High School Extracurricular	-							
1140 Pre-Kindergarten Programs								
1210 Programs for the Talented and Gifted								
1220 Restrictive Programs for Students with Disabilities	1536	1128	408					
1250 Less Restrictive Programs for Students with Disabilities	333,140	183,691	78,014	61,808	9,627			
1260 Treatment and Habilitation								
1271 Remediation								
1272 Title I								
1280 Alternative Education	1,065,319			1,065,319				
1290 Designated Programs								
1300 Adult/Continuing Education Programs								
1400 Summer School Programs								
Total Instruction Disbursements	\$ 2,222,359	\$ 653,967	\$ 372,813	\$ 1,159,463	\$ 35,786	\$ -	\$ 330	\$ -
Support Services Disbursements								
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	58,437	50,591	3,799	4,047				
2130 Health Services	594				594			
2140 Psychological Services	30,000			30,000				
2150 Speech Pathology and Audiology Services								
2160 Other Student Treatment Services								
2190 Service Direction, Student Support Services	40,728	33,007	2,959	4,462	300			
2210 Improvement of Instruction Services	35,220	23,090	11,846	284				
2220 Educational Media Services	5,200				2,536		2,664	
2230 Assessment & Testing								
2240 Instructional Staff Development	758			758				
2310 Board of Education Services	27,209			21,439	192		5,578	
2320 Executive Administration Services	209,946	104,740	63,718	23,334	14,270		3,884	
2410 Office of the Principal Services	182,004	108,559	71,258	628	875		684	
2490 Other Support Services - School Administration								
2510 Direction of Business Support Services								
2520 Fiscal Services	50,967			49,100			1,867	
2540 Operation and Maintenance of Plant Services	245,629	66,182	38,151	81,362	17,861	5,972	36,102	
2550 Student Transportation Services	374,903	159,210	118,102	26,288	56,992		14,311	
2558 Special Education Transportation								
2570 Internal Services	1,015			1,015				
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	186,662			151,336	35,251		75	
2670 Records Management Services								
2690 Other Support Services - Central								
2700 Supplemental Retirement Program								
Total Support Services Disbursements	\$ 1,449,272	\$ 545,379	\$ 309,833	\$ 394,053	\$ 128,871	\$ 5,972	\$ 65,165	\$ -
Enterprise and Community Services Disbursements								
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								
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								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	354,079							354,079
5300 Apportionment of Funds by ESD								
5400 PERS UAL Bond Lump Sum								
Total Other Uses Disbursements	\$ 354,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354,079
Grand Total	\$ 4,025,710	\$ 1,199,346	\$ 682,646	\$ 1,553,516	\$ 164,656	\$ 5,972	\$ 65,495	\$ 354,079

2017-18 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	\$ 4,944	\$ -	\$ -	\$ -	\$ 4,944	\$ -	\$ -	\$ -
1112 Intermediate Programs								
1113 Elementary Extracurricular	711			39	672			
1121 Middle/Junior High Programs	4,699				4,699			
1122 Middle/Junior High School Extracurricular	437				437			
1131 High School Programs	24,255			1,664	22,591			
1132 High School Extracurricular	25,004			350	24,504		150	
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	\$ 60,051	\$ -	\$ -	\$ 2,053	\$ 57,848	\$ -	\$ 150	\$ -

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	3,480			3,480				
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	8,138			8,138				
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	48,981			39,049	9,932			
2670 Records Management Services								
2690 Other Support Services - Central								
2700 Supplemental Retirement Program								
Total Support Services Disbursements	\$ 60,599	\$ -	\$ -	\$ 50,667	\$ 9,932	\$ -	\$ -	\$ -

Enterprise and Community Services Disbursements

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ 190,553	\$ 45,826	\$ 45,011	\$ 12,322	\$ 79,434	\$ 5,795	\$ 2,165	\$ -
3200 Other Enterprise Services								
3300 Community Services	-							
3500 Custody and Care of Children Services								
Total Enterprise and Community Services Disbursements	\$ 190,553	\$ 45,826	\$ 45,011	\$ 12,322	\$ 79,434	\$ 5,795	\$ 2,165	\$ -

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

\$ 311,202	\$ 45,826	\$ 45,011	\$ 65,042	\$ 147,213	\$ 5,795	\$ 2,315	\$ -
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2017-18 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	\$ 155,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,231	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Disbursements	\$ 155,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,231	\$ -

Grand Total

\$ 155,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,231	\$ -
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Douglas County School District No.77

Schedule of Federal Financial Assistance

For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Period	Grant Number	Grant Amount	2017-18 Revenues	2017-18 Expenditures
CHILD NUTRITION CLUSTER						
<u>U.S. Department of Agriculture</u>						
Passed through Oregon Department						
National School Breakfast Program	10.553	7/1/17-6/30/18		\$38,484	\$38,484	\$38,484
National School Lunch Program	10.555	7/1/17-6/30/18		83,545	83,545	83,545
National School Lunch Program-Admin	10.560	7/1/17-6/30/18		241	241	241
Commodities	10.555	7/1/17-6/30/18		9,767	9,767	9,767
		Total Child Nutrition Cluster		<u>132,037</u>	<u>132,037</u>	<u>132,037</u>
SPECIAL EDUCATION CLUSTER						
<u>U.S. Department of Education</u>						
Passed through Oregon Department						
IDEA Part B Special Education	84.027	7/1/17-9/30/19	45179	54,134	49,327	49,327
IDEA Part B Special Education	84.027	7/1/16-9/30/18	41509	61,987	1,042	1,042
IDEA Enhancement 17-18	84.027	10/1/17-9/30/18	46433	1,591	1,591	1,591
IDEA Part B Special Education-SPR&I	84.027	7/1/17-6/30/18	44389	1,006	1,006	1,006
IDEA Part B Section 619	84.173	7/1/16-9/30/17	40591	270	270	270
IDEA Part B Section 619	84.173	7/1/17-9/30/19	45387	121	121	121
		Total Special Education Cluster		<u>119,109</u>	<u>53,357</u>	<u>53,357</u>
OTHER PROGRAMS						
<u>U.S. Department of Agriculture</u>						
Passed Through Douglas County:						
	10.665	7/1/17-6/30/18		<u>31,853</u>	<u>31,853</u>	<u>31,853</u>
		Total U.S. Department of Agriculture		<u>31,853</u>	<u>31,853</u>	<u>31,853</u>
<u>U.S. Department of Education</u>						
Direct Program from Federal Government						
Rural Education Achievement Program	84.358	7/1/17-10/30/18	S358A154088	23,289	23,289	23,289
Rural Education Achievement Program	84.358	7/1/16-10/2/17	S358A164088	17,993	17,993	17,993
Rural Education Achievement Program	84.358	7/1/125-6/30/16	S358A170579	14,878	3,694	3,694
Interest Subsidized for Loan Program		7/1/17-6/30/18		18,200	18,200	18,200
Passed Through Douglas ESD:						
Carl Perkins - Vocational Education	84.048	7/1/17-6/30/18		5,920	5,920	5,920
Passed Through State Department of Education:						
Title I Grants to Local Education Agencies	84.010	7/1/17-9/30/18	45598	148,930	142,485	142,485
Title I Grants to Local Education Agencies	84.010	7/1/16-9/30/17	41062	146,662	67,585	67,585
Title IIA	84.367	7/1/17-9/30/18	45813	16,243	16,243	16,243
Title IIA	84.367	7/1/16-9/30/17	41317	18,709	5,017	5,017
		Total U.S. Department of Education		<u>410,824</u>	<u>300,426</u>	<u>300,426</u>
		Total Other Programs		<u>442,677</u>	<u>332,279</u>	<u>332,279</u>
		TOTAL FEDERAL ASSISTANCE		<u><u>\$ 693,823</u></u>	<u><u>\$ 517,673</u></u>	<u><u>\$ 517,673</u></u>

Auditor's Comments and Disclosures
Required by State Law



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, 2018, and have issued our report thereon dated October 24, 2018.

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*.

Independent Auditor's Report Required
By Oregon State Regulations

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 & Co
Certified Public Accountants

Jeffrey R. Cooley, CPA
Roseburg, Oregon
October 24, 2018



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 October 24, 2018.

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.

Douglas County School District No. 77
GAS Report on Internal Control and Compliance

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 & Co
Roseburg, Oregon
October 24, 2018

Form 581-3211-C

DOUGLAS COUNTY SCHOOL DISTRICT #77

June 30, 2018

SUPPLEMENTAL INFORMATION, 2017-2018

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	\$ 48,521
Function 2550	11,966

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

\$ 0

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