

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019



12700 SW 72nd Ave.
Tigard, OR 97223

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019

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CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

BOARD OF DIRECTORS

BOARD OF DIRECTORS

TERM EXPIRES

Megan Evenson, Chair

June 30, 2019

Ian Wiggins

June 30, 2019

Kathy Engel

June 30, 2019

Christopher Ouellette

June 30, 2019

Kara Harris

June 30, 2019

All board members will receive mail at the following address:

P.O. Box 675
Clatskanie, Oregon 97016

ADMINISTRATION

Cathy Hurowitz, Superintendent

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CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

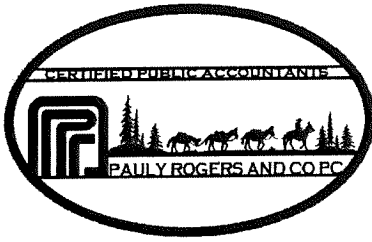
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October 21, 2019

To the Board of Directors
Clatskanie School District No. 6J
Columbia County, Oregon

INDEPENDENT AUDITOR'S REPORT

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 Clatskanie School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Clatskanie School District as of June 30, 2019, and the respective changes in financial position and budgetary comparisons for the general fund, and major special revenue funds, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, 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 management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 21, 2019, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

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CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

As management of Clatskanie School District No. 6J (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019.

FINANCIAL HIGHLIGHTS

- In the government-wide financial statements, the liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at June 30, 2019 by \$1,588,666. Of this amount, \$3,534,559 represents investment in capital assets, net of related debt, \$181,315 is restricted for student body activities, transportation, grants and other programs, and the deficit of \$5,304,540 is unrestricted.
- The District's total net position increased by \$294,765 during the 2018-19 fiscal year.
- The District's governmental funds report a combined ending fund balance of \$1,163,780, which is \$381,980 more than the prior year. The ending fund balance includes \$741,163 reserved for specific programs and \$422,617 constitutes unassigned ending fund balance, which is available for spending at the District's discretion subject to board policy.
- At the end of the fiscal year, the General Fund balance was \$422,617, which equals about 5.1% of total General Fund expenditures.
- The District's total debt decreased by \$661,000 during the 2018-19 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. These statements include:

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category:

Governmental activities. 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.

The government-wide financial statements can be found on pages 4 and 5 of this report.

Fund financial statements. The *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. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are reported as governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The basic governmental fund financial statements can be found on pages 6 and 8 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 14 of this report.

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COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

Other information. . In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* consisting of schedules detailing ten years of pension (assets)/liabilities and pension contributions and schedules of changes in other post employment benefits. Required supplementary information can be found on page 40 of this report.

Supplementary Information presented on pages 42 – 45, includes the budgetary comparisons for the nonmajor funds and schedules of property tax transactions and balances. *Other Information* including the schedule of expenditures of federal awards, schedules and supplemental information required by the Oregon Department of Education can be found on pages 46 – 53.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources by \$1,588,666 at June 30, 2019. During the 2018-19 fiscal year, the District's total net position increased by \$294,765 as compared to the previous year's net position.

Capital assets, which consist of the District's land, buildings, building improvements, equipment and vehicles represent about 69% of total assets. Other assets consist of investments, cash, and receivables of property taxes, grants and contracts.

The District's largest liability (84%) is for the repayment of general obligation bonds, early retirement incentives and its proportionate share of the net pension liability. Other liabilities consist mainly of accounts payable, payroll taxes and related benefits payable.

The District's net position of \$3,534,559 reflects its investment in capital assets (land, buildings, vehicles, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other district residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The District's restricted net position of \$181,315 reflects resources that are subject to external restrictions on how they may be used. The remaining balance in net position, a negative \$5,304,540 is unrestricted.

During the current year the District's net position increased by \$294,765 compared to the previous year's net position. The District's net investment in capital assets increased by \$400,610, primarily

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

due principally to payment of related debt during the year. This was offset by a decrease in unrestricted net position of \$25,560 due mainly to the change in the PERS net pension liability.

CLATSKANIE SCHOOL DISTRICT NO. 6J			
NET POSITION			
	Governmental Activities		Increase (Decrease)
	June 30, 2019	June 30, 2018	
ASSETS			
Current and Other Assets	\$ 2,510,366	\$ 2,172,445	\$ 337,921
Capital Assets, net of depreciation	5,664,609	5,894,949	(230,340)
Total Assets	<u>8,174,975</u>	<u>8,067,394</u>	<u>107,581</u>
DEFERRED OUTFLOWS OF RESOURCES			
Net Pension Related Deferred Outflows	3,597,971	3,106,629	491,342
OPEB Related Deferred Outflows	<u>63,610</u>	<u>86,214</u>	<u>(22,604)</u>
LIABILITIES			
Current Liabilities	1,886,840	1,773,706	113,134
Long-Term Obligations	<u>10,214,882</u>	<u>10,292,807</u>	<u>(77,925)</u>
Total Liabilities	<u>12,101,722</u>	<u>12,066,513</u>	<u>35,209</u>
DEFERRED INFLOWS OF RESOURCES			
Net Pension Related Deferrals	1,293,773	1,053,618	240,155
Pension Related Deferrals	<u>29,727</u>	<u>23,537</u>	<u>6,190</u>
NET POSITION			
Net Investment in Capital Assets	3,534,559	3,133,949	400,610
Restricted	181,315	261,600	(80,285)
Unrestricted	<u>(5,304,540)</u>	<u>(5,278,980)</u>	<u>(25,560)</u>
Total Net Position	<u>\$ (1,588,666)</u>	<u>\$ (1,883,431)</u>	<u>\$ 294,765</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J
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MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

Governmental activities. The key elements of the change in the District's net position for the years ended June 30, 2019 and June 30, 2018 are as follows:

CLATSKANIE SCHOOL DISTRICT NO. 6J			
CHANGES IN NET POSITION			
Year Ended June 30,			
	Governmental Activities		Increase
	2019	2018	(Decrease)
REVENUES			
Program Revenues			
Charges for Services	\$ 232,187	\$ 209,345	\$ 22,842
Operating Grants and Contributions	1,266,879	902,603	364,276
General Revenues			
Property Taxes Levied for:			
General Purposes	3,480,244	3,463,811	16,433
Debt Service	638,379	722,779	(84,400)
Earnings on Investments	66,341	38,017	28,324
Other Local Sources	124,096	474,811	(350,715)
Intermediate Sources	84,390	29,061	55,329
State Sources	4,532,469	4,617,419	(84,950)
Total revenues	<u>10,424,985</u>	<u>10,457,846</u>	<u>(32,861)</u>
EXPENSES			
Instruction	5,890,726	5,857,888	32,838
Support services	3,738,555	3,719,028	19,527
Enterprise and Community Services	443,955	411,124	32,831
Interest on Long-Term Debt	56,984	118,211	(61,227)
Total expenses	<u>10,130,220</u>	<u>10,106,251</u>	<u>23,969</u>
Increase (Decrease) in Net Position	294,765	351,595	(56,830)
Net Position - Beginning, restated	(1,883,431)	(2,235,026)	351,595
Net Position - Ending	<u>\$ (1,588,666)</u>	<u>\$ (1,883,431)</u>	<u>\$ 294,765</u>

Revenues decreased compared to prior year, primarily due to an increase in state and federal grant revenue offset by decreases in property taxes received for debt service, state and local revenue.

Expenditure increases are primarily attributed to increased staffing costs and related associated payroll expenditures, offset by GASB 68 adjustments and a decrease of interest payments on long-term debt.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

FUND FINANCIAL ANALYSIS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2019, the District's governmental funds reported combined ending fund balances of \$1,163,780, an increase of \$381,980 in comparison with the prior year. Of this amount, \$741,163 (about 63.7 percent) of the ending fund balances constitutes nonspendable, restricted or assigned ending fund balance, which are amounts that are either not expendable (such as inventory or prepaid expenses) or are legally restricted by outside parties for a specific purpose (such as student body). The remaining \$422,617 (36.3 percent) of the ending fund balances is unassigned and available for spending at the District's discretion.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2019 the unassigned fund balance was \$422,617. As a measure of the fund's liquidity, it may be useful to compare general fund balance to total general fund expenditures. The fund balance represents 5.1 percent of total General Fund expenditures. The total fund balance increased by \$121,958 as the District implemented tighter controls on spending in order to conserve funds for anticipated cost increases in the 2019-21 biennium.

Special Revenue Fund. The Special Revenue Fund accounts for revenues and expenditures of funds restricted for specific programs, such as grants, associated student body activities, and transportation vehicle replacement as well as internal funds segregated by the Board for the food service program. Grant revenues are primarily from Federal sources. As of June 30, 2019 the fund was \$556,974, an increase of \$315,642 from the prior year primarily due to decreased transfers to the general fund for operations from the strategic investment program fund.

Debt Service Fund. As of June 30, 2019, the restricted fund balance was \$96,007. The fund balance decreased by \$201,627 from the prior year, the result of a decrease in debt service property tax collections during the fiscal year and a decrease in the energy rebate balance to pay future installment purchase agreement debt.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

CAPITAL ASSETS

At June 30, 2019, the District had \$5,664,609 invested in capital assets, including land, buildings, equipment and vehicles. As shown on the following table, total capital assets net of depreciation declined by \$230,340. This decrease consisted of depreciation expense of \$488,161 offset by capital asset additions totaling \$257,821.

CLATSKANIE SCHOOL DISTRICT NO. 6J			
CAPITAL ASSETS			
(net of depreciation)			
	Governmental Activities		Increase (Decrease)
	June 30, 2019	June 30, 2018	
Land	\$ 476,270	\$ 476,270	\$ -
Building and Equipment, net of depreciation	5,188,339	5,418,679	(230,340)
Total Capital Assets, net of depreciation	\$ 5,664,609	\$ 5,894,949	\$ (230,340)

DEBT ADMINISTRATION

As of June 30, 2019, the District had \$2,281,060 in long-term obligations, consisting primarily of general obligation bonds, leases payable, installment purchase agreement and early retirement stipends. This is a decrease of \$657,729 from prior year, as the District continued to pay down the outstanding general obligation bonds.

Additional information on the District's long-term debt can be found in the notes to basic financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the State of Oregon's State School Fund, which accounts for 91.1% of the District's general fund resources. The Oregon Legislature passed a statewide education budget of \$9.0 billion for the 2019-21 biennium. State School Fund (SSF) support payments will be made to districts based on that budget. However, the budget is contingent upon a forecast of Oregon's continued economic recovery and the projected tax receipts based on that forecast. Should the Oregon economy perform more poorly than was forecast, cuts will be made to the state budget that will affect programs supported by the state.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

The District's total budgeted General Fund resources show a small increase from 2018-19. State resources are allocated to districts based not only on the available funding, but also on enrollment. Overall, the District's enrollment has declined over the last ten years, which contributes to the flat revenue. Current projections show that enrollment may decline slightly for 2019-20.

Personnel expenses make up about 81% of the program costs for the instruction, support and administrative functions. While the District has been able to hold salary costs steady in recent years, associated payroll costs have increased dramatically. These escalating costs continue to be one of the most pressing concerns for the District in the attempt to balance student needs with the provision of a realistic compensation package for staff.

Medical insurance costs are also expected to increase. The premiums for District health insurance plans have increased over the years, consistent with state and national trends, and this trend is expected to continue.

In addition, employer rates for the Public Employees Retirement System (PERS) will continue to increase significantly for the 2019-2021 biennium. The rate effective July 1, 2017 for the 2017-2019 biennium is 27.2% of salary covered under the plan for Tiers 1 and 2 employees and 21.87% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). For the biennium beginning on July 1, 2019 the rates will increase to 32.03% of salary covered under the plan for Tiers 1 and 2 employees and 26.58% for employees covered under OPSRP. Current actuarial projections show similar increases in the next two biennia.

Other areas considered during budgeting included the addition of a 1.0 FTE elementary teaching position. The District will be receiving an increase Measure 98 funding in 2019-20 to be used to increase high school graduation rates and support a 1.0 FTE alternative education teacher.

The District's Budget Committee and School Board considered these and other factors while preparing the 2019-20 budget.

REQUESTS FOR INFORMATION

The District's financial report is designed to provide taxpayers, parents, teachers, students, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Business Manager at the Clatskanie School District: 47815 S. Nehalem, Clatskanie, Oregon 97016.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2019

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Deposits and Investments	\$ 1,755,929
Taxes Receivables	247,658
Other Receivables	353,326
Loan Receivable	153,453
Capital Assets:	
Land	476,270
Buildings and Equipment, net of depreciation	<u>5,188,339</u>
Total Assets	<u>8,174,975</u>
DEFERRED OUTFLOWS OF RESOURCES	
Net Pension Related Deferred Outflows	3,597,971
OPEB Related Deferred Outflows	<u>63,610</u>
Total Deferred Outflows	<u>3,661,581</u>
LIABILITIES	
Accounts Payable	38,918
Accrued Payroll Liabilities	881,424
Accrued Interest Payable	5,862
Due to Fiduciary Fund	51,471
Long-term Obligations:	
Proportionate Share of Net Pension Liability	8,329,017
Total OPEB Liability	513,970
Due within one year	909,165
Due in more than one year	<u>1,371,895</u>
Total Liabilities	<u>12,101,722</u>
DEFERRED INFLOWS OF RESOURCES	
Net Pension Related Deferred Inflows	1,293,773
OPEB Related Deferred Inflows	<u>29,727</u>
Total Deferred Inflows	<u>1,323,500</u>
NET POSITION	
Net Investment in Capital Assets	3,534,559
Restricted for Debt Service	96,007
Restricted for Student Body Accounts	85,308
Unrestricted	<u>(5,304,540)</u>
Total Net Position	<u>\$ (1,588,666)</u>

See accompanying notes to basic financial statements.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 5,890,726	\$ 84,951	\$ 467,716	\$ 5,338,059
Support Services	3,738,555	56,036	763,913	2,918,605
Enterprise and Community Services	443,955	91,200	35,249	317,505
Interest on Long-Term Debt	<u>56,984</u>	<u>-</u>	<u>-</u>	<u>56,984</u>
Total Governmental Activities	<u>\$ 10,130,220</u>	<u>\$ 232,187</u>	<u>\$ 1,266,879</u>	<u>8,631,154</u>
General Revenues				
Property Taxes				
General purposes				3,480,244
Debt service				638,379
State School Fund - General Support				4,279,761
Common School Fund				71,757
Unrestricted State and Local Support				248,837
Earnings on Investments				66,341
Miscellaneous				<u>140,600</u>
Total General Revenues				<u>8,925,919</u>
Changes in Net Position				294,765
Net Position- Beginning				<u>(1,883,431)</u>
Net Position - Ending				<u>\$ (1,588,666)</u>

See accompanying notes to basic financial statements.

**CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019**

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS					
Deposits and Investments	\$ 1,755,929	\$ -	\$ -	\$ -	\$ 1,755,929
Property Taxes Receivable	210,314	-	37,344	-	247,658
Other Accounts Receivable	190,263	157,101	5,962	-	353,326
Due from Other Funds	-	450,537	85,740	88,182	624,459
Loans Receivable	153,453	-	-	-	153,453
Total Assets	\$ 2,309,959	\$ 607,638	\$ 129,046	\$ 88,182	\$ 3,134,825
LIABILITIES					
Accounts Payable	\$ 16,718	22,200	\$ -	\$ -	\$ 38,918
Payroll Liabilities	852,960	28,464	-	-	881,424
Due To Other Funds	675,930	-	-	-	675,930
Total Liabilities	1,545,608	50,664	-	-	1,596,272
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Loans	153,453	-	-	-	153,453
Unavailable Revenue-Property Taxes	188,281	-	33,039	-	221,320
	341,734	-	33,039	-	374,773
FUND BALANCES (DEFICITS)					
Restricted					
Debt Service	-	-	96,007	-	96,007
Student Body	-	85,308	-	-	85,308
Committed	-	-	-	-	-
Assigned	-	471,666	-	88,182	559,848
Unassigned	422,617	-	-	-	422,617
Total Fund Balances	422,617	556,974	96,007	88,182	1,163,780
Total Liabilities, Deffered Inflows of Resources, and Fund Balances (deficits)	\$ 2,309,959	\$ 607,638	\$ 129,046	\$ 88,182	\$ 3,134,825

See accompanying notes to basic financial statements.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2019

Total Fund Balances - Governmental Funds	\$	1,163,780
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Amounts reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Cost	\$	18,987,447	
Accumulated Depreciation		<u>(13,322,838)</u>	5,664,609

A portion of the District's property taxes are collected after year-end, but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.

Unavailable Revenue-Property Taxes	221,320
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A portion of the District's loan receivable is collected after year-end, but is not available soon enough to pay	153,453
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The Net Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.	(8,329,017)
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Total OPEB Liability	(513,970)
OPEB Liability Deferred Outflow	63,610
OPEB Liability Deferred Inflow	(29,727)

Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Pension deferred inflows	(1,293,773)
Pension deferred outflow	3,597,971

Short term and long term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.

Short Term & Long Term Obligations			
General Obligation Bonds	\$	(1,404,000)	
Accrued Interest Payable		(5,862)	
Leases Payable		(311,790)	
Early Retirement		(121,200)	
LED Installment Payable		(414,260)	
Accrued Vacation Payable		<u>(29,810)</u>	<u>(2,286,922)</u>

Net Position	\$	<u><u>(1,588,666)</u></u>
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See accompanying notes to basic financial statements.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES					
Taxes	\$ 3,531,874	-	651,286	-	\$ 4,183,160
State and Local Sources	4,654,310	369,560	328	-	5,024,198
Federal Sources	36,627	517,036	-	-	553,663
Charges for Services	88,650	101,176	-	-	189,826
Interest	66,294	-	47	-	66,341
Contributions and Donations	6,650	448,743	-	-	455,393
Other	5,100	4,016	-	-	9,116
Total Revenues	8,389,505	1,440,531	651,661	-	10,481,697
EXPENDITURES					
Current:					
Instruction	4,863,127	530,258	-	-	5,393,385
Support Services	3,309,420	248,229	-	-	3,557,649
Enterprise & Community Services	-	406,473	-	-	406,473
Capital Outlay	-	257,821	-	-	257,821
Debt Service	-	-	757,281	-	757,281
Total Expenditures	8,172,547	1,442,781	757,281	-	10,372,609
Excess of Revenues Over (Under) Expenditures	216,958	(2,250)	(105,620)	-	109,088
OTHER FINANCING SOURCES (USES)					
Lease Purchase	-	222,892	-	-	222,892
Sale of Capital Assets	-	-	-	50,000	50,000
Transfer Out	(95,000)	(76,777)	-	-	(171,777)
Transfer In	-	171,777	-	-	171,777
Total Other Financing Sources (Uses)	(95,000)	317,892	-	50,000	272,892
Net Change in Fund Balance	121,958	315,642	(105,620)	50,000	381,980
Beginning Fund Balance	300,659	241,332	201,627	38,182	781,800
Ending Fund Balance	\$ 422,617	\$ 556,974	\$ 96,007	\$ 88,182	\$ 1,163,780

See accompanying notes to basic financial statements.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds	\$	381,980
<p>Amounts reported for government-wide statements in the Statement of Activities are different because of the following:</p> <p>Governmental funds report capital outlays as expenditures while government-wide statements report depreciation expense to allocate those expenditures over the life of the assets. The difference between these two amounts is:</p>		
Capitalized expenditures	\$	257,821
Depreciation		(488,161)
		(230,340)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:</p>		
Taxes		(64,537)
Loan receivable		(42,175)
<p>The OPEB Expense represents the changes in Total OPEB (Liability) from year to year due to changes in total OPEB liability and the fair value of OPEB plan net position available to pay OPEB benefits.</p>		
		(6,520)
<p>The Pension Expense represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.</p>		
		(397,004)
<p>Repayment of long term & short term obligations is an expenditure in the governmental funds, but the repayment reduces debt obligations in the government-wide statements.</p>		
Repayment of lease payable		149,177
Repayment of bonds payable		661,000
Repayment of Installment Loan		43,665
Change in Leases Payable		(222,892)
Change in Interest Payable		(4,368)
Change in Accrued Vacation		(2,021)
Change in Early Retirement		28,800
		28,800
Change in net position of governmental activities	\$	294,765

See accompanying notes to basic financial statements.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019

GENERAL FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 3,756,500	\$ 3,756,500	\$ 3,690,245	\$ (66,255)
Intermediate Sources	13,000	13,000	80,375	67,375
State Sources	4,152,290	4,152,290	4,515,964	363,674
Federal Sources	-	-	36,627	36,627
Interest	18,000	18,000	66,294	48,294
Total Revenue	<u>7,939,790</u>	<u>7,939,790</u>	<u>8,389,505</u>	<u>449,715</u>
EXPENDITURES				
Instruction	5,044,817	4,894,817 (1)	4,863,127	31,690
Support Services	3,238,522	3,388,522 (1)	3,309,420	79,102
Contingency	200,000	200,000 (1)	-	200,000
Total Expenditures	<u>8,483,339</u>	<u>8,483,339</u>	<u>8,172,547</u>	<u>310,792</u>
Excess of Revenues Over (Under) Expenditures	(543,549)	(543,549)	216,958	760,507
OTHER FINANCING SOURCES (USES)				
Transfers In	340,000	340,000	-	340,000
Transfer Out	(95,000)	(95,000) (1)	(95,000)	-
Total Other Financing Sources (Uses)	<u>245,000</u>	<u>245,000</u>	<u>(95,000)</u>	<u>340,000</u>
Net Change in Fund Balance	(298,549)	(298,549)	121,958	420,507
Beginning Fund Balance	<u>298,549</u>	<u>298,549</u>	<u>300,659</u>	<u>2,110</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,617</u>	<u>\$ 422,617</u>

(1) Appropriation Level

See accompanying notes to basic financial statements.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019

SPECIAL REVENUE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 749,644	\$ 749,644	\$ 661,656	\$ (87,988)
Intermediate Sources	-	-	4,016	4,016
State Sources	202,613	339,613	257,823	(81,790)
Federal Sources	551,000	551,000	517,036	(33,964)
Total Revenue	<u>1,503,257</u>	<u>1,640,257</u>	<u>1,440,531</u>	<u>(199,726)</u>
EXPENDITURES				
Instruction	765,779	745,779 (1)	530,258	215,521
Support Services	207,334	567,226 (1)	471,121	96,105
Enterprise and Community Services	427,394	427,394 (1)	406,473	20,921
Facilities Acquisition and Construction	15,000	35,000 (1)	34,929	71
Contingency	125,000	125,000 (1)	-	125,000
Total Expenditures	<u>1,540,507</u>	<u>1,900,399</u>	<u>1,442,781</u>	<u>457,618</u>
Excess of Revenues Over (Under) Expenditures	(37,250)	(260,142)	(2,250)	257,892
OTHER FINANCING SOURCES (USES)				
Lease Purchase Receipts	-	222,892	222,892	-
Transfer In	95,000	95,000	171,777	76,777
Transfer Out	(340,000)	(340,000) (1)	(76,777)	263,223
Total Other Financing Sources (Uses)	<u>(245,000)</u>	<u>(22,108)</u>	<u>317,892</u>	<u>340,000</u>
Net Change in Fund Balance	(282,250)	(282,250)	315,642	597,892
Beginning Fund Balance	<u>282,250</u>	<u>282,250</u>	<u>241,332</u>	<u>(40,918)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 556,974</u>	<u>\$ 556,974</u>

(1) Appropriation Level

See accompanying notes to basic financial statements.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019

	<u>PRIVATE-PURPOSE TRUST FUND</u>
ASSETS	
Due From Governmental Fund	<u>\$ 51,471</u>
NET POSITION	
Held in Trust for Scholarships	<u><u>\$ 51,471</u></u>

See accompanying notes to basic financial statements.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2019

	<u>PRIVATE-PURPOSE</u> <u>TRUST FUND</u>
ADDITIONS:	
Cash	\$ <u>1,209</u>
DEDUCTIONS:	
Held in Trust for Scholarships	<u>-</u>
Change in Net Position	1,209
Beginning Net Position	<u>50,262</u>
Ending Net Position	<u><u>\$ 51,471</u></u>

See accompanying notes to basic financial statements.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the district's accounting policies are described below.

REPORTING ENTITY

Clatskanie School District No. 6J (the District) is a municipal corporation governed by a separately elected five-member board authorized to transact all business on the District's behalf. The District is a primary government exercising financial accountability for all public education within its boundaries. The Board approves administrative officials. The daily functioning is under supervision of the Superintendent. As required by generally accepted accounting principles, all activities have been included in the basic financial statements.

The financial statements include all funds and account groups. The District is not financially accountable for any other governmental entity. Financial accountability is determined in accordance with criteria set forth in GAAP and Governmental Accounting Standards Board (GASB) Statement No. 61. Financial accountability is based primarily on the authority to appoint voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific financial benefits or impose specific financial burdens and that organization's fiscal dependency. There are no component units.

BASIS OF PRESENTATION – FUND ACCOUNTING

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and Statements of Activities displays information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the general revenues.

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest of general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The following major governmental funds are reported:

GENERAL FUND

This fund accounts for all financial resources and expenditures except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

SPECIAL REVENUE FUND

This fund consists of all special revenue funds established to account for revenues and expenditures related to grants, student activities and other special revenues.

DEBT SERVICE FUND

This fund accounts for the property tax revenues related to debt service and makes the debt service payments on the general obligation bonds.

CAPITAL PROJECTS FUND

This fund accounts for all financial resources and expenditures that are used to fund capital projects.

FIDUCIARY FUND

This fund accounts for all financial resources and expenditures related to the Scholarship Fund.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, certain programs are funded by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. All revenues reported in the governmental funds are considered to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

BUDGETS

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except that property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, capital outlay is reported as an expenditure rather than capitalized, pension costs are recorded when paid, depreciation and amortization are not recorded and debt and vacation pay are expensed when paid instead of when incurred.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through early spring with the budget committee approving the budget in late spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund: Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition and Construction, Other Uses - Debt Service and Interfund Transfers, and Operating Contingency.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS (CONTINUED)

Expenditures cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances which could not be determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts and appropriations transfers. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2019.

CASH AND CASH EQUIVALENTS

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access.

Level 2 – Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs).

Level 3 – Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES RECEIVABLE

Uncollected real and personal property taxes are reflected on the statement of net position and the balance sheet as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens. All property taxes receivable are due from property owners within the District.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

ACCOUNTS AND OTHER RECEIVABLES

Accounts and Other Receivables are comprised primarily of state school support and claims for reimbursement of costs under various federal and state grants. No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible.

GRANTS

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

SUPPLY INVENTORIES

School food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in inventories at USDA wholesale value. Supplies are accounted for based on the purchase method. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities at balance sheet date is considered immaterial by management for reporting purposes. There were no supply inventories as of June 30, 2019.

CAPITAL ASSETS

Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Building and improvements	10 to 50 years
Equipment	5 to 20 years

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net positions that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in the category. Net Pension Related Deferrals and Total OPEB Related Deferrals related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The item unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government has two types of items, which arises under full accrual accounting in the Statement of Net Position. The Statement of Net Position reports deferred inflows from a Net Deferred Pension Asset and a Total OPEB related deferral resulting from actuarial valuations and contributions subsequent to measurement date.

COMPENSATED ABSENCES

Full-time employees are permitted to accumulate unused sick leave at the rate of one day per month over the working careers. The District does not compensate the employees for unused accumulations upon termination of employment. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service.

It is the policy to permit full-time twelve month employees to accumulate earned but unused vacation. All unused vacation pay is accrued, if material, when earned in the government-wide financial statements.

USE OF ESTIMATES

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

RETIREMENT PLANS

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

LONG-TERM OBLIGATIONS

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are 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.

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.

NET POSITION

Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net investment in capital assets – Consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is net position restricted for debt service.

Unrestricted net position – Consists of all other assets that are not included in the other categories previously mentioned.

FUND BALANCES

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The District has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. The total bank balance per the bank statements on June 30, 2019 was \$291,000, of which \$250,000 was covered by federal depository insurance, and the remainder is collateralized by the Oregon Public Funds Collateralization Program. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

INVESTMENTS

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

Cash and Investments at June 30, 2019 (recorded at fair value) consisted of:

Petty Cash	\$	1,060
Demand Deposits		174,215
LGIP		<u>1,580,654</u>
Total		<u>\$ 1,755,929</u>

There were the following investments and maturities at June 30, 2019:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
State Treasurer's Investment Pool	\$ 1,580,654	\$ 1,580,654	\$ -	\$ -
Total	\$ 1,580,654	\$ 1,580,654	\$ -	\$ -

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. The District does not have a deposit policy for custodial credit risk.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond three months.

Credit Risk – Investments

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

At June 30, 2019, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. They also include a contract receivable that the District used to sell property on September 11, 2003 for \$680,000. The contract was extended until September 2022. Property taxes are levied and become a lien on all taxable property as of July 1. Taxes unpaid and outstanding on May 16 are considered delinquent. No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible.

4. CAPITAL ASSETS

	<u>July 1, 2018</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2019</u>
Capital assets not being depreciated:				
Land	\$ 476,270	\$ -	\$ -	\$ 476,270
Total capital assets not being depreciated	<u>476,270</u>	<u>-</u>	<u>-</u>	<u>476,270</u>
Capital assets being depreciated				
Building and Improvements	14,829,142	34,929	-	14,864,071
Equipment	3,424,214	222,892	-	3,647,106
Total capital assets being depreciated	<u>18,253,356</u>	<u>257,821</u>	<u>-</u>	<u>18,511,177</u>
Less total accumulated depreciation for:				
Building and Improvements	(10,494,073)	(309,813)	-	(10,803,886)
Equipment	(2,340,604)	(178,348)	-	(2,518,952)
Total accumulated depreciation	<u>(12,834,677)</u>	<u>(488,161)</u>	<u>-</u>	<u>(13,322,838)</u>
Total capital assets being depreciated, net	<u>5,418,679</u>	<u>(488,161)</u>	<u>-</u>	<u>5,188,339</u>
Total capital assets, net	<u>\$ 5,894,949</u>	<u>\$ (488,161)</u>	<u>\$ -</u>	<u>\$ 5,664,609</u>

Depreciation expense for the year was charged to the following programs:

Program:	
Instruction	\$ 281,361
Support Services	185,595
Enterprise and Community Services	21,205
	<u>\$ 488,161</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN

Oregon Public Employees Retirement System (PERS)

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

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

a. **PERS Pension (Chapter 238)**. The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

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

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

ii) **Death Benefits**. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:

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

iii) **Disability Benefits**. A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

iv) **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 equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. **DEFINED BENEFIT PENSION PLAN (CONTINUED)**

b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

i) **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

i) **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.

ii) **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.

iii) **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, which became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2019 were \$1,042,697 excluding amounts to fund employer specific liabilities. In addition approximately \$35,630 in employee contributions were paid or picked up by the District in fiscal 2019. At June 30, 2019, the District reported a net pension liability of \$8,329,017 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2018 and 2017, the District's proportion was .05 percent and .06 percent, respectively. Pension expense for the year ended June 30, 2019 was \$397,004.

The rates in effect for the year ended June 30, 2019 were:

- (1) Tier 1/Tier 2 – 27.20%
- (2) OPSRP general services – 21.87%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 283,328	\$ -
Changes in assumptions	1,936,481	-
Net difference between projected and actual earnings on pension plan investments	-	369,855
Net changes in proportionate share	-	902,050
Differences between District contributions and proportionate share of contributions	335,465	21,868
Subtotal - Amortized Deferrals (below)	2,555,274	1,293,773
District contributions subsequent to measuring date	1,042,697	-
Deferred outflow (inflow) of resources	\$ 3,597,971	\$ 1,293,773

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2020.

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

Year ending June 30,	Amount
2020	\$ 809,564
2021	508,903
2022	(191,299)
2023	85,213
2024	49,119
Thereafter	-
Total	\$ 1,261,501

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2019. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2016 rolled forward to June 30, 2018
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Projected salary increase	3.50 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. **DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	13.5%	21.5%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2018 PERS CAFR; p. 98)

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, revised as of June 7, 2017, the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2018 PERS CAFR; p. 72)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2018 and 2017, was 7.20 percent and 7.50 percent, respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 13,919,361	\$ 8,329,017	\$ 3,714,646

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2018 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2019.

Retirement Health Insurance Account

Plan Description:

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

Funding Policy:

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

CLATSKANIE SCHOOL DISTRICT NO. 6J
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NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 .50% of annual covered OPERF payroll and .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 amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contribution to RHIA for the years ended June 30, 2017, 2018, and 2019 were \$19,405, \$19,655 and \$19,693 which equaled the required contributions each year.

At June 30, 2019, the District's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

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

6. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75

Plan Description: The District operates a single-employer retiree benefit plan that provides postemployment health, dental and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. All classes of employee are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage. Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

Benefits and eligibility for members are established through the collective bargaining agreements. The post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan

Funding Policy: The benefits from this program are paid by the District on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is not obligation on the part of the District to fund these benefits in advance.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75 (CONTINUED)

Actuarial Methods and Assumptions: The District engaged an actuary to perform an evaluation as of June 30, 2018 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Discount Rate per year	3.87%
General Inflation Rate per year	2.50%
Salary Scale per year	3.50%

Health Care Cost Trends:

Year	Trend	Year	Trend
2017	4.25 %	2042-2043	6.00 %
2018	5.50	2044-2048	5.75
2019	6.75	2049-2057	5.50
2020-2030	5.00	2058-2064	5.25
2031-2032	5.25	2065-2067	5.00
2033	5.50	2068-2069	4.75
2034	6.00	2070-2073	4.50
2035-2041	6.25	2074+	4.25

Mortality rates were based on the RP=2014 Employee and Healthy Annuitant tables. White collar, sex distinct for members only, a one year setback is applied. Future mortality improvement is not projected as it would be immaterial to the valuation.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were not used.

Retirement rates were based on Oregon PERS assumptions. Annual rates are based on age, Tier / OPSRP, and duration of service.

The projection of benefits for financial reporting purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75 (CONTINUED)

Changes in Medical Benefit OPEB Liability:

	2019	2018
Total OPEB Liability - Beginning	\$ 536,244	\$ 571,998
Changes for the Year:		
Service Cost	55,286	57,133
Interest	19,647	16,760
Changes of Assumptions or Other Input	(10,993)	(26,948)
Benefit Payments	(86,214)	(82,699)
Net Changes for the Year	(22,274)	(35,754)
Total OPEB Liability - Ending	\$ 513,970	\$ 536,244

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates: The following presents the net other post-employment benefit liability (NOL), calculated using the discount rate of 3.87 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

June 30, 2019	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 549,621	\$ 513,970	\$ 481,063

The following presents the net other post-employment benefit liability (NOL), calculated using trend rate of 6.5 percent graded down to 5.0 percent, as well as what the liability would be if it was calculated using a trend rate 1-percentage-point lower (5.5 percent graded down to 4.0 percent) or 1-percentage-point higher (7.5 percent graded down to 6.0 percent) than the current rate:

June 30, 2019	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 468,301	\$ 513,970	\$ 568,157

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	(29,727)
Benefit Payments	63,610	-
Deferred outflow (inflow) of resources	\$ 63,610	\$ (29,727)

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75 (CONTINUED)

<u>Year ending June 30,</u>	<u>Annual Recognition</u>
2020	\$ (4,803)
2021	(4,803)
2022	(4,803)
2023	(4,803)
2024	(4,803)
Thereafter	(5,712)
Total	<u>\$ (29,726)</u>

7. LONG-TERM OBLIGATIONS

Direct Borrowings and Placements

Installment Purchase Agreement

On June 15, 2017, the District entered into an Installment Purchase Agreement with U.S Bancorp in the amount of \$500,000 with an interest rate of 3.715%. As of June 30, 2018, \$500,000 in qualifying expenditures had been incurred and drawn down. The District agreed to repay the installment agreement in accordance with the terms of a payment schedule that begins on July 15, 2017 and concludes June 15, 2027, for the full amount of the agreement (\$500,000).

Upon the occurrence of any event of default the lender shall have the right, at its sole option without any further emend or notice, to take any action, at law or in equity, that is permitted by applicable law and that may appear necessary or desirable to enforce or to protect any of its rights under the Property Schedule and the Agreement.

The future requirements for amortization of this Installment Purchase Agreement are as follows:

Fiscal year	<u>Installment Purchase Agreement</u>		
	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2019-2020	\$ 45,315	\$ 14,622	\$ 59,937
2020-2021	47,027	12,910	59,937
2021-2022	48,804	11,133	59,937
2022-2023	50,648	9,289	59,937
2023-2024	52,562	7,375	59,937
2024-2029	169,904	9,905	179,809
Total	<u>\$ 414,260</u>	<u>\$ 65,234</u>	<u>\$ 479,494</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. **LONG-TERM OBLIGATIONS (CONTINUED)**

General Obligation Bonds

2017 GO Refunding Bond

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The outstanding general obligation bonds were issued to provide funds for the acquisition and construction of school facilities.

On August 8, 2017 \$2,645,000 of the Series 2005 G.O Bonds was advanced refunded, and the new 2017 General Obligation Bond debt was established in the amount of \$2,703,000 and an interest rate of 1.776%. As a result, the refunded bonds are considered to be defeased, and the liability has been removed from the governmental activities column of the statement of net position. The refunding allowed for the district to realize present value debt service savings of \$96,432 and resulted in an economic gain of \$93,539.

If an Event of Default occurs and is continuing, the Bank may exercise any remedy available at law or in equity, however the Bond is not subject to acceleration.

The future requirements for amortization of the General Obligation Bond is are as follows:

Fiscal year	2017 GO Refunding Bond		
	Principle	Interest	Total
2019-2020	\$ 687,000	\$ 36,344	\$ 723,344
2020-2021	717,000	12,619	729,619
Total	\$ 1,404,000	\$ 48,963	\$ 1,452,963

Other Debt

Early Retirement (Termination Benefits):

The District previously had an early retirement plan for certified personnel. This plan was, in substance, a single employer defined benefit pension plan. It ended June 30, 2005. The charge to expenditures for the fiscal year ending June 30, 2019 was \$28,800, all of which was paid by the General Fund.

Future payments of early retirement stipends are as follows:

Payable in:	Amount
2019-20	\$ 28,800
2020-21	28,800
2021-22	22,800
2022-23	13,200
2023-24	7,200
Thereafter	20,400
	\$ 121,200

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM OBLIGATIONS (CONTINUED)

Capital Lease Obligations

The District has various leases for school buses. Approximate future minimum rental commitments under these agreements are as follows:

<u>Payable in:</u>	<u>Amount</u>
2019-20	\$ 118,240
2020-21	79,172
2021-22	68,083
2022-23	46,295
	<u>\$ 311,790</u>

Changes in Long-Term Obligations: During the year ended June 30, 2019, the following changes occurred in long-term obligations:

<u>Issue Date</u>	<u>Interest Rates</u>	<u>Issue Amount</u>	<u>Outstanding July 1, 2018</u>	<u>Issued</u>	<u>Matures & Redeemed</u>	<u>Outstanding June 30, 2019</u>	<u>Due in One Year</u>
Direct Borrowings and Placements							
		Installment Purchase Agreement	\$ 457,925	\$ -	\$ 43,665	\$ 414,260	\$ 45,315
General Obligation Bonds							
8/1/2017	3.85-5.00%	2,703,000	2,065,000	-	661,000	1,404,000	687,000
Other Debt							
		Leases Payable	238,075	222,892	149,177	311,790	118,240
		Accumulated Unpaid Vacation	27,789	17,545	15,524	29,810	29,810
		Early Retirement	150,000	-	28,800	121,200	28,800
		Total Long-Term Obligations	<u>\$ 2,938,789</u>	<u>\$ 240,437</u>	<u>\$ 882,642</u>	<u>\$ 2,281,060</u>	<u>\$ 909,165</u>

RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is carried for other risks of loss including excess liability, workers' compensation, boiler and machinery, public official bond and employee dishonesty and contractors license bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. COMMITMENTS AND CONTINGENCIES

There is participation in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2019 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected by management to be immaterial.

9. PROPERTY TAX LIMITATION

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

10. TAX ABATEMENTS

As of June 30, 2019, Columbia County provides tax abatements through one program: Enterprise Zone. As of June 30, 2019, Clatsop County provides tax abatements through one program: Strategic Investment.

Enterprise Zone (ORS 285C.175):

- The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

Strategic Investment (ORS 3285C.600):

- The purpose of the Strategic Investment program is to improve employment in areas where eligible projects are to be located and urges business firms that will benefit from an eligible project to hire employees from the region in which the eligible project is to be located whenever practicable. In order to be eligible for the SIP exemption:

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. TAX ABATEMENTS (CONTINUED)

- 1) The project must be an eligible project
- 2) Benefit a traded sector industry as defined in ORS 285B.280, and
- 3) The total cost of the project equals or exceeds:
 - a. \$100 million; or
 - b. \$25 million, for rural areas

For the fiscal year ended June 30, 2019, the District had the following abated property taxes:

<u>Tax Abatement Program</u>	<u>Amount of taxes abated during the Fiscal Year</u>
Columbia County - Enterprise Zone (ORS 285C.175)	\$ 4,807
Clatsop County - Georgia Pacific Strategic Investment Program (ORS 285C.600)	<u>1,315,897</u>
	<u>\$ 1,320,704</u>

11. INTERFUND BALANCES AND TRANSFERS

Interfund balances and transfers for the year ended June 30, 2019 on the budgetary basis of accounting, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Due To</u>	<u>Due From</u>
General	\$ -	\$ 95,000	\$ 675,930	\$ -
Special Revenue	171,777	76,777	-	450,537
Debt Service	-	-	-	85,740
Capital Projects	-	-	-	88,182
Trust Fund	-	-	-	<u>51,471</u>
 Total	 <u>\$ 171,777</u>	 <u>\$ 171,777</u>	 <u>\$ 675,930</u>	 <u>\$ 675,930</u>

Interfund items are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All interfund balances are expected to be repaid within one year from June 30, 2019.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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**CLATSKANIE SCHOOL DISTRICT
COLUMBIA COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.05 %	\$ 8,329,017	\$ 4,687,509	177.7 %	82.1 %
2018	0.06	7,680,826	3,974,980	193.2	83.1
2017	0.06	9,484,115	3,705,226	256.0	80.5
2016	0.08	4,446,102	4,018,077	110.7	91.9
2015	0.08	(1,772,705)	4,066,082	(43.6)	103.6
2014	0.08	3,990,962	3,906,226	102.2	92.0

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

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2019	\$ 1,042,697	\$ 1,042,697	\$ -	\$ 4,731,663	22.0 %
2018	1,028,688	1,028,688	-	4,687,509	21.9
2017	760,547	760,547	-	3,974,980	19.1
2016	675,234	675,234	-	3,705,266	18.2
2015	798,185	798,185	-	4,018,077	19.9
2014	728,364	728,364	-	4,066,082	17.9

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

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY
For the fiscal year ended June 30, 2019

	2019	2018
Total OPEB Liability - Beginning	\$ 536,244	\$ 571,998
Changes for the year:		
Service Cost	55,286	57,133
Interest	19,647	16,760
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions or Other Input	(10,993)	(26,948)
Benefit Payments	(86,214)	(82,699)
Net Changes for the Year	(22,274)	(35,754)
Total OPEB Liability - Ending	\$ 513,970	\$ 536,244
Covered Payroll	4,731,663	4,687,509
Net Single Employer Pension Plan as a Percentage of Covered Payroll	10.86%	11.44%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73 and GASB 75 in the fiscal year ending June 30, 2018.

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

SUPPLEMENTAL INFORMATION

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CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019

DEBT SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 648,000	\$ 648,000	\$ 651,614	\$ 3,614
Interest	-	-	47	47
Total Revenue	<u>648,000</u>	<u>648,000</u>	<u>651,661</u>	<u>3,661</u>
EXPENDITURES				
Debt Service	<u>773,000</u>	<u>773,000 (1)</u>	<u>757,281</u>	<u>15,719</u>
Net Change in Fund Balance	(125,000)	(125,000)	(105,620)	19,380
Beginning Fund Balance	<u>125,000</u>	<u>125,000</u>	<u>201,627</u>	<u>76,627</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,007</u>	<u>\$ 96,007</u>

(1) Appropriation Level

**CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019**

CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Local Sources	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Supprt Services	50,000	50,000 (1)	-	50,000
Total Expenditures	50,000	50,000	-	50,000
Excess of Revenues Over (Under) Expenditures	(50,000)	(50,000)	-	50,000
OTHER FINANCING SOURUCES (USES)				
Proceeds from Sale of Fixed Assets	50,000	50,000	50,000	-
Total Other Financing Sources (Uses)	50,000	50,000	50,000	-
Net Change in Fund Balance	-	-	50,000	50,000
Beginning Fund Balance	-	-	38,182	38,182
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,182</u>	<u>\$ 88,182</u>

(1) Appropriation Level

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2019

SCHOLARSHIP FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Local Sources				
Interest	\$ -	\$ -	\$ 1,209	\$ 1,209
EXPENDITURES				
Enterprise and Community Services	52,000	52,000 (1)	-	52,000
Net Change in Fund Balance	(52,000)	(52,000)	1,209	53,209
Beginning Fund Balance	52,000	52,000	50,262	(1,738)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,471</u>	<u>\$ 51,471</u>

(1) Appropriation Level

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2019

ALL FUNDS - BOTH COUNTIES

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED JUNE 30, 2018</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED JUNE 30, 2019</u>
Current:						
2018-2019	\$ 4,203,745	110,476	20,114	1,436	3,988,888	124,495
Prior Years:						
2017-2018	136,314	5	2,067	3,473	77,141	61,235
2016-2017	67,703	92	890	3,160	32,832	35,669
2015-2016	41,695	73	2,877	4,648	30,871	13,628
2014-2015	21,855	156	261	2,486	17,777	4,183
Prior	47,798	654	(7,965)	2,984	30,731	8,448
Total Prior	315,365	980	(1,870)	16,751	189,352	123,163
Total	<u>\$ 4,519,110</u>	<u>\$ 111,456</u>	<u>\$ 18,244</u>	<u>\$ 18,187</u>	<u>\$ 4,178,240</u>	<u>\$ 247,658</u>
RECEIVABLES REPORTED IN:						
General Fund						\$ 210,314
Debt Service Fund						37,344
Total						<u>\$ 247,658</u>
RECONCILIATION TO REVENUE:						
Cash Collections by County Treasurers Above						\$ 4,178,240
Taxes in lieu						2,209
Accrual of Receivables:						
JUNE 30, 2019						26,337
JUNE 30, 2018						(23,626)
Total Property Tax Revenue						<u>\$ 4,183,160</u>
REVENUE REPORTED IN:						
General Fund						\$ 3,531,874
Debt Service Fund						651,286
Total						<u>\$ 4,183,160</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

OTHER INFORMATION

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CLATSKANIE SCHOOL DISTRICT NO. 6J

Columbia County, Oregon

**REVENUE SUMMARY - ALL FUNDS
YEAR ENDED JUNE 30, 2019**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700	TOTAL
Revenue from Local Sources						
1111 Taxes - current year's levy	\$ 3,374,508	\$ -	\$ 620,528	\$ -	\$ -	\$ 3,995,036
1112 Taxes - prior year's levies	155,188	-	30,757	-	-	185,945
1114 Taxes - PILOTS	376	-	-	-	-	376
1190 Penalties and interest on taxes	1,801	-	328	-	-	2,129
1400 Transportation fees	48,946	-	-	-	-	48,946
1510 Earnings on investments	66,294	-	47	-	1,209	67,550
1600 Food Service	-	84,798	-	-	-	84,798
1700 Excurricular Activities	39,704	107,685	-	-	-	147,389
1920 Contributions and donations from private sources	6,650	448,745	-	-	-	455,395
1960 Recovery of prior year expenditures	(759)	8,805	-	-	-	8,046
1970 Services Provided to Other Funds	-	1,330	-	-	-	1,330
1990 Miscellaneous	7,326	10,292	-	-	-	17,618
1993 Services to other agencies	56,506	-	-	-	-	56,506
Total Revenue from Local Sources	3,756,540	661,655	651,660	-	1,209	5,071,064
Revenue from Intermediate Sources						
2101 County school funds	74,548	-	-	-	-	74,548
2105 Natural gas, oil and mineral receipts	5,826	-	-	-	-	5,826
2200 Restricted Revenue	-	4,016	-	-	-	4,016
Total Revenue from Intermediate Sources	80,374	4,016	-	-	-	84,390
Revenue from State Sources						
3101 State School Support	4,279,761	-	-	-	-	4,279,761
3102 SSF School Lunch Match	-	3,133	-	-	-	3,133
3103 Common school fund	71,757	-	-	-	-	71,757
3104 State managed county timber	63,040	-	-	-	-	63,040
3199 Other unrestricted sources	44,155	-	-	-	-	44,155
3222 State School Fund Transportation Equipment	-	70,623	-	-	-	70,623
3299 Other restricted grants-in-aid	57,252	184,067	-	-	-	241,319
Total Revenue from State Sources	4,515,965	257,823	-	-	-	4,773,788
Revenue from Federal Sources						
4500 Restricted Rev Fed Gov through State	-	3,878	-	-	-	3,878
4500 Restricted Rev Fed Gov through State	36,627	487,151	-	-	-	523,778
4900 USDA Donated Commodities	-	26,006	-	-	-	26,006
Total Revenue from Federal Sources	36,627	517,035	-	-	-	553,662
Revenue from Other Sources						
5160 Lease purchase receipts	-	222,892	-	-	-	222,892
5200 Interfund Transfers	-	171,777	-	-	-	171,777
5300 Sale/compensation fixed assets	-	-	-	50,000	-	50,000
5400 Resources - Beginning Fund Balance	300,658	241,332	201,627	38,182	50,262	832,061
Total Revenue from Other Sources	300,658	636,001	201,627	88,182	50,262	1,276,730
Total	\$ 8,690,164	\$ 2,076,530	\$ 853,287	\$ 88,182	\$ 51,471	\$ 11,759,634

CLATSKANIE SCHOOL DISTRICT NO. 6J

Columbia County, Oregon

**GENERAL FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2019**

Fund: 100 General Fund

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Instruction Expenditures								
1111 Primary, K-3	\$ 1,095,831	\$ 617,672	\$ 20,939	\$ 15,010	\$ -	\$ -	\$ -	\$ 1,749,452
1121 Middle/Junior high school programs	152,422	81,944	5,167	3,053	-	10,895	-	253,481
1122 Middle/Junior high school extracurricular	6,215	779	7,338	-	-	-	-	14,332
1131 High school programs	711,823	372,874	9,151	15,105	-	3,710	-	1,112,663
1132 High school extracurricular	103,873	33,950	67,579	22,939	-	34,581	-	262,922
1210 Programs for the talented and gifted	-	-	-	1,773	-	-	-	1,773
1220 Restrictive programs for student with disabilities	337,428	285,552	86	1,537	-	-	-	624,603
1250								
Less restrictive programs for student with disabilities	456,265	340,585	325	2,714	-	2,838	-	802,727
1272 Title IA/D	-	-	-	1,382	-	-	-	1,382
1280 Alternative education	302	91	17,794	9,284	-	-	-	27,471
1291 English second language programs	-	-	-	600	-	-	-	600
1400 Summer School Programs	8,784	2,935	-	-	-	-	-	11,719
Total Instruction Expenditures	2,872,943	1,736,382	128,379	73,397	-	52,024	-	4,863,125
Support Services Expenditures								
2120 Guidance services	-	-	-	3,203	-	-	-	3,203
2130 Health services	43,501	28,752	1,107	1,822	-	-	-	75,182
2140 Psychological Services	-	-	11,000	-	-	-	-	11,000
2150 Speech pathology and audiology services	-	-	54	1,692	-	-	-	1,746
2190 Service direction, student support services	87,179	61,413	302	-	-	-	-	148,894
2220 Educational media services	51,496	56,293	-	5,321	-	-	-	113,110
2240 Instructional staff development	-	3,549	1,412	-	-	-	-	4,961
2310 Board of education services	-	-	40,521	1,218	-	92,486	-	134,225
2320 Executive administration services	82,658	53,593	14,554	1,377	-	695	-	152,877
2410 Office of the principal services	362,253	235,821	5,969	8,064	-	2,138	-	614,245
2520 Fiscal services	58,206	75,609	58,083	775	-	8,109	-	200,782
2540 Operation and maintenance of plant services	226,885	141,257	266,094	71,910	-	741	-	706,887
2550 Student transportation services	462,313	303,389	7,984	103,296	-	21,227	-	898,209
2640 Staff services	55,000	24,143	27,810	-	-	374	-	107,327
2660 Technology services	37,278	32,193	477	31,518	-	150	-	101,616
2690 Other Support Services - Central	-	-	-	110	-	-	-	110
2700 Supplemental retirement program	32,400	2,647	-	-	-	-	-	35,047
Total Support Services Expenditures	1,499,169	1,018,659	435,367	230,306	-	125,920	-	3,309,421
Other Uses Expenditures								
5200 Transfers of Funds	-	-	-	-	-	-	95,000	95,000
Total Other Uses Expenditures	-	-	-	-	-	-	95,000	95,000
Total 100 General Fund	\$ 4,372,112	\$ 2,755,041	\$ 563,746	\$ 303,703	\$ -	\$ 177,944	\$ 95,000	\$ 8,267,546

CLATSKANIE SCHOOL DISTRICT NO. 6J

Columbia County, Oregon

**SPECIAL REVENUE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2019**

Fund: 200 Special Revenue Fund

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Instruction Expenditures								
1111 Primary, K-3	\$ -	\$ -	\$ 5,203	\$ 5,576	\$ -	\$ -	\$ -	\$ 10,779
1113 Elementary extracurricular	3,750	1,356	5,298	66,798	-	-	-	77,202
1121 Middle/Junior high school programs	-	-	-	3,457	-	-	-	3,457
1122 Middle/Junior high school programs extracurricular	-	-	2,544	7,464	-	-	-	10,008
1131 High school programs	63,160	20,648	475	26,594	-	-	-	110,877
1132 High school extracurricular	-	-	12,299	55,382	-	510	-	68,191
1250 Less restrictive programs for student with disabilities	51,107	40,076	-	-	-	-	-	91,183
1272 Title I	87,684	63,694	111	-	-	-	-	151,489
1280 Alternative Education	-	-	-	480	-	-	-	480
1299 Other programs	3,615	283	2,003	690	-	-	-	6,591
Total Instruction Expenditures	209,316	126,057	27,933	166,441	-	510	-	530,257
Support Services Expenditures								
2110 Attendance and social work services	23,063	2,958	30,987	9,041	-	-	-	66,049
2210 Improve instruction services	-	-	518	1,404	-	-	-	1,922
2240 Instructional staff development	7,427	15,640	-	-	-	-	-	23,067
2540 Operation and maintenance of plant services	-	-	-	569	-	-	-	569
2550 Student transportation services	-	-	-	-	222,892	156,621	-	379,513
Total Support Services Expenditures	30,490	18,598	31,505	11,014	222,892	156,621	-	471,120
Enterprise and Community Services								
3100 Food services	140,791	120,429	150	136,302	-	6,054	-	403,726
3300 Community Services	-	-	-	2,748	-	-	-	2,748
Total Enterprise and Community Services	140,791	120,429	150	139,050	-	6,054	-	406,474
Facilities Acquisition and Construction Expenditures								
4150 Building acquisition, construction and improvement	-	-	-	-	34,929	-	-	34,929
Total Facilities and Construction Expenditures	-	-	-	-	34,929	-	-	34,929
Other Uses Expenditures								
5200 Transfers of funds	-	-	-	-	-	-	76,777	76,777
Total Other Uses Expenditures	-	-	-	-	-	-	76,777	76,777
Total 200 Special Revenue Fund	\$ 380,597	\$ 265,084	\$ 59,588	\$ 316,505	\$ 257,821	\$ 163,185	\$ 76,777	\$ 1,519,557

CLATSKANIE SCHOOL DISTRICT NO. 6J

Columbia County, Oregon

**DEBT SERVICE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2019**

Fund: 300 Debt Service

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Other Uses Expenditures								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	757,281	\$ -	757,281
Total Other Uses Expenditures	-	-	-	-	-	757,281	-	757,281
Total 300 Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	757,281	\$ -	757,281

CLATSKANIE SCHOOL DISTRICT NO. 6J

Columbia County, Oregon

**CAPITAL PROJECTS FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2019**

Fund: 400 Capital Projects Fund									
Support Services Expenditures		Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
2540	Operation Maintenance Plant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Support Services Expenditures		-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures		Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
4150	Building acquisition, construction and improvement	-	-	-	-	-	-	-	-
Total Facilities and Construction Expenditures		-	-	-	-	-	-	-	-
Total 400 Capital Projects Fund		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CLATSKANIE SCHOOL DISTRICT NO. 6J

Columbia County, Oregon

**FIDUCIARY FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2019**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Fund: 700 Fiduciary Fund								
Enterprise and Community Services								
3390 Other community services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Enterprise and Community Services	-	-	-	-	-	-	-	-
Total 700 Agency Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J

Columbia County, Oregon

**SUPPLEMENTAL INFORMATION REQUIRED BY THE STATE OF OREGON
DEPARTMENT OF EDUCATION
YEAR ENDED JUNE 30, 2019**

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	\$ 140,104
Function 2550	\$ 2,697

B. Replacement of Equipment – General Fund:

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

\$ -

Exclude these functions:

Exclude these functions:

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

**CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

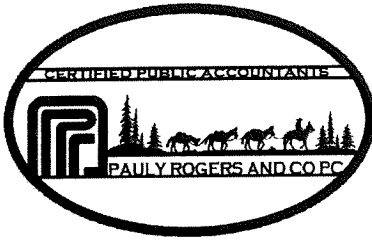
As required by the Oregon Department of Education
For the Year Ended June 30, 2019

Federal Grantor/Pass Through Grantor/ Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Entity Number	Grant Period	Expenditures	Pass through to Sub-Recipients
U.S. Department of Education						
Title I -Grants to Local Educational Agencies	ODE	84.010	50360	2018-19	\$ 151,489	\$ -
Title I -Grants to Local Educational Agencies		84.010				
Total Title I Grants to Local Educational Agencies					<u>151,489</u>	<u>-</u>
Title IIA - Improving Teacher Quality State Grants	ODE	84.367	49274	2018-19	23,067	-
Total Title IIA Improving Teacher Quality					<u>23,067</u>	<u>-</u>
Special Education Cluster						
Special Education Grants to States	ODE	84.027	45147	2017-18	88,183	-
Special Education Grants to States	ODE	84.027	49477	2018-19	1,691	-
Special Education Grants to States	ODE	84.027	51226	2018-19	1,405	-
Total of Special Education Grant to States, CFDA 84.027					<u>91,279</u>	<u>-</u>
Special Education Grants to States	ODE	84.173	45355	2017-18	1,827	-
Total of Special Education Grant to States, CFDA 84.173					<u>1,827</u>	<u>-</u>
Total Special Education Cluster					<u>93,106</u>	<u>-</u>
Student Support and Academic Enrichment	ODE	84.424	47690	2018-19	10,000	-
Total Student Support and Academic Enrichment					<u>10,000</u>	<u>-</u>
Title VIIA Indian Education - Grants to Local Educational Agencies	USDOE	84.060	S060A182114	2018-19	3,878	-
Total Title VIIA Indian Education Grants to Local Education Agencies					<u>3,878</u>	<u>-</u>
Total U.S. Department of Education					<u>281,540</u>	<u>-</u>
U.S. Department of Health & Human Services						
Foster Care Transportation Reimbursement	ODE	93.658	47381	2018-19	36,627	-
Total Foster Care Transportation Reimbursement					<u>36,627</u>	<u>-</u>
Total U.S. Department of Health & Human Services					<u>36,627</u>	<u>-</u>
U.S. Department of Agriculture						
Child Nutrition Cluster						
School Breakfast Program	ODE	10.553	N/A	2018-19	49,705	-
Total Breakfast Program					<u>49,705</u>	<u>-</u>
National School Lunch Program	ODE	10.555	N/A	2018-19	149,907	-
National School Lunch Program Commodities	ODE	10.555	N/A	2018-19	26,006	-
Total National School Lunch Program CFDA 10.555					<u>175,913</u>	<u>-</u>
Summer Food Service Program Commodities	ODE	10.559	N/A	2018-19	-	-
Summer Food Service Program	ODE	10.559	N/A	2018-19	8,865	-
Total Summer Food Service Program CFDA 10.559					<u>8,865</u>	<u>-</u>
Total Child Nutrition Cluster					<u>234,483</u>	<u>-</u>
Reallocation SAE	ODE	10.560	N/A	2018-19	1,012	-
Total Reallocation SAE					<u>1,012</u>	<u>-</u>
Total U.S. Department of Agriculture					<u>235,495</u>	<u>-</u>
Total Federal Financial Assistance					<u>\$ 553,662</u>	<u>\$ -</u>

CLATSKANIE SCHOOL DISTRICT NO. 6J
COLUMBIA COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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October 21, 2019

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of Clatskanie School District No. 6J as of and for the year ended June 30, 2019, and have issued our report thereon dated October 21, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Clatskanie School 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures 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.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with our testing nothing came to our attention that caused us to believe the Clatskanie School District No. 6J 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.

OAR 162-10-0230 Internal Control

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

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

Tara M Kamp, CPA

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