

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017



12700 SW 72nd Ave.
Tigard, OR 97223

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2017

<u>NAME</u>	<u>TERM EXPIRES</u>
Carl West, Chair	June 30, 2019
Mizu Burruss, Vice Chair	June 30, 2021
Michelle Holman	June 30, 2019
Marilyn Fox	June 30, 2021
John Simington	June 30, 2021

All board members receive mail at the address below:

ADMINISTRATION

Jodi O'Mara, Superintendent
Maria McEldowney, Business Manager

10868 East Mapleton Road
Mapleton, Oregon 97453

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LANE COUNTY, OREGON

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LANE COUNTY, OREGON

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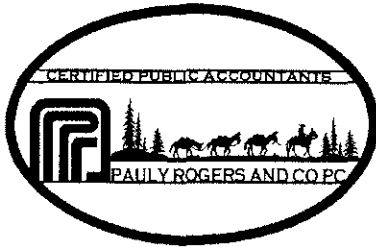
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November 13, 2017

To the Board of Directors
Lane County School District No. 32
Lane County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Lane County School District No. 32, as of and for the year ended June 30, 2017, 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 basic 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 the basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these basic 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic 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 basic 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 basic 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Lane County School District No. 32, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The School adopted the provisions of GASB Statement No. 73- *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, GASB 75- *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 77 – *Tax Abatement Disclosures* for the year ended June 30, 2017. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

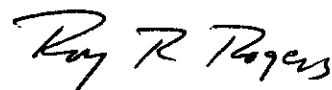
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 13, 2017 in 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.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

MAPLETON SCHOOL DISTRICT 32
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

As management of Mapleton School District 32 (the District), Lane County, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. It should be read in conjunction with the district's financial statements, which follow this section. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities in the District as a whole and present a longer-term view of the District's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements.

FINANCIAL HIGHLIGHTS

- In the government-wide financial statements, the assets of the District exceeded its liabilities at June 30, 2017 by \$504,006 (*total net position*). Of this amount, \$1,065,982 represents the District's net investment in capital assets, \$4,058,260 is restricted for debt service, food service, student body groups, and grant programs, and \$(4,782,005) is unrestricted and available to meet the District's ongoing obligations.
- The District's total net position increased by \$424,595 from the prior year.
- Total cost of all the District's programs was \$3,797,416, a decrease of \$59,185 from the prior year.
- At the end of the fiscal year, the unrestricted fund balance (the total of the assigned and unassigned components of fund balance) for the General Fund was \$1,228,546, or 45% of total general fund revenues.
- At June 30, 2017, The General Fund unassigned balance was \$1,228,546, which represents 55% of total General Fund expenditures and an increase of \$492,144 from the prior year General Fund unassigned fund balance.
- At June 30, 2017 the District reported a net pension liability of \$3,325,857 for its proportionate share of the net pension liability, an increase of \$1,761,151 from the prior year.
- The District total outstanding long-term debt increased by \$4,010,630, excluding bond premium of \$98,673, during the 2016-17 fiscal year primarily due to a \$4,000,000 General Obligation Bond issued in August 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The *Statement of Net Position* focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of what the district owns (assets), what it owes (liabilities), and the net difference (*net position*). Net position may be further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed over the year by tracking revenues, expenditures, and other transactions that increase or reduce net position. 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 years. (e.g., uncollected taxes).

Fund Financial Statements: The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant of "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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District are considered governmental funds. To be considered a major fund, the fund must meet criteria established by general accepted accounting principles.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the district's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains four individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Special Revenue Fund, Debt Service Fund, and Capital Projects Fund.

The District adopts an annual appropriated budget for all of its governmental funds as required by Oregon budget law. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

Notes to the 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position: As noted earlier, net position may, over time, serve as a useful indicator of the district's financial position. At June 30, 2017, the District's assets exceeded liabilities by \$504,006, an increase of \$424,595 over the prior year.

Mapleton School District 32 Condensed Statement of Net Position

	June 30, 2017	June 30, 2016	Change
Current and other assets	\$ 5,761,887	\$ 1,096,511	\$ 4,665,376
Capital assets	1,065,982	765,869	300,113
<i>Total Assets</i>	<u>6,827,869</u>	<u>1,862,380</u>	<u>4,965,489</u>
 Deferred Outflows of Resources			
Net Pension Related Deferrals	<u>1,769,547</u>	<u>340,405</u>	<u>1,429,142</u>
Current liabilities	280,607	111,934	168,673
Long term liabilities	4,160,222	50,919	4,109,303
Net pension liability	3,325,857	1,564,706	1,761,151
<i>Total Liabilities</i>	<u>7,766,686</u>	<u>1,727,559</u>	<u>6,039,127</u>
 Deferred Inflows of Resources			
Net Pension Related Deferrals	<u>326,724</u>	<u>395,815</u>	<u>(69,091)</u>
Net Position			
Invested in capital assets	1,065,982	765,869	300,113
Restricted	4,220,029	171,915	4,048,114
Unrestricted	(4,782,005)	(858,373)	(3,923,632)
<i>Total Net Position</i>	<u>\$ 504,006</u>	<u>\$ 79,411</u>	<u>\$ 424,595</u>

Most of the District's net position reflects its holding in cash and investments, the majority from bond proceeds of a \$4,000,000 General Obligation Bond issued in August 2016. The remaining total assets are comprised of capital assets, land and buildings (including improvements), vehicles, and equipment, and construction in process. The District uses capital assets to provide services to student and other District residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

During the fiscal year, the District's overall financial position improved as indicated by an increase of \$424,595 in net position. Unrestricted net position decreased by \$3,923,632; at the same time, the District's investment in capital assets increased by \$300,113 due principally to construction in process and capital asset additions.

Governmental Activities: During the 2016-17 fiscal year, the District's net position increased by \$424,595. The key elements in this change are the following:

- Total revenues increased by \$1,425,181 (51%) mainly due to State Support from the Oregon School Capital Improvement Matching Program.
- Instruction expenses decreased by \$96,856 (-4.87%).

Mapleton School District 32
Condensed Statement of Changes in Net Position

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>
Program Revenues			
Charges for Services	\$ 8,479	\$ 8,567	\$ (88)
Operating Grants and Contribution	371,499	437,663	(66,164)
General Revenues			-
Property Taxes	780,634	581,117	199,517
Earnings in Investements	51,273	6,659	44,614
Other Local	69,312	56,936	12,376
State Support	2,930,739	1,683,155	1,247,584
Unrestricted Intermediate	2,675	22,733	(20,058)
Unrestrice Federal	42,024	-	42,024
Gains/(Loss) Assets	(34,624)	-	(34,624)
Total Revenues	<u>4,222,011</u>	<u>2,796,830</u>	1,425,181
Expenditures			
Instruction	1,892,744	1,987,823	(95,079)
Support Services	1,741,608	1,701,230	40,378
Community Services	163,064	167,548	(4,484)
Total Expenditures	<u>3,797,416</u>	<u>3,856,601</u>	(59,185)
Change in Net Position	424,595	(1,059,771)	1,484,366
Net Position - Beginning	79,411	1,139,182	(1,059,771)
Net Position - Ending	<u>\$ 504,006</u>	<u>\$ 79,411</u>	<u>\$ 424,595</u>

FINANCIAL ANALYSIS FOR THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds The focus of the District's governmental funds is to provide information on relatively short term cash flow and funding for basic services. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's resources available for spending at the end of a fiscal year.

Governmental funds report the difference between their assets and liabilities as fund balance, which is classified and reported by the following categories.

- **Nonspendable Fund Balance** – funds which cannot be spent
- **Restricted Fund Balance** – funds subject to externally enforceable legal restrictions (imposed by creditors, grantors, contributors, government regulations, etc.)
- **Committed Fund Balance** – funds constrained by limitation that a government imposes upon itself.
- **Assigned Fund Balance** – funds intended for use as established by the governing body itself, or by an official or officers to which authority is delegated by the governing body.
- **Unassigned fund Balance** – funds available for any purpose.

At June 30, 2017, the District's governmental funds reported combined ending fund balance of \$5,449,013, an increase of \$4,489,112 in comparison with the prior year. Approximately \$1,228,546 of the ending fund balance constitutes unassigned ending fund balance, which is 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, 2017, unassigned fund balance was \$1,228,546. As a measure of the funds liquidity, it may be useful to compare total fund balance to total fund revenues. At the end of the fiscal year, the General Fund balance was 46% of General Fund Revenues. The fund balance increased \$492,144 from the prior year.

Special Revenue Fund The Special Revenue Fund has a total fund balance of \$184,804, all of which is dedicated to textbook and technology purchases, food service, student body, and grant programs.

Debt Service Fund The Debt Service Fund has a total fund balance of \$4,887, all of which is set aside for the payment of debt service.

Capital Projects Fund The Capital Projects Fund has a total fund balance of \$4,030,776, all of which is set aside for capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

Final budget compared to actual results. Final budgeted revenues were estimated lower than the actual experience of the District for the year ended June 30, 2017. Actual revenues earned by the General Fund totaled \$370,212 more when compared to the projected amount to be received. A review of actual expenditures compared to the appropriations in the final budget yields a variance of budgeted expenditures of \$2,415,130 to actual expenditures of \$2,210,440 or underspending of budget authority of \$204,690.

CAPTIAL ASSET AND DEBT ADMINISTARTION

Capital Assets The District's investment in capital assets includes, land, buildings and improvements, and vehicles and equipment. As of June 30, 2017 the District had \$1,065,982 invested in capital assets, net of depreciation. During the year, the District net investment in capital assets increased by \$300,113 because additions exceed current year depreciation. Additional information regarding the District's capital assets can be found in Note 5 of this report.

Debt Administration At the end of the current fiscal year, the District had a total long-term debt outstanding of \$4,061,549, excluding bond premium of \$98,673. The debt consisted of a general obligation bond and a capital lease. Additional information regarding the District's long term debt can be found under Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Resources supporting District General Fund operations primarily reflect local and state revenues, with additional income representing federal, county and other resources. The largest segment, which includes state funding and local property taxes, is determined by the State School Fund formula. The majority of funding is provided by the State to the District is based on the District weighted average daily member of students. The District receives extra weighting for special education students, students in poverty or foster care, and students enrolled in remote schools (weighted average daily membership). In recent years Mapleton School District's enrollment has remained stable; however, the District has the capacity to serve many more students.

For the year ended June 30, 2016 the State School Fund provided 69% of the District's General Fund program resources. The District is expecting increased revenue from the State School Fund for the year ending June 30, 2018, based on current projection for the 2017-19 biennium from the State of Oregon Department of Education.

The major expenditure requirements of the District are the salaries and benefits of our teachers support staff, and administration. Salaries and benefits represent 80% of the District's total General Fund

operating costs. Salaries and health insurance contribution limits will rise according to adopted collective bargaining agreement. PERS rates are expected to significantly rise, especially for Tier I/II members.

Issues such as equitable resource allocation, closing the achievement gap, PERS, and use of reserves, are key components of our budget discussions. The District's Budget Committee and School Board will consider all of these factors when preparing and adopting the District's annual budget. Staff and the School Board are actively involved in ongoing strategic planning to continue to lead the district in a fiscally responsible manner.

REQUEST FOR INFORMATION

This financial report is designed to provide 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 District's Business Manager, at 10868 East Mapleton Road, Mapleton, Oregon 97453.

Maria McEldowney
Business Manager

Jodi O'Mara
Superintendent

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2017

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 5,406,436
Receivables - Taxes	55,422
Receivables - Other	299,591
Supply Inventories	438
Capital Assets:	
Land	46,410
Buildings, Improvements and Equipment, net of depreciation	<u>1,019,572</u>
Total Assets	6,827,869
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Deferrals - PERS	<u>1,769,547</u>
TOTAL ASSETS AND PENSION RELATED DEFERRALS	<u>8,597,416</u>
LIABILITIES	
Accounts Payable	\$ 167,466
Unearned Revenue	4,769
Payroll Liabilities	87,290
Accrued Compensated Absences	21,082
Long-Term Liabilities:	
Long-term Liabilities due within one year	107,690
Long-term Liabilities due in more than one year	4,052,532
Net Pension Liability - PERS	<u>3,325,857</u>
Total Liabilities	7,766,686
DEFERRED INFLOWS OF RESOURCES	
Pension Related Deferrals - PERS	<u>326,724</u>
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	<u>8,093,410</u>
NET POSITION	
Net Investments in Capital Assets	1,065,982
Restricted	4,220,029
Unrestricted	<u>(4,782,005)</u>
Total Net Position	<u>\$ 504,006</u>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE, REVENUE AND CHANGES IN NET)
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 1,892,744	\$ -	\$ 138,768	\$ (1,753,976)
Supporting Services	1,741,608	8,014	61,245	(1,672,349)
Community Services	163,064	465	171,486	8,887
Total Governmental Activities	<u>\$ 3,797,416</u>	<u>\$ 8,479</u>	<u>\$ 371,499</u>	<u>(3,417,438)</u>

General Revenues	
Property Taxes Levied	780,634
Earnings on Investment	51,273
Other Local	69,312
State Support	2,930,739
Unrestricted Intermediate	2,675
Unrestricted Federal	42,024
Other Revenue	-
Gain/(Loss) on Disposal of Assets	(34,624)
Total General Revenues	<u>3,842,033</u>
Changes in Net Position	424,595
Net Position - Beginning	<u>79,411</u>
Net Position - Ending	<u>\$ 504,006</u>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2017

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS					
Cash and Investments	\$ 1,470,287	\$ 57,693	\$ 4,694	\$ 3,873,762	\$ 5,406,436
Property Taxes Receivables	55,422	-	-	-	55,422
Other Receivables	10,942	131,442	193	157,014	299,591
Supply Inventories	-	438	-	-	438
Total Assets	\$ 1,536,651	\$ 189,573	\$ 4,887	\$ 4,030,776	\$ 5,761,887
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 167,466	\$ -	\$ -	\$ -	\$ 167,466
Payroll Liabilities	87,290	-	-	-	87,290
Unearned Revenue	-	4,769	-	-	4,769
Total Liabilities	254,756	4,769	-	-	259,525
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes	53,349	-	-	-	53,349
Total Deferred Inflows of Resources	53,349	-	-	-	53,349
Fund Balances:					
Nonspendable	-	438	-	-	438
Restricted for:					
Future Debt Payments	-	-	4,887	-	4,887
Capital Projects	-	-	-	4,030,776	4,030,776
Student Body	-	70,045	-	-	70,045
Transportation	-	83,351	-	-	83,351
Food Service	-	3,679	-	-	3,679
Other Programs	-	27,291	-	-	27,291
Unassigned	1,228,546	-	-	-	1,228,546
Total Fund Balances	1,228,546	184,804	4,887	4,030,776	5,449,013
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 1,536,651	\$ 189,573	\$ 4,887	\$ 4,030,776	\$ 5,761,887

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2017

Total Fund Balances - Governmental Funds		\$	5,449,013
<p>The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in government accounting. The Statement of Net Position includes those capital assets among the assets of the District as a whole.</p>			
Net Capital Assets			1,065,982
<p>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.</p>			
			(3,325,857)
<p>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.</p>			
Deferred Outflows			1,769,547
Deferred Inflows			(326,724)
<p>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.</p>			
Long-Term Liabilities			
Accrued Vacation	\$	(21,082)	
Bonds Payable		(3,930,000)	
Premium		(98,673)	
Capital Lease Payable		<u>(131,549)</u>	(4,181,304)
Unearned revenue related to property taxes			<u>53,349</u>
Ending Net Position		\$	<u><u>504,006</u></u>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES					
Local Sources	\$ 640,719	\$ 60,372	\$ 165,711	\$ 52,241	\$ 919,043
Intermediate Sources	2,675	-	-	-	2,675
State Sources	2,046,101	62,826	-	857,825	2,966,752
Federal Sources	1,277	314,230	-	42,023	357,530
Other Sources	-	-	-	4,102,784	4,102,784
Total Revenues	2,690,772	437,428	165,711	5,054,873	8,348,784
EXPENDITURES					
Current Expenditures:					
Instruction	1,110,142	197,517	-	-	1,307,659
Support Services	1,100,298	102,943	-	-	1,203,241
Enterprise and Community Services	-	112,657	-	-	112,657
Facilities Acquisition	-	30,360	-	1,058,431	1,088,791
Debt Service	-	-	160,824	-	160,824
Total Expenditures	2,210,440	443,477	160,824	1,058,431	3,873,172
Excess of Revenues Over (Under) Expenditures	480,332	(6,049)	4,887	3,996,442	4,475,612
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	10,000	3,500	-	-	13,500
Transfers In	41,812	15,000	-	25,000	81,812
Transfers Out	(40,000)	-	-	(41,812)	(81,812)
Total Other Financing Sources (Uses)	11,812	18,500	-	(16,812)	13,500
Net Change in Fund Balance	492,144	12,451	4,887	3,979,630	4,489,112
Beginning Fund Balance	736,402	172,353	-	51,146	959,901
Ending Fund Balance	<u>\$ 1,228,546</u>	<u>\$ 184,804</u>	<u>\$ 4,887</u>	<u>\$ 4,030,776</u>	<u>\$ 5,449,013</u>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2017

Total Net Changes in Fund Balances - Total Governmental Funds \$ 4,489,112

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation.

Capital Asset Additions	\$ 431,336	
Depreciation Expense	<u>(83,099)</u>	348,237

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. (262,918)

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

Capital Lease Addition	(105,811)	
Bond Proceeds	(4,102,784)	
Bond Payable Principal Payments	<u>70,000</u>	(4,138,595)

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of bond premiums 4,111

Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additions to capital leases are expenses for the Statement of Net Position but not the Governmental Funds.

Long-Term Debt Principal Payments 25,181

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied. 10,635

The amount by which cost of assets disposed exceeded accumulated depreciation in the current period.

Proceeds from disposal of assets	(13,500)	
Loss of disposal of capital assets	<u>(34,624)</u>	(48,124)

Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities the net payment represents a reduction in liability. (3,044)

Change in Net Position of Governmental Activities \$ 424,595

NOTES TO THE
BASIC FINANCIAL STATEMENTS

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Basic Financial Statements of Lane County District District No. 32 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. REPORTING ENTITY

Lane County District District No. 32 is a municipal corporation governed by an elected board, organized under provisions of Oregon Statutes Chapter 332 for the purpose of providing kindergarten through high school education. Accounting principles generally accepted in the United States of America require that these basic financial statements present Lane County District District No. 32 (the primary government) and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's reporting because of the significance of their operational or financial relationships with the District. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

Government Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the District as a whole.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses of 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 non-exchange transactions are recognized in accordance with GASB Statement No. 33 "Accounting and Financial Reporting for Non-Exchange Transactions." Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All direct expenses are reported by function in the Statement of Activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Program revenues derive directly from the program itself or from parties outside the taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from general revenues and include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Fund Financial Statements

The accounts are organized and operated on the basis of funds. 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. Funds are maintained consistent with legal requirements.

Governmental Fund Types

Governmental funds are used to account for general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, except for unmatured interest on general long-term debt and pension costs which are recognized when due, depreciation and amortization which are not recognized, and interfund transactions and certain compensated absences 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 District Support Fund.

Special Revenue Fund

This fund primarily accounts for specific revenue sources that are legally restricted to expenditures for specific purposes. The Student Body money is included in this fund.

Debt Service Fund

This fund accounts for activities related to the repayment of debt, primarily issued in the form of bonds, used to fund the construction and acquisition of facilities. The primary source of revenue is property taxes.

Capital Projects Fund

This fund accounts for activities related to the acquisition, construction, equipping, and furnishing of facilities. The primary source of revenue is proceeds from bonds.

Interfund Transfers

The interfund transfers reported on the combined statement of revenues, expenditures and changes in fund balances are operating transfers. Operating transfers are legally authorized transfers from a fund receiving revenue to the fund where they are to be expended.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Property Taxes

Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Property taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes are collected from taxpayers by the Lane County Department of Assessment and Taxation and are remitted to the District.

Uncollected property taxes are shown in the balance sheet. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Grants

Grants are recognized as revenue in the accounting period in which they become both measurable and available and in which all eligibility requirements have been met. When expenditure is the prime factor for determining eligibility, the revenue is recognized when the expenditure is made. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability on the combined balance sheet.

Inventories of Supplies

Purchased inventory is valued at the lower of cost (first-in, first-out method) or market. Commodities inventory is valued at estimated market value at the date of donation. Inventory consists of commodities and purchased food and supplies. The cost of purchased inventory is recorded as an asset at the time of purchase and expensed when it is consumed in the government-wide financial statements, and expensed when purchased in the fund statements.

Accounts Receivable

The accounts receivable are all current and are considered by management to be fully collectible. Therefore, no provision for uncollectable accounts has been made.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. 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. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. 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. The capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	15 to 50 years
Furniture	20 years
Vehicles and Equipment	5 to 15 years

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires 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 basic financial statements and reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

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 straight-line 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 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.

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 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.

Accrued Compensated Absences

Accumulated accrued compensated absences for vacation pay are recorded as liabilities in the government-wide financial statements as the entire amount is expected to be liquidated with expendable available resources. Accumulated sick pay does not vest and therefore, no expense is recorded until leave is taken.

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 assets used by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are restricted assets for Future Debt Payments, Student Body, Transportation, Food Service, and Other Programs.

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

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the basic financial statements 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 District's statement of net position shows a Deferred Outflow of \$1,769,547 related to pension deferrals.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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 District has two types of these items, which qualify for reporting in this category. The governmental funds balance sheet has unavailable property taxes with a value of \$53,349. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District's statement of net position shows a Deferred Inflow of \$326,724 related to pension deferrals.

C. FUND EQUITY

GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions is followed. 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. The fund balance classifications are nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories.
- Restricted 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 represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned 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. The authority to classify portions of ending fund balance as Assigned is granted to the Superintendent and the Business Manager. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.
- Unassigned 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.

There were no committed or assigned fund balances as of June 30, 2017. The District has established an unassigned targeted minimum fund balance of ten percent of the annual operating revenues of the General Fund.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. FUND EQUITY (CONTINUED)

The governing body 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. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

A budget is prepared and legally adopted for each governmental fund in accordance with Oregon Local Budget Law. These budgets are all prepared using the modified accrual basis of accounting. The budgetary basis of accounting is substantially the same as generally accepted accounting principles in the United States of America with the exception that capital outlay expenditures are expensed when purchased, depreciation is not recorded, inventories of supplies are budgeted as expenditures when purchased, debt, capital leases and compensated absences are expensed when paid, pension costs are not recorded until paid, and property taxes received greater than 60 days after year-end are not considered budgetary resources in the funds.

The budgeting process begins by appointing Budget Committee members in early fall. Budget recommendations are developed by management through spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June, and the hearing is held in June. The budget is adopted, appropriations are made and the tax levy is declared no later than June 30. Expenditure budgets are appropriated at the major function level (instruction, support services, community services, debt service, contingency and transfers) for each fund. Expenditure appropriations may not legally be over expended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board.

Budget amounts shown in the basic financial statements include the original budget amounts and appropriation transfers approved by the Board. Appropriations lapse at the end of each fiscal year.

For the year ended June 30, 2017, expenditures of the various funds were within authorized appropriation levels except for Special Revenue Fund where Facilities Acquisition Request expenditures exceeded appropriations by \$30,360, and Capital Projects Fund where Transfers Out exceeded appropriations by \$41,812.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS

A. DEPOSITS

Deposits with financial institutions are comprised of bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. At June 30, 2017 all depository accounts were held at approved depositories identified by the Treasury.

At fiscal year-end, cash and equivalents were as follows:

Deposit with Financial Institutions:	
Local Government Investment Pool	\$ 5,026,644
Demand Deposits	<u>379,792</u>
 Total Cash and Investments	 <u>\$ 5,406,436</u>

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2017, \$250,000 of the bank balance of \$409,146 was covered by FDIC, and the remaining balance was adequately collateralized.

B. 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 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.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS(CONTINUED)

B. INVESTMENTS(CONTINUED)

As of June 30, 2017 the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>	
		<u>Less than 3</u>	<u>More than 3</u>
State Treasurer's Investment Pool	\$5,026,644	\$ 5,026,644	\$ -

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

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

Concentration of Credit Risk

At June 30, 2017 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument. Oregon Revised Statutes require no more than 25 percent of the moneys of a local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2017, there appears to be compliance with all percentage restrictions.

4. RECEIVABLES

Receivables at June 30, 2017, which are all considered collectable, consist of the following:

- A. Property taxes receivable represent delinquent amounts due for property taxes levied in the current and prior years.
- B. Grants receivable represent amounts due for claims for reimbursement of costs under various Federal grant programs.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in capital assets for governmental activities for the fiscal year ended June 30, 2017 are as follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance</u> <u>June 30, 2017</u>
Land	\$ 46,410	\$ -	\$ -	\$ 46,410
Total Non-Depreciable	<u>46,410</u>	<u>-</u>	<u>-</u>	<u>46,410</u>
Buildings and Improvements	8,571,948	118,860	-	8,690,808
Equipment	296,618	42,004	(61,158)	277,464
Vehicles	613,408	270,472	(280,005)	603,875
Total Depreciable	<u>9,481,974</u>	<u>431,336</u>	<u>(341,163)</u>	<u>9,572,147</u>
Accumulated Depreciation				
Buildings and Improvements	8,122,734	29,409	-	8,152,143
Equipment	229,602	8,097	(61,158)	176,541
Vehicles	410,179	45,593	(231,881)	223,891
Total Accumulated Depreciation	<u>\$ 8,762,515</u>	<u>\$ 83,099</u>	<u>\$ (293,039)</u>	<u>\$ 8,552,575</u>
Government Activities:				
Capital Assets, Net	<u>\$ 765,869</u>			<u>\$ 1,065,982</u>

Depreciation was allocated to the following functions:

Instruction	\$ 41,419
Support Services	38,112
Community Services	<u>3,568</u>
 Total	 <u>\$ 83,099</u>

The District disposed of multiple pieces of equipment, selling them for \$13,500 for a net loss on disposal of \$34,624.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT

The following changes occurred in the long-term debts during the fiscal year ending June 30, 2017:

	Outstanding July 1, 2016	Additions	Reductions	Outstanding June 30, 2017	Due Within One Year
GO Bonds	\$ -	\$ 4,000,000	\$ 70,000	\$ 3,930,000	\$ 60,000
Capital Leases	50,919	105,811	25,181	131,549	47,690
Subtotal	50,919	4,105,811	95,181	4,061,549	107,690
Premium	-	102,784	4,111	98,673	-
Total	<u>\$ 50,919</u>	<u>\$ 4,208,595</u>	<u>\$ 99,292</u>	<u>\$ 4,160,222</u>	<u>\$ 107,690</u>

In September 2013, an installment purchase agreement was entered into with Sovereign Bank. The purpose of the loan was for the lease of a bus for student transportation. The terms of the installment purchase agreement require annual payments of \$26,301, which includes principal and interest, beginning October 1, 2013 for five years, with an interest rate of 2.2%. The agreement will be paid off in October 2017.

In August 2016, a \$4,000,000 General Obligation bond was issued with a Premium of \$102,784 for 25 years, concluding in 2041 with an interest rate varying from 1.5% to 3.0%. The premium is amortized over the life of the bond on a straight line basis.

In May 2017, a Capital Lease was entered into for a School Bus. The terms of the agreement require annual payments of \$22,443, which includes principal and interest, beginning July 15, 2017 for five years, with an interest rate of 2.78%. The agreement will be paid off in July 2021.

Future maturities of long-term debt are as follows:

Fiscal Year Ending June 30	Bond Principal	Bond Interest	Capital Lease Principal	Capital Lease Interest	Total Principal	Total Interest
2018	\$ 60,000	\$ 108,325	\$ 47,690	\$ 1,054	\$ 107,690	\$ 109,379
2019	65,000	107,125	20,112	2331	85,112	109,456
2020	75,000	105,825	20,671	1772	95,671	107,597
2021	80,000	104,325	21,245	1198	101,245	105,523
2022	90,000	102,725	21,831	611	111,831	103,336
2023-2027	555,000	488,250	-	-	555,000	488,250
2028-2032	780,000	407,250	-	-	780,000	407,250
2033-2037	1,085,000	272,700	-	-	1,085,000	272,700
2038-2041	1,140,000	88,050	-	-	1,140,000	88,050
Total	<u>\$3,930,000</u>	<u>\$1,784,575</u>	<u>\$ 131,549</u>	<u>\$ 6,966</u>	<u>\$4,061,549</u>	<u>\$1,791,541</u>

7. PROPERTY TAX LIMITATION

The voters of the State of Oregon imposed a constitutional limit on property taxes for Schools and non-School government operations. School operations include community colleges, local School schools, and education service schools. 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.

NOTES TO BASIC FINANCIAL STATEMENTS

7. PROPERTY TAX LIMITATION (CONTINUED)

The state voters 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.

8. DEFINED BENEFIT PENSION PLAN

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:

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

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.
 - 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 disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (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.

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN(CONTINUED)

PLAN DESCRIPTION(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.
- ii. **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.
- iii. **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.
- iv. **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, 2013 actuarial valuation, which became effective July 1, 2015. 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, 2017 were \$253,064 excluding amounts to fund employer specific liabilities. In addition approximately \$77,170 in employee contributions were paid by the District during 2016-17.

PENSION ASSET OR LIABILITY

At June 30, 2017, the District reported a net pension liability of \$3,325,857 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District's proportion was .022 percent.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN(CONTINUED)

CONTRIBUTIONS(CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resource
Difference between expected and actual experience	\$ 110,034	\$ -
Changes in assumptions	709,325	-
Net difference between projected and actual earnings on pension plan investments	657,050	-
Net changes in proportionate share and differences between District contributions and proportionate share of contributions	40,074	(326,724)
Subtotal - Amortized Deferrals (below)	1,516,483	(326,724)
District contributions subsequent to measurement date	253,064	-
Net deferred outflow (inflow) of resources	\$ 1,769,547	\$ (326,724)

FUNDING POLICY

Subtotal amounts related to pension as deferred outflows of resources, \$1,516,483 and deferred inflows of resources, (\$326,724), net to \$1,189,759 and will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2018	\$ 195,624
2019	195,624
2020	438,217
2021	323,178
2022	37,116
Thereafter	-
Total	\$ 1,189,759

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 8, 2017. Oregon PERS produces an independently audited CAFR which can be found at:

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

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN(CONTINUED)

ACTUARIAL VALUATIONS

The employer contribution rates effective July 1, 2015 through June 30, 2017, 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, 2014 rolled forward to June 30, 2016
Experience Study Report	2014, Published September 2015
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 (reduced from 2.75%)
Investment rate of return	7.50 percent (reduced from 7.75%)
Projected salary increase	3.50 percent overall payroll growth; salaries for individuals are assumed to grow at 3.50 percent plus assumed rates of merit/longevity increases based on service (reduced from 3.75%). For COLA, a blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB (changed from Scale AA), with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females; changed from 65% for males and 90% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table (changed from static combined disabled mortality sex-distinct table).

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN(CONTINUED)

ACTUARIAL VALUATIONS(CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 7.50 percent 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.

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%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

Source: June 30, 2014 PERS CAFR; p. 54 – 55

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target 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.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN(CONTINUED)

ACTUARIAL VALUATIONS(CONTINUED)

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	7.71%	6.07%
<i>Assumed Inflation</i>		2.75%

Source: June 30, 2014 PERS CAFR; p. 54 – 55

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

	(6.50%)	(7.50%)	(8.50%)
District's proportionate share of the net pension liability (asset)	\$ 5,370,150	\$ 3,325,857	\$ 1,617,186

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN(CONTINUED)

ACTUARIAL VALUATIONS(CONTINUED)

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.

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016. The actuarial effect of this change on the net pension liability has not yet been determined.

As reflected in the December 31, 2014 actuarial valuation, the system-wide actuarial accrued liability has increased primarily due to the Moro decision and assumption changes, along with interest on the liability as current active members get closer to retirement. The Oregon Supreme Court decision in Moro v. State of Oregon, issued on April 30, 2015, reversed a significant portion of the reductions passed by the 2013 Oregon Legislature, which increased the benefits projected to be paid by Employers compared to those previously developed and consequently increased plan liabilities. The employers' projected long-term contribution effort reflects the estimated impact of the Moro Decision. Following the completion of the December 31, 2014 actuarial valuation, the PERS Board adopted several assumption changes, including lowering the investment return assumption from 7.75% to 7.50%.

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP.

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

<http://www.oregon.gov/pers/EMP/Documents/GASB/2014/GASB-Disclosure-Information.pdf>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. 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 purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for the last three fiscal years.

10. COMMITMENTS AND CONTINGENCIES

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual District districts based on pupil counts and other factors in the state School fund revenue formula. Since these projections and pupil counts fluctuate they can cause increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

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

11. INTERFUND TRANSFERS AND BALANCES

Amounts were comprised of the following:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 40,000	\$ 41,812
Special Revenue	-	15,000
Capital Projects	<u>41,812</u>	<u>25,000</u>
	<u>\$ 81,812</u>	<u>\$ 81,812</u>

Interfund transfers are used to pay administrative services, provide funds for debt service, contribute toward the cost of capital projects, and provide operational resources.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

12. TAX ABATEMENT

As of June 30, 2017, the District potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2017 for any program covered under GASB 77.

13. CHANGE IN FUND PRESENTATION

The District changed the designation of certain funds reported in the Special Revenue Fund on this fiscal year's basic financial statements. The combined beginning fund balance of the Special Revenue Fund is equal to the total ending fund balances of the Other Programs, Transportation Reserve, Food Service, and Student Body Funds from the prior year.

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REQUIRED
SUPPLEMENTARY INFORMATION

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2017

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 654,312	\$ 654,312	\$ 640,719	\$ (13,593)
Intermediate Sources	3,185	3,185	2,675	(510)
State Sources	1,673,063	1,673,063	2,046,101	373,038
Federal Sources	-	-	1,277	1,277
Total Revenue	<u>2,330,560</u>	<u>2,330,560</u>	<u>2,690,772</u>	<u>360,212</u>
EXPENDITURES				
Instruction	1,169,946	1,169,946 (1)	1,110,142	59,804
Support Services	1,220,184	1,220,184 (1)	1,100,298	119,886
Operating Contingency	25,000	25,000 (1)	-	25,000
Total Expenditures	<u>2,415,130</u>	<u>2,415,130</u>	<u>2,210,440</u>	<u>204,690</u>
Excess of Revenues Over (Under) Expenditures	(84,570)	(84,570)	480,332	564,902
OTHER FINANCING SOURCES (USES)				
Sale of Fixed Assets	-	-	10,000	10,000
Transfers In	-	-	41,812	41,812
Transfers Out	(40,000)	(40,000) (1)	(40,000)	-
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>11,812</u>	<u>51,812</u>
Net Change in Fund Balance	(124,570)	(124,570)	492,144	616,714
Beginning Fund Balance	600,000	600,000	736,402	136,402
Ending Fund Balance	<u>\$ 475,430</u>	<u>\$ 475,430</u>	<u>\$ 1,228,546</u>	<u>\$ 753,116</u>

(1) Appropriation level

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2017

SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES				
Local Sources	\$ 59,410	\$ 59,410	\$ 60,372	\$ 962
Intermediate Sources	3,636	3,636	-	(3,636)
State Sources	30,800	30,800	62,826	32,026
Federal Sources	320,553	320,553	314,230	(6,323)
Total Revenues	414,399	414,399	437,428	23,029
EXPENDITURES				
Instruction	210,044	210,044 (1)	197,517	12,527
Support Services	105,280	105,280 (1)	102,943	2,337
Enterprise and Community Services	116,375	116,375 (1)	112,657	3,718
Facilities Acquisition Request	-	- (1)	30,360	(30,360)
Contingency	-	- (1)	-	-
Total Expenditures	431,699	431,699	443,477	(11,778)
OTHER FINANCING SOURCES (USES)				
Sale of Fixed Assets	-	-	3,500	3,500
Transfers In	15,000	15,000 (1)	15,000 (2)	-
Transfers Out	-	- (1)	-	-
Total Other Financing Sources	15,000	15,000	18,500	3,500
Net Change in Fund Balance	(2,300)	(2,300)	12,451	14,751
Beginning Fund Balance	136,300	136,300	172,353	36,053
Ending Fund Balance	\$ 134,000	\$ 134,000	\$ 184,804	\$ 50,804

(1) Appropriation level

(2) Included in this transfer from the General Fund is the required state revenue match of \$802 the District must transfer for National School Lunch Support in order to meet the general cash assistance match.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2017

DEBT SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 197,320	\$ 197,320	\$ 165,711	\$ (31,609)
Total Revenue	<u>197,320</u>	<u>197,320</u>	<u>165,711</u>	<u>(31,609)</u>
EXPENDITURES				
Debt Service:				-
Debt Services	<u>197,320</u>	<u>197,320 (1)</u>	<u>160,824</u>	<u>36,496</u>
Total Expenditures	<u>197,320</u>	<u>197,320</u>	<u>160,824</u>	<u>36,496</u>
Net Change in Fund Balance	-	-	4,887	4,887
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,887</u>	<u>\$ 4,887</u>

(1) Appropriation level

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2017

CAPITAL PROJECTS FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL BUDGET</u>
REVENUES				
Local Sources	\$ 15,300	\$ 15,300	\$ 52,241	\$ 36,941
State Sources	4,000,000	1,050,000	857,825	(192,175)
Federal Sources	-	-	42,023	42,023
Other Sources	4,000,000	4,000,000	4,102,784	102,784
Total Revenue	<u>8,015,300</u>	<u>5,065,300</u>	<u>5,054,873</u>	<u>(10,427)</u>
EXPENDITURES				
Facilities Acquisition Request	1,325,120	1,325,120 (1)	1,058,431	266,689
Total Expenditures	<u>1,325,120</u>	<u>1,325,120</u>	<u>1,058,431</u>	<u>266,689</u>
Excess of Revenues Over (Under) Expenditures	6,690,180	3,740,180	3,996,442	256,262
OTHER FINANCING SOURCES (USES)				
Transfers In	25,000	25,000	25,000	-
Transfers Out	-	- (1)	(41,812)	(41,812)
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>(16,812)</u>	<u>(41,812)</u>
Net Change in Fund Balance	6,715,180	3,765,180	3,979,630	214,450
Beginning Fund Balance	51,000	51,000	51,146	146
Ending Fund Balance	<u>\$ 6,766,180</u>	<u>3,816,180</u>	<u>\$ 4,030,776</u>	<u>214,596</u>

(1) Appropriation level

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

At June 30, 2017

PERS

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
2017	0.022 %	\$ 3,325,857	\$ 1,292,375	257.3 %	80.5 %
2016	0.027	1,564,706	1,349,278	116.0	91.9
2015	0.030	(676,515)	1,276,094	(53.0)	103.6
2014	0.030	1,523,066	1,511,738	100.7	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented

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
2017	\$ 253,064	\$ 253,064	\$ -	\$ 1,337,826	18.9 %
2016	256,028	256,028	-	1,292,375	19.8
2015	289,375	289,375	-	1,349,278	21.4
2014	276,038	276,038	-	1,276,094	21.6

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented

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.

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SUPPLEMENTARY INFORMATION

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2017

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED JULY 1, 2016	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED/ UNSEGREGATED JUNE 30, 2017
<u>ALL FUNDS</u>						
CURRENT						
2016-17	\$ 802,415	20,832	(2,434)	307	758,775	\$ 20,681
PRIOR YEARS						
2015-16	16,343	(48)	(1,049)	486	5,826	10,002
2014-15	9,423	(3)	(816)	495	2,529	6,576
2013-14	6,303	(3)	(774)	517	1,635	4,414
2012-13	4,300	-	(417)	329	896	3,316
Prior Years	11,012	-	(467)	233	345	10,433
Total Prior	47,381	(54)	(3,523)	2,060	11,231	34,741
Total	\$ 849,796	\$ 20,778	\$ (5,957)	\$ 2,367	\$ 770,006	\$ 55,422

RECONCILIATION OF REVENUE:

Cash Collections by County Treasurer, Above	\$ 770,006
Accrual of Receivables	
June 30, 2017	2,073
June 30, 2016	(2,080)
Taxes in lieu	10,635
Total Revenue	<u>\$ 780,634</u>

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OTHER INFORMATION AS REQUIRED BY THE OREGON
DEPARTMENT OF EDUCATION

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

GRANTS

Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Entity Number	Period Covered	Expenditures	Passed Through to Subrecipients
U.S. Department of Education						
Rural Education Achievement Program	NA	84.358A	N/A	07/01/2015 - 09/30/2016	\$ 9,991	0
Total Rural Education Achievement Program					<u>9,991</u>	<u>0</u>
Title I Grants to Local Educational Agencies	Oregon Department of Education	84.010	36014	07/01/2015 - 09/30/2016	7,843	0
	Oregon Department of Education	84.010	41098	07/01/2016 - 09/30/2017	91,015	0
	Oregon Department of Education	84.010	37556	07/01/2015 - 09/30/2016	15,481	0
	Oregon Department of Education	84.010	41830	07/01/2016 - 09/30/2017	15,266	0
Total Title I Grants to Local Education Agencies					<u>129,605</u>	<u>0</u>
Title IIA - Teacher Quality	Oregon Department of Education	84.367	36211	07/01/2015 - 09/30/2016	2,695	0
	Oregon Department of Education	84.367	N/A	07/01/2016 - 09/30/2017	9,464	0
Total Title IIA - Teacher Quality					<u>12,159</u>	<u>0</u>
Special Education Cluster	Oregon Department of Education	84.027	41565	07/01/2016 - 09/30/2018	56,252	0
	Oregon Department of Education	84.027	42690	08/17/2016 - 09/30/2017	1,383	0
	Oregon Department of Education	84.027	40884	10/01/2016 - 06/30/2017	1,180	0
Total Special Education Cluster					<u>58,815</u>	<u>0</u>
Total U.S. Department of Education					<u>210,570</u>	<u>0</u>
U.S. Department of Agriculture:						
Community Facilities Grant	NA	10.766	N/A		\$ 42,023	0
Total Community Facilities Grant					<u>42,023</u>	<u>0</u>
Child Nutrition Cluster:						
Donated Commodities (Non-Cash Assistance)	Oregon Department of Education	10.553/555	N/A	07/01/2016 - 06/30/2017	6,925	0
National School Lunch Program	Oregon Department of Education	10.555	N/A	07/01/2015 - 06/30/2016	92,261	0
Fresh Fruit and Vegetable Program	Oregon Department of Education	10.582	41721	10/01/2015 - 09/30/2016	440	0
Fresh Fruit and Vegetable Program	Oregon Department of Education	10.582	43003	10/01/2016 - 09/30/2017	4,035	0
Total Child Nutrition Cluster					<u>103,661</u>	<u>0</u>
Federal Forest Fees	Lane County	10.665	N/A	07/01/2014 - 06/30/2015	1,277	0
Total U.S. Department of Agriculture					<u>146,961</u>	<u>0</u>
Total Grants Expended or Passed Through to Subrecipients					<u>357,531</u>	<u>0</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE					<u>\$ 357,531 *</u>	

* No single audit is required.

**2016-17 DISTRICT AUDIT REVENUE SUMMARY
MAPLETON SCHOOL DISTRICT 32**

Revenue from Local Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$ 605,202		\$ 165,656				
1120 Local Option Ad Valorem Taxes Levied by District							
1190 Penalties and Interest on Taxes	\$ 2,632		\$ 55				
1200 Revenue from Local Governmental Units Other Than Districts							
1310 Regular Day School Tuition							
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1400 Transportation Fees							
1500 Earnings on Investments	\$ 11,087	\$ 699		\$ 39,486			
1600 Food Service		\$ 465					
1700 Extracurricular Activities	\$ 3,214						
1800 Community Services Activities							
1910 Rentals	\$ 4,800						
1920 Contributions and Donations From Private Sources	\$ 600	\$ 28,955		\$ 12,754			
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	\$ 4,158						
1970 Services Provided Other Funds							
1980 Fees Charged to Grants							
1990 Miscellaneous	\$ 9,028	\$ 30,252					
Total Revenue from Local Sources	\$ 640,721	\$ 60,371	\$ 165,711	\$ 52,241	\$ -	\$ -	\$ -

Revenue from Intermediate Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$ 2,675						
2102 Education Service District Apportionment							
2105 Natural Gas, Oil, and Mineral Receipts							
2199 Other Intermediate Sources							
2200 Restricted Revenue							
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$ 2,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Revenue from State Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$ 1,887,401						
3102 State School Fund - School Lunch Match		\$ 802					
3103 Common School Fund	\$ 22,321						
3104 State Managed County Timber	\$ 136,379						
3199 Other Unrestricted Grants-in-Aid							
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment		\$ 35,000					
3299 Other Restricted Grants-in-Aid		\$ 27,025		\$ 857,825			
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$ 2,046,101	\$ 62,826	\$ -	\$ 857,825	\$ -	\$ -	\$ -

Revenue from Federal Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4300 Restricted Revenue From the Federal Government				\$ 42,023			
4500 Restricted Revenue From the Federal Government Through the State Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$ 307,305					
4700 Agencies							
4801 Federal Forest Fees	\$ 1,277						
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District		\$ 6,925					
Total Revenue from Federal Sources	\$ 1,277	\$ 314,230	\$ -	\$ 42,023	\$ -	\$ -	\$ -

Revenue from Other Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources				\$ 4,102,784			
5200 Interfund Transfers	\$ 41,812	\$ 15,000		\$ 25,000			
5300 Sale of or Compensation for Loss of Fixed Assets	\$ 10,000	\$ 3,500					
5400 Resources - Beginning Fund Balance	\$ 736,402	\$ 172,353		\$ 51,146			
Total Revenue from Other Sources	\$ 788,214	\$ 190,853	\$ -	\$ 4,178,930	\$ -	\$ -	\$ -

Grand Totals

\$ 3,478,987	\$ 628,280	\$ 165,711	\$ 5,131,018	\$ -	\$ -	\$ -
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**2016-17 DISTRICT AUDIT EXPENDITURE SUMMARY
MAPLETON SCHOOL DISTRICT**

Fund: 100 - General Fund

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ 298,772	\$ 196,113	\$ 94,580		\$ 8,079			
1112 Intermediate Programs	\$ -							
1113 Elementary Extracurricular	\$ -							
1121 Middle/Junior High Programs	\$ 156,337	\$ 100,959	\$ 53,618		\$ 1,760			
1122 Middle/Junior High School Extracurricular	\$ 14,429	\$ 9,127	\$ 2,093	\$ 690	\$ 2,399		\$ 120	
1131 High School Programs	\$ 284,014	\$ 184,635	\$ 89,005	\$ 1,322	\$ 8,456		\$ 596	
1132 High School Extracurricular	\$ 77,504	\$ 41,668	\$ 12,343	\$ 8,304	\$ 12,522		\$ 2,666	
1140 Pre-Kindergarten Programs	\$ -							
1210 Programs for the Talented and Gifted	\$ 160				\$ 160			
1220 Restrictive Programs for Students with Disabilities	\$ -							
1250 Less Restrictive Programs for Students with Disabilities	\$ 277,041	\$ 81,450	\$ 27,226	\$ 167,383	\$ 457		\$ 524	
1260 Early Intervention	\$ -							
1271 Remediation	\$ -							
1272 Title I	\$ -							
1280 Alternative Education	\$ 1,885			\$ 1,885				
1291 English Second Language Programs	\$ -							
1292 Teen Parent Program	\$ -							
1293 Migrant Education	\$ -							
1294 Youth Corrections Education	\$ -							
1299 Other Programs	\$ -							
1300 Adult/Continuing Education Programs	\$ -							
1400 Summer School Programs	\$ -							
Total Instruction Expenditures	\$1,110,142	\$613,951	\$278,866	\$179,585	\$33,834	\$0	\$3,906	\$0

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ 59,398	\$ 44,124	\$ 15,274					
2120 Guidance Services	\$ -							
2130 Health Services	\$ 900	\$ 216	\$ 79		\$ 605			
2140 Psychological Services	\$ -							
2150 Speech Pathology and Audiology Services	\$ -							
2160 Other Student Treatment Services	\$ -							
2190 Service Direction, Student Support Services	\$ -							
2210 Improvement of Instruction Services	\$ 6,779		\$ 6,779					
2220 Educational Media Services	\$ 170			\$ 170				
2230 Assessment & Testing	\$ -							
2240 Instructional Staff Development	\$ -							
2310 Board of Education Services	\$ 20,265			\$ 19,657	\$ 41		\$ 566	
2320 Executive Administration Services	\$ 94,412	\$ 66,985	\$ 24,646	\$ 585			\$ 2,196	
2410 Office of the Principal Services	\$ 225,108	\$ 162,153	\$ 58,714	\$ 407	\$ 2,538		\$ 1,296	
2490 Other Support Services - School Administration	\$ -							
2510 Direction of Business Support Services	\$ -							
2520 Fiscal Services	\$ 84,890	\$ 49,903	\$ 24,883	\$ 5,147	\$ 1,055		\$ 3,902	
2540 Operation and Maintenance of Plant Services	\$ 301,859	\$ 93,672	\$ 47,472	\$ 87,458	\$ 17,350	\$ 10,890	\$ 45,017	
2550 Student Transportation Services	\$ 267,108	\$ 156,803	\$ 53,875	\$ 20,642	\$ 26,531		\$ 9,257	
2570 Internal Services	\$ -							
2610 Direction of Central Support Services	\$ -							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -							
2630 Information Services	\$ -							
2640 Staff Services	\$ 697			\$ 697				
2660 Technology Services	\$ 33,718	\$ 2,000	\$ 728	\$ 28,666	\$ 2,249		\$ 75	
2670 Records Management Services	\$ -							
2690 Other Support Services - Central	\$ -							
2700 Supplemental Retirement Program	\$ 4,995	\$ 3,750	\$ 1,245					
Total Support Services Expenditures	\$1,100,298	\$579,605	\$233,695	\$163,429	\$50,371	\$10,890	\$62,308	\$0

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0							
5200 Transfers of Funds	\$40,000							\$40,000
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000

Grand Total

\$2,250,440	\$1,193,557	\$512,561	\$343,014	\$84,205	\$10,890	\$66,214	\$40,000
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**2016-17 DISTRICT AUDIT EXPENDITURE SUMMARY
MAPLETON SCHOOL DISTRICT**

Fund: 200 - Special Revenue Fund

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -							
1112 Intermediate Programs	\$ -							
1113 Elementary Extracurricular	\$ 7,852				\$ 7,852			
1121 Middle/Junior High Programs	\$ -							
1122 Middle/Junior High School Extracurricular	\$ 956				\$ 956			
1131 High School Programs	\$ -							
1132 High School Extracurricular	\$ 21,201				\$ 21,201			
1140 Pre-Kindergarten Programs	\$ 240				\$ 240			
1210 Programs for the Talented and Gifted	\$ -							
1220 Restrictive Programs for Students with Disabilities	\$ -							
1250 Less Restrictive Programs for Students with Disabilities	\$ 56,252	\$ 42,805	\$ 13,448					
1260 Early Intervention	\$ -							
1271 Remediation	\$ -							
1272 Title I	\$ 98,857	\$ 66,861	\$ 31,753		\$ 243			
1280 Alternative Education	\$ -							
1291 English Second Language Programs	\$ -							
1292 Teen Parent Program	\$ -							
1293 Migrant Education	\$ -							
1294 Youth Corrections Education	\$ -							
1299 Other Programs	\$ 12,159	\$ 8,414	\$ 2,576	\$ 37	\$ 1,133			
1300 Adult/Continuing Education Programs	\$ -							
1400 Summer School Programs	\$ -							
Total Instruction Expenditures	\$197,518	\$118,079	\$47,777	\$37	\$31,625	\$0	\$0	\$0

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ -							
2120 Guidance Services	\$ -							
2130 Health Services	\$ -							
2140 Psychological Services	\$ -							
2150 Speech Pathology and Audiology Services	\$ -							
2160 Other Student Treatment Services	\$ -							
2190 Service Direction, Student Support Services	\$ -							
2210 Improvement of Instruction Services	\$ 15,993				\$ 15,993			
2220 Educational Media Services	\$ 9,991	\$ 7,663	\$ 2,328					
2230 Assessment & Testing	\$ -							
2240 Instructional Staff Development	\$ 49,155	\$ 12,690	\$ 3,662	\$ 16,419	\$ 10,498		\$ 5,886	
2310 Board of Education Services	\$ -							
2320 Executive Administration Services	\$ -							
2410 Office of the Principal Services	\$ -							
2490 Other Support Services - School Administration	\$ -							
2510 Direction of Business Support Services	\$ -							
2520 Fiscal Services	\$ -							
2540 Operation and Maintenance of Plant Services	\$ -							
2550 Student Transportation Services	\$ 26,421			\$ 26,301			\$ 120	
2570 Internal Services	\$ -							
2610 Direction of Central Support Services	\$ -							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ 1,383	\$ 1,056	\$ 328					
2630 Information Services	\$ -							
2640 Staff Services	\$ -							
2660 Technology Services	\$ -							
2670 Records Management Services	\$ -							
2690 Other Support Services - Central	\$ -							
2700 Supplemental Retirement Program	\$ -							
Total Support Services Expenditures	\$ 102,944	\$ 21,409	\$ 6,317	\$ 42,720	\$ 26,491	\$ -	\$ 6,006	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ 112,657	\$ 35,856	\$ 14,355	\$ 100	\$ 55,215	\$ 6,066	\$ 1,065	
3200 Other Enterprise Services	\$ -							
3300 Community Services	\$ -							
3500 Custody and Care of Children Services	\$ -							
Total Enterprise and Community Services	\$ 112,657	\$ 35,856	\$ 14,355	\$ 100	\$ 55,215	\$ 6,066	\$ 1,065	\$ -

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$30,360			\$24,360		\$6,000		
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction	\$30,360	\$0	\$0	\$24,360	\$0	\$6,000	\$0	\$0

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Grand Total

\$443,478	\$175,344	\$68,449	\$67,217	\$113,331	\$12,066	\$7,071	\$0
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**2016-17 DISTRICT AUDIT EXPENDITURE SUMMARY
MAPLETON SCHOOL DISTRICT**

Fund: 300 - Debt Service Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -							
1112 Intermediate Programs	\$ -							
1113 Elementary Extracurricular	\$ -							
1121 Middle/Junior High Programs	\$ -							
1122 Middle/Junior High School Extracurricular	\$ -							
1131 High School Programs	\$ -							
1132 High School Extracurricular	\$ -							
1140 Pre-Kindergarten Programs	\$ -							
1210 Programs for the Talented and Gifted	\$ -							
1220 Restrictive Programs for Students with Disabilities	\$ -							
1250 Less Restrictive Programs for Students with Disabilities	\$ -							
1260 Early Intervention	\$ -							
1271 Remediation	\$ -							
1272 Title I	\$ -							
1280 Alternative Education	\$ -							
1291 English Second Language Programs	\$ -							
1292 Teen Parent Program	\$ -							
1293 Migrant Education	\$ -							
1294 Youth Corrections Education	\$ -							
1299 Other Programs	\$ -							
1300 Adult/Continuing Education Programs	\$ -							
1400 Summer School Programs	\$ -							
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ -							
2120 Guidance Services	\$ -							
2130 Health Services	\$ -							
2140 Psychological Services	\$ -							
2150 Speech Pathology and Audiology Services	\$ -							
2160 Other Student Treatment Services	\$ -							
2190 Service Direction, Student Support Services	\$ -							
2210 Improvement of Instruction Services	\$ -							
2220 Educational Media Services	\$ -							
2230 Assessment & Testing	\$ -							
2240 Instructional Staff Development	\$ -							
2310 Board of Education Services	\$ -							
2320 Executive Administration Services	\$ -							
2410 Office of the Principal Services	\$ -							
2490 Other Support Services - School Administration	\$ -							
2510 Direction of Business Support Services	\$ -							
2520 Fiscal Services	\$ -							
2540 Operation and Maintenance of Plant Services	\$ -							
2550 Student Transportation Services	\$ -							
2570 Internal Services	\$ -							
2610 Direction of Central Support Services	\$ -							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -							
2630 Information Services	\$ -							
2640 Staff Services	\$ -							
2660 Technology Services	\$ -							
2670 Records Management Services	\$ -							
2690 Other Support Services - Central	\$ -							
2700 Supplemental Retirement Program	\$ -							
Total Support Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$160,824						\$160,824	
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$160,824	\$0	\$0	\$0	\$0	\$0	\$160,824	\$0

Grand Total	\$160,824	\$0	\$0	\$0	\$0	\$0	\$160,824	\$0
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**2016-17 DISTRICT AUDIT EXPENDITURE SUMMARY
MAPLETON SCHOOL DISTRICT**

Fund: 400 - Capital Projects Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -							
1112 Intermediate Programs	\$ -							
1113 Elementary Extracurricular	\$ -							
1121 Middle/Junior High Programs	\$ -							
1122 Middle/Junior High School Extracurricular	\$ -							
1131 High School Programs	\$ -							
1132 High School Extracurricular	\$ -							
1140 Pre-Kindergarten Programs	\$ -							
1210 Programs for the Talented and Gifted	\$ -							
1220 Restrictive Programs for Students with Disabilities	\$ -							
1250 Less Restrictive Programs for Students with Disabilities	\$ -							
1260 Early Intervention	\$ -							
1271 Remediation	\$ -							
1272 Title I	\$ -							
1280 Alternative Education	\$ -							
1291 English Second Language Programs	\$ -							
1292 Teen Parent Program	\$ -							
1293 Migrant Education	\$ -							
1294 Youth Corrections Education	\$ -							
1299 Other Programs	\$ -							
1300 Adult/Continuing Education Programs	\$ -							
1400 Summer School Programs	\$ -							
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ -							
2120 Guidance Services	\$ -							
2130 Health Services	\$ -							
2140 Psychological Services	\$ -							
2150 Speech Pathology and Audiology Services	\$ -							
2160 Other Student Treatment Services	\$ -							
2190 Service Direction, Student Support Services	\$ -							
2210 Improvement of Instruction Services	\$ -							
2220 Educational Media Services	\$ -							
2230 Assessment & Testing	\$ -							
2240 Instructional Staff Development	\$ -							
2310 Board of Education Services	\$ -							
2320 Executive Administration Services	\$ -							
2410 Office of the Principal Services	\$ -							
2490 Other Support Services - School Administration	\$ -							
2510 Direction of Business Support Services	\$ -							
2520 Fiscal Services	\$ -							
2540 Operation and Maintenance of Plant Services	\$ -							
2550 Student Transportation Services	\$ -							
2570 Internal Services	\$ -							
2610 Direction of Central Support Services	\$ -							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -							
2630 Information Services	\$ -							
2640 Staff Services	\$ -							
2660 Technology Services	\$ -							
2670 Records Management Services	\$ -							
2690 Other Support Services - Central	\$ -							
2700 Supplemental Retirement Program	\$ -							
Total Support Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$1,058,431.33			\$703,939		\$324,967	\$29,526	
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction	\$1,058,431	\$0	\$0	\$703,939	\$0	\$324,967	\$29,526	\$0

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0							
5200 Transfers of Funds	\$41,812							\$41,812
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$41,812	\$0	\$0	\$0	\$0	\$0	\$0	\$41,812

Grand Total	\$1,100,242.85	\$0	\$0	\$703,939	\$0	\$324,967	\$29,526	\$41,812
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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SUPPLEMENTAL INFORMATION
 AS REQUIRED BY THE OREGON DEPARTMENT OF EDUCATION
 For the Year Ended June 30, 2017

A.	ENERGY BILLS FOR HEATING - ALL FUNDS:		
		Objects 325 & 326	
	Function 2540	\$	64,034
	Function 2550		1,169
		<u>\$</u>	<u>65,203</u>

B.	REPLACEMENT FOR EQUIPMENT - General Fund:		
		<u>\$</u>	<u>7,450</u>

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

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

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REPORTS ON LEGAL AND
OTHER REGULATORY REQUIREMENTS

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November 13, 2017

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Lane County School District No. 32 as of and for the year ended June 30, 2017, and have issued our report thereon dated November 13, 2017. 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 basic financial statements are free of material misstatement, we performed tests of 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 the basic 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).**
- **Programs funded by outside sources.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State District fund factors and calculation.**

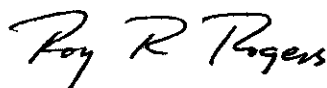
In connection with our testing nothing came to our attention that caused us to believe Lane County School District No. 32 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

1. Expenditures of the various funds were within authorized appropriations except as noted on page 14.
2. During our review of the budget process, we noted a supplemental budget was adopted by the District which changed appropriation amounts by more than 10% within a given fund. Notice of a public hearing was posted on June 10, 2017 for a hearing on June 14, 2017. ORS 294.473 required a notice of a public hearing to discuss a supplemental budget be advertised 5 to 30 days before the hearing.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic 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 the internal control over financial reporting.

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



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.