

**BANDON SCHOOL
DISTRICT NO. 54**

*Coos County
School District No. 54*

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

COOS COUNTY SCHOOL DISTRICT NO. 54
ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2020

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DISTRICT OFFICIALS

COOS COUNTY SCHOOL DISTRICT NO. 54

DISTRICT OFFICIALS

June 30, 2020

Board of Directors

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Bandon, OR 97411

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Doug Ardiana – Superintendent

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FINANCIAL SECTION



**Harwood, MacAdam, Wartnik,
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CERTIFIED PUBLIC ACCOUNTANTS

LOREN HARWOOD, CPA JEFF DILLON, CPA
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LAURA FISHER, CPA
BOB GORMAN, CPA

INDEPENDENT AUDITOR'S REPORT

December 22, 2020

To the Board of Directors of Coos County School District No. 54:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of Coos County School District No. 54 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
General Fund	Unmodified
Special Grant Fund	Unmodified
Debt Service Fund	Unmodified
Capital Project Fund	Unmodified

Basis for Qualified Opinion on Governmental Activities

The District has chosen to not adopt Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. This statement is required by accounting principles generally accepted in the United States of America. Because the District did not determine the amount of their liability under GASB Statement No. 75, the effect on the Statement of Net Position and the Statement of Activities cannot be determined.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of not implementing GASB Statement No. 75, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Coos County School District No. 54 as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of Coos County School District No. 54 as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budget and actual schedules for the General Fund and major Special Revenue Fund, the Schedule of Proportionate Share of Net Pension Liability and of Contributions to Net Pension Liability, (the required supplementary information as listed in the table of contents), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to management's discussion and analysis and to the Schedule of Proportionate Share of Net Pension Liability and of Contributions to Net Pension Liability 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 management's discussion and analysis, or the Schedule of Proportionate Share of Net Pension Liability and of Contributions to Net Pension Liability because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budget and actual schedules for the General Fund and Special Revenue Fund, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Coos County School District No. 54's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

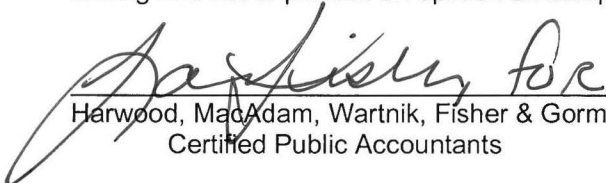
This supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on the other information.

Other Reporting Required by Government Auditing Standards and Oregon Revised Statutes

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020, on our consideration of Coos County School District No. 54's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 22, 2020, on our consideration of the Coos County School District No. 54's compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-010-0000 to 162-010-0320. The purpose of that report is to describe our testing of compliance and the results of that testing and not to provide an opinion on compliance. Accordingly, we do not express such an opinion.



Harwood, MacAdam, Wartnik, Fisher & Gorman, LLC
Certified Public Accountants

BANDON SCHOOL DISTRICT NO. 54
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

This section of Bandon School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. The intent of the Management Discussion and Analysis (MD&A) is to look at the school district's financial performance as a whole. With this in mind, please also refer to the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2020 by \$5.4 million. In the prior year, the excess was \$4.87 million. This increase is partially attributable to prior year unearned revenue that was recognized, changes in deferred inflows related to pensions. Additionally, the District received a large donation of about \$415,000 towards the end of the fiscal year.
- On the fund basis, fund balances increased about \$867,000. This increase is larger than normal and due to an increase in assets, mainly cash, and a decrease in liabilities. The District recognized about \$190,000 in revenue deferred from the prior year and accounts payable at year end were much lower than the prior year-end with the completion of the seismic upgrade.
- The debt service fund decreased by \$114,000, a result of higher principal payments and lower tax collection.
- The General Fund ending fund balance increased in an amount very close to the prior year, \$860,000 compared to an increase of \$286,000 in 18-19 and \$319,000 in 17-18. The district anticipated the need to maintain as much fund balance as possible to prepare for the PERS increases that will occur over the next ten years. The current estimate is that the PERS percentage will need to increase by 6%+ for each biennium for the next 3 biennia's.
- The General Fund accounted for \$8.9 million or 77% of the total revenue with the Special Revenue Fund accounting for \$1.5 million or 13% and the Capital Projects Fund accounting for \$1 million or 8%. While the dollar amounts are slightly different, these percentages are very consistent with the prior five years, with the exception of the Capital Projects Fund which increased due to Seismic Grant projects.
- Total expenditures for the year were \$11.2 million, up about \$600,000 from the prior year. Increases were mainly attributable to the General Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

- *Statement of Net Position:* The *Statement of Net Position* presents information on all of the assets and liabilities of the District as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. 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*: The *Statement of Activities* presents information showing how the net assets of the District changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net assets. All changes in net assets are reported as soon as the underlying event, giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

In the government-wide financial statements, the District's activities are shown as governmental activities. All basic District functions are shown here, such as instruction, support services, community services. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues. The government-wide financial statements are found in the basic financial statement section of this report, as described in the table of contents.

Fund financial statements The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Bandon School 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 governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains four individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Special Revenue Fund, Debt Service Fund, and the Capital Projects Fund, all of which are considered to be major funds. The basic governmental fund financial statements can be found in the basic financial statement section this report, immediately following the statement of net position and statement of activities.

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. The notes to the financial statements can be found directly after the governmental fund financial statements.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to Schedules of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual for the General Fund and other major funds. Required supplementary information, as well as supplemental information, can be found following the notes to the basic financial statements, as shown in the table of contents.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, changes in net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$5.4 million as of June 30, 2020. Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and furniture and equipment, represent about 57% of total assets. The remaining assets consist mainly of cash and cash equivalents, intergovernmental and property taxes receivable.

Table 1 provides a comparative summary of the District's net assets for the years ending June 30, 2020 and 2019.

TABLE 1		
COOS COUNTY SCHOOL DISTRICT NO. 54		
STATEMENT OF NET POSITION		
	2020	2019
Assets		
Current assets	\$ 5,473,891	\$ 5,040,968
Capital assets	7,164,758	6,850,822
Total assets	12,638,649	11,891,790
Deferred outflows	3,619,968	3,393,260
Liabilities		
Long-term liabilities	9,437,036	8,167,459
Other liabilities	596,083	1,032,231
Total liabilities	10,033,119	9,199,690
Deferred inflows	786,983	1,216,657
Net Position		
Invested in capital assets, net of related debt	6,468,292	5,932,288
Restricted	949,745	538,994
Unrestricted	(1,979,522)	(1,602,579)
Total net position	\$ 5,438,515	\$ 4,868,703

About \$6.4 million of the District's net assets reflect its investment in capital assets (e.g. land, buildings, vehicles and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities. Capital asset additions include the purchase of a new bus, playground, flooring in several buildings and a scoreboard. Capital asset additions also include the restoration from fire damage, which covered by insurance proceeds.

The District's total net position increased by about \$570,000. The majority of this increase is related to increases in amounts invested in capital assets and increases in restricted net position.

Current liabilities, excluding liabilities for long-term debt, total approximately \$596 thousand compared to the 18-19 year of \$1 million. The District recognized unearned revenue deferred in the prior year and the accounts payable balances decreased as the seismic upgrade project that was in progress during the prior year end was completed.

Table 2 shows the comparative changes in net position for the years ending June 30, 2020 and 2019, respectively.

Table 2		
CHANGE IN NET POSITION		
	2020	2019
REVENUES:		
Program revenues:		
Charges for services and contracts	\$ 472,579	\$ 458,748
Operating grants and contributions	1,914,276	1,584,907
Capital grants and contributions	962,748	1,083,263
General revenues:		
Property taxes	4,049,230	3,932,401
State and local sources	4,092,809	3,409,826
Earnings on investments	98,533	114,219
Insurance proceeds	368,341	-
Gain/(loss) on disposal of capital assets	(17,785)	-
Total revenues	11,940,731	10,583,364
EXPENSES:		
Instruction	(6,504,752)	(6,155,954)
Support services	(4,277,359)	(3,995,095)
Community services	(270,071)	(363,749)
Interest on long-term debt	(41,404)	(51,013)
Unallocated depreciation	(277,333)	(260,398)
Total expenses	(11,370,919)	(10,826,209)
Increase (decrease) in net position	569,812	(242,845)
Net position - beginning of year	4,868,703	5,111,548
Net position - ending	\$ 5,438,515	\$ 4,868,703

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

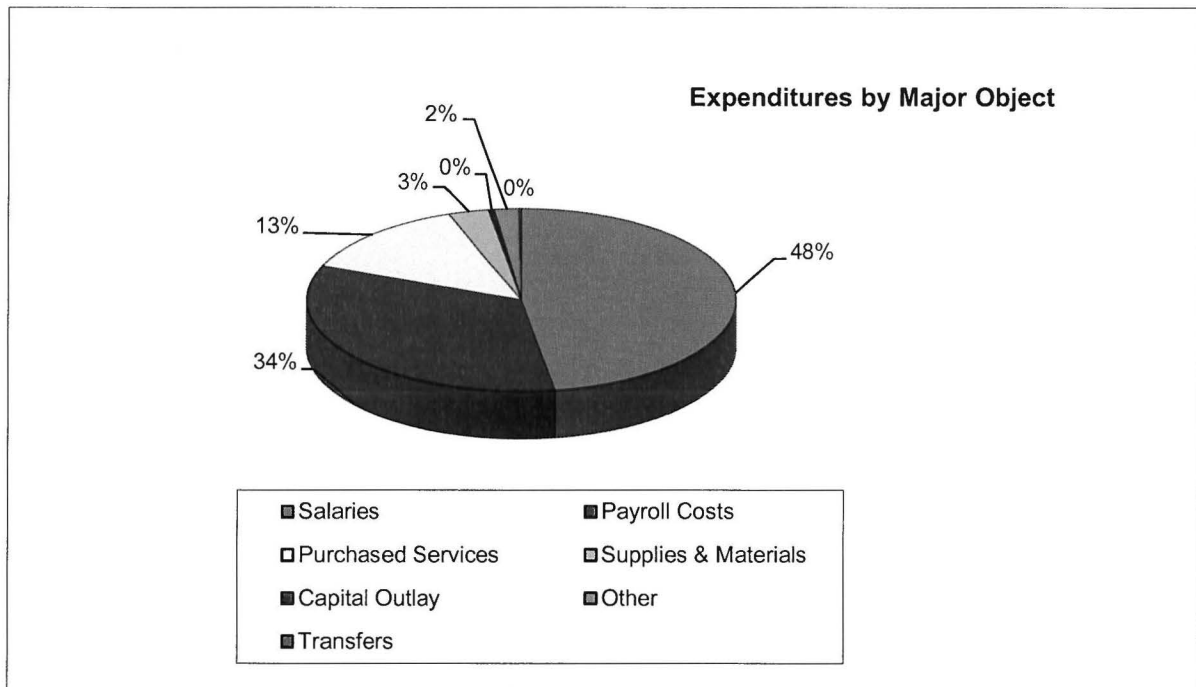
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future 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 the District's net resources available for spending at the end of a fiscal year. At June 30, 2020, the District's governmental funds reported combined ending fund balances of \$5.5 million, an increase of \$867,000.

- *General Fund:* The General Fund is the primary operating fund of the District. As of June 30, 2020, unassigned fund balance was \$2.7 million. This is an increase of about \$400,000 from the prior year. This increase is related to increased revenue from taxes, interest on investments, rentals, recovery of prior year's expenditures, basic support from ODE, grants and proceeds from lease agreements.

- **Special Revenue Fund:** The Special Revenue Fund accounts for revenue sources that are legally restricted to expenditure for specific purposes (not including debt service or major capital projects). These include state and federal grants, student body activities, food service, specific purpose donations and transportation. The Special Revenue Fund ended the year with an ending fund balance of \$502,000. Since most of this fund balance is legally restricted, it is not available for other purposes.
- **Debt Service Fund:** The Debt Service Fund had an ending fund balance of approximately \$465,000. This fund balance will be used to pay the balloon payment of \$550,000 that is due in 2021. The 2010 General Obligation Bond collections began in the 11-12 year.
- **Capital Projects Fund:** The Capital Projects Fund–The Seismic Retro-Fit project began in 15-16, accounting for increased expenses over the previous year. The Seismic Rehabilitation Grant Program (SRGP) is a competitive grant program which provides public buildings and schools with funding for seismic rehabilitation. In 19-20, the District completed the last of three seismic rehabilitation grant projects. These grants have been very beneficial in improving the safety concerns addressed by the school district administration and school board members.

The chart below identifies the major expenditure categories and their percentage related to total General Fund expenditures. The percentages shown are consistent when compared to the previous year. In 19/20 salary and benefits increased by 8%, accounting for 81% of the overall General Fund expense.



CURRENT FINANCIAL ISSUES AND CONCERNS BEARING ON THE FUTURE

The District's student population continues to decline requiring the district to be prudent with the fund balance that currently exceeds expectations. This fund balance allowed the district to maintain the same staffing and class sizes compared to previous years. Student enrollment forecasting enables the district to anticipate the need to reduce administrative cost in 20/21 to offset the loss of State School funding.

Several changes have created an increase in PERS payroll related costs for at least the next three fiscal years. The PERS biennium contribution percentage increased as of July 1st 2019 and the passing of senate bill 1049 creates a new budgetary need. Senate bill 1049 requires the district to pay PERS Tier and UAL contributions based on their wages earned after January 1st 2020, ending December 31st 2022. Prior to January 1, 2020, no contributions were made on retiree wages. District-wide austerity measures have been implemented in regards to re-hiring PERS retirees.

The District received the last of our Seismic Rehabilitation grants to increase the safety of the High School Gymnasium. These grants have been invaluable and provide the District with assurances that all our buildings will be safer in the event of a catastrophic earthquake which the district would otherwise be unable to accomplish. The district is concerned regarding the long term maintenance needs of our buildings and other campus facilities. Appropriate fiscal planning for these needs are being implemented and will continue until the needs have been met.

As always, the District continues to thank the business community and individuals who generously donate to our students and staff. Many programs, projects and scholarships are funded with their generosity.

Bandon School District staff and administration will continue to practice sound fiscal management to meet the challenges facing our school district. Bandon School District staff appreciates the budget committee and its role in the process of determining educational opportunities for its students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the Bandon School District's finances and demonstrate the Bandon School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Bandon School District's Fiscal Director, 455 Ninth Street SW, Bandon, OR 97411.

BASIC FINANCIAL STATEMENTS

COOS COUNTY SCHOOL DISTRICT NO. 54
STATEMENT OF NET POSITION
June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 4,902,992
Receivables:	
Intergovernmental	65,764
Property taxes	414,382
Accounts	60,022
Inventories	12,870
Prepaid expenses	17,861
Capital assets:	
Land	122,221
Construction in progress	20,955
Depreciable assets, net of depreciation	<u>7,021,582</u>
Total assets	<u>12,638,649</u>
DEFERRED OUTFLOWS	
Deferred amounts related to pensions	<u>3,619,968</u>
LIABILITIES	
Accounts payable	34,030
Accrued payroll and benefits	529,751
Unearned grant proceeds	5,796
Accrued interest payable	3,048
Accrued compensated absences	23,458
Pension obligation	8,740,570
Long-term debt:	
Capital leases, payable within one year	62,041
Bonded debt, payable within one year	550,000
Capital leases, payable after one year	<u>84,425</u>
Total liabilities	<u>10,033,119</u>
DEFERRED INFLOWS	
Deferred amounts related to pensions	<u>786,983</u>
NET POSITION	
Net investment in capital assets	6,468,292
Restricted by grantor or donor for specific purpose	949,745
Unrestricted	<u>(1,979,522)</u>
Total net position	<u><u>\$ 5,438,515</u></u>

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY SCHOOL DISTRICT NO. 54
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in in Net Position
		Charges for Services & Contracts	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 6,504,752	\$ 384,721	\$ 1,590,877	\$ -	\$ (4,529,154)
Supporting services	4,277,359	49,746	65,000	-	(4,162,613)
Community services	270,071	38,112	258,399	-	26,440
Facilities and acquisition	-	-	-	962,748	962,748
Unallocated interest*	41,404	-	-	-	(41,404)
Unallocated depreciation*	277,333	-	-	-	(277,333)
Total governmental activities	\$ 11,370,919	\$ 472,579	\$ 1,914,276	\$ 962,748	(8,021,316)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					3,933,422
Property taxes, levied for debt service					115,808
Federal and State aid not restricted to specific purposes					4,092,809
Interest and investment earnings					98,533
Insurance proceeds					368,341
Gain (Loss) on disposition of capital assets					(17,785)
Total general revenues					8,591,128
Change in net position					569,812
Net position - beginning					4,868,703
Net position - ending					\$ 5,438,515

* Depreciation and interest expense are not allocated among the functions of the District

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY SCHOOL DISTRICT NO. 54
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,698,852	\$ 423,413	\$ 445,121	\$ 335,606	\$ 4,902,992
Receivables:					
Accounts	12,187	47,835	-	-	60,022
Intergovernmental	43,582	4,526	17,656	-	65,764
Taxes - current	60,864	-	1,789	-	62,653
Taxes - future	341,881	-	9,848	-	351,729
Prepaid expenses	-	17,861	-	-	17,861
Inventory	-	12,870	-	-	12,870
Total assets	<u>\$ 4,157,366</u>	<u>\$ 506,505</u>	<u>\$ 474,414</u>	<u>\$ 335,606</u>	<u>\$ 5,473,891</u>
LIABILITIES					
Accounts payable	\$ 29,335	\$ 4,574	\$ -	\$ 121	\$ 34,030
Payroll liabilities payable	529,751	-	-	-	529,751
Unearned grant revenue	5,625	171	-	-	5,796
Total liabilities	<u>564,711</u>	<u>4,745</u>	<u>-</u>	<u>121</u>	<u>569,577</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	341,881	-	9,848	-	351,729
FUND BALANCES					
Nonspendable	-	12,870	-	-	12,870
Restricted	469,294	480,451	464,566	-	1,414,311
Committed	-	8,439	-	335,485	343,924
Unassigned	2,781,480	-	-	-	2,781,480
Total fund balances	<u>3,250,774</u>	<u>501,760</u>	<u>464,566</u>	<u>335,485</u>	<u>4,552,585</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,157,366</u>	<u>\$ 506,505</u>	<u>\$ 474,414</u>	<u>\$ 335,606</u>	<u>\$ 5,473,891</u>

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY SCHOOL DISTRICT NO. 54
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balances - governmental funds

\$ 4,552,585

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in government activities are not current financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 122,221
Construction in progress	20,955
Buildings	10,871,284
Equipment	737,316
Vehicles	984,657
	<hr/> 12,736,433

Less accumulated depreciation on capital assets

(5,571,675)

7,164,758

The Statement of Net Position reports certain assets at their net realizable value. However, assets not available to pay for current period expenditures are deferred in governmental funds.

Property taxes	351,729
Deferred outflow related to pension benefits	<hr/> 3,619,968

3,971,697

Some liabilities and deferred amounts are not due and payable in the current period and, therefore, are not reported in the funds. These items consist of:

Deferred inflows related to pension benefits	(786,983)
Net pension obligation	(8,740,570)
Capital leases payable	(146,466)
Accrued interest payable	(3,048)
General obligation bonds payable	(550,000)
Accrued compensated absences	<hr/> (23,458)

(10,250,525)

Total net position - governmental activities

\$ 5,438,515

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY SCHOOL DISTRICT NO. 54
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	General	Special Revenue	Debt Service	Capital Projects	Total
Revenues:					
Property taxes	\$ 3,928,676	\$ -	\$ 115,677	\$ -	\$ 4,044,353
Curricular	30,380	208,123	-	-	238,503
Charges for services	172,371	35,595	-	-	207,966
Contributions and donations	424,463	154,033	-	-	578,496
Earnings on investments	81,525	-	17,008	-	98,533
Other	41,162	16,996	-	-	58,158
County and intermediate sources	12,228	-	-	-	12,228
State school fund	4,017,818	70,000	-	-	4,087,818
Other state funding	194,258	342,262	-	962,748	1,499,268
Federal grants	19,017	718,879	-	-	737,896
Other federal sources	4,599	-	35,049	-	39,648
Total revenues	8,926,497	1,545,888	167,734	962,748	11,602,867
Expenditures:					
Current:					
Instruction	4,954,135	1,128,239	-	2,830	6,085,204
Supporting services	3,002,352	1,585	-	896,294	3,900,231
Community services	-	247,282	-	-	247,282
Debt service	7,751	57,071	282,138	-	346,960
Capital outlay	84,547	173,612	-	351,896	610,055
Total expenditures	8,048,785	1,607,789	282,138	1,251,020	11,189,732
Excess (deficiency) of revenues over (under) expenditures	877,712	(61,901)	(114,404)	(288,272)	413,135
Other financing sources (uses):					
Transfer in	-	14,173	-	-	14,173
Transfer out	(14,173)	-	-	-	(14,173)
Issuance of debt	-	85,000	-	-	85,000
Insurance proceeds	-	-	-	368,341	368,341
Sale of capital assets	1,001	-	-	-	1,001
Total other financing sources (uses)	(13,172)	99,173	-	368,341	454,342
Net change in fund balances	864,540	37,272	(114,404)	80,069	867,477
Fund balances at beginning of year	2,386,234	464,488	578,970	255,416	3,685,108
Fund balances at end of year	\$ 3,250,774	\$ 501,760	\$ 464,566	\$ 335,485	\$ 4,552,585

The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY SCHOOL DISTRICT NO. 54
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Total net change in fund balances - governmental funds	\$ 867,477
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.

Property taxes	4,877
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Capital assets	\$ 292,219	
Depreciation	21,717	
		313,936

The issuance of long-term debt provides current financial resources to the governmental funds while the repayment of long-term debt consumes current financial resources. However, neither has any effect on the Statement of Activities.

Issuance of debt	(85,000)	
Long-term debt principal payments	307,068	
		222,068

Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in pension asset and deferred inflows/outflows	(835,263)	
Change in accrued interest payable	(1,512)	
Change in compensated absences	(1,771)	
		(838,546)

Change in net position of governmental activities	\$ 569,812
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The notes to the basic financial statements are an integral part of this statement.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Coos County School District No. 54 (District), located in Coos County, Oregon, was organized under Oregon Statutes pursuant to Oregon Revised Statutes (ORS) Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by an elected seven member Board of Directors. The Superintendent is the District Clerk and is responsible to the Board of Directors.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. Based on the application of criteria established by the Governmental Accounting Standards Board (GASB), there are no potential component units of the District.

B. Basis of Presentation, Measurement Focus and Basis of Accounting

The financial statements of the Coos County School District No. 54 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

1. Basis of Presentation

District-wide Financial Statements. The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government. All of the District's activities are categorized as governmental activities.

Governmental activities – The District's programs are reported in this category, including the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. Property taxes and state and federal grants are the primary sources that finance these activities.

The District-wide statements are prepared using the economic resources measurement focus and reported on the accrual basis. This differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the District-wide statements and the statements for governmental funds. Transactions between funds, such as transfers and loans, are eliminated in the District-wide statements to prevent doubling up of amounts.

The District-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses such as interest and depreciation are not allocated across functions as they are not specifically associated with a particular service, program or department.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements. Fund financial statements report detailed information about the District. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The financial statements for the governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Governmental funds are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Property taxes and interest revenue are susceptible to accrual if received within 30 days of fiscal year end. Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirement; therefore, all eligibility requirements are determined to be met at the time of receipt or earlier if the susceptible to accrual criteria are met. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims of judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District applies restricted resources first.

2. Fund Accounting

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

For financial reporting purposes, the District has determined that all of its funds will be reported as major funds.

The District's major governmental funds include the following funds:

The *General Fund* is the District's primary operating fund. It accounts for and reports on all financial resources of the District, except those required to be accounted for in another fund. Property taxes and state funding are the primary sources of revenue.

The *Special Revenue Fund* accounts for and reports on revenue sources that are legally restricted to expenditure for specific purposes (not including debt service or major capital projects). For the District, these include state and federal grants, student body activities, food service, and transportation.

The *Debt Service Fund* accounts for and reports on the servicing of general long-term debt related to Qualified School Construction Bonds. For the District, this includes the 2011 General Obligation Bonds. Property taxes and interest are the primary sources of revenue.

The *Capital Projects Fund* accounts for and reports on the acquisition of capital assets or construction of major capital projects. For the District, this includes repair and upgrade of current facilities, transfers from other funds, donations, grants and earnings on investments.

C. Assets, Liabilities and Net Position

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and investments in the Oregon State Treasury Local Government Investment Pool (LGIP). The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

The District maintains merged bank accounts and investments for its funds in a central pool of cash and cash equivalents. The investment policy of the District is to invest in LGIP and interest bearing demand deposits with local banks and to transfer resources to the general checking account as the need arises. This policy is in accordance with ORS 294.035, which specifies the types of investments authorized for municipal corporations. In accordance with District policy, the District allocates earnings on investments to the General Fund and the Debt Service Fund. Investment earnings related to the Capital Project Fund are allocated to the Debt Service Fund.

2. Receivables and Payables

On the fund financial statements, transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds are offset by a fund balance reserve account in applicable government funds to indicate they are not available for appropriation and are not expendable available financial resources.

These amounts are eliminated in the District-wide financial statements. Other receivables including property taxes, accounts, entitlements, and shared revenues are reported in accordance with the policies enumerated in section B above.

3. *Inventories*

With the exception of food service inventories, physical inventories are taken for control purposes only with no dollar value assigned. The cost value of such inventories has been recorded as expenditures when purchased. Accordingly, with the exception of food service inventories, a value is not included on the balance sheet. Food service inventory in the amount of \$12,870 reflected in the Special Revenue Fund represents the fair market value of federal commodities, received through the U.S.D.A. Food Distribution Program, on hand at June 30, 2020. The cost of this inventory is recorded as an expenditure when consumed rather than when purchased. Food Service inventories are offset by a fund balance reserve, which indicates they do not constitute available expendable resources even though they are a component of net assets.

4. *Capital Assets*

Capital assets of the District are recorded in the District-wide financial statements, but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District has defined capital assets as having an initial value or cost of at least \$5,000 and an initial life in excess of a single reporting period.

The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Machinery and equipment	5 years
Vehicles	10 – 15 years
Buildings	50 – 100 years

5. *Accrued Compensated Absences*

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. A liability for the unused vacation amount is reported in governmental funds only if matured, for example, as the result of employee resignations and retirements. The remaining balance of vested governmental fund type employees' vacation is reflected as a liability in the District-wide statements. The General Fund is typically used to liquidate the liability for compensated absences. The entire compensated absence liability is reported on the District-wide financial statements.

6. *Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This section represents a contribution to net position that applies to a future period(s) and so will not be recognized as an inflow of resources (resource/revenue) until then. The District has only one type of deferred outflows of resources, which is related to pension assets. This is reported only on the government-wide financial statements.

In addition to liabilities, the Statement of Net Position reports 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 and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of deferred inflows, one of which arises only under the modified accrual basis of accounting. This item, unavailable revenue from future property taxes, is reported on the governmental funds balance sheet. The District has a second type of deferred inflows, related to pension assets, that is reported only on the government-wide financial statements.

7. *Accrued Liabilities and Long-term Obligations*

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. Payable and accrued liabilities expected to be paid with expendable available financial resources are reported in the fund financials.

8. *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. *Other Postemployment Benefit Costs*

Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, was effective for the District for the fiscal year ending June 30, 2018. This Statement was issued to improve the relevance and usefulness of financial reporting by requiring governments that participate in a cost-sharing OPEB plan administered through a trust that meets specified criteria to report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost sharing plan. This standard replaces earlier reporting required under GASB Statement No. 45.

The District has chosen to not adopt Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. This statement is required by accounting principles generally accepted in the United States of America. Because the District did not determine the amount of their liability under GASB Statement No. 75, the effect on the Statement of Net Position and the Statement of Activities cannot be determined.

10. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

11. *Fund Equity*

Pursuant to GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* the District classifies fund balance on a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

As a result, in the fund financial statements, fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the local, state or federal laws, or externally imposed conditions by grantors or creditors or enabling legislation.

Committed—Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School Board. These amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

Assigned—Amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent must be expressed by the School Board or their authorized designee.

Unassigned—All amounts not included in other classifications.

The amounts in the various categories of fund balance are included in the governmental funds balance sheet. As discussed in Note 1 B, restricted funds are used first as appropriate. Decreases to the remaining fund balance categories first reduce committed fund balance, followed by assigned fund balance, then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

12. Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's financial statements. Government-wide net position is divided into three components:

Net investment in capital assets - consists of the historical cost of capital assets, less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position - consists of assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted - all other net position is reported in this category.

13. New Accounting Pronouncements Upcoming

The District will implement new GASB pronouncements in the fiscal year no later than the required effective date. Management has not yet determined the effect on the financial statements from implementing any of the following pronouncements:

GASB Statement No. 84, "*Fiduciary Activities*". This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement enhances consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported and (2) clarifying whether and how business-type activities should report their fiduciary activities. This statement was originally to be effective for reporting periods beginning after December 15, 2018 (FYE 6-30-20), but implementation has been extended until FYE 6-30-21 due to the COVID-19 pandemic.

GASB Statement No. 87, "*Leases*." This statement establishes a single approach for reporting leases in which the Lessee records an asset representing the right to use an asset for a period of time as well as a liability for lease payments. The lease asset is amortized over the shorter of the lease term or the useful life of the asset. This statement was originally to be effective for reporting periods beginning after December 15, 2019 (FYE 6-30-21), but implementation has been extended until FYE 6-30-22 due to the COVID-19 pandemic.

GASB Statement No 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*." The objectives of this standard are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement was originally to be effective for reporting periods beginning after December 15, 2019 (FYE 6-30-21), but implementation has been extended until FYE 6-30-22 due to the COVID-19 pandemic. Early implementation is encouraged.

GASB 92, "*Omnibus 2020*." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. This statement was originally scheduled to be effective for reporting periods beginning after June 15, 2020 (FYE 6-30-21), but implementation has been extended until FYE 6-30-22 due to the COVID-19 pandemic. Early implementation is encouraged.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year-end. Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget. The District begins its budgeting process by appointing budget committee members in early fall of each year. Recommendations are developed through early spring and the Budget Committee usually approves the budget in late spring. Public notices of the budget hearing are generally published in early June, and the public hearing is held in late June. The budget is usually adopted, appropriations usually are made and the tax rate and levy are declared no later than June 30. The resolution authorizing appropriations for each fund, by function, sets the legal limit for expenditures.

The following functions, by fund, are the legal levels of budgetary control:

- Instruction
- Supporting services
- Community services
- Facilities acquisition and construction
- Interagency/Fund transactions
- Debt service
- Contingency

Management may reassign resources within functions without seeking the approval of the District's Board of Directors.

Original amounts may be increased through resolutions by transferring amounts between appropriation categories in the same fund or by transferring from an appropriation category in the General Fund to another fund. A supplemental budget is needed to increase appropriations when appropriations transfers are unauthorized. Budget amounts are as originally adopted, or as amended by the District's Board of Directors.

B. Excess of Appropriations

Expenditures exceeded budget in the following amounts:

Debt Service Fund	
Debt service	\$ (170)
Capital Projects Fund	
Instruction	\$ (2,830)
Facilities acquisition	(203,288)
	<u>\$ (206,118)</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits. Deposits with financial institutions are comprised of bank demand deposits. All deposits are held in the name of the District.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) 295. ORS Chapter 295 requires depository banks to place and maintain, on deposit with a third-party custodian bank, securities having a value of 10 percent, 25 percent or 110 percent of public funds on deposit depending primarily on the capitalization level of the depository bank. Deposits in the Public Funds Collateralization Program are not 100 percent guaranteed.

The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program, a multiple financial institution collateral pool administered by the Oregon State Treasurer's office, are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. All of the District's deposits were with institutions participating in the Oregon Public Funds Collateralization Program or were covered by FDIC insurance. Therefore, none of the District's deposits were exposed to custodial credit risk.

Investments. The District invests funds in the State Treasurer's Oregon Short Term Fund Local Government Investment Pool. The Oregon Short Term Fund was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The Local Government Investment Pool (LGIP) is an unrated external investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form, as defined by GASB Statement No. 40. Withdrawals in excess of \$25 million require 48 hours' notice.

In addition, the LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the District's cash position.

Investments in the LGIP are made under the provisions of ORS 294. These funds are held in the District's name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at amortized cost, which approximates fair value.

Credit Risk. Credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The State of Oregon LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer of the Pool and it is responsible for all funds in the Pool. These funds must be invested and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short Term Funds Board, which establish diversification percentages and specify the types and maturities of investments.

State statutes authorize the District to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers, and the State Treasurer's investment pool, among others. The District has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk. The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent five percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The District has no such investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short Term Fund Board manages this risk by limiting the maturity of the investments held by the fund. The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

As of June 30, 2020, the District had the following investments:

<u>Investment Type</u>	<u>Maturity</u>	<u>Percentage of Portfolio</u>	<u>Fair Value</u>
Local Government Investment Pool	1 day	100%	<u>\$ 4,416,609</u>

A reconciliation of cash and cash equivalents as shown on the Statement of Net Position follows:

Carrying amount of deposits	\$ 486,383
Carrying amount of LGIP	<u>4,416,609</u>
Total cash and cash equivalents	<u>\$ 4,902,992</u>

Cash and cash equivalents by fund per Balance Sheet:

Fund:	
General	\$ 3,698,852
Special Revenue	423,413
Debt Service	445,121
Capital Projects	<u>335,606</u>
	<u>\$ 4,902,992</u>

B. Receivables

All non-current property taxes receivable are treated as unearned revenue in the fund financial statements. Other accounts and intergovernmental receivables are considered to be fully collectible. Accordingly, no provision for estimated uncollectible amounts has been established.

Property taxes are assessed and attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are payable on November 15. They may be paid in installments due November 15, February 15, and May 15. Taxes are billed and collected by the County of Coos and remittance to the District is made at periodic intervals. For fiscal year 2019-20, the District imposed taxes in the amount of \$3.9702 per \$1,000 of assessed value for general operations and \$115,074 for bonded debt. After reduction for estimated shared offsets, truncation, and loss due to constitutional limits, this resulted in a net levy of \$4,149,236.

C. Unearned Revenue/Deferred Inflows/Deferred Outflows

The Governmental funds Balance Sheet reports deferred inflows of revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Unearned grant revenues are also occasionally reported. These represent grant funds that were received but will not be spent until a future period.

At June 30, 2020, the General Fund and the Debt Service Fund reported deferred inflows of resources for property taxes totaling \$351,729 which are not yet available to liquidate liabilities.

The Statement of Net Position reports deferred outflows of resources totaling \$3,619,968 in connection with differences between employer contributions and the District's proportionate share of contributions related to pension assets.

The Statement of Net Position also reports a total of \$786,983 in deferred inflows of resources for the net difference between projected and actual earnings on investments related to pension assets.

D. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Nonspendable:					
Inventory	\$ -	\$ 12,870	\$ -	\$ -	\$ 12,870
Restricted:					
Debt service	-	-	464,566	-	464,566
Donations for specific purposes	469,294	208,036	-	-	677,330
Food service	-	65,308	-	-	65,308
Student body activities	-	207,107	-	-	207,107
Committed:					
Capital projects	-	-	-	335,485	335,485
Bus replacement	-	8,439	-	-	8,439
Unassigned:	2,781,480	-	-	-	2,781,480
Total fund balance	<u>\$ 3,250,774</u>	<u>\$ 501,760</u>	<u>\$ 464,566</u>	<u>\$ 335,485</u>	<u>\$ 4,552,585</u>

E. Capital Assets

Capital asset activity for the District for the year ended June 30, 2020 was as follows:

	Balance 6/30/2019	Additions	Deletions	Balance 6/30/2020
<i><u>Nondepreciable capital assets</u></i>				
Land	\$ 122,221	\$ -	\$ -	\$ 122,221
Construction in process	-	20,955	-	20,955
Total nondepreciable capital assets	122,221	20,955	-	143,176
<i><u>Depreciable capital assets</u></i>				
Buildings & improvements	10,460,381	410,903	-	10,871,284
Furniture & equipment	674,495	99,283	(36,462)	737,316
Vehicles	1,187,117	90,929	(293,389)	984,657
Total depreciable capital assets	12,321,993	601,115	(329,851)	12,593,257
<i><u>Less accumulated depreciation for:</u></i>				
Buildings & improvements	(4,450,421)	(154,904)	-	(4,605,325)
Furniture & equipment	(324,271)	(23,810)	24,641	(323,440)
Vehicles	(818,700)	(106,119)	281,909	(642,910)
Total accumulated depreciation	(5,593,392)	(284,833)	306,550	(5,571,675)
Net depreciable capital assets	6,728,601	316,282	(23,301)	7,021,582
Total	\$ 6,850,822	\$ 337,237	\$ (23,301)	\$ 7,164,758

Depreciation expense is not allocated among the functions of the District.

F. Leases

Capital Lease. The District leases several vehicles and equipment under lease-purchase agreements. The lease payments for the year ending June 30, 2020 were \$62,068. The cost of the leased items totaled \$324,754, with accumulated depreciation of \$87,558 and a net book value of \$237,196 as of the year ended June 30, 2020. The payments for the leases are made by the Special Revenue Fund. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

Year Ending June 30th	Principal	Interest	Total
2021	\$ 62,041	\$ 2,780	\$ 64,821
2022	41,310	1,925	43,235
2023	24,652	960	25,612
2024	18,463	489	18,952
Total	<u>\$ 146,466</u>	<u>\$ 6,154</u>	<u>\$ 152,620</u>

G. Long-Term Debt

In June 2011, the District issued Qualified School Construction Bonds (QSCB). The bonds were issued in the amount of \$1,500,000. Proceeds were used to finance major improvements to various facilities. The bonds bear interest at 4.15 percent; however, as part of the Hiring Incentives to Restore Employment Act, the District has elected interest subsidy payments or "Direct Payment" from the Federal government. Therefore, the District made principal-only payments on the bonds and the Federal government issued tax credits to the buyer.

During fiscal year 2012-13, the Federal government enacted a budget sequestration which resulted in cuts to the above-mentioned interest subsidy. The interest subsidy for 2019-20 was reduced to \$35,049, and the District was required to pay \$2,089 in interest.

Principal payments are due in June of each year. Payments are made from the Debt Service Fund.

Year Ending June 30th	Principal	Interest Subsidy	Total
2021	<u>\$ 550,000</u>	<u>\$ 25,575</u>	<u>\$ 575,575</u>

During the fiscal year ended June 30, 2020, the following changes occurred in long-term debt:

	Balance 6/30/2019	Increases	Decreases	Balance 6/30/2020	Amount due within one year
General obligation bonds	\$ 795,000	\$ -	\$ (245,000)	\$ 550,000	\$ 550,000
<i>Direct borrowings:</i>					
Leases	123,534	85,000	(62,068)	146,466	62,041
Total	<u>\$ 918,534</u>	<u>\$ 85,000</u>	<u>\$ (307,068)</u>	<u>\$ 696,466</u>	<u>\$ 612,041</u>

During the fiscal year ended June 30, 2020, the following changes occurred in other long-term liabilities:

	Balance 6/30/2019	Increases	Decreases	Balance 6/30/2020	Amount due within one year
Compensated absences	\$ 21,687	\$ 30,010	\$ (28,239)	\$ 23,458	\$ 23,458

H. Transfers

The composition of interfund transfers during the fiscal year ended June 30, 2020 are as follows:

Interfund Transfers:	Amount
Transfer out General Fund	\$ 14,173
Transfer in Special Revenue Fund	\$ 14,173

The transfer to the Special Revenue Fund from the General Fund was a routine transfer to support the activities of a youth program.

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Worker's Compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior years, and the District has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years.

B. Commitments and Contingent Liabilities

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

At June 30, 2020, the District was involved in an improvement project in the Special Revenue Fund. The project was a covered play area and completed in September 2020, the amount of construction in progress is immaterial.

C. Employee Retirement System and Plans

Public Employees Retirement System

The District contributes to the State of Oregon Public Employees Retirement System (PERS), which is governed by ORS Chapter 238. PERS is a single cost-sharing multiple-employer defined benefit pension plan that provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. Oregon Revised Statutes 238 and 238A assign the authority to establish and amend benefit provisions to the state legislature.

Plan Benefits -

Tier One/Tier Two Retirement Benefit (Chapter 238):

Pension Benefits - The PERS retirement allowance is payable monthly for life and may be selected from 13 retirement benefit options. These options include annuities, survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing prior to August 21, 1981) or a money match computation if it results in greater benefits.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 55 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Death Benefits - Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest) and employer funds equal to the account balance, provided certain conditions are met.

Disability Benefits - This is available for qualifying employees for both duty and non-duty connected causes.

Benefit Changes After Retirement - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Also, monthly benefits are adjusted annually through cost-of-living changes.

Oregon Public Service Retirement Plan Pension Program (OPSRP) ORS Chapter 238A:

Pension Benefits - The Pension Program provides benefits to members hired on or after August 29, 2003. OPSRP provides a life pension funded by employer contributions. Benefits are based upon the number of years of service and the final average salary. For general service employees, 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.

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

Death Benefits - Upon the death of a non-retired member, the beneficiary receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits - This is available for qualifying employees for both duty and non-duty connected causes.

Benefit Changes After Retirement - Monthly benefits are adjusted annually through cost-of-living changes.

OPSRP Individual Account Program (OPSRP IAP):

Pension Benefits – An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

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

Recordkeeping – PERS contracts with VOYA Financial to maintain IAP participant records.

Pension Plan CAFR

Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at: <https://www.oregon.gov/pers>

Funding Policy

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 District paid 32.03 percent for Tier I and Tier II employees and 26.58 percent for OPSRP members for the fiscal year.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer cash payments for the year ended June 30, 2020 were \$1,347,236. This consisted of \$1,113,983 from the District and \$233,253 paid by the District on behalf of employees. These added to the District's fiduciary net position.

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

At June 30, 2020, the District reported a liability of \$8,740,570 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

At June 30, 2019, the District's proportion was 0.05053052 percent, which was an increase of .00267867 from its proportion measured as of June 30, 2018. For the year ended June 30, 2020, the District's actuarially determined pension expense was \$2,085,384.

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 482,017	\$ -	
Changes in assumptions	1,185,758	-	
Net difference between projected and actual earnings on investment	-	(247,786)	
Changes in proportion share	433,575	(532,207)	
Differences between employer contributions and employer's proportionate share of system contributions	212,561	(6,990)	
Subtotal amortized deferrals	2,313,911	(786,983)	\$ 1,526,928
Contributions subsequent to the MD	1,069,309	-	1,069,309
Total deferred outflows (inflows) of resources	<u>\$ 3,383,220</u>	<u>\$ (786,983)</u>	<u>\$ 2,596,237</u>

The \$1,069,309 reported as deferred outflow of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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

Employer subsequent	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
<u>Fiscal years</u>	
1st Fiscal Year	\$ 732,395
2nd Fiscal Year	101,752
3rd Fiscal Year	377,403
4th Fiscal Year	287,729
5th Fiscal Year	27,649
Thereafter	-
Total	<u>\$ 1,526,928</u>

Actuarial Assumptions

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

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

Valuation Date	December 31, 2017
Measurement date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25% /0.15%) in accordance with <i>Moro</i> decision; blended based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with unisex, Social Security Scale.

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

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

The following table 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.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	Target Range
Debt Securities	15.0	25.0	20.0
Public Equity	32.5	42.5	37.5
Real Estate	9.5	15.5	12.5
Private Equity	14.0	21.0	17.5
Alternative Equity	0.0	12.5	12.5
Opportunity Portfolio	0.0	3.0	0.0
Total			100.0 %

Long-Term Expected Rate of Return:

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

Discount Rate:

The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and 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.

Measurement Date [MD] of the Net Pension Liability/(Asset) [NPL/(A)]	6/30/2019
Actuarial Valuation Date (liability rolled forward to MD)	12/31/2017
Discount rate	7.20%
Employer's proportionate share at prior MD	0.04785185%
Employer's proportionate share at MD	0.05053052%
Employer's proportionate share of system NPL/(A) at prior MD	\$ 7,248,925
Employer's proportionate share of system NPL/(A) at MD	\$ 8,740,570
Sensitivity: NPL/(A) using discount rate 1.00% lower	\$ 13,997,247
Sensitivity: NPL/(A) using discount rate 1.00% higher	\$ 4,341,455

Employer Pension Expense for Measurement Period

Employer's proportionate share of system Pension Expense/(Income)	\$ 2,235,274
Net amortization of deferred amounts from:	
Changes in proportionate share	(217,251)
Differences between employer contributions and employer's proportionate share of system contributions	67,361
Employer's Total Pension Expense/(Income)	<u>\$ 2,085,384</u>

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.

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation.

For GASB 67 and 68, the benefits valued in the Total Pension Liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. While Senate Bill 1049 also made changes to certain aspects of the System's funding and administration, the salary limit is the only change that affects the measured Total Pension Liability.

As a result, the salary limit provision is the only difference in the valuation basis used to determine the Total Pension Liability between June 30, 2018 and June 30, 2019.

Due to stock market volatility as a result of COVID-19, the related financial impact for PERS cannot be reasonably estimated at this time. Per the Oregon State Treasurer, for current state employees, changes happenings in the stock market currently, won't affect their Individual Account Program until spring 2021.

Management is not aware of any other changes subsequent to the June 30, 2019 measurement date that meet this requirement and thus would require a brief description under the GASB standard.

The assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated December 16, 2019.

D. Other Postemployment Benefits

GASB Statement No. 75, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions* was effective for periods ending June 30, 2018. This standard requires the District to report on its financial statements an actuarially determined liability for the present value of the projected benefits for other postemployment benefits (OPEB) for retired and active employees on the financial statements along with related deferred inflows and deferred outflows.

The District does not have a significant formal other postemployment benefits (OPEB) plan for any employee group, however the District is required by Oregon Revised Statutes 243.303 to provide retirees with the opportunity to purchase group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of the retiree healthcare premiums represents an implicit employer contribution.

GASB Statement No. 75 is applicable to the District due only to this implicit rate subsidy. The District chose to not implement this standard. The District did not determine the amount of their liability under GASB Statement No. 75, therefore the effect on the Statement of Net Position and the Statement of Activities cannot be determined. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

COOS COUNTY SCHOOL DISTRICT NO. 54
FOR THE LAST SEVEN YEARS*
June 30, 2020

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

Year Ended June 30,	(a) District's proportion of the net pension liability (asset)	(b) District's proportionate share of the net pension liability (asset) ¹	(c) District's covered payroll ²	(b/c) District's proportionate share of the net pension liability/asset as a percentage of its covered payroll	Plan fiduciary net position as a percentage of total pension liability
2014	0.075373%	\$ 3,846,396	\$ 2,095,653	-183.54%	91.9%
2015	0.075373%	(1,708,492)	3,423,536	49.90%	103.6%
2016	0.066957%	3,844,309	3,216,805	-119.51%	91.8%
2017	0.053132%	7,976,372	3,211,433	-248.37%	81.0%
2018	0.045015%	6,068,047	3,534,260	-171.69%	83.1%
2019	0.047852%	7,248,925	3,653,025	-198.44%	82.1%
2020	0.050531%	8,740,570	3,697,774	-236.37%	80.2%

SCHEDULE OF CONTRIBUTIONS OF NET PENSION LIABILITY

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) District's covered payroll	(b/c) Contributions as a percent of covered payroll
2014	\$ 940,954	\$ (940,954)	\$ -	\$ 3,423,536	27.48%
2015 ³	891,823	(891,823)	-	3,216,805	27.72%
2016 ⁴	840,660	(840,660)	-	3,211,433	26.18%
2017 ⁵	894,532	(894,532)	-	3,534,260	25.31%
2018	1,080,943	(1,080,943)	-	3,653,025	29.59%
2019 ⁶	1,090,463	(1,090,463)	-	3,697,774	29.49%
2020 ⁷	1,347,236	(1,347,236)	-	4,084,513	32.98%

*This schedule is 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.

¹ The amounts presented for each fiscal year were actuarial determined at December 31, and rolled forward to the measurement date.

² The amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan for each fiscal year.

³ The June 30, 2015 NPL reflects benefit changes from Senate Bills 822 and 861.

⁴ The June 30, 2016 NPL reflects benefit changes from the Oregon Supreme Court's ruling on *Moro v. State of Oregon*, which overturned portions of Senate Bills 822 and 861.

⁵ The June 30, 2017 NPL reflects assumption changes reducing inflation rate from 2.75% to 2.5%, the long-term expected rate of return from 7.75% to 7.5%, the discount rate from 7.75% to 7.50% and the projected salary increases from 3.75% to 3.5%.

⁶ The June 30, 2019 NPL reflects assumption changes reducing the long-term expected rate of return from 7.50% to 7.20% and the discount rate from 7.50% to 7.20%.

⁷ The June 30, 2020 NPL reflects an annual salary cap of \$195,000 for determining member benefits.

MAJOR FUNDS

General Fund - The general fund is the District's primary operating fund. It accounts for and reports on all financial resources of the District, except those required to be accounted for in another fund. Property taxes and state funding are the primary sources of revenue.

Special Revenue Fund - The special revenue fund accounts for and reports on revenue sources that are legally restricted to expenditure for specific purposes (not including debt service or major capital projects). For the District, these include state and federal grants, student body activities, food service, and transportation.

Debt Service Fund - The debt service fund accounts for and reports on the servicing of general long-term debt not being financed by the General Fund. For the District, this includes the 2011 General Obligation Bonds issued as Qualified School Construction Bonds in order to perform major renovations to various facilities. Property taxes and interest are the primary sources of revenue.

Capital Projects Fund - The capital projects fund accounts for and reports on the acquisition of capital assets or construction of major capital projects. For the District, this includes repair and upgrade of current facilities financed by the sale of Qualified School Construction bonds, donations, and earnings on investments.

COOS COUNTY SCHOOL DISTRICT NO. 54
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Local sources	\$ 3,872,273	\$ 4,290,936	\$ 4,674,338	\$ 383,402
Intermediate sources	14,000	14,000	12,228	(1,772)
State sources	3,921,766	3,988,126	4,216,315	228,189
Federal sources	8,800	8,800	23,616	14,816
Total revenues	7,816,839	8,301,862	8,926,497	624,635
Expenditures:				
Current:				
Instruction	5,441,964	5,860,627	4,990,302	870,325
Supporting services	3,497,954	3,564,314	3,050,732	513,582
Community services	2,250	2,250	-	2,250
Debt service	7,964	7,964	7,751	213
Contingency	677,185	677,185	-	677,185
Total expenditures	9,627,317	10,112,340	8,048,785	2,063,555
Excess (deficiency) of revenues over (under) expenditures	(1,810,478)	(1,810,478)	877,712	2,688,190
Other financing sources (uses):				
Transfers in	100	100	-	(100)
Transfer out	(14,466)	(14,466)	(14,173)	293
Issuance of debt	5,000	5,000	-	(5,000)
Sale of capital assets	3,000	3,000	1,001	(1,999)
Total other financing sources (uses)	(6,366)	(6,366)	(13,172)	(6,806)
Net change in fund balance	(1,816,844)	(1,816,844)	864,540	2,681,384
Fund balance at beginning of year	1,816,844	1,816,844	2,386,234	569,390
Fund balance at end of year	\$ -	\$ -	\$ 3,250,774	\$ 3,250,774

See auditor's report

COOS COUNTY SCHOOL DISTRICT NO. 54
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Local sources	\$ 417,299	\$ 505,799	\$ 414,747	\$ (91,052)
State sources	242,588	242,588	412,262	169,674
Federal sources	833,821	833,821	718,879	(114,942)
Total revenues	1,493,708	1,582,208	1,545,888	(36,320)
Expenditures:				
Current:				
Instruction	1,465,651	1,554,151	1,128,239	425,912
Supporting services	106,400	106,400	86,585	19,815
Community services	455,691	455,691	335,894	119,797
Debt service	60,210	60,210	57,071	3,139
Contingency	22,181	22,181	-	22,181
Total expenditures	2,110,133	2,198,633	1,607,789	590,844
Excess (deficiency) of revenues over (under) expenditures	(616,425)	(616,425)	(61,901)	554,524
Other financing sources (uses):				
Transfer in	14,266	14,266	14,173	(93)
Lease proceeds	100,000	100,000	85,000	(15,000)
Total other financing sources	114,266	114,266	99,173	(15,093)
Net change in fund balance	(502,159)	(502,159)	37,272	539,431
Fund balance at beginning of year	502,159	502,159	464,488	(37,671)
Fund balance at end of year	\$ -	\$ -	\$ 501,760	\$ 501,760

See auditor's report

SUPPLEMENTARY INFORMATION

COOS COUNTY SCHOOL DISTRICT NO. 54
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local sources	\$ 117,597	\$ 132,685	\$ 15,088
Federal sources	<u>33,271</u>	<u>35,049</u>	<u>1,778</u>
Total revenues	<u>150,868</u>	<u>167,734</u>	<u>16,866</u>
Expenditures:			
Debt service	281,968	282,138	(170)
Contingency	<u>444,878</u>	<u>-</u>	<u>444,878</u>
Total expenditures	<u>726,846</u>	<u>282,138</u>	<u>444,708</u>
Excess (deficiency) of revenues over (under) expenditures	(575,978)	(114,404)	461,574
Other financing sources (uses):			
Transfer in	<u>100</u>	<u>-</u>	<u>(100)</u>
Net change in fund balance	(575,878)	(114,404)	461,474
Fund balance at beginning of year	<u>575,878</u>	<u>578,970</u>	<u>3,092</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 464,566</u></u>	<u><u>\$ 464,566</u></u>

COOS COUNTY SCHOOL DISTRICT NO. 54
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State sources	\$ 1,383,500	\$ 962,748	\$ (420,752)
Expenditures:			
Instruction	-	2,830	(2,830)
Supporting services	1,759,735	894,902	864,833
Facilities Acquisition/Construction	150,000	353,288	(203,288)
Debt service	20,022	-	20,022
Total expenditures	<u>1,929,757</u>	<u>1,251,020</u>	<u>678,737</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(546,257)</u>	<u>(288,272)</u>	<u>257,985</u>
Other financing sources (uses):			
Issuance of debt	75,000	-	(75,000)
Insurance proceeds	150,000	368,341	218,341
Transfer in	100	-	(100)
Transfer out	(100)	-	100
Total other financing sources (uses)	<u>225,000</u>	<u>368,341</u>	<u>143,341</u>
Net change in fund balance	(321,257)	80,069	401,326
Fund balance at beginning of year	<u>321,257</u>	<u>255,416</u>	<u>(65,841)</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 335,485</u></u>	<u><u>\$ 335,485</u></u>

OTHER INFORMATION

SUPPLEMENTAL INFORMATION

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.
Part A is needed for computing Oregon's full allocation for ESSA, Title I & other Federal Funds for Education.

A. Energy Bill for Heating - All Funds:

Please enter your expenditures for electricity, heating fuel, and water & sewage for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$119,408
Function 2550	\$34,981

B. Replacement of Equipment – General Fund:

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

Exclude these functions:

\$30,560

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

**Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.*

AUDIT REVENUE SUMMARY
Bandon School District 54

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	\$3,928,676	\$0	\$115,676	\$0	\$0	\$0	\$0
1120 Local Option Ad Valorem Taxes Levied by District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1130 Construction Excise Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1190 Penalties and Interest on Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1200 Revenue from Local Governmental Units Other Than Districts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1311 Regular Day School Tuition - From Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1312 Regular Day School Tuition - Other Dist Within State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1313 Regular Day School Tuition - Other Districts Outside	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1320 Adult/Continuing Education Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1330 Summer School Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1411 Transportation Fees - From Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1412 Transportation Fees - Other Dist Within State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1413 Transportation Fees - Other Districts Outside	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1420 Summer School Transportation Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1500 Earnings on Investments	\$81,525	\$0	\$17,008	\$0	\$0	\$0	\$0
1600 Food Service	\$0	\$35,594	\$0	\$0	\$0	\$0	\$0
1700 Extracurricular Activities	\$30,380	\$208,124	\$0	\$0	\$0	\$0	\$0
1800 Community Services Activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1910 Rentals	\$21,253	\$0	\$0	\$0	\$0	\$0	\$0
1920 Contributions and Donations From Private Sources	\$424,463	\$154,032	\$0	\$0	\$0	\$0	\$0
1930 Rental or Lease Payments From Private Contractors	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1940 Services Provided Other Local Education Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1950 Textbook Sales and Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1960 Recovery of Prior Years' Expenditure	\$128,130	\$0	\$0	\$0	\$0	\$0	\$0
1970 Services Provided Other Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1980 Fees Charged to Grants	\$17,569	\$0	\$0	\$0	\$0	\$0	\$0
1990 Miscellaneous	\$42,342	\$16,997	\$0	\$0	\$0	\$0	\$0
Total Revenue from Local Sources	\$4,674,338	\$414,747	\$132,684	\$0	\$0	\$0	\$0
Revenue from Intermediate Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$12,228	\$0	\$0	\$0	\$0	\$0	\$0
2102 General ESD Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2103 Excess ESD Local Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2105 Natural Gas, Oil, and Mineral Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2110 Intermediate "I" Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2199 Other Intermediate Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2200 Restricted Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Intermediate Sources	\$12,228	\$0	\$0	\$0	\$0	\$0	\$0
Revenue from State Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$4,017,818	\$0	\$0	\$0	\$0	\$0	\$0
3102 State School Fund - School Lunch Match	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0
3103 Common School Fund	\$58,164	\$0	\$0	\$0	\$0	\$0	\$0
3104 State Managed County Timber	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3106 State School Fund - Accrual	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3199 Other Unrestricted Grants-in-Aid	\$102,243	\$0	\$0	\$0	\$0	\$0	\$0
3204 Driver Education	\$4,239	\$0	\$0	\$0	\$0	\$0	\$0
3222 State School Fund (SSF) Transportation Equipment	\$0	\$65,000	\$0	\$0	\$0	\$0	\$0
3299 Other Restricted Grants-in-Aid	\$33,851	\$342,262	\$0	\$962,748	\$0	\$0	\$0
3800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from State Sources	\$4,216,315	\$412,262	\$0	\$962,748	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4200 Unrestricted Revenue From the Federal Government Through the State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4201 Transportation Fees for Foster Children	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4300 Restricted Revenue From the Federal Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4500 Restricted Revenue From the Federal Government Through the State	\$19,017	\$683,059	\$0	\$0	\$0	\$0	\$0
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4801 Federal Forest Fees	\$4,599	\$0	\$0	\$0	\$0	\$0	\$0
4802 Impact Aid to School Districts for Operation (PL 874)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4803 Coos Bay Wagon Road Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4899 Other Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4900 Revenue for/on Behalf of the District	\$0	\$35,820	\$35,049	\$0	\$0	\$0	\$0
Total Revenue from Federal Sources	\$23,616	\$718,879	\$35,049	\$0	\$0	\$0	\$0
Revenue from Other Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	\$0	\$85,000	\$0	\$0	\$0	\$0	\$0
5200 Interfund Transfers	\$0	\$14,173	\$0	\$0	\$0	\$0	\$0
5300 Sale of or Compensation for Loss of Fixed Assets	\$1,001	\$0	\$0	\$368,341	\$0	\$0	\$0
5400 Resources - Beginning Fund Balance	\$2,386,234	\$464,489	\$578,970	\$255,416	\$0	\$0	\$0
Total Revenue from Other Sources	\$2,387,235	\$563,662	\$578,970	\$623,757	\$0	\$0	\$0
Grand Total	\$11,313,732	\$2,109,550	\$746,703	\$1,586,505	\$0	\$0	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
Bandon School District 54

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$1,599,138	\$896,207	\$627,650	\$11,512	\$60,519	\$0	\$3,250	\$0
1113	Elementary Extracurricular	\$681	\$288	\$198	\$0	\$195	\$0	\$0	\$0
1121	Middle/Junior High Programs	\$574,610	\$318,925	\$237,350	\$1,282	\$13,848	\$0	\$3,205	\$0
1122	Middle/Junior High School Extracurricular	\$43,279	\$29,422	\$6,927	\$756	\$1,173	\$0	\$5,001	\$0
1131	High School Programs	\$1,295,578	\$745,205	\$509,622	\$4,183	\$33,356	\$0	\$3,212	\$0
1132	High School Extracurricular	\$188,414	\$106,659	\$36,043	\$25,913	\$9,322	\$0	\$10,477	\$0
1140	Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210	Programs for the Talented and Gifted	\$7,865	\$4,324	\$3,076	\$26	\$439	\$0	\$0	\$0
1220	Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250	Less Restrictive Programs for Students with Disabilities	\$1,198,420	\$427,689	\$340,001	\$424,409	\$6,321	\$0	\$0	\$0
1260	Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271	Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272	Title I	\$11,336	\$6,586	\$4,750	\$0	\$0	\$0	\$0	\$0
1280	Alternative Education	\$2,775	\$23	\$2	\$0	\$0	\$0	\$2,750	\$0
1291	English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292	Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293	Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294	Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299	Other Programs	\$68,207	\$1,258	\$275	\$39,810	\$22,893	\$0	\$633	\$3,338
1300	Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400	Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures		\$4,990,303	\$2,536,586	\$1,765,894	\$507,891	\$148,066	\$0	\$28,528	\$3,338
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120	Guidance Services	\$136,730	\$30,263	\$29,217	\$57,862	\$16,657	\$1,423	\$1,308	\$0
2130	Health Services	\$2,880	\$0	\$0	\$2,880	\$0	\$0	\$0	\$0
2140	Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150	Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160	Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190	Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210	Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220	Educational Media Services	\$91,569	\$46,561	\$38,475	\$0	\$3,513	\$0	\$3,020	\$0
2230	Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240	Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310	Board of Education Services	\$46,314	\$0	\$0	\$44,516	\$348	\$0	\$1,450	\$0
2320	Executive Administration Services	\$273,198	\$148,437	\$108,443	\$5,486	\$6,378	\$0	\$4,454	\$0
2410	Office of the Principal Services	\$744,221	\$426,117	\$307,594	\$3,449	\$4,617	\$0	\$2,444	\$0
2490	Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510	Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520	Fiscal Services	\$169,846	\$84,549	\$63,099	\$13,494	\$648	\$0	\$8,056	\$0
2540	Operation and Maintenance of Plant Services	\$960,126	\$280,681	\$231,812	\$286,641	\$55,031	\$30,560	\$75,401	\$0
2550	Student Transportation Services	\$485,683	\$219,567	\$122,923	\$127,278	\$1,586	\$0	\$14,329	\$0
2570	Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610	Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630	Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640	Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660	Technology Services	\$144,967	\$54,328	\$46,778	\$32,328	\$11,533	\$0	\$0	\$0
2670	Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680	Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690	Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700	Supplemental Retirement Program	-\$4,802	\$0	-\$4,802	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures		\$3,050,732	\$1,290,503	\$943,539	\$573,934	\$100,311	\$31,983	\$110,462	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200	Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300	Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500	Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures		\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120	Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150	Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180	Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190	Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures		\$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	\$7,751	\$0	\$0	\$0	\$0	\$0	\$7,751	\$0
5200	Transfers of Funds	\$14,173	\$0	\$0	\$0	\$0	\$0	\$0	\$14,173
5300	Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400	PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures		\$21,924	\$0	\$0	\$0	\$0	\$0	\$7,751	\$14,173
Grand Total		\$8,062,959	\$3,827,089	\$2,709,433	\$1,081,825	\$248,377	\$31,983	\$146,741	\$17,511

DISTRICT AUDIT EXPENDITURE SUMMARY
Bandon School District 54

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$670	\$428	\$242	\$0	\$0	\$0	\$0	\$0
1113	Elementary Extracurricular	\$54,797	\$0	\$0	\$0	\$54,797	\$0	\$0	\$0
1121	Middle/Junior High Programs	\$213	\$120	\$93	\$0	\$0	\$0	\$0	\$0
1122	Middle/Junior High School Extracurricular	\$68,226	\$12,667	\$5,050	\$10,547	\$28,018	\$11,000	\$944	\$0
1131	High School Programs	\$163,584	\$95,224	\$68,360	\$0	\$0	\$0	\$0	\$0
1132	High School Extracurricular	\$219,802	\$3,643	\$1,506	\$484	\$214,169	\$0	\$0	\$0
1140	Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210	Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220	Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250	Less Restrictive Programs for Students with Disabilities	\$138,563	\$736	\$541	\$130,082	\$2,624	\$0	\$4,580	\$0
1260	Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271	Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272	Title I	\$267,128	\$163,553	\$96,266	\$0	\$5,352	\$0	\$1,957	\$0
1280	Alternative Education	\$16,574	\$9,611	\$6,963	\$0	\$0	\$0	\$0	\$0
1291	English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292	Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293	Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294	Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299	Other Programs	\$198,681	\$21,530	\$21,923	\$30,521	\$59,948	\$55,011	\$9,748	\$0
1300	Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400	Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures		\$1,128,238	\$307,512	\$200,944	\$171,634	\$364,908	\$66,011	\$17,229	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120	Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130	Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140	Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150	Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160	Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190	Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210	Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220	Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230	Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240	Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310	Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320	Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410	Office of the Principal Services	\$585	\$360	\$225	\$0	\$0	\$0	\$0	\$0
2490	Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510	Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520	Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540	Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550	Student Transportation Services	\$86,000	\$0	\$0	\$0	\$0	\$86,000	\$0	\$0
2570	Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610	Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630	Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640	Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660	Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670	Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680	Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690	Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700	Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures		\$86,585	\$360	\$225	\$0	\$0	\$86,000	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$316,793	\$123,826	\$76,082	\$983	\$115,902	\$0	\$0	\$0
3200	Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300	Community Services	\$19,100	\$0	\$0	\$19,100	\$0	\$0	\$0	\$0
3500	Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures		\$335,893	\$123,826	\$76,082	\$20,083	\$115,902	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120	Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150	Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180	Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190	Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures		\$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	\$57,071	\$0	\$0	\$0	\$0	\$0	\$57,071	\$0
5200	Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300	Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400	PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures		\$57,071	\$0	\$0	\$0	\$0	\$0	\$57,071	\$0
Grand Total		\$1,607,787	\$431,698	\$277,251	\$191,717	\$480,810	\$152,011	\$74,300	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
Bandon School District 54

Fund: 300 Debt Service Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113	Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121	Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122	Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131	High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132	High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140	Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210	Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220	Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250	Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260	Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271	Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272	Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280	Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291	English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292	Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293	Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294	Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299	Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300	Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400	Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120	Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130	Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140	Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150	Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160	Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190	Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210	Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220	Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230	Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240	Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310	Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320	Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410	Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490	Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510	Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520	Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540	Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550	Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570	Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610	Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630	Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640	Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660	Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670	Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680	Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690	Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700	Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200	Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300	Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500	Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures		\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120	Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150	Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180	Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190	Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures		\$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	\$282,138	\$0	\$0	\$0	\$0	\$0	\$282,138	\$0
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$282,138	\$0	\$0	\$0	\$0	\$0	\$282,138	\$0
Grand Total		\$282,138	\$0	\$0	\$0	\$0	\$0	\$282,138	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
Bandon School District 54

Fund: 400 Capital Projects Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113	Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121	Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122	Middle/Junior High School Extracurricular	\$1,444	\$0	\$0	\$0	\$1,444	\$0	\$0	\$0
1131	High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132	High School Extracurricular	\$1,386	\$0	\$0	\$0	\$1,386	\$0	\$0	\$0
1140	Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210	Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220	Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250	Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260	Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271	Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272	Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280	Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291	English Second Language Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292	Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293	Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294	Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299	Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300	Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400	Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures		\$2,830	\$0	\$0	\$0	\$2,830	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120	Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130	Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140	Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150	Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160	Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190	Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210	Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220	Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230	Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240	Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310	Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320	Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410	Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490	Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510	Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520	Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540	Operation and Maintenance of Plant Services	\$894,902	\$0	\$0	\$894,902	\$0	\$0	\$0	\$0
2550	Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570	Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610	Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630	Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640	Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660	Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670	Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680	Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690	Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700	Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures		\$894,902	\$0	\$0	\$894,902	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200	Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300	Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500	Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures		\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120	Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150	Building Acquisition, Construction, and Improvement Services	\$353,288	\$0	\$0	\$345,230	\$8,058	\$0	\$0	\$0
4180	Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190	Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures		\$353,288	\$0	\$0	\$345,230	\$8,058	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200	Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300	Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400	PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$1,251,020	\$0	\$0	\$1,240,132	\$10,888	\$0	\$0	\$0

**COOS COUNTY SCHOOL DISTRICT NO. 54
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Grant Title</u>	<u>CFDA #</u>	<u>2019-20 Federal Expenditures</u>
U.S. Department of Education		
Direct Federal Awards:		
Indian Ed. - PL 103-382 ESEA	84.060	\$ 11,774
Vocational Rehabilitation Grants	84.126	<u>27,347</u>
Total Direct Federal Awards		<u>39,121</u>
Passed through Oregon State Department of Education:		
Special Education Cluster (IDEA)		
Children with Disabilities - Pre-school Grant	84.173	2,925
Special Education-Grants to States - IDEA Part B	84.027	<u>138,562</u>
Total Special Education Cluster (IDEA)		<u>141,487</u>
Title I-A	84.010	<u>267,128</u>
Title II-A Improving Teacher Quality	84.367	<u>17,140</u>
Student Support and Academic Enrichment	84.424	<u>14,817</u>
Title V-B Rural & Low Income Schools	84.358	<u>7,053</u>
Total passed through Oregon Department of Education		<u>447,625</u>
Total U.S. Department of Education		<u>486,746</u>
U.S. Department of Agriculture		
Passed through Oregon State Department of Education (ODE):		
Child Nutrition Cluster:		
School Breakfast Program	10.553	26,852
Commodity NSLP	10.555	35,247
Commodity SFSP	10.559	573
National School Lunch Program	10.555	161,624
Summer Food Service Program	10.559	<u>26,854</u>
Total Child Nutrition Cluster		<u>251,150</u>
Total U.S. Department of Agriculture, passed through ODE		<u>251,150</u>
Total Federal Financial Assistance before interest subsidy		<u>\$ 737,896</u>
Federal Interest Subsidy (HIRE Act)		<u>34,786</u>
Total Federal Financial Assistance		<u><u>\$ 772,682</u></u>

AUDITOR'S REPORTS



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

December 22, 2020

To the Board of Directors of Coos County School District No. 54:

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Coos County School District No. 54 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coos County School District No. 54's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as items 2020-01 and 2020-02 that we consider to be significant deficiencies.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies.

Compliance and Other Matters

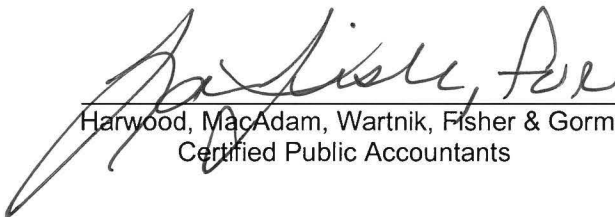
As part of obtaining reasonable assurance about whether Coos County School District No. 54's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Coos County School District No. 54's Response to the Findings

Coos County School District No. 54's response to the findings in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Harwood, MacAdam, Wartnik, Fisher & Gorman, LLC
Certified Public Accountants



**Harwood, MacAdam, Wartnik,
Fisher & Gorman, LLC**

CERTIFIED PUBLIC ACCOUNTANTS

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LAURA FISHER, CPA
BOB GORMAN, CPA

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

December 22, 2020

To the Board of Directors of Coos County School District No. 54:

We have audited the basic financial statements of Coos County School District No. 54 ("the District") as of and for the year ended June 30, 2020 and have issued our report thereon dated December 22, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-010-0000 to 162-010-0320, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures, which included, but were not limited to the following:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded wholly or partially by outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- State school fund factors and calculation.

Except as described below, nothing in connection with our testing came to our attention that caused us to believe that the Coos County School District No. 54 was not in substantial compliance with certain provisions of laws, regulations, contract and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State.

Auditors noted errors related to the 2020-2021 budget as follows:

1. Transfers between funds did not balance.
2. The ED-1 and the detailed budget sheets did not agree on all lines.

The results of our testing indicated instances of non-compliance related to excess appropriations over budget as follows:

Expenditures exceeded budget in the following amounts:

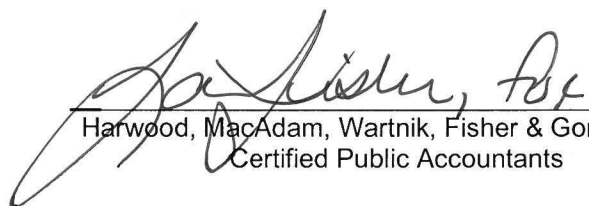
Debt Service Fund	
Debt service	<u>\$ (170)</u>
Capital Projects Fund	
Instruction	\$ (2,830)
Facilities acquisition	<u>(203,288)</u>
	<u>\$ (206,118)</u>

OAR 162-010-0230 Internal Control

Please see our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

Purpose of this Report

This report is intended solely for the information and use of management, Coos County School District No. 54 Board of Directors, Oregon Secretary of State Division of Audits, and federal awarding agencies and pass-through entities and is not intended to be and should not be used and should not be used by anyone other than these specified parties.



Harwood, MacAdam, Wartnik, Fisher & Gorman, LLC
Certified Public Accountants

COOS COUNTY SCHOOL DISTRICT NO. 54
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2020

FINDINGS:

No. 2020-001 – Significant deficiency in segregation of accounting duties

Condition – There is inadequate segregation of accounting duties within the business office resulting in few checks and balances over several of the accounting functions.

Effect – Errors can and are made and not detected in a timely manner. The possibility for material errors or fraud exists.

Cause – The District has limited accounting staff available and existing staff do not have sufficient experience in accounting or with the accounting software to detect and prevent all errors.

Criteria – Strong internal controls require all accounting work be double-checked for accuracy and that related tasks be segregated among staff. For example, ideally the tasks of printing checks, receipting in payments, making bank deposits, transferring money between banks and reconciling bank balances would be handled by two or three staff and reviewed by another. Similarly, month and year-end adjusting entries would be prepared by one person and reviewed by another.

Recommendation – Implement internal controls wherever possible. Ensure bank reconciliations and financial records are reviewed regularly by someone with the experience to spot errors. Provide specialized accounting training to business office staff.

Management's response: Management agrees with the finding. Coos County School District No. 54 has updated and strictly adhered to improved accounting and internal control systems since 2007. Though the small size of the District's business office staff limits the ability to completely segregate duties, management is aware of this and actively maintains oversight of the District's daily functions.

Changes to the control systems include removing the Business Manager as a signer on the bank account, manual signing of checks by the Superintendent, and review of all reconciled bank statements, payroll reports and expenditures by the Superintendent.

The District will continue to review and improve internal controls, separating duties when possible among the Business Manager, Payroll Clerk, Administrative Secretary, and Superintendent, but recognizes that the value of incurring the additional expenses to increase staff in the District office does not justify the cost in the current economic climate of declining resources.

2020-002 – Significant deficiency related to recording of end of year adjustments

Condition – Errors were discovered related to the recording of payables at the end of the year. Accounts payable were identified by management but recorded in the wrong fiscal period.

Effect – Recording invoices in the incorrect period could lead to financial statements being misstated. The Accounts Payable balances were not material to the financial statements.

Cause – Business office staff are not familiar with the accounting software nor with the process of tracing expected balances to financial reports. The year-end adjustment to record accounts payable was prepared and entered but staff were not sufficiently familiar with the software to notice that it was not posted in the fiscal year ending June 30, 2020. Accounts payable were properly identified, but the balances were not traced to the ending balances on the financial statements.

Criteria – Generally accepted accounting principles (GAAP) require payables to be recorded in the period in which the services were performed or goods have been purchased.

Recommendation – Auditor proposed entries to record the adjustments. The Business Manager should continue to receive financial accounting training, particularly on how to read reports printed by the District's software.

Management's Response – Management agrees with the finding. The Business Manager is enrolled in the New Business Manager Institute with OASBO, effective July 1st 2019. The three-year program facilitates mentorship from a multitude of experienced school business officials including CFO/SFO/CPA/etc. This program provides detailed instruction regarding routine accounting as well as year-end accounting, particularly in regard to recording year-end payables and receivables. The Superintendent will be responsible for ensuring this training program is completed. The business manager will identify, enroll in and complete I-Visions education opportunities.