

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2014

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

SCHOOL OFFICIALS

JUNE 30, 2014

Chairman of the Board

Laurie Danzuka
Warm Springs, Oregon

Board Members

Stan Sullivan
Vice Chairman
Madras, Oregon

Lyle Rewinkel
Madras, Oregon

Board Members

Tom Norton, Jr.
Madras, Oregon

Brad Holliday
Madras, Oregon

School Superintendent

Rick Molitor
Madras, Oregon

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

ANNUAL FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT



Board of Directors
School District 509J
Jefferson County, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of School District No. 509J, Jefferson County, Oregon (the District) as of and for the year ended June 30, 2014, 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 of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress, and the Budgetary Comparison Schedules – Debt Service and Capital Projects, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District'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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The Other Financial Schedules and Supplemental Information Required by Oregon Department of Education, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2014 on our consideration of the District's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting 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 issued our report dated October 8, 2014, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe our testing of compliance and the results of that testing and not to provide an opinion on compliance.

SGA CPAs & Consultants, LLP

SGA Certified Public Accountants and Consultants, LLP

October 8, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

As management of Jefferson County School District 509J, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the balance of information presented in this report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2014 by \$22,611,527. Of this amount, \$16,069,080 represents the District's investment in capital assets net of debt service, \$121,702 is restricted for construction projects, \$829,892 is restricted for debt service, \$2,401 is restricted with donor requirements and the balance, \$5,588,452, is unrestricted and available to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets decreased by \$435,640 from prior year ended June 30, 2013.
- The District's governmental funds reported combined ending fund balance of \$18,182,120 of which approximately \$4,049,200 is unassigned and available for spending at the District's discretion (page 14).
- At the end of the fiscal year, unassigned fund balance for the general fund on a budget basis was \$4,049,200, or about 14% of total general fund expenditures and transfers (page 14, 16).
- The District's total bonded debt increased by \$9,910,153 during the 2013-14 fiscal year. The increase was a result of the final issue of the bonds approved by voters in May 2012.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

The Statement of Net Position. The Statement of Net Position presents information on all of the assets and liabilities of the District at year end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net assets 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 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 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. Examples are uncollected property taxes and earned but unused vacation leave.

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

- *Governmental activities.* Most of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon State School Fund and other intergovernmental revenues.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund financial statements. The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

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 a government's near-term financing requirements.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

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 government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are reconciled to the government-wide Statements of Net Assets and Activities.

The District maintains 45 individual governmental funds for administrative purposes. These funds are combined into the following major funds:

- General Fund - includes various sub-funds
- Special Revenue Fund – includes special revenue funds related to federal, state and local grants, food service and student activities.
- Debt Service Fund - includes General Obligation Bonds and Oregon School Boards Association (OSBA) State of Oregon Public Employees Retirement System (PERS) Bonds

Notes to the basic financial statements. These notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on page 20 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's compliance with the Oregon Minimum Standards for Audits of Oregon Municipal Corporations. The supplementary information is included in this report.

Oregon Department of Education requires certain schedules which are listed in the table of contents.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. The following table reflects the condensed Statement of Net Position compared to the prior year.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

	June 30,	
	2014	2013
Assets		
Current and other assets	\$ 35,573,439	\$ 42,586,410
Capital assets (net)	47,601,469	28,036,326
Total assets	83,174,908	70,622,735
Liabilities		
Other liabilities	9,901,875	6,151,708
Long-term liabilities	50,546,915	41,318,092
Total liabilities	60,448,790	47,469,800
Deferred Inflows	114,591	105,768
Net Position		
Investment in capital assets, net of related debt	16,069,080	16,016,779
Restricted	953,995	475,504
Unrestricted	5,588,452	6,554,884
Total net position	\$ 22,611,527	\$ 23,047,167

Capital assets, which consist of the District's land, buildings, building improvement, vehicles, and equipment, represent 57.7% of total assets. The remaining assets consist primarily of investments, cash, receivables and prepaid pension cost.

The District's largest liabilities (83.6%) are for repayment of general obligation bonds and pension bonds.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

A large portion of the District's net assets reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents. Consequently, these assets are not available for future spending.

Resources needed to repay general obligation debt must be provided from property taxes since the capital assets cannot be used to liquidate the general obligation liabilities.

Statement of Activities. The following schedule compares the revenues and expenditures for the current and previous year.

	Governmental Activities	
	2014	2013
REVENUES		
Program revenues		
Charges for services	\$ 832,688	\$ 759,525
Operating grants and contributions	5,887,523	6,568,904
Total program revenues	6,720,211	7,328,429
General revenues		
Property taxes levied for general purposes	3,764,555	3,746,161
Property taxes levied for debt service	2,830,437	2,821,163
County School Fund	42,376	
State school fund general support	20,701,058	17,087,593
Common school fund	228,056	241,708
American recovery and reinvestment		
Unrestricted federal sources	1,675,343	2,983,427
Sale of capital assets	1,302	9,798
Earnings on investments	214,356	205,481
Miscellaneous	221,182	112,384
Total general revenues	29,678,665	27,207,714
Total revenues	\$ 36,398,876	\$ 34,536,143

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

EXPENSES

Instruction	\$ 18,942,817	\$ 18,873,111
Support services	13,492,292	13,204,825
Community services	2,236,834	2,088,998
Facilities acquisition and construction	248,689	149,642
Interest on long-term debt	1,913,884	1,148,319
Total expenses	<u>36,834,516</u>	<u>35,464,896</u>
Change in net assets	(435,640)	(928,753)
Net position - beginning	<u>23,047,167</u>	<u>23,975,920</u>
Net position - ending	<u>\$ 22,611,527</u>	<u>\$ 23,047,167</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted above, the District uses Fund accounting to ensure and demonstrate compliance with finance-related legal requirement.

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2014 the District's governmental funds reported combined ending fund balances of \$18,182,120. Approximately \$3,961,671 constitutes unassigned ending fund balance, which is available for spending at the District's discretion.

Summary of ending fund balances for the governmental funds for 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>	<u>Change</u>
General Fund	\$ 9,886,981	\$ 11,416,905	\$ (1,529,924)
Special Revenue Funds	165,520	129,039	36,481
Debt Service Fund	848,110	452,327	395,783
Capital Projects Fund	7,281,508	16,006,641	(8,725,133)
	<u>\$ 18,182,119</u>	<u>\$ 28,004,912</u>	<u>\$ (9,822,793)</u>

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

GENERAL FUND BUDGETARY HIGHLIGHTS

The School Board approved changes to the adopted budget for fiscal year ended June 30, 2014. The approved changes to the adopted budget are reflected in the fund financial statements. The budget is adopted by the Board at the functional level.

The final budget for General Fund expenditures exceeded actual expenditures by \$2,544,636 of which \$410,000 is unspent building improvements and the majority of the balance of \$2,134,636 is for instruction, support services and community services.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment. During the year the District's net investment in capital assets increased by \$19,565,142. The increases are attributed to expenses incurred for construction in progress for the WS K-8 building, the performing arts center and various building improvements. The summary of net investment in capital assets is as follows:

	Net Value	
	<u>2014</u>	<u>2013</u>
Land	\$ 2,614,251	\$ 2,614,251
Construction in progress	21,070,178	2,045,081
Buildings and improvements	22,749,318	22,309,891
Vehicles and equipment	<u>1,167,722</u>	<u>1,067,104</u>
Total capital assets	<u><u>\$ 47,601,469</u></u>	<u><u>\$ 28,036,327</u></u>

Additional information on the District's capital assets can be found in the footnotes to the basic financial statements.

In May 2012 voters of the District passed a \$26,700,000 bond issue for improvements to school facilities in Madras and Metolius and to pay for half of the cost of constructing a K-8 school in Warm Springs. On May 23, 2013, the District issued \$24,835,000 in general obligation and refunding bonds (General Obligation and Refunding Bonds, Series 2013). Of this issue, \$15,960,000 was issued to finance the improvements to school facilities in Madras and Metolius. The remaining funds were used to refund the March 15, 2002 general obligation bonds. On July 23, 2013 the District issued the remaining \$10,740,000 in general obligation bond to finance half of the costs for the K-8 school in Warm Springs.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

Long-term liability. At the end of the fiscal year the District had \$49,024,690 in long-term debt, consisting of general obligation bonds for the construction of a K-8 school in Warm Spring, for the construction of the performing arts center and improvements to various District properties and pension obligation bonds to satisfy unfunded liability for employee retirement obligations and early retirement benefits payable.

The District participated in the Oregon School Bond Guaranty program in the issuance of the general obligation bonds and the issuance of the pension obligation bonds. The Standard & Poor's rating of the Oregon School Bond Guaranty program is "AA".

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The most significant economic factor for the District is the Oregon State School Fund. For the year ended June 30, 2014 the State School Fund provided 54.7% of the revenue for the governmental funds and 72.9% of the funding for the general fund.
- Salaries and benefits costs are expected to increase in 2014-2015 based on contractual obligations.
- The District's enrollment is expected to grow by 3.7% in fiscal year 2014-2015.
- Fiscal year 2013-2014 was the final year of the school improvement grants for the middle school. The grant has provided over \$1,000,000 in funding for the last three years.

All of these factors were considered by the District Board and Budget Committee in preparing the Jefferson County School District 509-J budget for the 2014-2015 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to present the user with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Chief Financial Officer at 445 S.E. Buff Street, Madras, Oregon 97741.

BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

STATEMENT OF NET POSITION

JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

	Governmental Activities	
	2014	2013
ASSETS		
Cash and investments	\$ 22,798,626	\$ 29,401,496
Receivables	1,949,159	2,207,289
Inventory	100,685	52,721
Prepaid expense	34,750	
Prepaid pension UAL, net of accumulated amortization	10,690,219	10,924,902
Capital assets, net of accumulated depreciation		
Land	2,614,251	2,614,251
Construction in progress	21,070,178	2,045,081
Buildings and improvements	22,749,318	22,309,891
Vehicles and equipment	1,167,722	1,067,104
TOTAL ASSETS	83,174,908	70,622,735
LIABILITIES		
Accounts payable	3,313,340	855,839
Accrued salaries and benefits	1,793,538	1,921,369
Retainage payable	855,348	
Accrued interest payable	1,534,864	1,529,662
Deposits	7,383	1,250
Noncurrent liabilities due within one year		
State school fund overpayment	694,921	300,000
Early retirement benefits payable	122,745	140,848
Bonds payable	1,579,736	1,402,741
Noncurrent liabilities due within more than one year		
State school fund overpayment	1,625,696	2,165,696
Early retirement benefits payable	174,315	238,120
Accrued compensated absences payable	91,874	118,176
Other postemployment benefit obligation	1,210,076	1,084,303
Bonds payable, net of unamortized premium/discount	47,444,954	37,711,796
TOTAL LIABILITIES	60,448,790	47,469,800
DEFERRED INFLOWS		
Debt refunding proceeds	21,669	24,765
Unearned grant revenue	92,922	81,003
TOTAL DEFERRED INFLOWS	114,591	105,768
NET POSITION		
Net investment in capital assets	16,069,080	16,016,779
Restricted for:		
Construction projects	121,702	12,625
Debt service	829,892	460,712
Donations and grants	2,401	2,167
Unrestricted	5,588,452	6,554,884
TOTAL NET POSITION	\$ 22,611,527	\$ 23,047,167

See notes to financial statements

SCHOOL DISTRICT 509J
Jefferson County, Oregon

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
				2014	2013
Governmental activities:					
Instruction					
Regular programs	\$ 13,004,913	\$ 413,285	\$ 158,062	\$ (12,433,566)	\$ (11,739,361)
Special programs	5,926,857	9,800	2,199,476	(3,717,581)	(3,826,193)
Summer school programs	11,047	47	9,621	(1,379)	1,037
Total direct classroom services	18,942,817	423,132	2,367,159	(16,152,526)	(15,564,517)
Support Services					
Student support services	1,241,166	26,947	243,414	(970,805)	(965,739)
Instructional staff support	1,856,884	7,350	1,041,823	(807,711)	(766,923)
General administration	558,974	625		(558,349)	(495,367)
School administration	2,381,061	3,918	35,869	(2,341,274)	(2,136,223)
Business support services	6,250,057	104,813	277,224	(5,868,020)	(5,778,179)
Central activities	1,138,622	72,514	106,557	(959,551)	(668,707)
Supplemental retirement program	65,528	372		(65,156)	(162,136)
Total support services	13,492,292	216,539	1,704,887	(11,570,866)	(10,973,274)
Enterprise and Community Services					
Food service	1,949,230	175,113	1,552,846	(221,271)	(245,723)
Community services	226,615	285	188,679	(37,651)	(42,426)
Children and family services	60,989	17,619	10,069	(33,301)	(12,566)
Total enterprise and community services	2,236,834	193,017	1,751,594	(292,223)	(300,715)
Facilities Acquisition and Construction					
Building construction planning	248,689		63,883	(184,806)	(149,642)
Interest on long-term debt					
	1,913,884			(1,913,884)	(1,148,322)
Total governmental activities					
	\$ 36,834,516	\$ 832,688	\$ 5,887,523	(30,114,305)	(28,136,470)
General revenues:					
Property taxes levied for general purposes				3,764,555	3,756,559
Property taxes levied for debt service				2,830,437	2,810,765
County School Fund				42,376	
State school fund - general support				20,701,058	17,087,593
Schools and Roads - grants to counties (federal forest receipts)				94,418	103,895
Common school fund				228,056	241,708
Impact Aid				1,580,925	2,879,532
Federal flood control					3
Gain (loss) on sale of capital assets				1,302	9,798
Earnings on investments				221,182	112,384
Miscellaneous				214,356	205,480
Total general revenues				29,678,665	27,207,717
CHANGE IN NET POSITION				(435,640)	(928,753)
Net Position - beginning				23,047,167	23,975,920
Net Postion - ending				\$ 22,611,527	\$ 23,047,167

See notes to financial statements

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

ASSETS	General	Special Revenues	Debt Service	Capital Projects	Totals	
					2014	2013
Cash and investments	\$ 11,403,025	\$ 244,007	\$ 796,610	\$ 10,354,984	\$ 22,798,626	\$ 29,401,499
Receivables						
Property taxes	315,104		231,654		546,758	626,969
Other	254,508		949	121,702	377,159	368,173
Reimbursement claims		1,025,240			1,025,240	1,212,147
Due from other funds	759,009				759,009	3,051,175
Prepaid expenditures						
Inventory		100,685			100,685	52,721
Total assets	\$ 12,731,646	\$ 1,369,932	\$ 1,029,213	\$ 10,476,686	\$ 25,607,477	\$ 34,712,684
LIABILITIES						
Liabilities						
Accounts payable	\$ 431,297	\$ 163,919	\$	\$ 2,718,124	\$ 3,313,340	\$ 855,839
Accrued payroll liability	1,505,566	268,633		19,339	1,793,538	1,921,369
Retainage payable				378,778	378,778	
Other Liabilities	660,000				660,000	300,000
Deposits	1,350	6,033			7,383	1,250
Due to other funds		678,126	1,946	78,937	759,009	3,051,175
Total liabilities	2,598,213	1,116,711	1,946	3,195,178	6,912,048	6,129,633
DEFERRED INFLOWS						
Deferred revenue	246,452	87,701	179,157		513,310	578,139
FUND BALANCES						
Fund balances						
Nonspendable:						
Inventory		100,685			100,685	52,720
Restricted for:						
Federal programs						
State and local grants and donations		2,401			2,401	2,167
Debt service			848,110		848,110	452,327
Committed to:						
2013 GO Bond Construction				7,281,508	7,281,508	16,006,641
Bus replacement	186,031				186,031	50,414
Equipment replacement	102,888				102,888	
Maintenance projects	239,613				239,613	124,971
Stabilization of general fund	2,215,908				2,215,908	2,432,364
Warm Springs housing	46,701				46,701	40,652
Warm Springs facility	426,334				426,334	426,334
Student activities		149,963			149,963	126,872
Assigned to:						
Appropriated ending fund balance	2,620,306				2,620,306	2,750,716
Unassigned	4,049,200	(87,529)			3,961,671	5,538,734
Total fund balances	9,886,981	165,520	848,110	7,281,508	18,182,119	28,004,912
Total liabilities, deferred inflows and fund balances	\$ 12,731,646	\$ 1,369,932	\$ 1,029,213	\$ 10,476,686	\$ 25,607,477	\$ 34,712,684

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30, 2014

TOTAL FUND BALANCES (Page 13)		\$ 18,182,119
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Capital Assets	\$ 49,243,004	
Construction in Progress	21,070,178	
Accumulated Depreciation	<u>(22,711,713)</u>	47,601,469
The unamortized portion of prepaid UAL pension costs is not available to pay for current period expenditures, and therefore, is not reported in the governmental funds.		
		10,690,219
The unamortized portion of prepaid expense not reported under the purchase method in the governmental funds		
		34,750
A portion of the District's property taxes are collected after year-end, but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.		
		420,388
Current liabilities not payable in the current year are not reported as governmental fund liabilities:		
Anticipated reduction in state school fund		(1,660,617)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. These liabilities consisted of:		
Accrued interest payable	(1,534,864)	
Bonds payable	(45,453,363)	
Retainage payable on projects not complete at year end	(476,568)	
Plus: Unamortized portion of bond issuance premium (amortized over life of debt)	(3,571,327)	
Compensated absences payable	(91,874)	
Early retirement benefits payable	(297,060)	
Deferred Inflows	(21,669)	
Other postemployment benefits obligation	<u>(1,210,076)</u>	<u>(52,656,801)</u>
TOTAL NET POSITION (Page 11)		<u><u>\$ 22,611,527</u></u>

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

	General	Special Revenue	Debt Service	Capital Projects	Totals	
					2014	2013
Revenues						
Local Sources						
Property taxes	\$ 3,811,235	\$	\$ 2,860,503	\$	\$ 6,671,738	\$ 6,608,164
Investment earnings	92,007	2,313	12,380	114,481	221,181	112,384
Admissions	16,636				16,636	32,986
Other local sources	1,500,802	512,143		42,500	2,055,445	1,953,294
Intermediate sources	113,184	204,468			317,652	125,364
State sources	20,426,414	147,113			20,573,527	19,739,532
Federal sources	1,747,539	5,293,228			7,040,767	9,292,779
Total revenues	27,707,817	6,159,265	2,872,883	156,981	36,896,946	37,864,503
Expenditures						
Current						
Instruction	15,651,728	2,537,391			18,189,119	18,155,042
Support services	12,092,931	1,611,503			13,704,434	13,335,746
Enterprise and community services	41,229	2,204,969			2,246,198	2,090,009
Building acquisition and construction				1,286,257	1,286,257	1,825,582
Capital outlay	243,380	49,237		19,000,790	19,293,407	1,308,584
Debt service						
Principal			1,239,683		1,239,683	2,301,225
Interest			2,162,883		2,162,883	1,256,859
Total expenditures	28,029,268	6,403,100	3,402,566	20,287,047	58,121,981	40,273,047
Excess (deficiency) of revenues over (under) expenditures	(321,451)	(243,835)	(529,683)	(20,130,066)	(21,225,035)	(2,408,544)
Other financing sources (uses)						
Operating transfers in		284,309	925,466	3,993	1,213,768	1,070,120
Operating transfers out	(1,209,775)	(3,993)			(1,213,768)	(1,070,120)
Bond Proceeds				10,740,000	10,740,000	15,960,000
Refunding bonds proceeds						8,875,000
Premium on bond proceeds				660,940	660,940	3,196,867
Payments to bond escrow agent						(9,789,800)
Gain (loss) on sale of capital assets	1,302				1,302	9,798
Total other financing sources and (uses)	(1,208,473)	280,316	925,466	11,404,933	11,402,242	18,251,865
Net change in fund balances	(1,529,924)	36,481	395,783	(8,725,133)	(9,822,793)	15,843,321
Fund balances - beginning of year	11,416,905	129,039	452,327	16,006,641	28,004,912	12,161,591
Fund balances - end of year	\$ 9,886,981	\$ 165,520	\$ 848,110	\$ 7,281,508	\$ 18,182,119	\$ 28,004,912

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2014

NET CHANGE IN FUND BALANCES (Page 15)		\$ (9,822,793)
Amounts reported for governmental activities in the <i>Statement of Activities</i> are different because:		
Governmental funds report receivables when available and measurable. In the Statement of Activities it is not required that revenues be collected in time to settle current liabilities. Following are revenues recorded differently in government funds than are reported in the Statement of Activities:		
Anticipated adjustment to State school fund		505,079
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current year.		
Expenditures for capital assets and construction in progress	20,360,054	
Less current year depreciation	<u>(1,271,481)</u>	19,088,576
Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the in the liability Statement of Net Assets. This is the amount by which repayments exceeded proceeds:		
Debt principal issued	(10,740,000)	
Debt principal repaid	<u>1,239,683</u>	(9,500,317)
Governmental funds report the prepayment of the Unfunded Actuarial Liability (UAL) as an expenditure. However, in the Statement of Activities, the cost of the prepaid expenditure is allocated over the estimated funding period. This is the amount of the amortization in the current year.		
Current year amortization		(234,683)
Governmental funds report prepayment of expenses under the purchase method.		34,750
Early retirement benefits, compensated absences and other postemployment benefits are recognized as expenditures in the governmental funds when they are paid. In the Statement of Activities they are recognized as an expenditure when incurred.		
Early retirement benefits	81,908	
Accrued compensated absences	26,302	
Other postemployment benefits	<u>(125,773)</u>	(17,563)
Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences:		
Premium on bonds issued in current year	(660,940)	
Amortization of premium/(discount)	251,105	
Amortization of debt refunding	<u>3,096</u>	(406,739)
In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an expense when due.		(5,203)
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.		<u>(76,747)</u>
CHANGE IN NET POSITION (Page 12)		<u><u>\$ (435,640)</u></u>

See notes to financial statements

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Jefferson County School District No. 509J (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting financial reporting principles. The District's significant accounting policies are described below.

Reporting Entity

Jefferson County School District No. 509J (District), a political subdivision of the State of Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 in 1962, and provides education services to children from grades K - 12 located in Madras and surrounding areas including Metolius, the Warm Springs Indian Reservation and Big Muddy Ranch. The District has one high school, one middle school and six elementary schools with an approximate total enrollment of 2,850 students. The District is governed by a separately elected five-member Board of Directors who approve administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the financial statements.

The accompanying financial statements present the governmental unit, Jefferson County School District No. 509J, Jefferson County, Oregon. The District qualifies as a primary government because it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and service districts which provide service within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these financial statements.

Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Governmental activities are financed primarily through property taxes and intergovernmental revenues. The District has neither business-type activities nor fiduciary-type activities.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Statement of Activities presents a comparison between direct expenses and the program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double-counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rental, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Net assets are reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end. Property taxes and interest are considered to be susceptible to accrual. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded as expenditures only to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt or capital leases are reported as other financing sources.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. The fund accounts for all financial resources of the District, except those required to be accounted for in another fund. Principal revenue sources are property taxes and state school support.

The Special Revenue Fund accounts for revenues derived from federal, state and local grants and student activity funds which are either legally restricted or committed by the Board to finance particular functions or activities. Principal revenue sources are federal state and local grants and student activity fees.

The Debt Service Fund provides for the payment of principal and interest on general obligation bonds and limited tax pension obligation bonds. Principal resources are property taxes and transfers from the General Fund.

The Capital Projects Fund provides for the construction of capital assets by the District. Principal resources are general obligation bond proceeds.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition and monies invested with the Oregon State Treasurer's Local Government Investment Pool (LGIP). Short-term investments are stated at cost which approximates fair value.

State statutes authorize the District to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, commercial paper and the LGIP, among others.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The District's investments include the LGIP, including LGIP balances held with the County Treasurer. Investments are stated at cost which approximates fair value of the pool shares.

The Oregon State Treasury administers the LGIP. The pool is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

Property taxes are assessed on a July 1 - June 30 fiscal year. The taxes are levied and become a lien on July 1. Collection dates are November 15, February 15 and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. The County Assessor is the tax collection agent for all taxing entities within the County.

Property tax receivables are shown net of an allowance for uncollectible taxes. No allowance is considered necessary for the year ended June 30, 2014.

Tax revenue is considered received when in the hands of the county as the intermediary collecting agency. Taxes not paid timely are subject to interest penalties and the applicable property is subject to lien. All property taxes receivable are due from property owners within the District.

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various federal and state grants. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as deferred inflows.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Inventories

Inventory is stated at cost using the first-in/first-out (FIFO) method except USDA commodities which are stated at fair market value. The cost of inventory is recorded as an expenditure when consumed rather than when purchased.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements. For governmental fund statement purposes, the District uses the purchase method accounting, where the expenditure is recorded when expended, rather than when service are provided.

Capital Assets

Capital assets, which include property, buildings and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life exceeding one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital leases are recorded at their inception as expenditures and other financing sources in the governmental funds and as assets and liabilities on the Statement of Net Position. They are recorded at the present value of the minimum lease payments, using the interest rates stated or implicit in the leases. Lease payments are recorded as expenditures on the due date; the portion of the payments applicable to principal, determined by using interest rates stated or implicit in the leases, is reported as a reduction of the lease liability on the Statement of Net Position.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, buildings and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	10 to 50 years
Equipment	5 to 30 years

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since sick pay does not vest. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Retirement Plans

Substantially all of the District's employees are participants in PERS. Contributions to PERS are made on a current basis as required by the plan and are charged to expenses/expenditures.

The Board adopted a tax-deferred annuity plan established pursuant to Section 403(b) of the Internal Revenue Code. The plan allows the employer to make employer matching contributions. Under the terms of union employment agreements, the District is required to make a maximum monthly matching contribution not to exceed \$10 per month for all participating employees except certified employees eligible for the early retirement benefit described below. Participating employees have the option to make an unmatched contribution in excess of \$10 per month.

Early Retirement Benefits

An early retirement plan is available to employees who meet guidelines of a plan adopted by the Board. Employees are eligible to apply for participation in the plan if they are 55 years of age or over and have been employed ten consecutive years with this District. In the case of certified employees, a total of 15 years of employment in a certified position in the Oregon public education system is required of which ten consecutive years are with the District.

Employees who apply and are approved by the Board receive, after they retire, 18% of the average of the highest three of the last five years annual earnings with the benefit not to exceed the computed amount times four years. Employees do not contribute to this plan. The Board may close the program at their discretion, eliminating additional participation and limiting the District's liability to those already participating in the program. Employees accrue no vested benefits prior to their acceptance in the program.

The Board stipulated that in order to continue, the program must produce savings in the salaries of replacement personnel sufficient to fund the program cost as the obligations become due.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The District's liability is funded on a pay-as-you-go basis. These benefits are in addition to benefits which may become available under the pension plan administered under the State of Oregon Public Employees Retirement System.

In the government-wide statements, a liability for the present value of the future outflows has been reported.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, bond premiums and discounts are recognized when incurred and not deferred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Fund Equity

The District reports fund balance in accordance with GASB No 54, Fund Balance Reporting and Governmental Fund Type Definitions. As a result in the fund financial statements, governmental funds are categorized by the nature of the resources within the fund. The District reports fund balance using the following categories:

Nonspendable fund balance indicates the portion of fund equity that cannot be spent as it is not in a spendable form, such as inventories and prepaid expenditures.

Restricted fund balance indicates the portion of fund equity which is externally restricted by creditors, grantors or law.

Committed fund balance indicates the portion of fund equity which the board of directors has placed formal constraints on through resolution or board policy.

Assigned fund balance indicates the portion of fund equity which the district intends to use for specific purposes imposed by management. The authority for management to assign resource for specific purposes is granted by the board of directors.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Unassigned fund balance indicates the portion of general fund equity which is available for budgeting in future periods.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the district considers restricted funds to have been spent first. For the classification of unrestricted ending fund balance, the district first reduces committed and assigned amounts, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those classifications could be used.

Use of Estimates

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

Budget

Annual budgets, as required by state statutes, are adopted on the modified accrual method of accounting, a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds.

The budget is prepared by fund, function and activity. The budget document includes information on the past two years, current year budget information, as well as requested appropriation and estimated revenues for the ensuing fiscal year.

The proposed budget is presented by the budget officer to the budget committee. Public meetings are held by the budget committee. The budget committee may make changes to the original document. The budget committee approves the budget document to be submitted to the governing body of the district. Once the budget document is received by the governing body, they hold a public hearing on a date as published. After the public hearing, the governing body gives consideration to matters discussed and makes amendments to the budget document prior to adoption. However, state statutes do not allow the governing body to increase estimated expenditures for each fund by more than ten percent. The amount of the total ad valorem taxes to be certified by the county for levy for all funds shall not exceed the amount presented by the budget committee unless the budget document is republished and another public hearing is held.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The governing body is then required by state statutes to adopt the budget, make appropriations, and certify the levy of ad valorem taxes for each fund. Except for the allowance of appropriation transfers, expenditures cannot exceed appropriations. The level of control for appropriations is exercised at the program level.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the governing body. All appropriations lapse at the end of the District's fiscal year.

NOTE 2 – BUDGETARY ACCOUNT GROUPINGS

The District has budgeted for administrative purposes, sub-fund account groupings within the General Fund. Intrafund transfers among the sub-fund account groupings have been eliminated to properly present financial statement balances for the funds. The sub-funds have been employed to allow the administration flexibility in managing fiscal matters while complying with statutory requirements. The sub-fund account groupings used for administrative purposes are as follows:

General Fund

General Operations
Bus Purchase
Warm Springs Housing
Equipment Funds
Maintenance Projects

PERS Bond Reserve
Stabilization Fund
Warm Springs Facility

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 3 - CASH AND INVESTMENTS

A reconciliation of cash and investments as shown on the financial statements for the District follows:

Petty cash	\$	2,320
Deposits with financial institutions		1,876,419
Investments		
LGIP		8,679,410
Jefferson County Investment Pool		12,238,037
Wasco County Investment Pool		916
Equity investments donated to District		1,524
Total shown on Statement of Net Position		\$ 22,798,626

Deposits

Deposits with financial institutions include bank demand deposits. At June 30, 2014 the District held cash of \$9,642,632 with a bank balance of \$10,172,763. Oregon Revised Statute Chapter 295 requires that bank depositories pledge collateral against any public fund deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank loss. The Office of the State Treasurer maintains a list of financial institutions in which deposits in excess of deposit insurance limits can be held. As of June 30, 2014 the District's cash balances exceeded FDIC insurance by \$1,794,389. With respect to collateral requirements of ORS 295, the District was in compliance throughout the year ended June 30, 2014.

Investments

As of June 30, 2014 the District held the following investments:

Investment Type	Fair Value	% of investment portfolio
Local Government Investment Pool	\$ 8,679,410	41.49%
Jefferson County Investment Pool	12,238,037	58.50%
Wasco County Investment Pool	916	0.00%
Corporate securities	1,524	0.01%
	\$ 20,919,887	100.00%

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 3 - CASH AND INVESTMENTS - continued

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits investments as follows:

<u>Investment Type</u>	<u>Maximum % of portfolio</u>	<u>Maximum length to maturity</u>
US Treasury securities	100%	18 months
US Agency securities	100%	18 months
Banker's acceptance	25%	18 months
Repurchase agreements	25%	18 months
Certificates of deposit	25%	18 months
Local Government Investment Pool	100%	One day
State and local government securities	50%	18 months

Maturities over 18 months will be allowed following review and approval of the District's Investment Policy by the Oregon Short Term Funds Board.

Custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the investments above are held in safekeeping by a financial institution counterparty.

The District's policy, which adheres to State of Oregon law, is to limit its investments to the following: Issuers within Oregon must be rated "A" or better by Standard and Poor's or Moody's Investors Service, issuers not in Oregon must be rated AA/Aa or better. The District is holding \$1,524 in equity securities that were donated and for which no rating is available. There is also no rating available for the Local Government Investment Pool and the Jefferson and Wasco County Investment Pools.

Investments – External Investment Pools

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the LGIP.

The LGIP is one of five asset classes approved for the investment of State of Oregon (State) funds. A number of local governments in Oregon as well as all State agencies participate in the LGIP, thus it is an external investment pool as defined in Statement No. 31 of the Government Accounting Standards Board, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 3 - CASH AND INVESTMENTS – continued

The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution.

Investments in the LGIP are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The LGIP was in compliance with all portfolio guidelines at June 30, 2014. The reported value of the LGIP approximates the fair value of the LGIP shares.

In addition, the District voluntarily participates in an external investment pool through the Jefferson County Treasurer. The reported value of the pool approximates the fair value of the pool shares. The fund is not registered with the U.S. Securities and Exchange Commission as an investment company. The County's investment policies follow investment guidance of Oregon Revised Statutes (ORS 294.035 through 294.046) and more specifically provides that the Jefferson County Investment Pool shall be limited to:

- a. Legally issued obligations of the United States, the agencies and Instruments of the United States or enterprises sponsored by the United State government.
- b. Time deposit open accounts, certificates of deposit and savings accounts in banks, mutual savings banks and savings and loan associations which maintain a head office or branch in Oregon.
- c. Governmental repurchase agreements, fully collateralized, not to exceed 30 days.
- d. Bankers' acceptance that are guaranteed by an Oregon financial institution.
- e. LGIP.

Investments held by the County Treasurer at June 30, 2014 were in compliance with investment guidelines.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 4 – TAX COLLECTIONS

The levy for general operations is based on a permanent rate of \$4.5871 per \$1,000 of taxable assessed value. The levy for debt service is based on voter approved measures and assessed values of property within the district.

The levy, as extended on the tax rolls, is summarized as follows:

	General Fund		
	Jefferson	Wasco	Total
Levy per notice of levy	\$ 3,888,077	\$ 93,443	\$ 3,981,520
Truncation gain (loss)	8		8
Other adjustments	365		365
Compression loss	(158,313)	(3,032)	(161,345)
Levy as extended on tax rolls	\$ 3,730,137	\$ 90,411	\$ 3,820,548

	Debt Service Fund		
	Jefferson	Wasco	Total
Levy per notice of levy	\$ 2,809,625	\$ 65,566	\$ 2,875,191
Truncation loss/gain	(20)		(20)
Other adjustments	276		
Compression loss			
Levy as extended on tax rolls	\$ 2,809,881	\$ 65,566	\$ 2,875,171

Unpaid property taxes become subject to foreclosure four years after they become a lien on the property. Tax collections and foreclosure are the responsibility of the county tax collector/assessor.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 5 - RECEIVABLES

The reimbursement claims receivable in the special revenue fund represent balances due from state and federal governments for special program grants.

Receivables in the Statement of Net Position are comprised of the following as of June 30, 2014:

Property taxes	\$ 546,759
Grants	1,025,240
Other	377,160
	<u>\$1,949,159</u>

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES

The District uses common cash and cash investment accounts for the various funds. These pooled depository accounts may be over-drafted among the funds resulting in interfund receivables or payables. The General Fund reports the net receivables from other funds.

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 759,009	\$
Special Revenue Fund		678,126
Debt Service Fund		1,946
Capital Project Fund		78,937
	<u>\$ 759,009</u>	<u>\$ 759,009</u>

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets not being depreciated				
Land	\$ 2,614,251	\$	\$	\$ 2,614,251
Construction in progress	2,045,080	20,566,394	1,541,296	21,070,178
Total capital assets not being depreciated	<u>4,659,331</u>	<u>20,566,394</u>	<u>1,541,296</u>	<u>23,684,429</u>
Capital assets being depreciated				
Building and improvements	39,975,635	1,502,137		41,477,772
Vehicles and equipment	4,863,827	309,388	22,236	5,150,979
Total capital assets being depreciated	<u>44,839,462</u>	<u>1,811,525</u>	<u>22,236</u>	<u>46,628,751</u>
Less accumulated depreciation for				
Buildings and improvements	17,665,744	1,062,711		18,728,455
Vehicles and equipment	3,796,722	208,770	22,236	3,983,256
Total accumulated depreciation	<u>21,462,466</u>	<u>1,271,481</u>	<u>22,236</u>	<u>22,711,711</u>
Total capital assets being depreciated, net	<u>23,376,996</u>	<u>540,044</u>		<u>23,917,040</u>
Total capital assets, net	<u>\$ 28,036,327</u>	<u>\$ 21,106,438</u>	<u>\$ 1,541,296</u>	<u>\$ 47,601,469</u>

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

Instruction	\$ 1,113,347
Special programs	6,551
Business services	137,501
Enterprise and community services	14,082
	<u>\$ 1,271,481</u>

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 7 - CAPITAL ASSETS – continued

Operating Leases

The District leases copy and postage machines under noncancelable operating leases. Total cost for the leases for the year ended June 30, 2014 was \$69,989. The future minimum lease payments for the machines are as follows:

Year Ending June 30,	Amount
2015	\$ 89,099
2016	79,930
2017	77,517
2018	77,517
2019	37,683
Total	\$ 361,746

NOTE 8 - LONG-TERM LIABILITIES

A summary of Long-term liability activity for the year ended is as follows. Additional detailed information is available on the following pages.

	Beginning Balance	Additions	Payments	Ending Balance	Due in One Year
Bonds Payable					
General obligation bonds	\$ 24,835,000	\$ 10,740,000	\$ 1,005,000	\$ 34,570,000	\$ 1,085,000
Limited tax pension obligation bonds	11,118,046		234,682	10,883,364	243,630
Unamortized premium/discount	3,161,493	660,940	251,107	3,571,326	251,106
	39,114,539	11,400,940	1,490,789	49,024,690	1,579,736
Other Liabilities					
Early retirement benefits	378,968	52,818	134,727	\$ 297,059	122,745
Other post employment benefits	1,084,303	125,773		1,210,076	
Accrued compensated absences	118,176	222,258	248,560	91,874	
State School Fund overpayment	2,465,696	34,921	180,000	2,320,617	694,921
Total	\$ 43,161,681	\$ 11,836,710	\$ 2,054,076	\$ 52,944,316	\$ 2,397,402

Bonds Payable

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are general issued as 20-year serial bonds with equal amounts of principal maturing each year.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 8 - LONG-TERM LIABILITIES – continued

General Obligation Bonds

On March 15, 2002, the District issued \$15,800,000 in general obligation bonds to finance additions, improvements, capital renovation and reconstruction at District school sites. On May 23, 2013 the outstanding par amount of \$9,780,000 was refunded with a true interest cost of 1.63% and an average coupon rate of 3.65%. The net proceeds after payment of underwriting fees and other issuance costs were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the May 15, 2002 general obligation bonds. As a result, the 2002 general obligation bonds are considered to be defeased and the escrowed assets and liability for the bonds have been removed from the government-wide financial statements.

The refunding reduced total debt service by \$1,642,027 and obtained an economic gain defined as the difference between the present values of the debt service payments on the old and new debt of 16.62%.

In May 2012 voters of the District passed a \$26,700,000 bond issue for improvements to school facilities in Madras and Metolius and to pay for half of the cost of constructing a K-8 school in Warm Springs. On May 23, 2013, the District issued \$24,835,000 in general obligation and refunding bonds (General Obligation and Refunding Bonds, Series 2013). Of this issue, \$15,960,000 was issued to finance the improvements to school facilities in Madras and Metolius. The remaining funds were used to refund the March 15, 2002 general obligation bonds.

On July 23, 2013, the District issued the remaining \$10,740,000 in general obligations bonds approved by voters in May 2012. The proceeds were used to fund half of the cost of constructing a new Warm Springs K-8 school, in a joint project with the Confederated Tribes of Warm Springs.

Limited Tax Pension Obligation Bonds

On October 31, 2002, the District participated in the OSBA Pension Bond Pool (Series 2002 OSBA Limited Tax Pension) to finance the District's estimated PERS unfunded liability. The District issued \$12,506,637 in debt as part of the pooled issuance. Except for the payment of its pension bond payments and additional charges when due, each school district has no obligation or liability to any other participating school district's pension bonds or liabilities to PERS.

Bond proceeds were paid to the Oregon Public Employees Retirement System. An intercept agreement with the State of Oregon was required as a condition of issuance; therefore a portion of State School Fund support is withheld on a monthly basis to repay debt. The District recorded the amounts deposited with PERS as prepayment of its actuarial obligation, and accounts for the payment of principal and interest as pension expense annually. The prepayment is being amortized over the life of the bonds.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 8 - LONG-TERM LIABILITIES - continued

On January 31, 2012 the District participated with six other school districts to issue the OSBA Limited Tax Pension Refunding Obligations Series 2012 to advance refund the 2021 debt service obligation of the Series 2002 OSBA Limited Tax Pension Issuance. The District issued \$835,000 in debt as part of the \$22,000,000 pooled issuance. As a result, the 2021 portion of the Series 2002 OSBA Limited Tax Pension is considered to be defeased and the escrowed assets and the liability for bonds have been removed from the government-wide financial statements.

The following is a summary of long-debt transactions of governmental activity for the year ended June 30, 2014:

Type	Issue Date	Interest Rates	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Pension	October 31, 2002	2.06% to 6.1%	\$10,238,046	\$	\$ 234,682	\$ 10,003,364	\$ 243,630
Pension	January 31, 2012	2.75%	880,000			880,000	
General	May 23, 2013	1.25% to 5.0%	24,835,000		950,000	23,885,000	1,085,000
General	July 23, 2013	1.25% to 5.0%		10,740,000	55,000	10,685,000	
Total			<u>\$35,953,046</u>	<u>\$ 10,740,000</u>	<u>\$ 1,239,682</u>	<u>\$ 45,453,364</u>	<u>\$ 1,328,630</u>

Bonds payable on the Statement of Net Position are presented as follows:

	Balance	Bond Premium/ Discount, net	Statement of Net Assets
Current	\$ 1,328,630	\$ 251,106	\$ 1,579,736
Noncurrent	44,124,734	3,320,220	47,444,954
Total Bonds Payable	<u>\$ 45,453,364</u>	<u>\$ 3,571,326</u>	<u>\$ 49,024,690</u>

Payments on the general obligation bonds are made by the Debt Service Fund from property taxes and earnings on investments. Payments on pension bonds are made by the Debt Service Fund from revenue from charges to other funds.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 8 - LONG-TERM LIABILITIES - continued

Future bond maturities are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 1,328,630	\$ 2,168,959	\$ 3,497,589
2016	1,411,500	2,194,190	3,605,690
2017	1,504,343	2,217,946	3,722,289
2018	1,585,195	2,256,343	3,841,538
2019	1,697,345	2,256,393	3,953,738
2019-2023	12,361,351	8,361,898	20,723,249
2024-2028	15,010,000	4,453,673	19,463,673
2029-2033	10,555,000	1,351,850	11,906,850
	<u>\$ 45,453,364</u>	<u>\$ 25,261,252</u>	<u>\$ 70,714,616</u>

The District is subject to statutory limitations on indebtedness. Presently the District's net bonded debt is \$51,102,537 less than the statutory debt limit. No interest was capitalized during 2014; interest incurred and charged to expense totaled \$1,913,884.

Other Post-Employment Benefits

Special termination benefits have been made available to employees who meet guidelines of a plan adopted by the Board, as described in Note 1.

The liability is funded on a pay-as-you-go basis by the general fund. The liability is measured at the discounted present value of expected future benefit payments using a discount rate of 4.29%. These benefits are in addition to benefits which may become available under the pension plan administered under the PERS.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 8 - LONG-TERM LIABILITIES - continued

Future maturities of termination benefits payable are as follows:

Year Ending June 30,	Amount
2015	\$ 122,745
2016	70,523
2017	24,396
2018	42,381
2019	19,662
Thereafter	17,353
	\$ 297,060

In prior years, the general fund has been used to liquidate long-term liabilities other than long-term debt.

NOTE 9 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2014 are as follows:

	Transfer In	Transfer Out
General Fund	\$	\$ 1,209,775
Special Revenue Fund	284,309	3,993
Capital Project Fund	3,993	
Debt Service Fund	925,466	
Total	\$ 1,213,768	\$ 1,213,768

The District made transfers from the General Fund to the Special Revenue Fund in recognition that expenditures in food service exceed revenue, to the Debt Service Fund for payment of principal and interest for the OSBA PERS bond issue. The District made transfers from the Special Revenue Fund to the Capital Project Fund for payment of additional construction costs funded by a wellness grant.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS

Postemployment Healthcare Plan (implied rate subsidy)

The District reports its liability for other postemployment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

Plan Description – The District participates in the Oregon Employee Benefits Board program that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses. There currently are 348 active and 34 retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. For the purposes of the actuarial valuation, as of October 1, 2012, there were 348 active and 34 retired members.

The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. The ORS stipulates that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claim costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums, represents the District's implicit employer contribution.

Funding Policy – The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

Annual OPEB Cost and Net OPEB Obligation - The District's annual other postemployment benefit cost (expense) for the postemployment health insurance subsidy is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS- continued

The following table shows the components of the OPEB obligation at the end of the year:

	Fiscal Year-Ended	
	2014	2013
Employer's normal cost at year end	\$ 138,897	\$131,035
Amortization of UAAL	247,611	245,709
ARC	386,508	376,744
Interest on prior year OPEB obligation	37,951	34,155
Adjustments to ARC	(130,378)	(117,338)
Implicit benefit payments	(168,308)	(185,111)
OPEB obligation at beginning of year	1,084,303	975,853
OPEB obligation at end of year	<u>\$ 1,210,076</u>	<u>\$ 1,084,303</u>

The District's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2014 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percent of Annual OPEB Cost Contribution	Net OPEB Obligation
June 30, 2014	\$ 294,081	57%	\$ 1,210,076
June 30, 2013	\$ 293,561	63%	\$ 1,084,303

Funded Status and Funding Progress

The Schedule of Funding Progress, included as Required Supplementary Information immediately following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial valuations on an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS- continued

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The projected unit credit cost method was used in the actuarial valuation. The actuarial assumptions included a discount rate of 3.5 percent for unfunded liabilities and a 55% assumption of participants who elect medical coverage at retirement. They also assume medical and prescription drug costs would increase at a rate between 5.5%-7.5% inflation per year over the next forty-five years which is consistent with expectations for long-term health care cost inflation. The UAAL is being amortized as a level dollar amount over an open period of 10 years. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those used by Oregon PERS for school districts.

NOTE 11 – PUBLIC RETIREMENT PLAN

Plan Description

The District is participating in PERS, a cost-sharing, multiple-employer defined benefit plan administered by the Oregon Public Employees Retirement Board (OPERB). PERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. In 2003, a successor plan for PERS was created. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of a defined benefit program (the “Pension Program”) and a defined contribution portion (the Individual Account Program or IAP). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary, years of service and a factor based on the type of service. Both PERS and OPSRP retirement plans provide post-employment health care benefits.

Beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member’s IAP, not the member’s PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 11 – PUBLIC RETIREMENT PLAN- continued

Both PERS and OPSRP are administered by the OPERB. Oregon PERS issues a publicly available financial report that includes financial statements and required supplementary information for Oregon PERS. That report may be obtained by writing to Oregon PERS at PO Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the PERS website at <http://oregon.gov/PERS/>.

Funding Policy

PERS members are required to contribute 6% of their salary and the employer makes contributions at an actuarially determined rate as adopted by the PERS Board. The rate for the year ended June 30, 2014 was 15.5% of covered annual payroll for PERS and 13.5% of covered annual payroll for OPSRP. The contribution requirements of plan members are established by state statute. The employer contribution is set and may be amended by the Retirement Board. The District's contributions to Oregon PERS for the years ended June 30, 2014, 2013 and 2012 were \$2,274,764, \$1,896,236, and \$1,892,672, respectively. Because all PERS employers are required by law to submit the contributions adopted by the Retirement Board, and employer contributions are calculated in conformance with the standards of GASB Statement 27, there is no Net Pension Obligation. The contributions actually made are equivalent to the Annual Pension Cost.

In addition, employee contributions for the years ended June 30, 2014, 2013 and 2012 of \$963,843, \$922,728 and \$911,465, respectively, were paid by the District under terms of employment contracts.

NOTE 12 - ENVIRONMENTAL MATTERS

The District has complied with EPA standards for asbestos encasement as well as maintenance of an asbestos management plan. In addition, the District's fuel storage facilities meet EPA standards including annual testing requirements.

NOTE 13 - 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; injuries to employees; and natural disasters.

The District carries commercial insurance for risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Insurance coverage has not changed significantly from prior years.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The District entered into several construction contracts during the fiscal year, which include the construction of a K-8 school in Warm Springs, a performing arts center and several building improvement projects. As of June 30, 2014, the District had outstanding construction contracts totaling \$10,859,814 that will be financed from general obligation bond proceeds.

NOTE 15 – STABILIZATION FUNDS

During fiscal year 2008-09, the board of directors established, through resolution, a stabilization fund for use in stabilizing the highs and lows of funding from federal, state and local sources and to provide a consistent education opportunity for students over a long period of time. In addition, the board established a separate reserve fund to protect the general fund from anticipated rising PERS costs.

The funds are to be expended to equalize funding year to year and to transfer to the general fund to offset rising PERS costs. They may only be expended by board resolution or as part of the annual budget process. The fund balance in these stabilization funds are reported as committed in the governmental fund financial statements.

NOTE 16 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

ORS 294.435 states in part “no greater expenditure of public money shall be made for any specific purpose than the amount appropriated therefore.” For the year ended June 30, 2014, expenditures exceeded appropriations in the special revenue fund support services as follows:

	<u>Actual Expenditures</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Over- Expenditure</u>
Special Revenue Fund				
Instruction	\$ 2,537,391	\$ 2,316,619	\$ 2,507,681	\$ (29,710)
Community Services	2,204,969	2,103,705	2,165,205	(39,764)
Facilities Acquisition	17,390			(17,390)

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT 509-J
Jefferson County, Oregon

SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS

YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	AAL	UAAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
10/1/2008	\$	\$ 3,684,145	\$ 3,684,145	0%	\$ 14,944,211	24.7%
10/1/2010		3,285,847	3,285,847	0%	15,526,388	21.2%
10/1/2012		2,061,121	2,061,121	0%	16,485,883	12.5%

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actuals			Variance with Final Budget Over (Under)
	Adopted	Final	Budget Basis	Adjustments	GAAP Basis	
Revenues						
Property taxes	\$ 3,786,000	\$ 3,786,000	\$ 3,811,235	\$	\$ 3,811,235	\$ 25,235
Investment earnings	75,000	75,000	92,007		92,007	17,007
Admissions	30,000	30,000	16,636		16,636	(13,364)
Other local sources	1,559,988	1,559,988	1,500,802		1,500,802	(59,186)
Intermediate sources	85,000	85,000	113,184		113,184	28,184
State sources	21,090,000	21,090,000	20,426,414		20,426,414	(663,586)
Federal sources	2,530,000	2,530,000	1,747,539		1,747,539	(782,461)
Total revenues	29,155,988	29,155,988	27,707,817		27,707,817	(1,448,171)
Expenditures						
Current						
Instruction	17,190,117	17,190,117	15,651,728		15,651,728	(1,538,389)
Support services	12,889,053	12,889,053	12,336,311	(243,380)	12,092,931	(552,742)
Community services	84,736	84,736	41,229		41,229	(43,507)
Facilities acquisition	410,000	410,000				(410,000)
Capital outlay				243,380	243,380	
Total expenditures	30,573,905	30,573,905	28,029,268		28,029,268	(2,544,637)
Excess (deficiency) of revenues over (under) expenditures	(1,417,917)	(1,417,917)	(321,451)		(321,451)	1,096,466
Other financing sources (uses)						
Operating transfers in	941,600	941,600				(941,600)
Operating transfers out	(2,274,400)	(2,274,400)	(1,209,775)		(1,209,775)	1,064,625
Gain (loss) on sale of capital assets			1,302		1,302	1,302
Total other financing sources and (uses)	(1,332,800)	(1,332,800)	(1,208,473)		(1,208,473)	124,327
Net change in fund balance	(2,750,717)	(2,750,717)	(1,529,924)		(1,529,924)	1,220,793
Fund balance - beginning of year	9,608,546	9,608,546	11,416,905		11,416,905	1,808,359
Fund balance - end of year	<u>\$ 6,857,829</u>	<u>\$ 6,857,829</u>	<u>\$ 9,886,981</u>	<u>\$</u>	<u>\$ 9,886,981</u>	<u>\$ 3,029,152</u>

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classifications into capital outlay

Adjustments to GAAP basis are also necessary where budgeted transfers in and out were made within the general fund sub-funds.

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actuals			Variance with Final Budget Over (Under)
	Adopted	Final	Budget Basis	Adjustments	GAAP Basis	
Revenues						
Property taxes						
Investment earnings	\$ 275	\$ 275	\$ 2,313	\$	\$ 2,313	\$ 2,038
Admissions						
Other local sources	585,300	618,200	512,143		512,143	(106,057)
Intermediate sources		167,849	204,468		204,468	36,619
State sources	32,570	425,414	147,113		147,113	(278,301)
Federal sources	4,831,300	4,989,274	5,293,228		5,293,228	303,954
Total revenues	5,449,445	6,201,012	6,159,265		6,159,265	(41,747)
Expenditures						
Current						
Instruction	2,316,619	2,507,681	2,537,391	(5,732)	2,531,659	29,710
Support services	1,478,122	1,973,126	1,643,350	(26,115)	1,617,235	(329,776)
Community services	2,103,706	2,165,205	2,204,969		2,204,969	39,764
Facilities acquisition			17,390	(17,390)		17,390
Capital outlay				49,237	49,237	
Total expenditures	5,898,446	6,646,012	6,403,100		6,403,100	(242,912)
Excess (deficiency) of revenues over (under) expenditures	(449,001)	(445,000)	(243,835)		(243,835)	201,165
Other financing sources (uses)						
Operating transfers in	405,000	405,000	284,309		284,309	(120,691)
Operating transfers out		(4,000)	(3,993)		(3,993)	7
Total other financing sources and (uses)	405,000	401,000	280,316		280,316	(120,684)
Net change in fund balance	(44,001)	(44,000)	36,481		36,481	80,481
Fund balance - beginning of year	180,000	180,000	129,039			(50,961)
Fund balance - end of year	\$ 135,999	\$ 136,000	\$ 165,520	\$	\$ 36,481	\$ 29,520

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classifications into capital outlay

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Budget Basis	Actuals		Variance with Final Budget Over (Under)
	Adopted	Final		Adjustments	GAAP Basis	
<u>Revenues</u>						
Property taxes	\$2,710,375	\$ 2,710,375	\$ 2,860,503	\$	\$ 2,860,503	\$ 150,128
Investment earnings	15,432	15,432	12,380		12,380	(3,052)
Total revenues	<u>2,725,807</u>	<u>2,725,807</u>	<u>2,872,883</u>		<u>2,872,883</u>	<u>147,076</u>
<u>Expenditures</u>						
Current						
Debt service	3,603,107	3,603,107	3,402,566	(3,402,566)		(200,541)
Principal				1,239,683	1,239,683	
Interest				2,162,883	2,162,883	
Total expenditures	<u>3,603,107</u>	<u>3,603,107</u>	<u>3,402,566</u>		<u>3,402,566</u>	<u>(200,541)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(877,300)</u>	<u>(877,300)</u>	<u>(529,683)</u>		<u>(529,683)</u>	<u>347,617</u>
<u>Other financing sources (uses)</u>						
Operating transfers in	<u>927,800</u>	<u>927,800</u>	<u>925,466</u>		<u>925,466</u>	<u>(2,334)</u>
Net change in fund balance	50,500	50,500	395,783		395,783	345,283
Fund balance - beginning of year	<u>302,000</u>	<u>302,000</u>	<u>452,327</u>		<u>452,327</u>	<u>150,327</u>
Fund balance - end of year	<u>\$ 352,500</u>	<u>\$ 352,500</u>	<u>\$ 848,110</u>	<u>\$</u>	<u>\$ 848,110</u>	<u>\$ 495,610</u>

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classifications into principal and interest

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actuals			Variance with Final Budget Over (Under)
	Adopted	Final	Budget Basis	Adjustments	GAAP Basis	
Revenues						
Investment earnings	\$	\$	\$ 114,481	\$	\$ 114,481	\$ 114,481
Other local sources		52,953	42,500		42,500	(10,453)
Total revenues		52,953	156,981		156,981	104,028
Expenditures						
Current						
Facilities acquisition	26,022,916	26,075,869	20,287,047	(19,000,790)	1,286,257	(5,788,822)
Capital outlay				19,000,790	19,000,790	
Total expenditures	26,022,916	26,075,869	20,287,047		20,287,047	(5,788,822)
Excess (deficiency) of revenues over (under) expenditures	(26,022,916)	(26,022,916)	(20,130,066)		(20,130,066)	5,892,850
Other financing sources						
Operating transfers in			3,993		3,993	3,993
Bond proceeds			10,740,000		10,740,000	10,740,000
Premium on bonds proceeds			660,940		660,940	660,940
Total other financing sources			11,404,933		11,404,933	11,404,933
Net change in fund balance	(26,022,916)	(26,022,916)	(8,725,133)		(8,725,133)	17,297,783
Fund balance - beginning of year	26,022,916	26,022,916	16,006,641		16,006,641	(10,016,275)
Fund balance - end of year	\$	\$	\$ 7,281,508	\$	\$ 7,281,508	\$ 7,281,508

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classifications into capital outlay

SCHOOL DISTRICT NO.509J
Jefferson County, Oregon

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
GENERAL FUND SUB FUNDS

JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

<u>ASSETS</u>	100 - General Operations	101 - Bus Purchase	104 - Warm Springs Housing	109 - Equipment Fund	110 - Maintenance Projects
Cash and investments	\$ 8,208,313	\$ 186,031	\$ 53,995	\$ 102,888	\$ 234,200
Receivables					
Property taxes	315,104				
Other	224,451				5,413
Due from other funds	759,009				
Total assets	\$ 9,506,877	\$ 186,031	\$ 53,995	\$ 102,888	\$ 239,613
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 430,574	\$	\$ 723	\$	\$
Accrued payroll liability	1,505,566				
Other Current Liabilities	660,000				
Tenant deposit			1,350		
Total liabilities	2,596,140		2,073		
<u>DEFERRED INFLOWS</u>					
Deferred revenues	241,231		5,221		
<u>FUND BALANCES</u>					
Committed to:					
Bus replacement		186,031			
Warm Springs housing			46,701		
Equipment Replacement				102,888	
Maintenance projects					239,613
Stabilization of general fund					
Warm Springs school construction					
Assigned to:					
Appropriated ending fund balance	2,620,306				
Unassigned	4,049,200				
Total fund balances	6,669,506	186,031	46,701	102,888	239,613
Total liabilities, deferred inflows and fund balances	\$ 9,506,877	\$ 186,031	\$ 53,995	\$ 102,888	\$ 239,613

SCHOOL DISTRICT NO.509J
Jefferson County, Oregon

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
GENERAL FUND SUB FUNDS

JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

<u>ASSETS</u>	111 - PERS Bond	118 - Stabilization	119 -Warm Springs	Total	
	Reserve	Fund	Facility	2014	2013
Cash and investments	\$ 667,812	\$ 1,523,452	\$ 426,334	\$ 11,403,025	\$ 10,544,346
Receivables					
Property taxes				315,104	364,551
Other		24,644		254,508	338,040
Due from other funds				759,009	3,051,175
Total assets	\$ 667,812	\$ 1,548,096	\$ 426,334	\$ 12,731,646	\$ 14,298,112
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$	\$	\$	\$ 431,297	\$ 365,454
Accrued payroll liability				1,505,566	1,921,369
Other Current Liabilities				660,000	300,000
Tenant deposit				1,350	1,250
Total liabilities				2,598,213	2,588,073
<u>DEFERRED INFLOWS</u>					
Deferred revenues				246,452	293,134
<u>FUND BALANCES</u>					
Committed to:					
Bus replacement				186,031	50,414
Warm Springs housing				46,701	40,652
Equipment Replacement				102,888	
Maintenance projects				239,613	124,971
Stabilization of general fund	667,812	1,548,096		2,215,908	2,432,364
Warm Springs school construction			426,334	426,334	426,334
Assigned to:					
Appropriated ending fund balance				2,620,306	2,750,716
Unassigned				4,049,200	5,591,454
Total fund balances	667,812	1,548,096	426,334	9,886,981	11,416,905
Total liabilities, deferred inflows and fund balances	\$ 667,812	\$ 1,548,096	\$ 426,334	\$ 12,731,646	\$ 14,298,112

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND SUB FUNDS

YEAR ENDED JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

	100 - General Operations	101 - Bus Purchase	104 - Warm Springs Housing	109 -Equipment Fund	110 - Maint and Repair Projects	111- PERS Bond Reserve
<u>Revenues</u>						
Property taxes	\$ 3,811,235	\$	\$	\$	\$	\$
Interest	92,007					
Admissions	16,636					
Other local sources	1,479,042		21,761			
Intermediate sources	42,375				70,809	
State sources	20,269,157	157,257				
Federal sources	1,722,895					
Total revenues	27,433,347	157,257	21,761		70,809	
<u>Expenditures</u>						
Current						
Instruction	15,650,228					
Support services	12,058,177		15,712	5,137	13,905	
Enterprise and community services	41,229					
Capital outlay	60,503	123,640		26,975	32,262	
Total expenditures	27,810,137	123,640	15,712	32,112	46,167	
Excess (deficiency) of revenues over (under) expenditures	(376,790)	33,617	6,049	(32,112)	24,642	
Other financing sources (uses)						
Operating transfers in	364,600	227,000		100,000	125,000	125,000
Operating transfers out	(1,661,775)	(125,000)				
Gain on sale of capital assets	1,302					
Total other financing sources and (uses)	(1,295,873)	102,000		100,000	125,000	125,000
Net change in fund balance	(1,672,663)	135,617	6,049	67,888	149,642	125,000
Fund balance - beginning of year	8,342,169	50,414	40,653	35,000	89,971	542,812
Fund balance - end of year	\$ 6,669,506	\$ 186,031	\$ 46,701	\$ 102,888	\$ 239,613	\$ 667,812

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND SUB FUNDS

YEAR ENDED JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

	118 - Stabilization	119 - Warm Springs	Total	
	Fund	Facility	2014	2013
<u>Revenues</u>				
Property taxes	\$	\$	\$ 3,811,235	\$ 3,787,001
Interest			92,007	84,501
Admissions			16,636	32,986
Other local sources			1,500,803	1,531,535
Intermediate sources			113,184	62,659
State sources			20,426,414	19,546,083
Federal sources	24,644		1,747,539	3,148,285
Total revenues	24,644		27,707,818	28,193,050
<u>Expenditures</u>				
Current				
Instruction	1,500		15,651,728	15,025,825
Support services			12,092,931	11,344,581
Enterprise and community services			41,229	58,549
Capital outlay			243,380	953,561
Total expenditures	1,500		28,029,268	27,382,516
Excess (deficiency) of revenues over (under) expenditures	23,144		(321,450)	810,534
Other financing sources (uses)				
Operating transfers in			941,600	834,600
Operating transfers out	(364,600)		(2,151,375)	(1,904,720)
Gain on sale of capital assets			1,302	9,798
Total other financing sources and (uses)	(364,600)		(1,208,473)	(1,060,322)
Net change in fund balance	(341,456)		(1,529,923)	(249,788)
Fund balance - beginning of year	1,889,552	426,334	11,416,905	11,666,693
Fund balance - end of year	\$ 1,548,096	\$ 426,334	\$ 9,886,982	\$ 11,416,905

SCHOOL DISTRICT NO.509J
Jefferson County, Oregon

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SPECIAL REVENUE FUND SUB FUNDS

JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

<u>ASSETS</u>	203 - Title 1A: Grant to LEAs	205 - Title VII: Indian Education	206 - Johnson O'Malley	208 - HS School Improvement Grant	211 - Priority Schools	213 - IDEA	214 - JCMS School Improvement Grant
Cash and investments	\$	\$ 24,583	\$	\$	\$	\$ 5,743	\$
Receivables - Reimbursement claims	265,506	39,760	27,161		68,871	144,906	236,544
Prepaid expense							
Inventory							
Due from other funds							
Total assets	<u>\$ 265,506</u>	<u>\$ 64,343</u>	<u>\$ 27,161</u>	<u>\$</u>	<u>\$ 68,871</u>	<u>\$ 150,649</u>	<u>\$ 236,544</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Accounts payable	\$ 4,803	\$ 10,960	\$	\$	\$ 6,196	\$ 70,121	\$ 18,523
Accrued payroll liability	66,039	10,314			4,091	26,202	48,959
Deposits							
Due to other funds	154,664	43,069	27,161		58,584	48,583	164,127
Total liabilities	<u>225,506</u>	<u>64,343</u>	<u>27,161</u>		<u>68,871</u>	<u>144,906</u>	<u>231,609</u>
<u>DEFERRED INFLOWS</u>							
Deferred Revenues	40,000					5,743	4,935
<u>FUND BALANCES</u>							
Nonspendable:							
Inventory and prepaid expenses							
Restricted for:							
State and local grants and donations							
Committed to:							
Student Activities							
Unassigned							
Total fund balances							
Total liabilities, fund balances and deferred inflows	<u>\$ 265,506</u>	<u>\$ 64,343</u>	<u>\$ 27,161</u>	<u>\$</u>	<u>\$ 68,871</u>	<u>\$ 150,649</u>	<u>\$ 236,544</u>

SCHOOL DISTRICT NO.509J
Jefferson County, Oregon

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SPECIAL REVENUE FUND SUB FUNDS

JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

	216 - Title III: English Language Acquisition	221 - Safe Routes to School	222 - Smile Program	223 - Youth Development Program	226 - Title X: McKinney Vento	230 - OR Student Mentoring Grant	232 - Onsite Child Care
ASSETS							
Cash and investments	\$	\$	\$	\$	\$	\$	\$
Receivables - Reimbursement claims	23,043	3,304	1,558	45,922	5,309	1,267	16,190
Prepaid expense			548				1,683
Inventory							
Due from other funds							
Total assets	\$ 23,043	\$ 3,304	\$ 2,106	\$ 45,922	\$ 5,309	\$ 1,267	\$ 17,873
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 167	\$	\$	\$ 21,480	\$ 1,946	\$	\$ 207
Accrued payroll liability	8,589	839	1,297	5,517	99		4,510
Deposits							
Due to other funds	14,287	2,465		18,925	3,264	1,267	
Total liabilities	23,043	3,304	1,297	45,922	5,309	1,267	4,717
DEFERRED INFLOWS							
Deferred Revenues							
FUND BALANCES							
Nonspendable:							
Inventory and prepaid expenses							
Restricted for:							
State and local grants and donations			809				
Committed to:							
Student Activities							
Unassigned							13,156
Total fund balances			809				13,156
Total liabilities, fund balances and deferred inflows	\$ 23,043	\$ 3,304	\$ 2,106	\$ 45,922	\$ 5,309	\$ 1,267	\$ 17,873

SCHOOL DISTRICT NO.509J
Jefferson County, Oregon

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SPECIAL REVENUE FUND SUB FUNDS

JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

<u>ASSETS</u>	235 - ODE State Grants	241 - Next Generation Learning Grant	242 - Miscellaneous State & Local Grants	249 - School Enrichment Fund	258 -Title VI- B: Rural Education Achievement	260 - Summer Nutrition Program	261 - Title II- A: Quality Teacher's Fund
Cash and investments	\$	\$ 1,527	\$ 28,672	\$ 25,621	\$	\$ 168	\$
Receivables - Reimbursement claims	7,428				25,882	7,758	53,930
Prepaid expense							
Inventory							
Due from other funds							
Total assets	<u>\$ 7,428</u>	<u>\$ 1,527</u>	<u>\$ 28,672</u>	<u>\$ 25,621</u>	<u>\$ 25,882</u>	<u>\$ 7,926</u>	<u>\$ 53,930</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Accounts payable	\$ 2,400	\$	\$ 3,604	\$	\$ 2,708	\$ 4,772	\$ 9,402
Accrued payroll liability		1,527				3,154	2,052
Deposits							
Due to other funds	5,028				23,174		42,476
Total liabilities	<u>7,428</u>	<u>1,527</u>	<u>3,604</u>		<u>25,882</u>	<u>7,926</u>	<u>53,930</u>
<u>DEFERRED INFLOWS</u>							
Deferred Revenues			25,068				
<u>FUND BALANCES</u>							
Nonspendable:							
Inventory and prepaid expenses							
Restricted for:							
State and local grants and donations							
Committed to:							
Student Activities				25,621			
Unassigned							
Total fund balances				<u>25,621</u>			
Total liabilities, fund balances and deferred inflows	<u>\$ 7,428</u>	<u>\$ 1,527</u>	<u>\$ 28,672</u>	<u>\$ 25,621</u>	<u>\$ 25,882</u>	<u>\$ 7,926</u>	<u>\$ 53,930</u>

SCHOOL DISTRICT NO.509J
Jefferson County, Oregon

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
SPECIAL REVENUE FUND SUB FUNDS

JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

	262 - Student Body Funds	265 - Classroom Mini Grants	270- Student After School Meals	280 - Food Services	290 - Donations	Total	
						2014	2013
ASSETS							
Cash and investments	\$ 124,412	\$ 2,867	\$	\$ 1,986	\$ 10,680	\$ 244,007	\$ 406,147
Receivables - Reimbursement claims			3,793	62,625		1,025,240	1,212,146
Prepaid expense							
Inventory				100,685		100,685	52,721
Due from other funds							
Total assets	\$ 124,412	\$ 2,867	\$ 3,793	\$ 165,296	\$ 10,680	\$ 1,369,932	\$ 1,671,014
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$	\$	\$	\$ 6,630	\$	\$ 163,919	\$ 151,937
Accrued payroll liability			150	85,294		268,633	
Deposits				6,033		6,033	
Due to other funds	70		3,643	67,339		678,126	1,314,256
Total liabilities	70		3,793	165,296		1,116,711	1,466,193
DEFERRED INFLOWS							
Deferred Revenues		2,867			9,088	87,701	75,782
FUND BALANCES							
Nonspendable:							
Inventory and prepaid expenses				100,685		100,685	52,721
Restricted for:							
State and local grants and donations					1,592	2,401	2,167
Committed to:							
Student Activities	124,342					149,963	126,872
Unassigned				(100,685)		(87,529)	(52,721)
Total fund balances	124,342				1,592	165,520	129,039
Total liabilities, fund balances and deferred inflows	\$ 124,412	\$ 2,867	\$ 3,793	\$ 165,296	\$ 10,680	\$ 1,369,932	\$ 1,671,014

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND SUB FUNDS

YEAR ENDED JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

	203 - Title 1A: Grant to LEAs	205 - Title VII: Indian Education	206 - Johnson O'Malley	208 - HS School Improvement Grant	211 - Priority Schools	213 - IDEA	214 - JCMS School Improvement
Revenues							
Property Taxes	\$	\$	\$	\$	\$	\$	\$
Interest							
Admissions							
Other Local Sources							
Intermediate sources					94,845		
State sources					119,748		
Federal sources	1,243,091	194,217	27,161	13,844	119,748	552,826	1,124,674
Total revenues	1,243,091	194,217	27,161	13,844	214,593	552,826	1,124,674
Expenditures							
Current							
Instruction	605,443	63,522	11,980	9,706	52,760	386,039	919,360
Support services	605,821	130,451	15,181	4,138	161,833	150,383	204,059
Enterprise and community services	31,827	244					1,255
Facilities acquisition and construction							
Capital outlay						16,404	
Total expenditures	1,243,091	194,217	27,161	13,844	214,593	552,826	1,124,674
Excess (deficiency) of revenues over (under) expenditures							
Other financing sources (uses)							
Operating transfers in							
Operating transfers out							
Gain (loss) on sale of capital assets							
Total other financing sources and (uses)							
Net change in fund balance							
Fund balance - beginning of year							
Fund balance - end of year	\$	\$	\$	\$	\$	\$	\$

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND SUB FUNDS

YEAR ENDED JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

	216 - Title III: English Language Acquisition	221 - Safe Routes to School	222 - Smile Program	223 - Youth Development Program	226 - Title X: McKinney Vento	230 - OR Student Mentoring Grant	232 - Onsite Child Care
Revenues							
Property Taxes	\$	\$	\$	\$	\$	\$	\$
Interest							
Admissions							
Other Local Sources			1,300				17,519
Intermediate sources							
State sources			8,864			4,830	
Federal sources	146,981	5,300		142,561	10,854		10,069
Total revenues	<u>146,981</u>	<u>5,300</u>	<u>10,164</u>	<u>142,561</u>	<u>10,854</u>	<u>4,830</u>	<u>27,588</u>
Expenditures							
Current							
Instruction	4,851		16,690	141,924			
Support services	31,427	5,300	2,142	637	10,854	4,830	
Enterprise and community services	110,703		195				61,437
Facilities acquisition and construction							
Capital outlay							
Total expenditures	<u>146,981</u>	<u>5,300</u>	<u>19,027</u>	<u>142,561</u>	<u>10,854</u>	<u>4,830</u>	<u>61,437</u>
Excess (deficiency) of revenues over (under) expenditures			<u>(8,863)</u>				<u>(33,849)</u>
Other financing sources (uses)							
Operating transfers in			9,097				47,005
Operating transfers out							
Gain (loss) on sale of capital assets							
Total other financing sources and (uses)			<u>9,097</u>				<u>47,005</u>
Net change in fund balance			234				13,156
Fund balance - beginning of year			575				
Fund balance - end of year	<u>\$</u>	<u>\$</u>	<u>\$ 809</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 13,156</u>

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND SUB FUNDS

YEAR ENDED JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

	235 - ODE State Grants	241 - Next Generation Learning Grant	242 - Miscellaneous State & Local	249 - School Enrichment Fund	258 -Title VI-B: Rural Education Achievement	260 - Summer Nutrition Program	261 - Title II-A: Quality Teacher's Fund
Revenues							
Property Taxes	\$	\$	\$	\$	\$	\$	\$
Interest							
Admissions							
Other Local Sources				44,836			
Intermediate sources		100,000	104,468				
State sources	8,655					728	10,146
Federal sources					58,666	49,192	110,163
Total revenues	8,655	100,000	104,468	44,836	58,666	49,920	120,309
Expenditures							
Current							
Instruction			44,849	34,143	17,277		
Support services	8,655	100,000	11,397	2,698	41,389		120,309
Enterprise and community services			44,229			49,920	
Facilities acquisition and construction							
Capital outlay							
Total expenditures	8,655	100,000	100,475	36,841	58,666	49,920	120,309
Excess (deficiency) of revenues over (under) expenditures			3,993	7,995			
Other financing sources (uses)							
Operating transfers in							
Operating transfers out			(3,993)				
Gain (loss) on sale of capital assets							
Total other financing sources and (uses)			(3,993)				
Net change in fund balance				7,995			
Fund balance - beginning of year				17,626			
Fund balance - end of year	\$	\$	\$	\$ 25,621	\$	\$	\$

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND SUB FUNDS

YEAR ENDED JUNE 30, 2014 AND SUMMARIZED INFORMATION FOR JUNE 30, 2013

	262 - Student Body Funds	265 - Classroom Mini Grants	270- Student After School Meals	280 - Food Services	290 - Donations	Total	
						2014	2013
Revenues							
Property Taxes	\$	\$	\$	\$	\$	\$	\$
Interest	2,207			106		2,313	6,336
Admissions							
Other Local Sources	222,109	5,619		173,499	47,261	512,143	419,259
Intermediate sources						204,468	62,705
State sources				19,045		147,113	193,451
Federal sources			87,004	1,396,877		5,293,228	6,144,494
Total revenues	224,316	5,619	87,004	1,589,527	47,261	6,159,265	6,826,245
Expenditures							
Current							
Instruction	209,220	5,198			14,428	2,537,390	3,129,218
Support services						1,611,504	1,909,032
Enterprise and community services		421	87,004	1,817,734		2,204,969	2,031,460
Facilities acquisition and construction							
Capital outlay					32,833	49,237	20,366
Total expenditures	209,220	5,619	87,004	1,817,734	47,261	6,403,100	7,090,076
Excess (deficiency) of revenues over (under) expenditures	15,096			(228,207)		(243,835)	(263,831)
Other financing sources (uses)							
Operating transfers in				228,207		284,309	230,543
Operating transfers out						(3,993)	(41,560)
Gain (loss) on sale of capital assets							
Total other financing sources and (uses)				228,207		280,316	188,983
Net change in fund balance	15,096					36,481	(74,848)
Fund balance - beginning of year	109,246				1,592	129,039	203,887
Fund balance - end of year	\$ 124,342	\$	\$	\$	\$ 1,592	\$ 165,520	\$ 129,039

OTHER FINANCIAL SCHEDULES

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

SCHEDULE OF BOND AND BOND INTEREST TRANSACTIONS

YEAR ENDED JUNE 30, 2014

Bond Issue	Bond Principal				Outstanding June 30, 2013
	Outstanding July 1, 2013	Issued	Refunded	Payments	
General Obligation Bonds					
May 23, 2013	\$ 24,835,000	\$	\$	\$ 950,000	\$ 23,885,000
July 23, 2013		10,740,000		55,000	10,685,000
	24,835,000	10,740,000		1,005,000	34,570,000
Limited Tax Pension Bonds					
October 31, 2002	10,238,045			234,682	10,003,363
January 31, 2012	880,000				880,000
	11,118,045			234,682	10,883,363
Total All Issues	\$ 35,953,045	\$ 10,740,000	\$	\$ 1,239,682	\$ 45,453,363

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

SCHEDULE OF FUTURE MATURITIES - BOND AND BOND INTEREST

JUNE 30, 2014

Year of Maturity	Total	Issue Date October 31, 2002		Issue Date January 31, 2012		Issue Date May 23, 2013		Issue Date July 23, 2013	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014-15	\$ 3,014,413	\$ 243,630	\$ 709,877	\$	\$ 24,200	\$ 1,085,000	\$ 951,706	\$	\$ 483,176
2015-16	3,102,713	251,500	757,007		24,200	1,140,000	930,006	20,000	482,976
2016-17	3,204,913	254,343	804,164		24,200	1,215,000	907,206	35,000	482,376
2017-18	3,309,726	260,195	858,312		24,200	1,275,000	892,019	50,000	481,812
2018-19	3,408,726	262,344	911,163		24,200	1,370,000	841,019	65,000	480,012
2019-20	3,517,226	266,351	972,156		24,200	1,475,000	779,519	80,000	477,912
2020-21	3,673,226		468,507	880,000	24,200	1,580,000	720,519	90,000	475,362
2021-22	3,760,826	945,000	468,507			1,690,000	657,319	105,000	472,362
2022-23	2,880,840	1,065,000	416,721			815,000	584,119	630,000	467,962
2023-24	2,979,771	1,195,000	358,252			875,000	551,519	670,000	442,762
2024-25	3,084,699	1,340,000	291,930			945,000	507,769	730,000	409,012
2025-26	3,193,079	1,490,000	217,560			1,025,000	460,519	785,000	372,262
2026-27	3,304,134	1,655,000	134,865			1,105,000	409,269	850,000	332,762
2027-28	2,364,132	775,000	43,013			1,170,000	376,119	910,000	302,838
2028-29	1,584,319					1,255,000	329,319	975,000	266,438
2029-30	1,605,100					1,315,000	290,100	1,060,000	230,250
2030-31	1,637,500					1,410,000	227,500	1,135,000	178,750
2031-32	1,672,000					1,515,000	157,000	1,210,000	123,250
2032-33	1,706,250					1,625,000	81,250	1,285,000	63,750
	<u>\$ 53,003,591</u>	<u>\$ 10,003,363</u>	<u>\$ 7,412,034</u>	<u>\$ 880,000</u>	<u>\$ 169,400</u>	<u>\$ 23,885,000</u>	<u>\$ 10,653,794</u>	<u>\$ 10,685,000</u>	<u>\$ 7,026,024</u>

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

PROPERTY TAX TRANSACTIONS - GENERAL FUND

YEAR ENDED JUNE 30, 2014

Tax Year	Beginning Balance and 2013-14 Levy	Adjustments	Net Interest (Discount)	Turnovers from County Treasurer	Ending Balance
Jefferson County					
2013-14	\$ 3,730,137	\$ 3,433	\$ (90,234)	\$ 3,503,173	\$ 133,297
2012-13	159,366	341	7,527	86,605	79,947
2011-12	94,695	117	8,956	49,974	53,560
2010-11	67,579	127	11,783	46,542	32,693
2009-10	28,183	129	10,856	36,773	2,137
2008-09	2,725	160	555	1,551	1,569
2007-08	1,474	156	78	188	1,208
Prior	2,716	308	16	35	2,389
	<u>4,086,875</u>	<u>4,771</u>	<u>(50,463)</u>	<u>3,724,841</u>	<u>306,800</u>
Wasco County					
2013-14	90,411	153	(2,156)	84,278	\$ 3,824
2012-13	4,120	6	127	1,922	2,319
2011-12	1,919	18	113	666	1,348
2010-11	1,291	3	231	966	553
2009-10	322	3	68	253	134
2008-09	105	3	9	23	88
2007-08	17	3	6	14	6
Prior	42	2	9	17	32
	<u>98,227</u>	<u>191</u>	<u>(1,593)</u>	<u>88,139</u>	<u>8,304</u>
	<u>\$ 4,185,102</u>	<u>\$ 4,962</u>	<u>\$ (52,056)</u>	3,812,980	<u>\$ 315,104</u>
Less taxes accrued prior year				(76,638)	
Sale of county land				1,368	
Add taxes accrued current year				73,525	
				<u>\$ 3,811,235</u>	

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

PROPERTY TAX TRANSACTIONS - DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2014

Tax Year	Beginning Balance and 2013-14 Levy	Adjustments	Net Interest (Discount)	Turnovers from County Treasurer	Ending Balance
Jefferson County					
2013-14	\$ 2,809,881	\$ 2,586	\$ (67,974)	\$ 2,638,911	\$ 100,410
2012-13	120,804	259	5,709	65,649	60,605
2011-12	66,266	83	6,267	34,971	37,479
2010-11	45,995	86	8,013	31,651	22,271
2009-10	19,166	88	7,383	25,008	1,453
2008-09	1,904	112	387	1,084	1,095
2007-08	1,132	120	61	144	929
Prior	1,604	133	11	23	1,459
	<u>3,066,752</u>	<u>3,467</u>	<u>(40,143)</u>	<u>2,797,441</u>	<u>225,701</u>
Wasco County					
2013-14	65,566	111	(1,558)	61,157	\$ 2,740
2012-13	3,042	4	127	1,420	1,745
2011-12	1,310	13	78	455	920
2010-11	866	2	155	648	371
2009-10	217	2	46	170	91
2008-09	73	2	6	16	61
2007-08	13	2	4	11	4
Prior	28	1	5	11	21
	<u>71,115</u>	<u>137</u>	<u>(1,137)</u>	<u>63,888</u>	<u>5,953</u>
	<u>\$ 3,137,867</u>	<u>\$ 3,604</u>	<u>\$ (41,280)</u>	2,861,329	<u>\$ 231,654</u>
Less taxes accrued prior year				(53,766)	
Sale of county land				693	
Add taxes accrued current year				<u>52,247</u>	
				<u>\$ 2,860,503</u>	

**SUPPLEMENTARY INFORMATION REQUIRED
BY OREGON DEPARTMENT OF EDUCATION**

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

SUPPLEMENTAL INFORMATION FOR DEPARTMENT OF EDUCATION

YEAR ENDED JUNE 30, 2014

Item A	Energy bills for heating		Objects 325
	All Funds	Function	& 326
		2540	\$ 581,702
		2550	17,750
Item B	Replacement of Equipment - General Fund In object 542 except for excluded functions		

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

REVENUE SUMMARY

YEAR ENDED JUNE 30, 2014

	<u>Fund 100</u>	<u>Fund 200</u>	<u>Fund 300</u>	<u>Fund 400</u>
<u>Local Sources</u>				
1110 Ad Valorem Taxes Levied By District	\$ 3,811,235	\$	\$ 2,860,503	\$
1300 Tuition	70,024			
1400 Transportation Fees from Within District	41,969	1,301		
1500 Earnings on Investments	92,007	2,313	12,380	114,482
1600 Food Service		173,106		
1700 Extra-Curricular Activities	16,636			
1800 Childcare		17,519		
1910 Rentals	49,361			
1920 Contributions and Donations	650	51,880		42,500
1980 Federal Indirect Cost	132,311			
1990 Miscellaneous	1,206,488	268,338		
Total Revenue from Local Sources	5,420,680	514,456	2,872,883	156,982
<u>Intermediate Sources</u>				
2101 County School Funds	42,376			
2200 Restricted Revenue	70,809	204,468		
Total Revenue from Intermediate Sources	113,184	204,468		
<u>State Sources</u>				
3101 State School Fund --General Support	20,195,979	15,091		
3103 Common School Fund	228,056			
3200 Restricted Grants-In-Aid	2,379	132,022		
Total Revenue from State Sources	20,426,414	147,113		
<u>Federal Sources</u>				
4300 Restricted Revenue Direct From Federal	60,769	194,217		
4500 Restricted Revenue Through the State		4,870,729		
4700 Grants-In-Aid From the Federal	11,427	33,461		
4801 Federal Forest Fees	94,418			
4802 Impact Aid to School Districts	1,580,925			
4900 Revenue for/on Behalf of the District		194,821		
Total Revenue from Federal Sources	1,747,539	5,293,228		
<u>Other Sources</u>				
5100 Long Term Debt Financing Sources				10,740,000
5120 Premiums on Sale of Bonds				660,940
5200 Interfund Transfers	941,600	284,309	925,466	3,993
5300 Sale of Fixed Assets	1,302			
5400 Resources - Beginning Fund Balance	11,416,905	129,039	452,327	16,006,641
Total Revenue from Other Sources	12,359,807	413,348	1,377,793	27,411,574
Grand Totals	\$ 40,067,624	\$ 6,572,612	\$ 4,250,677	\$ 27,568,556

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

GENERAL FUND (100)
EXPENDITURE SUMMARY

YEAR ENDED JUNE 30, 2014

<u>Instruction</u>	<u>Total</u>	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>
1100 Regular Instruction	\$	\$	\$	\$	\$	\$	\$	\$
1111 Primary Education	6,193,372	3,861,454	2,230,961	23,289	77,667			
1121 Middle/Junior High Programs	2,114,954	1,315,204	759,003	12,114	28,633			
1122 Middle/Junior High School Extracurricular	132,397	85,289	35,410	6,780	4,412		507	
1131 High School Programs	2,883,277	1,843,092	989,203	13,300	36,301		1,380	
1132 High School Extra-curricular	468,200	259,451	96,205	68,398	34,714		9,433	
1210 Programs for the Talented and Gifted	108,898	68,871	39,157	870				
1220 Programs for the Students with Mental Disabilities	1,397,427	871,704	513,257	26	12,440			
1223 Community Transition Center	69,948	27,963	16,194	974			24,818	
1227 Extended school year instruction	16,554	13,275	3,273		6			
1229 Behavioral Program	119,621	78,082	41,540					
1250 Resource Rooms	1,171,757	731,828	438,272		1,657			
1283 District Alternative Education	179,729	90,359	50,138	14,853	24,303		76	
1272 Title I A/D	794				794			
1271 Remediation								
1291 English Second Language Programs	780,877	474,383	300,248		6,246			
1292 Teen Parent Programs								
1294 Youth Corrections Education								
1299 Other Programs	1,500			1,500				
1460 Special Programs, Summer School	12,422	9,836	2,586					
Total Instruction	15,651,728	9,730,791	5,515,447	142,104	227,173		36,214	
<u>Support Services</u>								
2114 Student Accounting Services	168,809	103,631	65,178					
2115 Student Safety	70,008			69,768	240			
2122 Counseling Services	445,257	287,480	152,830	916	1,512		2,519	
2130 Health Services	100,070	65,203	24,143	1,676	8,914		135	
2160 Other Student Treatment Services	47,773			47,773				
2190 Service Direction: Student Support Services	193,990	97,232	59,737	35,814	90		1,116	
2210 Improvement of Instruction Services	72,386	50,850	21,257	154	125			
2211 Service Area Direction	147,351	87,194	52,325	2,157	4,315		1,360	
2213 Curriculum Development	6,392	2,385	900		3,106			
2220 Educational Media Services	450,238	236,738	179,284	25	34,016		175	
2230 Assessment and Testing	71,954	49,456	20,725	29	1,744			
2240 Instructional Staff Development	68,949	5,793	47,189	12,879	3,088			
2244 Administrative Staff Development	24,095		24,095					
2310 Board of Education Services	136,967	139	13	116,316	6,427		14,073	
2321 Office of Superintendent Services	358,656	202,612	130,488	20,889	3,136		1,530	
2329 Other Executive Administrative Services	59,585	23,659	15,480	16,580	3,866			
2410 Office of the Principal Services	2,420,693	1,398,790	879,566	46,184	88,228		7,924	
2520 Fiscal Services	607,918	305,586	227,724	29,825	38,263		6,519	
2527 Property Accounting Services								
2528 Risk Management Services	69,579							69,579
2540 Operation and Maintenance of Plant Services	89,172							89,172
2542 Care and Upkeep of Buildings Services	2,304,543	899,658	570,494	715,963	103,614	14,815		
2543 Care and Upkeep of Grounds Services	87,089	24,901	4,611	16,508	40,944		125	
2544 Maintenance	1,060,767	453,745	281,547	51,119	149,093	104,925	20,338	

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

GENERAL FUND (100)
EXPENDITURE SUMMARY

YEAR ENDED JUNE 30, 2014

	<u>Total</u>	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>
2546 Security Services	3,392			3,392				
2552 Student Transportation Services	1,906,718	775,095	635,090	36,376	306,779	123,640	29,738	
2572 Purchasing Services	4,223	3,733	1,429		76		(1,016)	
2573 Warehousing and Distributing Services	634	496	137					
2574 Printing, Purchasing and Duplicating Services	191,516			174,587	16,929			
2620 Instructional Program Improvement Services	12,019			12,019				
2623 Evaluation Services								
2626 Grant Writing Services	21,118			21,118				
2633 Public Information Services	16,634			16,634				
2640 Personnel Services	400,160	245,392	124,315	22,348	6,525		1,580	
2642 Recruitment and Placement Services	8,139	2,048	759	977	340		4,016	
2645 Health Services	7,271	146	14	6,948	163			
2660 Technology Services	442,174	68,207	37,922	75,874	260,037			134
2669 Other Technology Services	112,349			112,349				
2700 Supplemental Retirement Program	147,723	134,726	12,796				200	
Total Support Services	<u>12,336,311</u>	<u>5,524,897</u>	<u>3,570,050</u>	<u>1,667,198</u>	<u>1,081,570</u>	<u>243,380</u>	<u>249,216</u>	
<u>Enterprise and Community Services</u>								
3300 Community Services	2,922				2,922			
3320 Community Recreation Services	37,500			37,500				
3330 Civic Services	674	500	174					
3390 Other Community Services	60				60			
3501 Custody and Care of Children Services	73	73						
Total Enterprise and Community Services	<u>41,229</u>	<u>573</u>	<u>174</u>	<u>37,500</u>	<u>60</u>			
<u>Other Uses</u>								
5200 Transfer of Funds	2,151,375							2,151,375
Total Other Uses	<u>2,151,375</u>							<u>2,151,375</u>
Grand Totals	<u>\$ 30,180,643</u>	<u>\$ 15,256,261</u>	<u>\$ 9,085,671</u>	<u>\$ 1,846,801</u>	<u>\$ 1,308,803</u>	<u>\$ 243,380</u>	<u>\$ 285,430</u>	<u>\$ 2,151,375</u>

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

SPECIAL REVENUE FUNDS (200)
EXPENDITURE SUMMARY

YEAR ENDED JUNE 30, 2014

<u>Instruction</u>	<u>Total</u>	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>
1111 Primary (K-3)	\$ 50,490	\$	\$	\$	\$ 49,851	\$	\$ 639	\$
1112 Intermediate Regular Instruction								
1113 Elementary Extra-curricular	6,588	3,347	2,029		1,212			
1121 Middle/Junior High Programs	404				404			
1122 Middle/Junior High School Extracurricular	35,234	3,148	2,036	272	29,778			
1131 High School Programs	49			49				
1132 High School Extra-curricular	254,129	3,409	2,199	7,867	234,921	5,732		
1210 Programs for Talented and Gifted	900			595	305			
1220 Programs for the Students with Mental Disabilities	272,226	140,843	122,499	3,225	5,659			
1223 Community Transition Center	161,924	41,399	27,868	91,808	849			
1229 Behavioral Program	38,116	18,665	19,451					
1250 Resource Rooms	9,779	4,830	1,050	82	3,818			
1260 Treatment and Rehabilitation	60,206			60,206				
1272 Title I-A Grants to LEAs	1,424,624	845,072	391,923	8,369	178,761		500	
1283 District Alternative Education Instruction	138,491	94,303	40,382		3,806			
1291 English Second Language Programs	4,851				4,851			
1296 Indian Education	75,502	46,041	15,996	39	13,427			
1460 Special Summer Program	9,621	7,082	2,449		90			
Total Instruction	<u>2,543,123</u>	<u>1,208,138</u>	<u>627,870</u>	<u>172,513</u>	<u>527,731</u>	<u>5,732</u>	<u>1,139</u>	
Support Services								
2110 Attendance and Social Work Services	791				791			
2112 Attendance Services	143,332	79,644	43,232	284	20,172			
2114 Student Accounting Services	50			50				
2115 Student Safety and Security	5,300	4,840	460					
2120 Guidance Services	2,267	1,563	250		454			
2119 Other Attendance and Social Work Services								
2122 Counselor Services	325			325				
2160 Other Student Treatment Services	89,604			89,604				
2190 Program Direction Student Support	1,744			335	1,410			
2210 Improvement of Instruction Services	483,007	304,184	175,351	2,100	1,372			
2211 Service Area Direction	11,582	10,266	995	320				
2213 Office of Instructional Services								
2219 Other Improvement of Instruction	18,152	11,931	1,788	1,217	3,215			
2220 Education Media Services								
2240 Instructional Staff Development	529,083	198,343	63,887	249,790	17,027		35	
2410 Office of the Principal Services	35,869	19,685	12,474	2,728	386		595	
2542 Care and Upkeep of Building Services								
2544 Maintenance	55,194	22,034	7,045			26,115		
2552 Student Transportation Services	24,266			24,266				
2570 Internal Services	130,495						130,495	
2610 Direction of Central Support Services	24,406	15,190	9,187	29				
2624 Planning Services	34,892	5,462	992	11,060	17,378			
2645 Health Services for Employees	11,397	1,880	184	319	9,013			
2660 Technology Services	35,862				35,862			
Total Support Services	<u>1,637,618</u>	<u>675,022</u>	<u>315,846</u>	<u>382,429</u>	<u>107,081</u>	<u>26,115</u>	<u>131,125</u>	

**SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon**

**SPECIAL REVENUE FUNDS (200)
EXPENDITURE SUMMARY**

YEAR ENDED JUNE 30, 2014

	<u>Total</u>	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>
<u>Enterprise and Community Services</u>								
3100 Food Services	1,954,632	584,287	485,083	27,245	855,987		2,031	
3190 Other Food Services								
3330 Civil Services	126,285	62,014	49,177	4,095	10,899		100	
3390 Other Community Services	62,615	40,619	11,554	2,495	7,946			
3501 Child Care Provider Services	61,437	36,154	22,922	212	1,889		260	
Total Enterprise and Community Services	<u>2,204,969</u>	<u>723,073</u>	<u>568,737</u>	<u>34,047</u>	<u>876,721</u>		<u>2,391</u>	
<u>Facilities Acquisition & Construction</u>								
4150 Building Acquisition-Major Add-on	17,390					17,390		
Total Facilities Acquisition & Construction	<u>17,390</u>					<u>17,390</u>		
Grand Totals	<u>\$ 6,403,100</u>	<u>\$ 2,606,233</u>	<u>\$ 1,512,452</u>	<u>\$ 588,989</u>	<u>\$ 1,511,533</u>	<u>\$ 49,237</u>	<u>\$ 134,655</u>	<u>\$</u>

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

DEBT SERVICE FUND (300)
EXPENDITURE SUMMARY

YEAR ENDED JUNE 30, 2014

	<u>Total</u>	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>
<u>Other Uses</u>								
5110 Debt Service	\$ 3,402,566	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 3,402,566	\$ _____
Other Uses	<u>3,402,566</u>	_____	_____	_____	_____	_____	<u>3,402,566</u>	_____
 Grand Totals	 <u>\$ 3,402,566</u>	 <u>\$ _____</u>	 <u>\$ _____</u>	 <u>\$ _____</u>	 <u>\$ _____</u>	 <u>\$ _____</u>	 <u>\$ 3,402,566</u>	 <u>\$ _____</u>

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

CAPITAL PROJECTS FUNDS (400)
EXPENDITURE SUMMARY

YEAR ENDED JUNE 30, 2014

	<u>Total</u>	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>
<u>Facilities Acquisition & Construction</u>								
4150 Building Acquisition-Major Add-on	\$ 20,263,285	\$ 123,779	\$ 55,462	\$ 847,748	\$ 112,617	\$ 19,000,790	\$ 122,890	\$
4180 Other Capital Items	23,762				23,762			
Total Facilities Acquisition & Construction	<u>20,287,047</u>	<u>123,779</u>	<u>55,462</u>	<u>847,748</u>	<u>136,379</u>	<u>19,000,790</u>	<u>122,890</u>	<u></u>
 Grand Totals	 <u>\$ 20,287,047</u>	 <u>\$ 123,779</u>	 <u>\$ 55,462</u>	 <u>\$ 847,748</u>	 <u>\$ 136,379</u>	 <u>\$ 19,000,790</u>	 <u>\$ 122,890</u>	 <u>\$</u>

**AUDITOR'S COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**



INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
School District 509J
Jefferson County, Oregon

We have audited the basic financial statements of the School District No. 509J, Jefferson County, Oregon (the District) as of and for the year ended June 30, 2014, and have issued our report thereon dated October 8, 2014. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from 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.**

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

1. Expenditures of the various funds were within authorized appropriation except as described in Note 16 of the report.

OAR 162-10-0230 Internal Control

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

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

SGA CPAs & Consultants, LLP

SGA Certified Public Accountants and Consultants, LLP

October 8, 2014

SINGLE AUDIT COMPLIANCE



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

Board of Directors
School District No. 509J
Jefferson County, Oregon

We have audited the financial statements of the governmental activities and each major fund of School District No. 509J, Jefferson County, Oregon (the District) as of and for the year ended June 30, 2014, which collectively comprise the District’s basic financial statements and have issued our report thereon dated October 8, 2014. 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.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified.

**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* - continued**

Compliance and Other Matters

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

We noted certain matters that we have reported to management of the District in a separate letter dated October 8, 2014.

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 is 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SGA CPAs & Consultants, LLP

SGA Certified Public Accountants and Consultants, LLP

October 8, 2014



**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
School District No. 509J
Jefferson County, Oregon

Report on Compliance for Each Major Federal Program

We have audited School District No. 509J, Jefferson County, Oregon (the District's) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2014.

**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 - continued**

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control with the types of compliance requirements referred to above. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

SGA CPAs & Consultants, LLP

SGA Certified Public Accountants and Consultants, LLP

October 8, 2014

SCHOOL DISTRICT NO. 509J
Jefferson County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2014

Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of School District No. 509J, Jefferson County, Oregon.
2. No significant deficiencies relating to the audit of the basic financial statements were reported in the *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*.
3. No instances of noncompliance material to the basic financial statements of School District No. 509J, Jefferson County, Oregon were disclosed during the audit.
4. No significant deficiencies related to major federal award programs are reported in the *Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for School District No. 509J, Jefferson County, Oregon expresses an unqualified opinion on all major federal programs.
6. There were no audit findings that are required to be reported according to Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs are as follows:
 - Individuals with Disabilities Education CFDA # 84.027
 - Title I CFDA # 84.010
 - English Language Acquisition Grant CFDA # 84.365
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The District was determined to be a low-risk auditee.

Findings - Financial Statements Audit

None.

Findings and Questioned Costs – Major Federal Award Programs Audit

None.

JEFFERSON COUNTY SCHOOL DISTRICT 509-J
Jefferson County, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor and Pass Through Agency/Program Title	CFDA Number	Pass Through Agency Number	Federal Expenditures	District Fund
<u>DEPARTMENT OF AGRICULTURE</u>				
Passed through Oregon Department of Education:				
School Breakfast Program	10.553		\$ 321,653	280
National School Lunch Program	10.555		880,679	280
National School Lunch - Commodities	10.555		194,546	280
Child and Adult Care Food Program	10.558		87,004	270
Summer Food Service Program for Children - Commodities	10.559		275	260
Summer Food Service Program for Children	10.559		48,916	260
Passed through Jefferson and Wasco Counties:				
Schools and Roads - Grants to Counties	10.666		<u>94,418</u>	100
TOTAL DEPARTMENT OF AGRICULTURE			<u>1,627,490</u>	
<u>DEPARTMENT OF DEFENSE</u>				
Junior Reserve Officers' Training Corps	12.11JROTC		60,769	100
TOTAL DEPARTMENT OF DEFENSE			<u>60,769</u>	
<u>DEPARTMENT OF THE INTERIOR</u>				
Passed through Confederated Tribes of Warm Springs				
Indian Education Assistance to Schools	15.130		<u>27,161</u>	206
TOTAL DEPARTMENT OF THE INTERIOR			<u>27,161</u>	
<u>DEPARTMENT OF TRANSPORTATION</u>				
Passed through Jefferson County				
Highway Planning and Construction	20.205		<u>5,300</u>	221
TOTAL DEPARTMENT OF TRANSPORTATION			<u>5,300</u>	
<u>DEPARTMENT OF EDUCATION</u>				
Impact Aid	84.041		1,580,925	100-118
Indian Education Grants to Local Education Agencies	84.060		194,217	205
Passed through State Department of Education				
Title I Grants to Local Education Agencies				
No Child Left Behind	84.010	28148	948,417	203
		25268	294,675	203
		28321	42,238	211
School Improvement Grants		28322	44,329	211
		25644	8,500	211
		26900	5,000	211
		27170	19,681	211
Special Education - Grants to States				
	84.027	28467	30,742	213
		27263	3,219	213
		31282	3	213
		23605	33,752	213
		26706	471,093	213
		27899	2,930	213
		29793	2,652	213
		27649	900	213

JEFFERSON COUNTY SCHOOL DISTRICT 509-J
Jefferson County, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

Federal Grantor and Pass Through Agency/Program Title	CFDA Number	Pass Through Agency Number	Federal Expenditures	District Fund
Special Education - Preschool Grant	84.173	26285	2	213
Special Education - Preschool Grant	84.173	26286	7,532	213
Title VI Rural Education	84.358	29928	21,799	258
		26101	36,867	258
Title III English Language Acquisition Grant	84.365	30017	131,135	216
		25132	15,847	216
Title II-A Improving Teacher Quality State Grants	84.367	28664	48,203	261
		25494	56,959	261
Educational Technical Assistance Act	84.384	28038	5,000	261
Title 1-A School Improvement Grants	84.377	28055	1,013,676	214
		24909	110,998	214
		24902	13,844	208
Passed through ESDs				
Education of Migratory Children	84.011		10,488	216
Perkins	84.048		939	100
McKinney-Vento Homeless Assistance Act	84.196		10,854	226
TOTAL DEPARTMENT OF EDUCATION			<u>5,167,417</u>	
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through Oregon Employment Department				
Child Care and Development Grant Discretionary	93.575	115006	9,069	232
Quality Improvement Grant	84.412A		1,000	232
Passed through Oregon Children, Adults and Families	93.667		<u>142,560</u>	223
TOTAL DEPT OF HEALTH AND HUMAN SERVICES			<u>152,630</u>	
TOTALS			<u>\$ 7,040,767</u>	
Passed through to Crook County - \$45,607.57 and Heart of Oregon - \$23,670.92				
Passed through to Black Butte School District - \$3,224.85				