

**CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66**  
**LANE COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**



12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

FINANCIAL REPORT  
For the Year Ended June 30, 2020

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CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

BOARD OF EDUCATION AS OF JUNE 30, 2020

<u>NAME</u>	<u>TERM EXPIRES</u>
Jeff Ramp, Chair	June 30, 2021
Dean Livelybrooks	June 30, 2021
Troy Jentzsch	June 30, 2021
Crystal Nevins	June 30, 2023
Doug Perry	June 30, 2023

All board members receive mail at the address below:

ADMINISTRATION

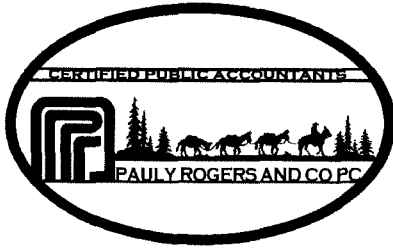
Aaron Brown, Superintendent  
David Standridge, Business Manager  
85955 Territorial Road  
Eugene, Oregon 97402

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LANE COUNTY, OREGON  
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**PAULY, ROGERS, AND CO., P.C.**  
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(503) 620-2632 (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

December 28, 2020

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Crow-Applegate-Lorane School District No. 66  
Lane County, Oregon

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Crow-Applegate-Lorane School District No. 66 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

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

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

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

**Opinions**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Crow-Applegate-Lorane School District No. 66, as of June 30, 2020, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the schedules of net pension liability and contributions for PERS, the schedule of changes in total OPEB liability and related ratios for Health insurance and stipends or management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Supplementary Information*

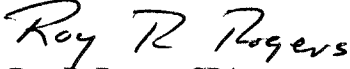
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying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

### *Other Information*

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

## **Report on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 28, 2020, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

  
Roy R. Rogers, CPA  
PAULY, ROGERS AND CO., P.C.

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**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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As management of the Crow-Applegate-Lorane School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020.

### **FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the district has a net position of \$2,430,778 on June 30, 2020. Included in this amount is \$4,320,238 in capital assets, \$176,283 restricted for specific operations/activities and an negative unrestricted balance of \$2,065,743.
- PERS related financial information is included on the district's *Statement of Net Position*. The *Statement* includes an entry for the district's proportionate share of the PERS system's overall unfunded liability. This has a material impact on the entity-wide *Statement* by reducing the Unrestricted Net Position by \$3,235,094. It has also inflated the expenses on the *Statement of Activities* by \$665,244.

These entries only affect the entity-wide *Statement of Net Position* (page 4) and the *Statement of Activities* (page 5). This does not affect the financial statements that are prepared on a budgetary basis and will not affect how the district budgets moving forward.

- Of the \$4,834,732 in governmental fund revenue, the general fund represents 85% of the total. The general fund's ending fund balance is \$629,552, which is a \$289,823 increase from the prior year.
- The General Fund received \$4,126,964 in revenue in 2019-20. The revenues that make up the State School Fund formula dollars represented 91% of the total. The Local Option Levy was 6% of the total and the remaining 3% was from other sources.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

#### **Government-Wide Financial Statements**

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

**Statement of Net Position** The *Statement of Net Position* presents information on all of the assets and liabilities of the District as of June 30, 2020. Net Position is the balance remaining after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases

**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

In the government-wide financial statements, the District's activities are aggregated into the single category of *governmental activities*. All of the District's basic functions are shown here, such as regular programs, special programs, student support services, etc. These activities are primarily financed through property taxes, Oregon's State School Fund and other local revenues.

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

**Fund Financial Statements**

The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements. To be considered a major fund, the fund's assets, liabilities, revenue or expenses must be at least 10 percent of the total of all funds.

**Governmental Funds** The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike government-wide financial statements, however, 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.

Since 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. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditure and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditure and Changes in Fund Balances for the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund, which are considered to be major funds.

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

**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**Notes to the Basic Financial Statements** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10-32 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

<b>Summary Statement of Net Position</b>		
	<b>June 30, 2019</b>	<b>June 30, 2020</b>
<b>Assets</b>		
Current Assets	\$ 2,682,543	\$ 2,060,240
Capital Assets	7,871,093	8,471,634
Total Assets	10,553,636	10,531,874
<b>Deferred Outflows of Resources</b>		
Pension Related Deferrals	1,662,785	1,825,642
<b>Total Assets and Pension Deferrals</b>	<b>\$ 12,216,421</b>	<b>\$ 12,357,516</b>
<b>Liabilities</b>		
Current Liabilities	885,095	564,573
Long-Term Debt	4,169,386	4,032,005
Net Pension Liability	3,796,686	4,735,417
OPEB Liability	284,358	269,424
Total Liabilities	9,135,525	9,601,419
<b>Deferred Inflows of Resources</b>		
Net Pension Related Deferrals	435,949	325,319
<b>Total Liabilities and Pension Deferrals</b>	<b>\$ 9,571,474</b>	<b>\$ 9,926,738</b>
<b>Net Position</b>		
Invested in Capital Assets, net of related debt	3,597,673	4,320,238
Restricted	137,920	176,283
Unrestricted	-1,090,646	-2,065,743
<b>Total Net Position</b>	<b>\$ 2,644,947</b>	<b>\$ 2,430,778</b>

Following are the significant variances when comparing the June 30, 2019 and the June 30, 2020 Statements of Net Position:

- Current Assets: There was a \$675,937 net decrease in the cash balance. The primary factor is the expenditure of bond funds that were carried over from the prior year.
- Non-Current Assets: There was continued progress on the school construction projects which increased the Construction in Progress balance.

**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

- Current Liabilities: There was a large retainage balance payable to the construction contractors at the end of 2018-19. The balance was paid in 2019-20 which decreased the year end liability balance.
- The most recent valuation of the PERS system resulted in a change to the system wide unfunded liability and the related Outflows and Inflows of Resources. The entries related to the district's proportionate share are reflected in the chart. If the PERS and OPEB entries were excluded, the district would have a net position of \$5,935,296.

<b>Statement of Activities</b>		
	<u>June 30, 2019</u>	<u>June 30, 2020</u>
<b>Revenues:</b>		
Program Revenues:		
Charges for Service	\$ 67,701	\$ 42,710
Operating Grants & Contributions	3,892,479	312,617
General Revenues:		
Property Taxes	1,680,736	1,764,565
State Support	2,293,253	2,527,614
Unrestricted Federal Income	9,321	9,200
Unrestricted Intermediate/Local Sources	68,375	138,742
Sale of Capital Assets	1,650	0
Earnings on Investments	110,091	45,786
Total Revenue	<u>8,123,606</u>	<u>4,841,234</u>
<b>Expenses:</b>		
Instruction	2,484,113	2,656,690
Support Services	1,906,697	2,051,119
Community Services	209,009	218,527
Interest Expense	138,293	129,067
Total Expenses	<u>4,738,112</u>	<u>5,055,403</u>
Change in Net Position	3,385,494	-214,169
Net Position – beginning	-740,547	2,644,947
Net Position – ending	<u>\$ 2,644,947</u>	<u>\$ 2,430,778</u>

Following are the significant variances when comparing the June 30, 2019 and the June 30, 2020 Statements of Activities:

- Charges for Service: Revenues for Athletics and Food Service were much less as a result of the schools being closed due to Covid-19.
- Operating Grants: The district received an OSCIM matching grant for the capital projects funded by the general obligation bonds in 2018-19.
- State Support: There was a \$151,969 increase in the revenue received for state timber sales.

**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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- **Intermediate/Local Revenue:** There were insurance proceeds for a building fire, rebates for the construction projects and donations for the auto shop program.
- **Earnings on Investment:** There were fewer bond funds available with the increased construction activity and the interest rate also declined 53% during the year.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS - BUDGETARY BASIS**

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

**Governmental Funds**

The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year.

*General Fund* - The General Fund is the chief operating fund of the District. As of June 30, 2020, the fund balance was \$629,552. This represents an increase of \$289,823 from the prior year's financial statement. This fund balance ratio is 15.3% compared to the annual operating revenues.

*Special Revenue Funds* - These funds include the Grants, Athletics, Food Service, Student Activity, Auto Shop, Bus Replacement and Scholarship Funds. The combined fund balance for all of these funds increased \$38,504. The ending fund balance is now \$144,020 and primarily resides in the Student Activity Fund (\$45,458), Scholarship Fund (\$49,990) and Bus Replacement fund (\$37,294).

*Debt Service Fund* - The District uses this fund to account for the repayment of the 2017 general obligation bonds issued to fund capital improvements to the elementary and high school. On a budgetary basis, the year ended with a fund balance of \$33,150.

*Capital Projects Fund* – The district issued \$3,950,000 in general obligation bonds in 2017 to fund capital improvements to the elementary and high school. The district also received state matching grant funds in 2018-19. The majority of the construction occurred in 2018-19, but there was continued activity into 2019-20. This activity reduced the fund balance by \$621,259.

**BUDGETARY ANALYSIS**

The district did not alter the budget in 2019-20. While there were some budgetary savings due to COVID-19 school closure, they were not significant overall. Staff were paid during the closure, but there were some savings in the areas of Athletics, food service costs, substitutes and supplies because of the reduction in on-site student activities.



**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**CAPITAL ASSETS**

**Capital Assets** The District's investment in capital assets includes land, buildings/improvements, vehicles and equipment. As of June 30, 2020, the District had invested \$8,471,634 in capital assets, net of depreciation, as shown on the table below. While there was substantial progress made on the bond funded capital improvement projects at the two schools, the projects were not completed before the end of the fiscal year. The net decreases in the other categories are due to depreciation.

<b>Capital Assets (net of depreciation)</b>		
	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Land	\$ 116,120	\$ 116,120
Construction in Progress	7,109,319	7,756,775
Buildings and Improvements	273,705	267,900
Vehicles and Equipment	371,949	330,839
Total	<u>\$ 7,871,093</u>	<u>\$ 8,471,634</u>

**REQUESTS FOR INFORMATION**

This financial report is designed to present the user (citizens, taxpayers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Director of Business Services at 1200 Highway 99N, Eugene, OR 97402.

*Dave Standridge*  
Director of Business Services  
Crow-Applegate-Lorane School District

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

STATEMENT OF NET POSITION  
June 30, 2020

	Governmental Activities
<b>Assets</b>	
Current Assets	
Cash and Investments	\$ 1,842,473
Accounts Receivable	147,879
Property Tax Receivables	65,996
Inventory of Supplies	3,892
Total Current Assets	2,060,240
Non-Current Assets	
Capital Assets, Net:	
Land and CIP	7,872,895
Buildings and Improvements	267,900
Equipment	330,839
Total Non-Current Assets	8,471,634
Total Assets	10,531,874
Deferred Outflows of Resources	
Pension Related Deferrals - PERS	1,825,642
<b>TOTAL ASSETS AND PENSION RELATED DEFERRALS</b>	<b>12,357,516</b>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	93,381
Payroll Liabilities Payable	205,228
Deposits Payable	511
Accrued Interest	6,063
Unearned Revenue	140,000
Long-Term Debt Due within One Year	119,390
Total Current Liabilities	564,573
Non-Current Liabilities	
Net Pension Liability - PERS	4,735,417
OPEB Liability - Stipends	33,983
OPEB Liability - Health Insurance	235,441
Long-Term Debt Due in More than One Year	4,032,005
Total Liabilities	9,601,419
Deferred Inflows of Resources	
Pension Related Deferrals - PERS	325,319
<b>TOTAL LIABILITIES AND PENSION RELATED DEFERRALS</b>	<b>9,926,738</b>
<b>Net Position</b>	
Net Investment in Capital Assets	\$4,320,238
Restricted	
Special Revenue	143,133
Debt Service	33,150
Unrestricted	(2,065,743)
Total Net Position	<b>\$2,430,778</b>

See accompanying notes to the basic financial statements.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Instruction	\$ 2,656,690	\$ 17,288	\$ 202,388	\$ (2,437,014)
Support Services	2,051,119	996	29,497	(2,020,626)
Community Services	218,527	24,426	80,732	(113,369)
Interest Expense	129,067	-	-	(129,067)
Total Governmental Activities	<u>\$ 5,055,403</u>	<u>\$ 42,710</u>	<u>\$ 312,617</u>	<u>(4,700,076)</u>
General Revenues				
				1,515,721
				248,844
				2,527,614
				138,742
				9,200
				-
				<u>45,786</u>
Total General Revenues				<u>4,485,907</u>
Change in Net Position				(214,169)
Beginning Net Position				<u>2,644,947</u>
Net Position End of Year				<u>\$ 2,430,778</u>

See accompanying notes to the basic financial statements.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

BALANCE SHEET – GOVERNMENTAL FUNDS  
June 30, 2020

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
<b>ASSETS:</b>					
Cash and Investments	\$ 905,808	\$ 143,509	\$ 32,033	\$ 761,123	\$ 1,842,473
Receivables:					
Taxes	57,864	-	8,132	-	65,996
Accounts	12,979	134,900	-	-	147,879
Due From Other Funds	135,227	-	-	-	135,227
Supply Inventory	3,005	887	-	-	3,892
<b>Total Assets</b>	<b>\$ 1,114,883</b>	<b>\$ 279,296</b>	<b>40,165</b>	<b>\$ 761,123</b>	<b>\$ 2,195,467</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 88,060	\$ 49	-	\$ 5,272	\$ 93,381
Payroll Liabilities	205,228	-	-	-	205,228
Deposits Payable	511	-	-	-	511
Due To Other Funds	-	135,227	-	-	135,227
<b>Total Liabilities</b>	<b>293,799</b>	<b>135,276</b>	<b>-</b>	<b>5,272</b>	<b>434,347</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue -					
Property Taxes	51,532	-	7,015	-	58,547
State School Fund Adjustment	140,000	-	-	-	140,000
<b>Total Deferred Inflows of Resources</b>	<b>191,532</b>	<b>-</b>	<b>7,015</b>	<b>-</b>	<b>198,547</b>
<b>Fund Balances:</b>					
Non-spendable	3,005	887	-	-	3,892
Restricted	-	143,133	33,150	-	176,283
Assigned	-	-	-	755,851	755,851
Unassigned	626,547	-	-	-	626,547
<b>Total Fund Balances</b>	<b>629,552</b>	<b>144,020</b>	<b>33,150</b>	<b>755,851</b>	<b>1,562,573</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,114,883</b>	<b>\$ 279,296</b>	<b>\$ 40,165</b>	<b>\$ 761,123</b>	<b>\$ 2,195,467</b>

See accompanying notes to the basic financial statements.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

Reconciliation of Governmental Funds  
Balance Sheet to Statement of Net Position

June 30, 2020

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Total Fund Balances	\$ 1,562,573
Amounts reported for governmental activities in the Statement of Net Position are different because:	
The net PERS pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.	(4,735,417)
Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.	
Deferred Outflows - PERS	1,825,642
Deferred Inflows - PERS	(325,319)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	
Capital Assets, net	8,471,634
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unearned in the funds.	58,547
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.	
OPEB Liability - Stipends	(33,983)
OPEB Liability - Health Insurance	(235,441)
Loans Payable	(4,151,395)
Accrued Interest	(6,063)
Total Net Position	<u>\$ 2,430,778</u>

See accompanying notes to the basic financial statements.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2020

	GENERAL	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
<b>REVENUES:</b>					
From Local Sources	\$ 1,607,048	\$ 79,348	\$ 237,909	\$ 55,349	\$ 1,979,654
From Intermediate Sources	9,190	-	-	-	9,190
From State Sources	2,501,527	106,917	-	-	2,608,444
From Federal Sources	9,199	228,245	-	-	237,444
<b>Total Revenues</b>	<b>4,126,964</b>	<b>414,510</b>	<b>237,909</b>	<b>55,349</b>	<b>4,834,732</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Instruction	1,986,234	277,501	-	-	2,263,735
Support Services	1,688,278	55,745	-	17,616	1,761,639
Enterprise and Community Services	-	186,201	-	-	186,201
Debt Service	13,188	-	238,050	-	251,238
Capital Outlay	-	-	-	664,992	664,992
<b>Total Expenditures</b>	<b>3,687,700</b>	<b>519,447</b>	<b>238,050</b>	<b>682,608</b>	<b>5,127,805</b>
Excess of Revenues Over, (Under) Expenditures	439,264	(104,937)	(141)	(627,259)	(293,073)
<b>Other Financing Sources, (Uses)</b>					
Sale of Capital Assets	-	-	-	-	-
Transfers In	-	143,441	-	6,000	149,441
Transfers Out	(149,441)	-	-	-	(149,441)
<b>Total Other Financing Sources, (Uses)</b>	<b>(149,441)</b>	<b>143,441</b>	<b>-</b>	<b>6,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>289,823</b>	<b>38,504</b>	<b>(141)</b>	<b>(621,259)</b>	<b>(293,073)</b>
<b>Beginning Fund Balance</b>	<b>339,729</b>	<b>105,516</b>	<b>33,291</b>	<b>1,377,110</b>	<b>1,855,646</b>
<b>Ending Fund Balance</b>	<b>\$ 629,552</b>	<b>\$ 144,020</b>	<b>\$ 33,150</b>	<b>\$ 755,851</b>	<b>\$ 1,562,573</b>

See accompanying notes to the basic financial statements.



CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities

For the Year Ended June 30, 2020

Net Change in Fund Balance	\$	(293,073)
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Amounts reported for governmental activities in the Statement of Activities are different because:

The PERS pension expense represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.		(665,244)
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Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital asset additions	\$ 681,728		
Depreciation expense	<u>(81,187)</u>		600,541

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

Payments made on Long Term Debt (net)	\$ 122,025		
OPEB Liability - Stipends (change from prior year)	3,826		
OPEB Liability - Health Insurance (change from prior year)	11,108		
Net change in Accrued Interest	<u>146</u>		137,105

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred revenue. They are, however, recorded as revenues in the Statement of Activities.

6,502

Change in Net Position	\$	<u>(214,169)</u>
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See accompanying notes to the basic financial statements.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Basic Financial Statements of Crow-Applegate-Lorane District No. 66 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. THE FINANCIAL REPORTING DISTRICT

The District is a municipal corporation organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a Board of Directors (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by accounting principles generally accepted in the United States of America, all activities have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental entities and special service districts which provide services 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, as defined by the Governmental Accounting Standards Board (GASB) Statement 61, or included in these basic financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND PRESENTATION

Government Wide Financial Statements (GWFS)

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

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

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

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

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

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

Governmental Fund Types

Governmental funds are used to account for the general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Expenditures generally are recorded when a liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, pension costs, OPEB costs, and certain compensated absences which are not recognized as expenditures because they will not be liquidated with expendable financial resources.

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

There are the following major governmental funds:

General Fund

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

Special Revenue Fund

The principal sources of revenue are grants from governmental agencies. The primary expenditures are salaries and supplies specifically requested with the grant application. The Student Body money is included in this fund.

Debt Service Fund

This fund accounts for activities related to the repayment of debt, primarily issued in the form of bonds, used to fund construction and acquisitions of facilities. The primary sources of revenue are bonds levied via local property taxes.

Capital Projects Fund

This fund accounts for activities related to the acquisition, construction, equipping and furnishing of facilities.

Interfund Transfers

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

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property Taxes

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

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

Grants

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

Inventories of Supplies

The estimated cost of supplies held for school operation at year end is based on estimated current cost. Differences between beginning and ending inventory balances are charged to expense in the government-wide financial statements. Inventory is expensed when purchased in the fund statements.

Capital Assets

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

Buildings and Improvements	7 to 50 years
Equipment and Vehicles	5 to 15 years

Use of Estimates

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

Long-Term Obligations

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position.

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Retirement Plans

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

Accrued Compensated Absences

It was policy to permit employees to accumulate earned but unused vacation pay benefits until fiscal year 2013-14 when all accrued vacation balances were paid out by the District. The District no longer permits employees to accumulate earned but unused vacation pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service.

Net Position

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

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

Restricted – consists of external constraints placed on assets used by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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

When disbursements are paid for purposes in which both restricted and unrestricted net position is available, the District deems restricted net position to be spent first.

Deferred Outflows/Inflows of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2020, there were deferred outflows representing PERS pension related deferrals in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which qualify for reporting in this category. The first, unavailable revenue, is in the governmental funds balance sheet for property taxes and state overpayments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At June 30, 2020, there also were deferred inflows representing PERS pension related deferrals in the Statement of Net Position.

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance

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

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

The governing body has approved the following order of spending regarding fund balance categories: restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable) and assigned and then unassigned. There were no committed fund balances as of June 30, 2020.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which the services are consumed. There were no prepaid items at June 30, 2020.

Cash and Investments

Oregon Revised Statutes authorize investing in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, commercial paper, banker's acceptance guaranteed by a qualified financial institution, repurchase agreements, interest-bearing bonds of any District, county, port or District in Oregon (subject to specific standards) and the state local government investment pool, among others.

Investments are carried at amortized cost, which approximates fair value. During the year, the investments included obligations of the U.S. Treasury, its agencies and instrumentalities, deposits in financial institutions and the State Treasurer's investment pool, all of which are authorized by Oregon law.

The District is required by Oregon law to insure its deposits with financial institutions through federal depository insurance funds coverage or participation in institution collateral pools that insure public deposits.



NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and Investments (continued)

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

C. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

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

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

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

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

A budget is prepared and legally adopted for each governmental fund in accordance with Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States of America except the property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, capital outlay is recorded as an expenditure rather than capitalized, debt service, accrued vacation pay and post-employment benefits are expensed when paid instead of when incurred, pension costs are not recorded until paid, and depreciation is not recorded on capital assets.

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

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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

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

Expenditures of the various funds were within authorized appropriations.

3. CASH AND CASH EQUIVALENTS

A. DEPOSITS

Cash and Investments at June 30, 2020, (recorded at fair value) consisted of:

Deposits with Financial Institutions	
Demand Deposits	
Checking	\$ 192,473
Investments	<u>1,650,000</u>
Total	<u>\$ 1,842,473</u>

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements at June 30, 2020 was \$206,214, all of which was covered by federal depository insurance.

B. INVESTMENTS

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

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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3. CASH AND CASH EQUIVALENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

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

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

There were the following investments and maturities at June 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-18</u>	<u>18-59</u>
State Treasurer's Investment Pool	<u>\$ 1,650,000</u>	<u>\$ 1,650,000</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 1,650,000</u>	<u>\$ 1,650,000</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk – Investments

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

Interest Rate Risk – Investments

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

Concentration of Credit Risk

At June 30, 2020, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

4. RECEIVABLES

Receivables at June 30, 2020 consisted of the following:

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

Management believes that all receivables are collectible; therefore, no allowance for doubtful accounts is considered necessary.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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5. CAPITAL ASSETS

The changes in capital assets for governmental activities for the fiscal year ended June 30, 2020 are as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2020</u>
Non-Depreciable			
Land	\$ 116,120	\$ -	\$ 116,120
Construction in Progress	7,109,319	647,456	7,756,775
Depreciable			
Buildings and Improvements	1,905,448	17,616	1,923,064
Equipment and Vehicles	1,005,897	16,656	1,022,553
Total Capital Assets	<u>10,136,784</u>	<u>681,728</u>	<u>10,818,512</u>
Accumulated Depreciation			
Buildings and Improvements	1,631,743	23,421	1,655,164
Equipment and Vehicles	633,948	57,766	691,714
Total Accumulated Depreciation	<u>2,265,691</u>	<u>81,187</u>	<u>2,346,878</u>
Government Activities:			
Capital Assets, net	<u>\$ 7,871,093</u>		<u>\$ 8,471,634</u>

Depreciation was charged to the following functions:

Instruction	\$ 43,639
Support Services	33,959
Enterprise and community Services	<u>3,589</u>
Total	<u>\$ 81,187</u>

There were no deletions for 2019-20.

6. LONG-TERM OBLIGATIONS

In October 2014, the District entered into a fifteen year loan agreement with the State of Oregon Department of Energy for a principal amount of \$151,157 with an interest rate of 3.75%.

In February 2017, the District issued twenty year General Obligation Bonds, Series 2017. The Bonds are being issued to finance capital costs for the District and to pay the costs of issuance of the Bonds for a principal amount of \$3,950,000 with an interest rate of 2.00 – 4.00%, and premium amount of \$359,814.

In the event of default, the lender of the Energy loan reserves the right to act in any of the following manners: Cease to make any further disbursements, accelerate the maturity date, foreclose lenders lien against the collateral, settle any liens on the project required to be paid by Borrower using any undisbursed loan proceeds and additional money as may be required, and no remedy shall be considered exclusive. There are no other significant default or termination clauses requiring disclosure under GASB 88.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Long-Term Obligations for the year ended June 30, 2020 is as follows:

	Interest Rates	Original Issue	Outstanding 7/1/19	Matured and Redeemed	Outstanding 6/30/20	Due Within One Year
<b><u>Bonds Payable</u></b>						
Go Bonds 2017	2.0-4.0%	3,950,000	3,835,000	95,000	3,740,000	110,000
<b><u>Direct Borrowings</u></b>						
Energy Loan 2014	3.75%	\$ 151,157	\$ 114,588	\$ 9,034	\$ 105,554	\$ 9,390
<b><u>Premium related to Bonds</u></b>						
Premium		359,814	323,832	17,991	305,841	-
			<u>\$ 4,273,420</u>	<u>\$ 122,025</u>	<u>\$ 4,151,395</u>	<u>\$ 119,390</u>

Annual debt service requirements to maturity are as follows:

For the Fiscal Year Ended June 30:	2014 Energy Loan		2017 GO Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 9,390	\$ 3,798	\$ 110,000	\$ 140,200	\$ 119,390	\$ 143,998
2022	9,748	3,440	120,000	136,900	129,748	140,340
2023	10,120	3,068	130,000	133,300	140,120	136,368
2024	10,499	2,689	140,000	129,400	150,499	132,089
2025	10,906	2,282	150,000	126,600	160,906	128,882
2026-2030	54,891	4,889	965,000	547,000	1,019,891	551,889
2031-2035	-	-	1,410,000	320,200	1,410,000	320,200
2036-2037	-	-	715,000	43,400	715,000	43,400
Total	<u>\$ 105,554</u>	<u>\$ 20,166</u>	<u>\$ 3,740,000</u>	<u>\$ 1,577,000</u>	<u>\$ 3,845,554</u>	<u>\$ 1,597,166</u>

**7. INTERFUND RECEIVABLE/PAYABLE AND INTERFUND TRANSFERS**

Due to/from other funds at June 30, 2020 and transfers in and out for the year then ended are as follows:

	Due From Other Funds	Due to Other Funds	Transfers In	Transfers Out
General Fund	\$ 135,227	\$ -	\$ -	\$ 149,441
Special Revenue Fund	-	135,227	143,441	-
Capital Projects Fund	-	-	6,000	-
	<u>\$ 135,227</u>	<u>\$ 135,227</u>	<u>\$ 149,441</u>	<u>\$ 149,441</u>

Transfers were made to fund operations, and the interfund receivables/payables are used as a pooling of cash between various funds.

NOTES TO BASIC FINANCIAL STATEMENTS

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8. DEFINED BENEFIT PENSION - PERS

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

NOTES TO BASIC FINANCIAL STATEMENTS

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8. DEFINED BENEFIT PENSION – PERS (CONTINUED)

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:  
*Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.  
*General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.  
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
  - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
  - iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**Contributions** – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2020 were \$558,212 excluding amounts to fund employer specific liabilities. In addition, approximately \$90,715 in employee contributions were paid or picked up by the District in 2019-2020.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**8. DEFINED BENEFIT PENSION – PERS (CONTINUED)**

**Pension Asset or Liability** – At June 30, 2020, the District reported a net pension liability of \$4,735,417 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2017. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2019 and 2018, the District’s proportion was .027 percent and .025 percent, respectively. Pension expense for the year ended June 30, 2020 was \$665,244.

The rates in effect for the year ended June 30, 2020 were:

- (1) Tier 1/Tier 2 – 32.03%
- (2) OPSRP general services – 26.58%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 261,144	\$ -
Changes in assumptions	642,413	-
Net difference between projected and actual earnings on pension plan investments	-	134,244
Net changes in proportionate share	220,179	168,984
Differences between District contributions and proportionate share of contributions	143,694	22,091
Subtotal - Amortized Deferrals (below)	1,267,430	325,319
District contributions subsequent to measuring date	558,212	-
Deferred outflow (inflow) of resources	\$ 1,825,642	\$ 325,319

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2021.

Subtotal amounts related to pension as deferred outflows of resources, \$1,267,430, and deferred inflows of resources, (\$325,319), net to \$942,111 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2021	473,161
2022	98,833
2023	190,905
2024	161,238
2025	17,974
Thereafter	-
Total	\$ 942,111

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2020. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>



CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**8. DEFINED BENEFIT PENSION – PERS (CONTINUED)**

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

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

**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2017 rolled forward to June 30, 2019
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION – PERS (CONTINUED)

**Assumed Asset Allocation:**

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

*Source: June 30, 2019 PERS CAFR; p. 100*

**Long-Term Expected Rate of Return:** To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

*Source: June 30, 2019 PERS CAFR; p. 74*

NOTES TO BASIC FINANCIAL STATEMENTS

**8. DEFINED BENEFIT PENSION – PERS (CONTINUED)**

**Discount Rate** – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2019 and 2018 was 7.20 percent for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability (asset)	\$ 7,583,350	\$ 4,735,417	\$ 2,352,089

**Changes Subsequent to the Measurement Date**

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

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

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

NOTES TO BASIC FINANCIAL STATEMENTS

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8. DEFINED BENEFIT PENSION – PERS (CONTINUED)

*Pension Benefits:*

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

*Death Benefits:*

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

*Contributions:*

Employees of the District pay six (6) percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2020.

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

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

9. OTHER POST-EMPLOYMENT BENEFIT PLAN - RHIA

*Plan Description:*

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

*Funding Policy:*

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

NOTES TO BASIC FINANCIAL STATEMENTS

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9. OTHER POST-EMPLOYMENT BENEFIT PLAN – RHIA (CONTINUED)

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the year ended June 30, 2020 were not considered material to the basic financial statements by management.

At June 30, 2020, the District's net OPEB liability/(asset) and deferred inflows and outflows for RHIA were not considered material to the basic financial statements by management and were not accrued in the government wide statements.

10. OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE

Plan Description

The District maintains a single employer retiree benefit plan that provides post-employment health, dental, vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. The plan does not issue separate basic financial statements.

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

The District reports Other Postemployment Benefits under GASB Statement No.75. This allows the district to report its liability for other post-employment benefits consistent with newly 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.

**Annual OPEB Cost and Total OPEB Liability** – The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 34.

**Actuarial Methods and Assumptions** – The Total OPEB Liability for the current year was determined as part of the June 30, 2019 actuarial valuation using the entry age normal method. Actuarial valuations of 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 mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 3.50% compounded annually; (b) no future increase in benefit payable from this program; (c) a general inflation rate of 2.50% per year, and (d) post-retirement benefit increases and a payroll increase of 3.50%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year. The present value of benefits accrued as of the valuation date is called the accrued liability.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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10. OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE (CONTINUED)

**Funding Status and Funding Progress** – As of June 30, 2020, the plan was 0% funded. The actuarial accrued liability for benefits was \$235,441, and the actuarial value of assets was \$0. Estimated covered payroll was \$2,031,976.

At June 30, 2019, the following employees were covered by the benefit terms:

Number of Active Participants	47
Number of Retirees	<u>1</u>
Total Number of Participants	<u><u>48</u></u>

**Total OPEB Liability** – The District’s total OPEB liability for Health Insurance of \$235,441 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2019.

	<u>Total OPEB Liability</u>
Total OPEB Liability Balance 7/1/2019	<u>\$ 246,549</u>
Changes for the Year:	
Service Cost	4,882
Interest	8,206
Changes of benefit terms	-
Differences of Assumptions or other input	-
Benefit payments	<u>(24,196)</u>
Net Change in total OPEB Liability	<u>(11,108)</u>
Total OPEB Liability Balance 6/30/20	<u><u>\$ 235,441</u></u>

**Actuarial Assumptions and Other Inputs** – The District’s total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
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NOTES TO BASIC FINANCIAL STATEMENTS

**10. OTHER POST EMPLOYMENT BENEFITS – HEALTH INSURANCE (CONTINUED)**

**Actuarial assumptions:**

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Investment return assumption (Interest discount)	The 3.50% investment return assumption is the June 30, 2019 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer
Plan participation	100% assumed will elect coverage at retirement if eligible for District paid insurance; 35% assumed if only eligible for self-pay insurance
Medical Premiums annual trend rate	3.4% for all future years
Dental Premiums annual trend rate	3.0% for all future years
Inflation rate	2.5% for all future years
Annual salary rate increase	3.5% for all future years
Beginning in 2018 a 40% excise tax will be imposed under the affordable care act on employers if the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan.	

**Sensitivity of the total OPEB Liability to changes in discount rate** – the following presents the total OPEB liability of the District, as well as what the District’s total OPEB Liability would be if it were calculated using a discount rate 1 percentage point higher and lower than the current rate.

	1% Decrease	Discount Rate	1% Increase
	2.50%	3.50%	4.50%
Total OPEB Liability on June 30, 2020	\$ 246,182	\$ 235,441	\$ 225,292

**Sensitivity of the total OPEB Liability to changes in the healthcare cost trend rates** – the following presents the total OPEB liability of the District, as well as what the District’s total OPEB Liability would be if it were calculated using health care cost trend rates that are 1 percentage point higher and lower than the current healthcare cost trend rates.

	1% Decrease	Current Healthcare Trend Rates	1% Increase
Total OPEB Liability on June 30, 2020	\$ 220,971	\$ 235,441	\$ 251,792

**OPEB Expense and Deferred Inflows of Resources Related to OPEB for Health Insurance**

For the year ended June 30, 2020, the District recognized OPEB income of \$11,108 in the government wide Statement of Activities. At June 30, 2020, there were no deferred outflows or deferred inflows of resources related to OPEB for Health Insurance.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST EMPLOYMENT BENEFITS - STIPENDS (CONTINUED)

Plan Description – Early Retirement (Stipends)

On June 8, 1982, the Board of Directors adopted an early retirement incentive plan for certified employees. Since that time, several revised plans have been adopted. The most recent plan was adopted during the 1994-95 fiscal year. Benefits are available to certified employees who have fifteen years of service with the District immediately prior to retirement and are qualified to retire with full benefits under the Oregon Public Employees Retirement System. Each year, qualified employees are required to notify the District in writing within 120 days of their intention to elect early retirement. In addition, the Board approved a similar contract for a confidential employee. Benefits include monthly stipends ranging from \$300 to \$495 and health insurance. The plan is funded by the General Fund on the pay-as-you-go method. Contributions to the OPEB Stipend Plan for the year ending June 30, 2020 were \$5,940. There is one potential active member in the plan, which is closed to all others.

**Total OPEB Liability** – The District’s total OPEB liability for Stipends of \$33,983 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2019.

	Total OPEB Liability
Total OPEB Liability Balance 7/1/2019	\$ 37,809
Changes for the Year:	
Service Cost	198
Interest	1,231
Changes of benefit terms	-
Differences of Assumptions or other input	-
Benefit payments	(5,255)
Net Change in total OPEB Liability	(3,826)
Total OPEB Liability Balance 6/30/20	\$ 33,983

**Actuarial Methods and Assumptions** – The Total OPEB Liability for the current year was determined as part of the June 30, 2019 actuarial valuation using the entry age normal method. Actuarial valuations of 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 mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 3.50% compounded annually; (b) no future increase in benefit payable from this program; (c) a general inflation rate of 2.5% per year, and (d) post-retirement benefit increases and a payroll increase of 3.5%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The following table shows the sensitivity of the total OPEB liability for the Stipend Plan to changes in discount rates:

		Current		
	1% Decrease	Discount Rate	1% Increase	
	2.50%	3.50%	4.50%	
Total OPEB Liability on June 30, 2020	\$ 34,816	\$ 33,983	\$ 33,174	

For the year ended June 30, 2020, the District recognized OPEB Stipend income of \$3,826. At June 30, 2020, there were no deferred outflows or deferred inflows of resources related to OPEB Stipend.



NOTES TO BASIC FINANCIAL STATEMENTS

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11. PROPERTY TAX LIMITATION

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

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

12. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past three fiscal years.

13. COMMITMENTS AND CONTINGENCIES

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

There is participation in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2020 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts, if any, are expected by management to be immaterial.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. However, the District expects the reduction of economic activity to negatively impact funds received.

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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14. TAX ABATEMENTS

As of June 30, 2020, the District potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2020 for any program covered under GASB 77.

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CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION  
At June 30, 2020

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.03 %	\$ 4,735,417	\$ 2,040,244	232.1 %	80.2 %
2019	0.03	3,796,686	2,063,481	184.0	82.1
2018	0.03	3,564,563	1,976,486	180.3	83.1
2017	0.03	3,986,888	1,680,330	237.3	80.5
2016	0.03	1,791,949	1,548,311	115.7	91.9
2015	0.03	(739,262)	1,599,445	(46.2)	103.6
2014	0.03	1,664,330	1,463,128	113.8	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2020	\$ 558,212	\$ 558,212	\$ -	\$ 1,963,015	28.4 %
2019	445,095	445,095	-	2,040,244	21.8
2018	487,867	487,867	-	2,063,481	23.6
2017	385,536	385,536	-	1,976,486	19.5
2016	350,892	350,892	-	1,680,330	20.9
2015	328,419	328,419	-	1,548,311	21.2
2014	339,692	339,692	-	1,599,445	21.2

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

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

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CROW-APPLGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POST EMPLOYMENT BENEFITS  
June 30, 2020

**OPEB: HEALTH INSURANCE**

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2020	\$ 246,549	\$ 4,882	\$ 8,206	\$ -	\$ -	\$ (24,196)	\$ 235,441	\$ 1,963,262	12%
2019	\$ 253,798	\$ 4,717	\$ 8,524	\$ -	\$ -	\$ (20,490)	\$ 246,549	\$ 1,896,871	13%
2018	-	-	-	-	-	-	253,798	N/A	#VALUE!

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contribution During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2020	\$ 4,882	\$ 4,882	\$ -	\$ 2,031,976	0.24%
2019	\$ 4,717	\$ 4,717	\$ -	\$ 1,963,262	0.24%
2018	\$ N/A	\$ N/A	\$ N/A	\$ 1,896,871	N/A

The above table presents the most recent actuarial valuations for the District's post-retirement pension stipend.

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



CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POST EMPLOYMENT BENEFITS  
June 30, 2020

**OPEB: Stipend**

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2020	\$ 37,809	\$ 198	\$ 1,231	\$ -	\$ -	\$ (5,255)	\$ 33,983	\$ 35,400	96%
2019	\$ 41,585	\$ 191	\$ 1,362	\$ -	\$ -	\$ (5,329)	\$ 37,809	\$ 34,203	111%
2018	-	-	-	-	-	-	41,585	N/A	N/A

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contribution During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2020	\$ 198	\$ 198	\$ -	\$ 36,639	0.54%
2019	\$ 191	\$ 191	\$ -	\$ 35,400	0.54%
2018	\$ N/A	\$ N/A	\$ N/A	\$ 34,203	N/A

The above table presents the most recent actuarial valuations for the District's post-retirement pension stipend.

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

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2020

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 1,555,000	\$ 1,555,000	\$ 1,607,048	\$ 52,048
Intermediate Sources	5,000	5,000	9,190	4,190
State Sources	2,402,000	2,402,000	2,501,527	99,527
Federal Sources	-	-	9,199	9,199
Total Revenues	<u>3,962,000</u>	<u>3,962,000</u>	<u>4,126,964</u>	<u>164,964</u>
<b>EXPENDITURES:</b>				
Instruction	2,052,045	2,052,045 (1)	1,986,234	65,811
Support Services	1,752,368	1,752,368 (1)	1,688,278	64,090
Debt Service	13,200	13,200 (1)	13,188	12
Contingency	357,202	357,202 (1)	-	357,202
Total Expenditures	<u>4,174,815</u>	<u>4,174,815</u>	<u>3,687,700</u>	<u>487,115</u>
Excess of Revenues Over, (Under) Expenditures	<u>(212,815)</u>	<u>(212,815)</u>	<u>439,264</u>	<u>652,079</u>
<b>Other Financing Sources, (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(190,185)	(190,185) (1)	(149,441)	40,744
Total Other Financing Sources, -Uses	<u>(190,185)</u>	<u>(190,185)</u>	<u>(149,441)</u>	<u>40,744</u>
Net Change in Fund Balance	(403,000)	(403,000)	289,823	692,823
Beginning Fund Balance	<u>403,000</u>	<u>403,000</u>	<u>339,729</u>	<u>(63,271)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 629,552</u>	<u>\$ 629,552</u>

(1) Appropriation Level

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2020

<u>SPECIAL REVENUE FUNDS</u>					
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>FEDERAL AND STATE FUND</u>	<u>FOOD SERVICE FUND</u>	<u>ATHLETICS/ ACTIVITIES FUND</u>
<b>REVENUES:</b>					
Local Sources	\$ 103,590	\$ 103,590	\$ 3,541	\$ 24,987	\$ 16,616
State Sources	124,500	124,500	77,391	1,040	-
Federal Sources	365,300	365,300	147,513	80,732	-
<b>Total Revenues</b>	<u>593,390</u>	<u>593,390</u>	<u>228,445</u>	<u>106,759</u>	<u>16,616</u>
<b>EXPENDITURES:</b>					
Instruction	511,541	511,541 (1)	178,923	-	74,006
Support Services	119,484	119,484 (1)	49,522	-	6,223
Enterprise and Community Services	210,950	210,950 (1)	-	186,201	-
Contingency	40,200	40,200 (1)	-	-	-
<b>Total Expenditures</b>	<u>882,175</u>	<u>882,175</u>	<u>228,445</u>	<u>186,201</u>	<u>80,229</u>
Excess of Revenues Over, -Under Expenditures	(288,785)	(288,785)	-	(79,442)	(63,613)
<b>Other Financing Sources,-Uses:</b>					
Sale of Asset	-	-	-	-	-
Transfers In	184,185	184,185	-	79,828 (2)	63,613
<b>Total Other Financing Sources, -Uses</b>	<u>184,185</u>	<u>184,185</u>	<u>-</u>	<u>79,828</u>	<u>63,613</u>
Net Change in Fund Balance	(104,600)	(104,600)	-	386	-
Beginning Fund Balance	104,600	104,600	-	125	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 511</u>	<u>\$ -</u>

(1) Appropriation Level

(2) Included in this transfer from the General Fund is the required state revenue match of \$828 the District must transfer to the Food Service Fund for the National School Lunch Support in order to meet the general cash assistance match.

AUTO SHOP FUND	STUDENT ACTIVITY FUND	EXPENDABLE SCHOLARSHIP FUND	BUS REPLACEMENT FUND	TOTAL	VARIANCE TO FINAL BUDGET
\$ 14,450	\$ 18,674	\$ 1,080	\$ -	\$ 79,348	\$ (24,242)
-	-	-	28,486	106,917	(17,583)
-	-	-	-	228,245	(137,055)
14,450	18,674	1,080	28,486	414,510	(178,880)
3,683	19,889	1,000	-	277,501	234,040
-	-	-	-	55,745	63,739
-	-	-	-	186,201	24,749
-	-	-	-	-	-
3,683	19,889	1,000	-	519,447	362,728
10,767	(1,215)	80	28,486	(104,937)	(541,608)
-	-	-	-	-	-
-	-	-	-	143,441	40,744
-	-	-	-	143,441	40,744
10,767	(1,215)	80	28,486	38,504	183,848
-	46,673	49,910	8,808	105,516	916
<u>\$ 10,767</u>	<u>\$ 45,458</u>	<u>\$ 49,990</u>	<u>\$ 37,294</u>	<u>\$ 144,020</u>	<u>\$ 144,020</u>

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CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2020

DEBT SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 234,000	\$ 234,000	\$ 237,909	\$ 3,909
Total Revenues	<u>234,000</u>	<u>234,000</u>	<u>237,909</u>	<u>3,909</u>
EXPENDITURES:				
Debt Service	239,000	239,000 (1)	238,050	950
Contingency	<u>-</u>	<u>- (1)</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>239,000</u>	<u>239,000</u>	<u>238,050</u>	<u>950</u>
Net Change in Fund Balance	(5,000)	(5,000)	(141)	4,859
Beginning Fund Balance	<u>5,000</u>	<u>5,000</u>	<u>33,291</u>	<u>28,291</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,150</u>	<u>\$ 33,150</u>

(1) Appropriation Level



CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2020

<u>CAPITAL PROJECTS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 6,900	\$ 6,900	\$ 55,349	\$ 48,449
Total Revenues	<u>6,900</u>	<u>6,900</u>	<u>55,349</u>	<u>48,449</u>
<b>EXPENDITURES:</b>				
Support Services	152,000	152,000 (1)	17,616	134,384
Facilities and Acquisition	1,506,900	1,506,900 (1)	664,992	841,908
Contingency	-	- (1)	-	-
Total Expenditures	<u>1,658,900</u>	<u>1,658,900</u>	<u>682,608</u>	<u>976,292</u>
Excess of Revenues Over, (Under) Expenditures	<u>(1,652,000)</u>	<u>(1,652,000)</u>	<u>(627,259)</u>	<u>(1,024,741)</u>
<b>Other Financing Sources, (Uses):</b>				
Transfers In	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total Other Financing Sources, -Uses	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Net Change in Fund Balance	(1,646,000)	(1,646,000)	(621,259)	1,024,741
Beginning Fund Balance	<u>1,646,000</u>	<u>1,646,000</u>	<u>1,377,110</u>	<u>(268,890)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 755,851</u>	<u>\$ 755,851</u>

(1) Appropriation Level

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the Year Ended June 30, 2020

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2019	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2020
<u>GENERAL FUND:</u>						
CURRENT:						
2019-20	\$ 1,562,271	\$ 41,647	\$ (4,403)	\$ 467	\$ 1,486,984	\$ 29,704
PRIOR YEARS:						
2018-19	25,682	(44)	(2,518)	927	11,606	12,529
2017-18	11,294	(9)	(1,283)	830	4,396	6,454
2016-17	6,628	(2)	(1,238)	1,022	3,652	2,762
2015-16	3,075	(1)	(775)	722	2,059	964
Prior	6,640	-	(1,071)	687	805	5,451
Total Prior	53,319	(56)	(6,885)	4,188	22,518	28,160
Total	<u>\$ 1,615,590</u>	<u>\$ 41,591</u>	<u>\$ (11,288)</u>	<u>\$ 4,655</u>	<u>\$ 1,509,502</u>	<u>\$ 57,864</u>
RECONCILIATION OF REVENUE:						GENERAL FUND
Cash Collections by County Treasurer Above						\$ 1,509,502
Accrual of receivables, June 30, 2019						(6,614)
Accrual of receivables, June 30, 2020						6,332
Change from Prior Years unavailable revenue, see page 9						6,502
Taxes in lieu						(1)
Total Receipts						<u>\$ 1,515,721</u>

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
 OF TAXES UNCOLLECTED  
 For the Year Ended June 30, 2020

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2019	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2020
<u>DEBT SERVICE FUND:</u>						
CURRENT:						
2019-20	\$ 251,923	\$ 6,716	\$ (710)	\$ 75	\$ 239,783	\$ 4,789
PRIOR YEARS:						
2018-19	4,501	(8)	(441)	162	2,034	2,196
2017-18	2,006	(2)	(227)	147	781	1,147
2016-17	-	-	-	-	-	-
2015-16	-	-	-	-	-	-
Prior	-	-	-	-	-	-
Total Prior	6,507	(10)	(668)	309	2,815	3,343
Total	<u>\$ 258,430</u>	<u>\$ 6,706</u>	<u>\$ (1,378)</u>	<u>\$ 384</u>	<u>\$ 242,598</u>	<u>\$ 8,132</u>
RECONCILIATION OF REVENUE:						<u>DEBT SERVICE FUND</u>
Cash Collections by County Treasurer Above						\$ 242,598
Accrual of receivables, June 30, 2019						(1,167)
Accrual of receivables, June 30, 2020						1,117
Taxes in lieu						6,296
Total Receipts						<u>\$ 248,844</u>

CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

OTHER INFORMATION

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**CROW-APPEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON**

CROW-APPEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020

<b>Agency/Program Title</b>	<b>Pass Through Organization</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity#</b>	<b>Expenditures</b>
<b>U.S Department of Education</b>				
Title I-A	Oregon Dept of Education	84.010	53245	91,471
ESSA-District Engagement	Oregon Dept of Education	84.010	52062	8,545
ESSA-Partnerships	Oregon Dept of Education	84.010	54296	4,945
				<u>104,961</u>
Carl Perkins	Lane ESD	84.048	ESD2	1,299
Title II-A	Oregon Dept of Education	84.367	49284/53507	16,749
Student Success	Oregon Dept of Education	84.424	54497	376
REAP	U.S. Dept of Education	84.358A	192561	12,465
Youth Transition Program	Lane ESD	84.126A	ESD1	11,663
				<u><b>Total U.S. Department of Education</b></u>
				<u><b>147,513</b></u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
National School Lunch Program Breakfast	Oregon Dept of Education	10.553	2003009	18,310
NSLP Breakfast (CARES ACT)	Oregon Dept of Education	10.553	2003009	12,264
				<u>30,574</u>
National School Lunch Program	Oregon Dept of Education	10.555	2003009	24,695
NSLP Lunch (CARES ACT)	Oregon Dept of Education	10.555	2003009	18,811
Commodity Value	Oregon Dept of Education	10.555	2003009	6,652
				<u>50,158</u>
				<u><b>Total U.S. Department of Agriculture</b></u>
				<u><b>80,732</b></u>
			<b>SEFA Total</b>	<u><b>228,245</b></u>

**Note: Since the total Expenditures of Federal Awards was less than \$750,000 no single audit was required.**

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CROW-APPLEGATE-LORANE SCHOOL DISTRICT NO. 66  
LANE COUNTY, OREGON

Independent Auditors' Report Required by Oregon State Regulations



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**PAULY, ROGERS AND CO., P.C.**  
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December 28, 2020

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of the Crow-Applegate-Lorane School District No. 66 as of and for the year ended June 30, 2020, and have issued our report thereon dated December 28, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### **Compliance**

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

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

1. **Deposit of public funds with financial institutions (ORS Chapter 295)**
2. **Indebtedness limitations, restrictions and repayment.**
3. **Budgets legally required (ORS Chapter 294).**
4. **Insurance and fidelity bonds in force or required by law.**
5. **Authorized investment of surplus funds (ORS Chapter 294).**
6. **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
7. **State school fund factors and calculation.**
8. **Programs funded from outside sources.**

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) One expenditure greater than \$10,000 did not have the required supporting documentation of three different quotes for prospective vendors in accordance with ORS279.

**OAR 162-10-0230 Internal Control**

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

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

  
Roy R. Rogers, CPA  
PAULY, ROGERS AND CO., P.C.