

**Echo School District #5R
Umatilla County, Oregon**

Financial Statements
June 30, 2018

Cockburn & McClintock, LLC
Certified Public Accountants
116 S.E Second St.
P.O. Box 1579
Pendleton, OR 97801

**Echo School District #5R
Umatilla County, Oregon**

**District Officials
June 30, 2018**

<u>Elected Officials:</u>	<u>Address</u>	<u>Term Expires</u>
Delbert Gehrke <i>Board Chair, Position #6</i>	160 Golf Course Road Echo, OR 97826	2019
Jennifer Cox <i>Board Director, Position #5</i>	P.O. Box 211 Echo, OR 97826	2021
Brandy McCarty <i>Board Director, Position #1</i>	27471 McCarty Ranch Rd. Echo, OR 97826	2021
Connie Caplinger <i>Board Director, Position #2</i>	75228 Coppinger Lane Echo, OR 97826	2019
Lloyd Ferge <i>Board Director, Position #3</i>	35638 Reith Road Echo, OR 97826	2019
Heather Madison <i>Board Director, Position #4</i>	28868 Madison Road Echo, OR 97826	2021
Robert Rose <i>Board Vice-Chair, Position #7</i>	P.O. Box 326 Echo, OR 97826	2021

Appointed Officials:

Raymon Smith <i>Superintendent and Clerk</i>	Linda Muller <i>Business Manager and Deputy Clerk</i>
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District Contact Information:

600 Gerone Street
Echo, Oregon 97826
(541) 376-8436
<http://www.echo.k12.or.us/>

**Echo School District #5R
Umatilla County, Oregon**

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FINANCIAL SECTION

Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

CHRISTOPHER J. COCKBURN, CPA
KYLIE M. McCLINTOCK, CPA

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MEMBERSHIPS

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OREGON SOCIETY OF CPA'S
AICPA - PRIVATE COMPANIES PRACTICE SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education and Management
Echo School District #5R
Echo, Oregon 97826

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Echo School District #5R (the District), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1D; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Echo School District #5R as of June 30, 2018, and the respective changes in financial position—modified cash basis and the related budgetary comparison statement for the General Fund, thereof for the fiscal year then ended in accordance with the basis of accounting described in Note 1D.

Basis of Accounting

We draw attention to Note 1D of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis, combining nonmajor fund financial statements, budgetary comparison schedules, and other financial schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Report on Supplementary Information

The combining nonmajor fund financial statements, the budgetary comparison schedules, and other financial schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 combining nonmajor fund financial statements, the budgetary comparison schedules, and the other financial schedules, as listed in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.


Report on Other Information

The management's discussion and analysis has 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 it.

Report on Other Legal and Regulatory Requirements

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated November 30, 2018 on our consideration of the District's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. 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.

Cockburn & McClintock, LLC



Kylie M. McClintock, CPA
Licensed Municipal Auditor

Pendleton, Oregon
November 30, 2018

Other Information:
Management's Discussion and Analysis

**Echo School District #5R
Umatilla County, Oregon
Management's Discussion and Analysis
June 30, 2018**

As management of Echo School District #5R, 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, 2018. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in the District's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The assets of the District exceed its liabilities at the close of the fiscal year by \$8.2 million.
- The District's total net position improved by approximately \$4.1 million. The primary increase is contributed by the bond and grant revenues received for capital projects, as well as an additional basic school support, property tax receipts and investment earnings.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balances of \$3.8 million, a decrease of \$2.5 million from the prior year. The bulk of the change was attributable to spending the bond proceeds for the capital construction projects. Approximately 28% of this total amount, or \$1.6 million, is available for spending at the District's discretion.
- The District completed the construction of their \$8 million dollar remodel/renovation project that started the end of 2016, utilizing \$4 million of Bond funds and \$4 million matching dollars from the Oregon School Facility Program (OSCIM grant). The funds allowed the District to construct a new gymnasium, career & technical art classrooms and shops, a science classroom and lab, a community room and additional classrooms.
- The District received occupancy in August of 2018, just in time to move into the building prior to school starting on August 27th.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$1.1 million, or 32% of total general fund expenditures for the fiscal year.
- The District's total debt obligations decreased by \$269 thousand during the current fiscal year due to the principal payments made to outstanding debt, (PERS, G.O. Refunding Bond and Bus Lease).

OVERVIEW OF THE FINANCIAL STATEMENTS

This management 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) District-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains supplementary information that will enhance the reader's understanding of the financial condition of the District.

The first two statements (Exhibits 1 and 2) in the basic financial statements are the District-wide Financial Statements. They provide both short and long-term information about the District's financial status. The next statements (Exhibits 3 through 6) are Fund Financial Statements. These statements focus on the activities of the individual parts of the District. There are two parts to the Fund Financial Statements: the governmental funds statements and the budgetary comparison statements.

Echo School District #5R
Umatilla County, Oregon
Management's Discussion and Analysis
June 30, 2018

The notes to the financial statements explain in detail some of the data contained in those statements. In addition to the basic financial statements and accompanying notes, the District provides supplementary and required budgetary information.

DISTRICT-WIDE FINANCIAL STATEMENTS – The District-wide financial statements are designed to provide readers with a broad overview of the District's finances, similar in format to financial statements of a private-sector business. The District-wide statements provide short and long-term information about the District's financial status as a whole. These statements include:

- . The Statement of Net Position – The statement of net position presents information on all of the assets and liabilities of the District at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- . The Statement of Activities – The statement of activities presents information showing how the net position of the District changed over the 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.

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

FUND FINANCIAL STATEMENTS – The fund financial statements provide a more detailed look at the District's most significant activities. 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. Echo School District #5R, like other governmental entities in the State of Oregon, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the Oregon Revised Statutes.

Governmental Funds – The governmental funds are used to account for those functions reported as governmental activities in the District-wide financial statements. All of the District's basic services are accounted for in governmental funds. These funds focus on how assets that are readily converted into cash flow in and out and monies left at year-end that will be available for spending in the next fiscal year. Governmental funds are reported using an accounting method called *cash accounting*, which provides a short-term spending focus.

The District adopts an annual budget for all of its funds, as required by the Oregon Revised Statutes. The annual budget incorporates input from the citizens of the District, District management, and the School Board about which services to provide and how to pay for them.

The District maintains 20 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances – Cash Basis for the General Fund and the Bond Construction Fund, which are considered "major" funds under the GASB 34 "major" fund focus. The other 17 governmental funds are reported separately in the Governmental Funds Financial Statements under the heading "Nonmajor Governmental Funds" if they have revenue or expenditure activity. Individual fund financial data for each of the Nonmajor governmental funds is provided as Supplementary Information.

The basic governmental fund financial statements can be found on pages 14 through 18 of this report.

Echo School District #5R
Umatilla County, Oregon
Management's Discussion and Analysis
June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS – The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 19-39 of this report.

SUPPLEMENTARY INFORMATION – The combining nonmajor fund financial statements referred to earlier in connection with non-major governmental funds are presented as Supplementary Information on pages 40-45 of this report. Additional Supplementary Information on pages 46-64 reflects budgetary comparison schedules, individually, of all District fund other than the General Fund for the fiscal year ending June 30, 2018.

DISTRICT-WIDE FINANCIAL ANALYSIS

The following reflects condensed information on the District's net position:

Net Position

	June 30, 2018	June 30, 2017	Increase / (Decrease)
<u>Assets</u>			
Cash and Cash Equivalents	\$ 3,781,421	\$ 6,247,380	\$ (2,465,959)
Capital Assets, Net			
Land	34,588	34,588	-
Construction in Progress	7,025,902	700,720	6,325,182
District Buildings and Improvements	3,837,402	3,964,611	(127,209)
Equipment and Vehicles	233,553	162,042	71,511
Total Assets	14,912,866	11,109,341	3,803,525
<u>Deferred Outflows of Resources</u>			
Deferred Charge on Refunding, Net	36,951	49,243	(12,292)
<u>Liabilities</u>			
Current Portion of Debt	280,043	272,056	7,987
Long-Term Debt	6,164,390	6,441,341	(276,951)
Total Liabilities	6,444,433	6,713,397	(268,964)
<u>Deferred Inflows of Resources</u>			
Deferred Bond Premium, Net	282,749	305,901	(23,152)
<u>Net Position</u>			
Net Investment in Capital Assets	6,926,140	3,136,528	3,789,612
Restricted for Other Purposes	324,884	250,345	74,539
Restricted for Debt Service	506,369	509,380	(3,011)
Unrestricted (Deficit)	465,242	243,033	222,209
Total Net Position	\$ 8,222,635	\$ 4,139,286	\$ 4,083,349

Echo School District #5R
Umatilla County, Oregon
Management's Discussion and Analysis
June 30, 2018

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

As noted earlier, net position may serve over time as one useful indicator of a District's financial condition. The assets of the District exceeded liabilities by \$8.2 million as of June 30, 2018. The District's net position increased by \$4.1 million, which is heavily concentrated in capital assets. The District uses these capital assets to provide services to students, staff and other District residents; consequently, these assets are not available for future spending. The District does carry current and long-term debt related to capital assets and the State pension program.

Change in Net Position

	June 30, 2018	June 30, 2017	Increase / (Decrease)
<u>Revenues</u>			
Program Revenues:			
Charges for Services	\$ 176,708	\$ 189,644	\$ (12,936)
Operating Grants and Contributions	472,968	532,266	(59,298)
Capital Grants and Contributions	3,597,980	470,692	3,127,288
General Revenues:			
Property Taxes	852,112	804,786	47,326
State School Fund	2,979,665	2,885,682	93,983
County / Common School Aid	37,170	38,872	(1,702)
Unrestricted Federal Funds	403	350	53
Earnings on Investments	103,086	67,284	35,802
Other Revenue	33,448	23,620	9,828
Total Revenues	8,253,540	5,013,196	3,240,344
<u>Expenses</u>			
Instruction	2,510,719	2,297,487	213,232
Support Services	1,226,367	1,232,257	(5,890)
Enterprise and Community Services	186,807	203,484	(16,677)
Debt Service - Interest	246,298	218,943	27,355
Total Expenses	4,170,191	3,952,171	218,020
Change in Net Position	4,083,349	1,061,025	3,022,324
Net Position, Beginning	4,139,286	3,078,261	1,061,025
Net Position, Ending	\$ 8,222,635	\$ 4,139,286	\$ 4,083,349

**Echo School District #5R
Umatilla County, Oregon
Management's Discussion and Analysis
June 30, 2018**

DISTRICT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities – The Districts net position increased by \$4.1 million. Several aspects of the District's financial operations influenced the positive change in total governmental net position as follows:

- Revenues were higher from the previous year, due to improved state funding for basic school support (\$8.2 billion) and the state altering the funding allocation from a 49%/51% split to a 50%/50% split for the current biennium. The increase was also due in part to additional ADMw for the District in 2017-2018. Notably, the District owed \$49 thousand to the State for overpayment of basic school support and small high school grant for the 2016-2017 year.
- Property tax collection improved by \$47 thousand.
- Capital grants increased by \$3.1 million due to the ODE OSCIM grant.
- Expenses increased by \$218 thousand, mainly due to higher payroll related costs, ie, payroll cost of living, health benefit, higher pension rates. The District also paid interest for bond financing.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds – The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the District's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2018, the District's governmental funds reported a combined ending fund balance of \$3.8 million, a decrease of \$2.5 million in comparison with the prior year, primarily due to the completion of Districts capital projects as a part of the 2016 general obligation bond.

The General Fund, which is the chief operating fund of the District and is always considered a major fund, had a fund balance of \$1.61 million, which was \$159 thousand over prior year. This increase is mainly related to improvement in basic school support funding. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1.1 million.

The Construction Bond Fund, another major fund, reported an ending fund balance of \$1.4 million, which is a decrease of \$2.7 million from the previous year. The decrease is due to the completion of the Bond Construction project.

Other Non-Major Governmental Funds, which represent a summarization of all the other governmental funds, ended the year with total fund balance of \$810 thousand.

**Echo School District #5R
Umatilla County, Oregon
Management's Discussion and Analysis
June 30, 2018**

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget is primarily driven by the State School Support, which depends heavily on property tax collections, the State School Fund and District enrollment. The State School Fund – General Support provided 58% of the District's program resources in the General Fund. With property taxes and other formula revenue, the percentage rises to 69%. Notably, State School funding was increased over the prior year with the improvement in the economy and the State Legislature's efforts to invest in K-12 education. The District's 2017-2018 enrollment was slightly higher with approximately 6 more students.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As shown in the table below, at June 30, 2018, the District had \$11.1 million invested in a broad range of capital assets, including land, buildings and furnishing, fixtures, equipment, and transportation vehicles. This amount represents a net increase (including additions, deletions and depreciation) of \$6.3 million from the previous year. The increase is primarily due to capital construction costs and lease purchase of a bus. Capital spending in the current year reflects 85% completion of remodel and improvement costs for district property. See Note 5 of the Notes to the Financial Statements for more information on capital assets.

Capital Assets, Net of Accumulated Depreciation

	June 30, 2018		June 30, 2017		Increase / (Decrease)
Land	34,588	\$	34,588	\$	-
Construction in Progress	7,025,902		700,720		6,325,182
District Buildings and Improvements	3,837,402		3,964,611		(127,209)
Vehicles and Equipment	233,553		162,042		71,511
Total	11,131,445	\$	4,861,961	\$	6,269,484

**Echo School District #5R
Umatilla County, Oregon
Management's Discussion and Analysis
June 30, 2018**

Debt Administration

As shown in the table below, at the end of this year, the District had \$6.4 million of outstanding debt, which is a decrease of \$269 thousand from previous year. The District paid all of the required debt payments according to the debt schedules. See Note 7 of the Notes to the Financial Statements for more information on long-term debt obligations.

Outstanding Long-Term Debt Obligations

	June 30, 2018		June 30, 2017		Increase / (Decrease)
2003 Limited Tax Pension Bonds	1,121,379	\$	1,166,452	\$	(45,073)
G.O. Refunding Bonds, Series 2012	1,245,000		1,450,000		(205,000)
General Obligation Bonds, Series 2016	3,996,494		3,996,494		-
Capital lease	81,560		100,451		(18,891)
Total	6,444,433	\$	6,713,397	\$	(268,964)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The second half of the State's \$8.2B State School Fund Grant supported the District's 2018-2019 budget for the 2017-2019 biennium. In addition, property development on the west end of Umatilla County is fueling the growth of property tax collections. Projected enrollment (275) was lower than 2017-2018 (293). Other federal and state grants remain stable. This stable revenue allowed for negotiated salary and benefit increases, staffing levels remain consistent. The district continues to closely monitor funding levels to ensure quality education for the students of Echo School District #5R. PERS rates remain level at 15.52% on Tier 1/Tier 2 employees and 10.19% on OPSRP employees.

The Oregon Governor has proposed an \$8.97 billion State School Fund, plus \$100 million to pay down the K-12 PERS liability for the 2019-2021 biennium. The Governor is also requesting funding for the following:

- Measure 98 (high school graduation and career technical education)
- Grants for facilities and school safety
- Grants for educator pathways
- Numerous grants for programs to reduce class size, increase school year, provide socio-economic support and expand early learning activities.

Besides the additional State funding, the District's enrollment and ability to attract new students will be necessary for stable funding to provide necessary services to students and the community

**Echo School District #5R
Umatilla County, Oregon
Management's Discussion and Analysis
June 30, 2018**

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 request for additional information should be addressed to the District's Business Manager at 600 Gerone Street, Echo, Oregon 97826.

Basic Financial Statements

District-Wide Financial Statements

**Echo School District #5R
Umatilla County, Oregon**

**Statement of Net Position - Modified Cash Basis
June 30, 2018**

	<u>Governmental Activities</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ <u>3,781,421</u>
Noncurrent Assets:	
Capital Assets, Net	
Land	34,588
Construction-in-Progress	7,025,902
District Buildings and Improvements	3,837,402
Equipment and Vehicles	<u>233,553</u>
Total Noncurrent Assets	<u>11,131,445</u>
Total Assets	<u>14,912,866</u>
<u>Deferred Outflows of Resources</u>	
Deferred Charge on Refunding, Net	<u>36,951</u>
<u>Liabilities</u>	
Current Liabilities:	
Debt Obligations Due Within One Year	280,043
Noncurrent Liabilities:	
Capital Lease Due in More than One Year	78,468
Bonds Due in More Than One Year	<u>6,085,922</u>
Total Liabilities	<u>6,444,433</u>
<u>Deferred Inflows of Resources</u>	
Deferred Bond Premium, Net	<u>282,749</u>
<u>Net Position</u>	
Net Investment in Capital Assets	6,926,140
Restricted for Other Purposes	324,884
Restricted for Debt Service	506,369
Unrestricted (Deficit)	<u>465,242</u>
Total Net Position	<u>\$ 8,222,635</u>

The accompanying notes are an integral part of the financial statements

Echo School District #5R
 Umatilla County, Oregon

Statement of Activities - Modified Cash Basis
 Fiscal Year Ended June 30, 2018

Functions / Programs	Expenses	Program Revenues			Net (Expense) / Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction:					
Regular Programs	\$ 2,180,387	\$ 89,267	\$ 197,582	\$ -	\$ (1,893,538)
Special Programs	330,332	-	143,682	-	(186,650)
Total Instruction	2,510,719	89,267	341,264	-	(2,080,188)
Support Services:					
Student Support Services	69,308	-	-	-	(69,308)
Instructional Staff Support	749	-	18,406	-	17,657
General Administration	199,087	-	-	-	(199,087)
School Administration	229,888	-	-	-	(229,888)
Business Support Services	634,120	-	-	31,458	(602,662)
Central Activities	93,215	-	-	-	(93,215)
Total Support Services	1,226,367	-	18,406	31,458	(1,176,503)
Facilities Acquisition and Construction	-	-	-	3,566,522	3,566,522
Enterprise and Community Services	186,807	87,441	113,298	-	13,932
Debt Service - Interest	246,298	-	-	-	(246,298)
Total Governmental Activities	\$ 4,170,191	\$ 176,708	\$ 472,968	\$ 3,597,980	77,465
General Revenues:					
					516,869
					335,243
					2,979,665
					37,170
					403
					103,086
					33,448
					<u>4,005,884</u>
					4,083,349
					<u>4,139,286</u>
					\$ <u><u>8,222,635</u></u>

The accompanying notes are an integral part of the financial statements

Fund Financial Statements

Echo School District #5R
Umatilla County, Oregon

Balance Sheet - Cash Basis
Governmental Funds
June 30, 2018

	General Fund	Bond Construction Fund #400	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,586,621	\$ 1,363,547	\$ 831,253	\$ 3,781,421
Due From Other Funds	21,129	-	-	21,129
Total Assets	\$ 1,607,750	\$ 1,363,547	\$ 831,253	\$ 3,802,550
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Due to Other Funds	\$ -	\$ -	\$ 21,129	\$ 21,129
Fund Balances:				
Spendable:				
Restricted	-	1,363,547	831,253	2,194,800
Assigned	530,704	-	-	530,704
Unassigned	1,077,046	-	(21,129)	1,055,917
Total Fund Balances	1,607,750	1,363,547	810,124	3,781,421
Total Liabilities and Fund Balances	\$ 1,607,750	\$ 1,363,547	\$ 831,253	\$ 3,802,550

The accompanying notes are an integral part of the financial statements

**Echo School District #5R
Umatilla County, Oregon**

**Reconciliation of the Governmental Funds Balance Sheet (Cash Basis)
to the Statement of Net Position (Modified Cash Basis)
Fiscal Year Ended June 30, 2018**

Total Fund Balances - Governmental Funds	\$		3,781,421
<p>Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund financial statements. Amounts reported for governmental activities in the Statement of Net Position:</p>			
Governmental Capital Assets	\$	14,148,801	
Governmental Accumulated Depreciation		<u>(3,017,356)</u>	11,131,445
<p>The difference in the carrying value of refunded debt and its reacquisition price is deferred and amortized over the life of the bonds in the Statement of Net Position, and are not reported in the governmental fund financial statements</p>			
			36,951
<p>Premiums received on issuance of bonds are amortized over the life of the bonds in the Statement of Net Position, and are not reported in the governmental fund financial statements</p>			
			(282,749)
<p>Certain liabilities not due in the current year are not reported as governmental fund liabilities. These liabilities consist of:</p>			
Capital Lease Obligations		(81,560)	
OPERS UAL Bonds		(1,121,379)	
General Obligation Bonds		<u>(5,241,494)</u>	<u>(6,444,433)</u>
Total Net Position - Governmental Activities	\$		<u>8,222,635</u>

**Echo School District #5R
Umatilla County, Oregon**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis
Governmental Funds
Fiscal Year Ended June 30, 2018**

	General Fund	Capital Projects Fund #400	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$ 516,869	\$ -	\$ 335,243	\$ 852,112
Intergovernmental	3,031,738	3,566,522	430,186	7,028,446
Food Service Sales	-	-	33,312	33,312
Charges for Services	6,334	-	137,062	143,396
Contributions and Donations	25,000	-	34,741	59,741
Earnings on Investments	40,346	55,739	7,000	103,085
Other Revenue	25,136	-	8,313	33,449
	<u>3,645,423</u>	<u>3,622,261</u>	<u>985,857</u>	<u>8,253,541</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Programs	1,905,482	-	198,401	2,103,883
Special Programs	159,514	-	159,974	319,488
	<u>2,064,996</u>	<u>-</u>	<u>358,375</u>	<u>2,423,371</u>
Support Services:				
Student Support Services	67,033	-	-	67,033
Instructional Staff Support	725	-	-	725
General Administration	192,552	-	-	192,552
School Administration	222,341	-	-	222,341
Business Support Services	572,629	-	-	572,629
Central Activities	88,555	-	1,600	90,155
	<u>1,143,835</u>	<u>-</u>	<u>1,600</u>	<u>1,145,435</u>
Enterprise and Community Services	-	-	179,098	179,098
Facilities Construction & Maintenance	-	276,392	-	276,392
Capital Outlay	94,902	6,060,492	13,688	6,169,082
Debt Service:				
Principal	18,891	-	250,073	268,964
Interest	3,092	-	254,066	257,158
	<u>21,983</u>	<u>-</u>	<u>504,139</u>	<u>526,122</u>
	<u>3,325,716</u>	<u>6,336,884</u>	<u>1,056,900</u>	<u>10,719,500</u>
Change in Fund Balances Before Other Financial Sources / (Uses)	319,707	(2,714,623)	(71,043)	(2,465,959)
Other Financial Sources / (Uses):				
Transfer (to) / from Other Funds	(160,493)	-	160,493	-
	<u>(160,493)</u>	<u>-</u>	<u>160,493</u>	<u>-</u>
Net Change in Fund Balances	159,214	(2,714,623)	89,450	(2,465,959)
Fund Balances, Beginning	1,448,536	4,078,170	720,674	6,247,380
Fund Balances, Ending	<u>\$ 1,607,750</u>	<u>\$ 1,363,547</u>	<u>\$ 810,124</u>	<u>\$ 3,781,421</u>

The accompanying notes are an integral part of the financial statements

Echo School District #5R
Umatilla County, Oregon

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes
in Fund Balances (Cash Basis) to the Statement of Activities (Modified Cash Basis)
Fiscal Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (2,465,959)

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Capital outlay reported in governmental fund financial statements	6,445,473	
Depreciation expense reported in the Statement of Activities	<u>(175,989)</u>	
Amount by which capital outlays are greater / (less) than depreciation in the current period.		6,269,484

The difference in the carrying value of refunded debt and its reacquisition price is deferred and amortized over the bond repayment period in the Statement of Activities and is reported as an expenditure in governmental funds (12,292)

Premiums reflecting bond issuance proceeds received over the par amount of bonds are deferred and amortized to interest expense over the bond repayment period in the Statement of Activities and are recognized as other financing sources in governmental funds when received 23,152

Principal payment on long-term debt is reported as an expenditure in the governmental funds, however in the Statement of Net Position, principal payments on long-term debt are reflected as a reduction of liabilities.

Debt principal repaid		<u>268,964</u>
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Change in Net Position - Governmental Activities \$ 4,083,349

Echo School District #5R
Umatilla County, Oregon

Budgetary Comparison Statement
General Fund
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$ 492,380	\$ 492,380	\$ 516,869	\$ 24,489
Intergovernmental	2,719,133	2,719,133	3,031,738	312,605
Charges for Services	4,500	4,500	6,334	1,834
Contributions and Donations	-	-	25,000	25,000
Earnings on Investments	7,500	7,500	40,346	32,846
Other Revenue	12,593	12,593	25,136	12,543
Total Revenues	<u>3,236,106</u>	<u>3,236,106</u>	<u>3,645,423</u>	<u>409,317</u>
<u>Expenditures</u>				
Instruction	1,928,928	1,928,928	2,064,996	(136,068)
Support Services	1,288,741	1,283,141	1,238,737	44,404
Debt Service	30,600	36,200	21,983	14,217
Contingencies	150,000	150,000	-	150,000
Total Expenditures	<u>3,398,269</u>	<u>3,398,269</u>	<u>3,325,716</u>	<u>72,553</u>
Change in Fund Balance Before Other Financial Sources / (Uses)	(162,163)	(162,163)	319,707	481,870
Other Financial Sources / (Uses): Transfer to Other Funds	<u>(155,718)</u>	<u>(155,718)</u>	<u>(160,493)</u>	<u>(4,775)</u>
Total Other Financial Sources / (Uses)	<u>(155,718)</u>	<u>(155,718)</u>	<u>(160,493)</u>	<u>(4,775)</u>
Net Change in Fund Balance	(317,881)	(317,881)	159,214	477,095
Fund Balance, Beginning	<u>839,686</u>	<u>839,686</u>	<u>1,448,536</u>	<u>608,850</u>
Fund Balance, Ending	<u>\$ 521,805</u>	<u>\$ 521,805</u>	<u>\$ 1,607,750</u>	<u>\$ 1,085,945</u>

The accompanying notes are an integral part of the financial statements

Notes to the Financial Statements

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Echo School District #5R (the District), have been established in conformity with the modified cash basis of accounting, as discussed in Note 1D below, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to U.S. GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurements and recognition criteria of the modified cash basis of accounting. The following is a summary of the most significant accounting policies:

A. Reporting Entity

School districts in the State of Oregon are created by legislative action. Echo School District #5R, Umatilla County, Oregon, operates under a School Board-Superintendent form of government and provides education for grades K-12.

A seven-member board exercises governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction set by the State of Oregon. The board receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. As required by the modified cash basis of accounting, all significant activities and organizations have been included in the basic financial statements. Component units, as established by GASB Statement No. 61, are separate organizations that would be included in the District's reporting entity because of the significance of their operational or financial relationships with the District. Based on these criteria, there are no component units.

B. Basic Financial Statements – District-Wide Statements

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and are reported on a modified cash, economic resource basis, which recognizes all long-term assets as well as long-term debt.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities demonstrates the degree to which the direct expenditures of a given function or segment are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific function or segment. Program revenues 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 contribution 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.

This District-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of either fund category or the governmental combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The funds of the financial reporting entity are described below:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports these major governmental funds and fund types:

General Fund

The General Fund is the primary operating fund of the District and always classified as a major fund. It accounts for all financial resources of the District except those required to be accounted for in another fund. The primary revenue sources are taxes and state aid.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. The District has sixteen special revenue funds.

Debt Service Funds

Debt service funds account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the District. Ad valorem taxes are used for the payment of principal and interest on the District's outstanding general obligation bonds. The reporting entity has two debt service funds: the Construction Bond Fund and the OPERS UAL Debt Service Fund.

Capital Project Funds

Capital project funds account for the accumulation of financial resources reserved for capital expenditures. The primary revenues sources are interest on investments and bond proceeds. The District has one capital project fund.

The activities reported in these funds are reported as governmental activities in the District-wide financial statements

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements – Fund Financial Statements (Continued)

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

<u>Major Fund</u>	<u>Brief Description</u>
General Fund	As discussed above, the general fund will always be classified as major.
<u>Capital Projects Funds:</u>	
Bond Construction Fund #400	Accounts for Bond proceeds reserved for capital projects, improvements, and major building repairs.

The remainder of the District’s funds are classified as nonmajor funds.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the District-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

In the District-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified cash basis of accounting, which is a basis of accounting other than U.S. GAAP as established by GASB. This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues, and expenditures resulting from cash transactions, with the following modifications:

- Property and equipment purchased for cash is capitalized in the Statement of Net Position and depreciation expenditure is recorded as an allocated expenditure in the Statement of Activities.
- Long-term debt obligations of the District are recorded as a liability in the Statement of Net Position and annual payments of principal on these obligations reduces the liability.

As a result of the use of this basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue billed for or provided services not yet collected) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid, and accrued expenditures and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the District utilized the financial reporting framework recognized as U.S. GAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All District-wide financials would be presented on the accrual basis of accounting.

E. Financial Statement Amounts

Cash, Cash Equivalents, and Investments

For the purpose of the Statement of Net Position and the Balance Sheets, the District's "cash and cash equivalents" includes all cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition. All short-term cash surpluses are maintained in a cash and investment pool and allocated to each fund based on month end deposit and investment balances. Short-term investments are reported at cost which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

The District maintains a cash and investment pool that is available for use by all funds. In general, interest earning from pooled cash investments is allocated to each fund based on average earnings rate and average cash balance held by each fund.

State statutes authorize the District to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper, and the State Treasurer's Local Government Investment Pool.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

Property Taxes

The District is responsible for levying property taxes, but the taxes are collected by the County. Taxes are levied on September 1 based on assessed values at July 1. Property tax payments are due in three installments—November 15, February 15, and May 15. Taxes are considered delinquent 60 days after their due date and become a lien on the property at that time.

Interfund Activity

The District maintains a cash pool that is available for use by all funds. The cash pool account is maintained in the General Fund, while activity between funds utilizing this cash account is referred to as “Due To / From Other Funds” in each fund at the end of each fiscal year in the fund financial statements. All interfund loan balances are considered current and are eliminated in the District-wide financial statements.

Inventories

Supplies inventory is valued at cost using first-in, first-out (FIFO) method. Supplies inventory is not accrued, since the modified cash basis of accounting is used. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused supplies inventory and donated commodities at balance sheet date is considered immaterial by management for reporting purposes.

Capital Assets

Capital assets are stated at cost or estimated historical cost. Donated assets are stated 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 estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs of a routine nature are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
District Buildings and Improvements	50
Equipment and Vehicles	3-20

Leases

Leases which meet certain criteria established by the Financial Accounting Standards Board are classified as capital leases, and the assets and related liabilities are recorded at amounts equal to the lesser of the present value of minimum lease payments or the fair value of the leased property at the beginning of the respective lease term. Leases that do not meet the criteria of a capital lease are classified as operating leases.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

Deferred Outflows / Inflows of Resources

In addition to assets, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the District-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District only has one item that qualifies for reporting in this category. It is the deferred premium on refunding reported in the District-wide Statement of Net Position and Governmental Funds Balance Sheet. A deferred premium on refunding results from the difference in the premiums received over the par amounts of the bonds issued. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Compensated Absences

Compensated absences are not accrued, since the modified cash basis of accounting is used. Vacation time accumulates from one day per month to one and three-quarters days per month-based type of employment contract and accrues only for that contract period, there is no carry-over of unused vacation time. Unpaid vacation time is fully vested to employees at the time it is earned. Vacation time does not apply to certified personnel. All outstanding vacation leave is payable upon resignation, retirement, or death.

Long-Term Debt Obligations

In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financing uses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as Other Financing Uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Retirement Plans

Substantially all employees are participants in the Oregon Public Employees Retirement Fund (OPERF), administered by the Oregon Public Employees Retirement System (OPERS). Contributions to OPERS are made on a current basis as required by the plan and are charged to expenditures / expenses as funded.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

Retirement Plans (Continued)

In addition, the District offers its employees a tax deferred annuity plan established pursuant to Section 403(b) of the Internal Revenue Code.

Net Position / Fund Balance

District-wide net position is divided into three components:

- Net Investment in Capital Assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
- Restricted Net Position—Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position—Net amount of assets, deferred outflows or resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund financial statements, governmental fund balances are classified in the following categories:

- Nonspendable—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the District policy, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by School Board resolution.
- Assigned—Amounts that are designated by the Superintendent for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the School Board.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (Continued)

Net Position / Fund Balance (Continued)

- Unassigned—All amounts not included in other spendable classifications.

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

Encumbrances

During the year, encumbrances are recorded in the accounting records when purchase orders are issued. The use of encumbrances indicates to District employees that appropriations are committed; however, all encumbrances expire at fiscal year-end.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 – Stewardship, Compliance, and Accountability

The District follows Oregon’s Local Budget Law (Chapter 294 of the Oregon Revised Statutes); the process under which the budget is adopted as described in the following paragraphs. A budget is prepared for each fund in accordance with the budgetary basis of accounting and legal requirements set forth in time Oregon Local Budget Law. The budgetary basis of accounting is substantially the same as the modified cash basis of accounting with the following features:

- Capital outlay expenditures are expensed when purchased and depreciation is not calculated,
- Debt principal is recorded as an expense when paid instead of a liability reduction, and
- Debt issuance costs are expensed when paid rather than amortized.

Budget amounts shown in the financial statements include the original and supplemental budget amounts and all appropriation transfers approved by the Board of Education. The appointed budget officer develops a proposed budget for submission to the budget committee. The operating budget includes proposed expenditures and the means for financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years.

After the proposed budget is prepared, the budget officer publishes a “Notice of Budget Committee Meeting” in at least one newspaper of general circulation. At the budget committee meeting, the budget message is delivered explaining the proposed budget and any significant changes in the District’s financial position. The budget committee meets thereafter as many times as necessary until the budget document is completed.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 2 – Stewardship, Compliance, and Accountability (Continued)

After approval by the budget committee and the required “Public Hearing” and prior to July 1, the budget is adopted by the Board of Education, and appropriations are enacted by resolution. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. Appropriations lapse at year-end. Consistent with Oregon Local Budget Law, expenditures are appropriated for each legally adopted annual operating budget at the following levels of control:

- Instruction
- Support Services
- Enterprise and Community Services
- Facilities Acquisition and Construction
- Other Uses (Interagency/Fund Transactions and Debt Service)
- Contingencies
- Unappropriated Ending Fund Balance

The Board of Education adopted the 2017-2018 budget on June 19, 2017 totaling \$13,979,092.

The Board of Education adopted the 2018-2019 budget on June 28, 2018 totaling \$9,688,653.

Budgetary appropriations may not be legally over-expended except in the case of reimbursable grant expenditures and trust monies, which could not be reasonably estimated at the time the budget was adopted. After the original budget is adopted, the Board of Education may approve appropriation transfers between levels of control. There were two amended appropriations adopted by the Board of Education during the year under audit. After budget approval, the Board of Education may approve supplemental appropriations if any occurrence, condition or need exists which had not been anticipated at the time the budget was adopted. Expenditures of all the various funds were within authorized appropriation, except as noted below:

- General Fund #100 – Instruction & Transfers to Other Funds
- Title V REAP Flex Fund #205 - Instruction
- High School Success Measure 98 Fund #213 – Instruction
- G5 Small Rural School Achievement Grant Fund #216 – Instruction
- IDEA, Part B Fund #220 – Instruction

Note 3 – State Constitutional Property Tax Limits

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. Under the provisions of the limitation, tax revenues are separated into taxes for the public-school system and taxes for local government operations other than the public-school system. Property taxes levied for the payment of bonded indebtedness are exempt from the limitation, provided such bonds are either authorized by a specific provision of the Oregon Constitution or approved by the voters of the District for capital construction or improvements.

During May 1997, Oregon voters approved Measure 50 which limits taxes on each property by reducing the "assessed value" of each unit of property for the tax year 1998-1999 to its 1995-1996 value, less ten percent. Then a "permanent tax rate", representing the product of dividing the tax levy by the assessed value, was calculated. The new tax rates are the permanent constitutional rate limit for each jurisdiction and are used to calculate property taxes levied against each property.

The District's permanent tax rate for the fiscal year ended June 30, 2018 was \$4.6747 per \$1,000 of assessed value.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 4 – Deposits and Investments

Deposits

The GASB has adopted U.S GAAP, which includes standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2018. Oregon Revised Statute (ORS) Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program (PFCP). The PFCP was created by the Office of the State Treasurer to facilitate bank depository, custodian and public official compliance with ORS 295. ORS 295 requires the qualified depository to pledge collateral against any public funds deposits in excess of deposit insurance amounts. As of June 30, 2018, the total bank balance was \$440,743. The District maintains its funds at a financial institution deemed to be a qualified depository by the Office of the State Treasurer.

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

Investments

The District invests funds in the Oregon Local Government Investment Pool (LGIP), which is an unrated external investment pool. The LGIP is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. OSTF is not subject to SEC regulation. OSTF is subject to requirements established in Oregon Revised Statutes, investment policies adopted by the Oregon Investment, and portfolio guidelines established by the OSTF Board. The Governor appoints the members of the Oregon Investment Council and the OSFT Board.

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

Concentration of Credit Risk – The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent 5 percent or more of the total investments, excluding Investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The District has no such investments.

Interest Rate Risk – The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

A reconciliation of cash and cash equivalents as shown on the statement of assets, liabilities and equity arising from cash transactions is as follows:

Cash on Hand	\$	625
Deposits with Financial Institutions		(332,216)
Oregon Local Government Investment Pool		<u>4,113,012</u>
Total Cash and Cash Equivalents	\$	<u><u>3,781,421</u></u>

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 5 – Capital Assets

For the fiscal year ended June 30, 2018, capital assets activity as reported in the District-wide financial statements were as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Non-Depreciable Capital Assets:				
Land	\$ 34,588	\$ -	\$ -	\$ 34,588
Construction-in-Progress	<u>700,720</u>	<u>6,325,182</u>	<u>-</u>	<u>7,025,902</u>
Total Non-Depreciable Capital Assets	<u>735,308</u>	<u>6,325,182</u>	<u>-</u>	<u>7,060,490</u>
Depreciable Capital Assets:				
District Buildings & Improvements	6,240,403	-	-	6,240,403
Equipment & Vehicles	<u>727,617</u>	<u>120,291</u>	<u>-</u>	<u>847,908</u>
Total Depreciable Capital Assets	<u>6,968,020</u>	<u>120,291</u>	<u>-</u>	<u>7,088,311</u>
Accumulated Depreciation:				
District Buildings & Improvements	(2,275,792)	(127,209)	-	(2,403,001)
Equipment & Vehicles	<u>(565,575)</u>	<u>(48,780)</u>	<u>-</u>	<u>(614,355)</u>
Total Accumulated Depreciation	<u>(2,841,367)</u>	<u>(175,989)</u>	<u>-</u>	<u>(3,017,356)</u>
Total Governmental Capital Assets, Net	<u>\$ 4,861,961</u>	<u>\$ 6,269,484</u>	<u>\$ -</u>	<u>\$ 11,131,445</u>

Depreciation expense was charged to governmental activities as follows:

Program / Function:

Regular Programs	\$ 76,504
Special Programs	10,844
Student Support Services	2,275
Instructional Staff Support	24
General Administration	6,535
School Administration	7,547
Business Support Services	61,491
Central Activities	3,060
Enterprise and Community Services	<u>7,709</u>
Total Depreciation Expense	<u>\$ 175,989</u>

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 6 – Operating Leases

The District currently has two operating lease agreements for four copiers located throughout District buildings. The leases are as follows:

- Lease for a copier that calls for 36 monthly payments of \$178 beginning August of 2014.
- Lease for three copiers that calls for monthly rental payment of \$936/month for 60 months beginning March of 2015. The monthly payment includes maintenance for all three copiers and it has been estimated that the equipment rent portion of this lease is \$477/month.

In addition to the copier leases the District has leased a modular building to house its preschool operation. This lease calls for 60 monthly payments of \$1,425 beginning July of 2015.

For those items under non-cancellable leases, the future minimum rental payments are as follows:

Fiscal Year Ending June 30,	
2019	\$ 22,824
2020	<u>4,923</u>
Total	<u>\$ 27,747</u>

Note 7 – Long-Term Debt Obligations

During the fiscal year ended June 30, 2018, changes in long-term debt for the District are as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
2003 Limited Tax Pension Bonds	\$ 1,166,452	\$ -	\$ (45,073)	\$ 1,121,379	\$ 45,571
G.O. Refunding Bonds, Series 2012	1,450,000	-	(205,000)	1,245,000	215,000
General Obligation Bonds, Series 2016	3,996,494	-	-	3,996,494	-
Capital Lease- Mercedes Benz	<u>100,451</u>	<u>-</u>	<u>(18,891)</u>	<u>81,560</u>	<u>19,472</u>
Total Long-Term Debt Obligations	<u>\$ 6,713,397</u>	<u>\$ -</u>	<u>\$ (268,964)</u>	<u>\$ 6,444,433</u>	<u>\$ 280,043</u>

Bonded Debt

2003 OPERS UAL Limited Tax Pension Bonds

On April 21, 2003, the District, through participation in the Oregon School Boards Association, issued Limited Tax Pension Obligation Bonds, Series 2003. The District issued these bonds to satisfy its estimated OPERS Unfunded Actuarial Liability at December 31, 2001. The limited tax pension bonds were issued with the principal amount of the

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 7 – Long-Term Debt Obligations (Continued)

Bonded Debt (Continued)

issue being \$1,703,320. The bonds carry fixed interest rates ranging from 1.50% to 6.27% with the first payment being due December 30, 2003. The bonds mature beginning June 30, 2004 through June 30, 2028.

General Obligation Refunding Bonds, Series 2012

On March 1, 2012 the District issued \$2,180,000 in general obligation refunding bonds with interest rates ranging between 2% and 4%. The District issued the bonds to advance refund \$2,215,000 of the outstanding Series 2003 general obligation bonds. The District used the net proceeds from this bond issue to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the Series 2003 bonds. As a result, that portion of the Series 2003 bonds is considered defeased, and the District has removed this liability from its accounts. The outstanding principal of the defeased bonds is \$2,215,000 at June 30, 2018.

General Obligation Bonds, Series 2016

On July 20, 2016 the District issued Series 2016 General Obligation Bonds in the aggregate principal amount of \$3,996,494. The district will make interest only payments until 2024, when the 2012 GO Bonds are paid off.

The Series 2016 General Obligation Bonds mature June 15, 2024 through June 15, 2034 and carry fixed interest rates ranging from 2.00% to 3.00%.

Annual debt service requirements to maturity for bonded debt for the District are as follows:

Fiscal Year Ending June 30,	<u>OPERS UAL Pension Bonds</u>		<u>G.O. Refunding Bond</u>		<u>G.O. Bonds, Series 2016</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2019	\$ 45,571	\$ 125,146	\$ 215,000	\$ 45,526	\$ -	\$ 88,800	\$ 520,043
2020	45,886	134,831	230,000	36,926	-	88,800	536,443
2021	45,941	144,777	250,000	27,726	-	88,800	557,244
2022	44,422	151,295	265,000	17,726	-	88,800	567,243
2023	44,559	161,158	285,000	7,126	-	88,800	586,643
2024-2028	895,000	148,698	-	-	1,381,494	672,506	3,097,698
2029-2033	-	-	-	-	2,110,000	273,600	2,383,600
2034	-	-	-	-	505,000	15,150	520,150
Totals	\$ 1,121,379	\$ 865,905	\$ 1,245,000	\$ 135,030	\$ 3,996,494	\$ 1,390,106	\$ 8,769,064

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 7 – Long-Term Debt Obligations (Continued)

Capital Lease Obligations

In October of 2016 the District entered into a municipal lease agreement with Daimler Truck Financial for the purchase of a new 2017 84 Passenger Thomas Bus. The terms of the lease call for an initial payment of \$21,983 (which was remitted in October of 2016) and annual principal and interest payments of \$21,983, including interest at 3.08%. The annual payments begin October 15, 2017 and continue until the agreement is satisfied with a final payment on October 15, 2022. Annual debt service requirements to maturity for capital lease obligations for the District are as follows:

Fiscal Year Ending June 30,		
<u> </u>		
2019	\$	21,983
2020		21,983
2021		21,983
2022		21,983
Less: Interest		<u>(6,372)</u>
Total Principal	\$	<u>81,560</u>

Note 8 – Pension Plan

A. Name of the Pension Plan

The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan.

B. Plan Description

Employees of the School are provided with pensions through OPERS. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

C. Benefits Provided Under ORS Chapter 238 – Tier One / Tier Two

1. **Pension Benefits** – The OPERS 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, 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 benefit results.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 8 – Pension Plan (Continued)

C. Benefits Provided Under ORS Chapter 238 – Tier One / Tier Two (Continued)

1. Pension Benefits (Continued)

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 One 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 Two 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.

2. 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 conditions are met:

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

3. 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.

4. Benefit Changes After Retirement – After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

D. Benefits Provided Under ORS Chapter 238A – OPSRP Pension Program (OPSRP DB)

1. Pension Benefits – The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. 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:

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.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 8 – Pension Plan (Continued)

D. Benefits Provided Under ORS Chapter 238A – OPSRP Pension Program (OPSRP DB) (Continued)

1. Pension Benefits (Continued)

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

- 2. 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.
- 3. 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.
- 4. Benefit Changes After Retirement** – Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

E. Benefits Provided Under the OPSRP Individual Account Program (OPSRP IAP)

- 1. Pension Benefits** – An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.
- 2. 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.
- 3. Recordkeeping** – OPERS contracts with VOYA Financial to maintain IAP participant records.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 8 – Pension Plan (Continued)

F. Contributions

OPERS 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. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, as subsequently modified by 2017 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2017.

Employer contributions for the fiscal year ended June 30, 2018 were \$227,032, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2018 were: Tier One/Tier Two General Service – 15.52 percent, OPSRP Pension Program General Service – 10.19 percent, and OPSRP Individual Account Program – 6 percent.

During the 2002-2003 fiscal year, the District issued limited tax pension bonds, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability (see Note 7).

G. Changes in Plan Provisions During the Measurement Period

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients.

OPERS members who have accrued benefits before and after the effective periods of the 2013 legislation will have a blended COLA rate when they retire.

This change in benefit terms were reflected in the current valuation.

H. Changes in Plan Provisions Subsequent to the Measurement Date

There were no changes subsequent to the June 30, 2017 measurement date.

Note 9 – Other Post-Employment Benefits (OPEB)

OPERS Retirement Health Insurance Account (RHIA)

A. Name of the Other Post-Employment Benefit Plan

The Retirement Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined other post-employment benefit plan administered by OPERS.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 9 – Other Post-Employment Benefits (OPEB) (Continued)

OPERS Retirement Health Insurance Account (RHIA) (Continued)

B. Plan Description

Eligible retirees of the District are provided a monthly contribution toward the cost of Medicare companion health insurance premiums through RHIA. This trust fund is established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) 238.420. The ORS Chapter 238 Other Post-Employment Benefit Plan is closed to new members hired on or after January 1, 2004. OPERS issues a publicly available financial report that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

C. Benefits Provided Under ORS Chapter 238.420 – Retiree Healthcare

- 1. Plan Benefits** – ORS 238.420 require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 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.
- 2. Death Benefits** – 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.

D. Contributions

The Oregon PERS Board of Trustees sets the employer contribution rate. It is based on the annual required contribution (ARC) of the combined participant employers. This is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a closed period not to exceed 30 years.

Employer contributions to RHIA for the fiscal year ended June 30, 2018 are included in the OPERS annual pension amount in Note 8. The rates in effect for the fiscal year ended June 30, 2018 were: Tier One/Tier Two – 0.53 percent and OPSRP Pension Program – 0.45 percent.

Post-Employment Health Insurance Subsidy

A. Name of the Other Post-Employment Benefit Plan

The District offers a single-employer retiree benefit plan that provides post-employment health, dental, vision, and life insurance benefits to eligible employees and their spouses.

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 9 – Other Post-Employment Benefits (OPEB) (Continued)

OPERS Retirement Health Insurance Account (RHIA) (Continued)

B. Plan Description

The District's health insurance plan is provided through the Oregon Educators Benefit Board (OEBB). The plan offers eligible retirees health insurance coverage from the date of retirement to the Medicare availability age of 65.

C. Plan Benefits

Retired employees covered through the District's health insurance plan receive the implicit benefit of lower health care premiums subsidized by the premium costs for active employees. This benefit is known as an "implicit rate subsidy". The benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with OEBB's younger and statistically healthier active employees.

D. Contributions

The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance and the District does not pay for any portion of the premiums for its retirees' health care.

Tax Sheltered Annuity

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. No contributions are required from the District. As of June 30, 2018, seven employees were participating in the plan

Note 10 – Fund Balance Reporting

The District has adopted GASB Statement No. 54. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB Statement No. 54 provides for two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. At June 30, 2018 the District did not have any fund balances that would be considered non-spendable.

In addition to the non-spendable fund balance, GASB Statement No. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints as detailed in Note 1E.

The District has classified its fund balances with the following hierarchy:

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 10 – Fund Balance Reporting (Continued)

Restricted for Local/State/Federal Grant Programs, Student Activities and Debt Service

Oregon State Statutes, granting agency requirements, and local ordinances require that certain revenues be specifically designed for the purposes of grant programs and debt service. The funds have been included in restricted category of fund balance. The restricted fund balances totaled \$2,194,800 and represented \$1,363,547 in Capital Improvements, \$211,503 in grant programs, \$113,381 in student activities (associated student body funds), and \$506,369 in debt service.

Assigned for School Operations

The School Board has set aside certain spendable fund balance for school operations. At fiscal year-end, the assigned fund balance is \$530,704 for appropriation of existing unassigned fund balance at fiscal year-end to eliminate a general fund deficit in 2018-2018 fiscal year budget.

Unassigned

The unassigned fund balance for the General Fund is \$1,077,046. The unassigned fund balance for Other Governmental Funds is a deficit balance of \$21,129. This deficit balance is related to certain restricted grant programs in which disbursements exceeded receipts during the fiscal year ending June 30, 2018 and operate on a reimbursement basis.

Note 11 – Deficit Fund Balances

At June 30, 2018, the Title IA Grant Fund #201 had a deficit fund balance of \$83, Title V REAP Flex Fund #205 \$7 and Echo Preschool Fund #280 of \$21,039.

The deficits are a result of funds being spent prior to requested reimbursement funds being received. Future receipts to these funds should offset the deficits in the upcoming fiscal year. Cash borrowed from the General Fund offsets the deficits and is disclosed as “Due to Other Funds” in the Balance Sheet - Cash Basis.

Note 12 – Interfund Transfers

The following transfers between funds were budgeted and made for the year:

<u>Fund</u>	<u>Transfers-In</u>	<u>Transfers-Out</u>
General Fund	\$ -	\$ 160,493
OPERS UAL Debt Fund #311	160,493	-
Totals	<u>\$ 160,493</u>	<u>\$ 160,493</u>

**Echo School District #5R
Umatilla County, Oregon**

**Notes to the Financial Statements
June 30, 2018**

Note 12 – Interfund Transfers (Continued)

Transfer out of the General Fund to the OPERS UAL Debt Service Fund #311 is an annual budgeted transfer to service the debt related to the District's 2003 Limited Tax Pension Bonds.

Note 13 – Risk Management

The District is exposed to various risks or losses related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District purchases commercial insurance for all claims other than that represented by minimal deductible amount per loss. There have been no significant reductions in insurance coverage from coverage in prior years in any of the major categories of risk. Amounts of any settlements or claims have not exceeded insurance coverage in any of the past three years.

Note 14 – 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.

The amount of grant revenue reflected in the basic financial statements is subject to audit and adjustment by grantor agencies, principally the federal government. Any costs which are questioned or recommended to be disallowed and which ultimately result in disallowed claims may become a liability of the General Fund.

Note 15 – Evaluation of Subsequent Events

The District has evaluated subsequent events through November 30, 2018, the date which the financial statements were available to be issued.

Supplementary Information

Combining Nonmajor Fund Financial Statements

**Echo School District #5R
Umatilla County, Oregon**

**Combining Balance Sheet - Cash Basis
Nonmajor Governmental Funds
June 30, 2018**

	Title IA Grant Fund #201	Title V REAP Flex Fund #205	High School Success Measure 98 Fund #213	ECBPB Wind Grants Fund #218	Small High School Grant Fund #219
<u>Assets</u>					
Cash and Cash Equivalents	\$ -	\$ -	\$ 1,027	\$ 24,485	\$ 23,134
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Due to Other Funds	\$ 83	\$ 7	\$ -	\$ -	\$ -
Fund Balances:					
Spendable:					
Restricted	-	-	1,027	24,485	23,134
Unassigned	(83)	(7)	-	-	-
Total Fund Balances	(83)	(7)	1,027	24,485	23,134
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 1,027	\$ 24,485	\$ 23,134

**Echo School District #5R
Umatilla County, Oregon**

**Combining Balance Sheet - Cash Basis
Nonmajor Governmental Funds
June 30, 2018**

	<u>IDEA Part B Fund #220</u>	<u>Energy Schools Fund #225</u>	<u>Miscellaneous Grants Fund #229</u>	<u>ODE Transportation Fund #255</u>	<u>Associated Student Body Fund #270</u>
Cash and Cash Equivalents	\$ 362	\$ 60,161	\$ 15,100	\$ 69,886	\$ 113,381
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:					
Spendable:					
Restricted	362	60,161	15,100	69,886	113,381
Unassigned	-	-	-	-	-
Total Fund Balances	362	60,161	15,100	69,886	113,381
Total Liabilities and Fund Balances	\$ 362	\$ 60,161	\$ 15,100	\$ 69,886	\$ 113,381

**Combining Balance Sheet - Cash Basis
Nonmajor Governmental Funds
June 30, 2018**

	Echo Preschool Fund #280	Food Services Fund #290	Construction Bond Fund #310	OPERS UAL Debt Service Fund #311	Total Nonmajor Governmental Funds
Cash and Cash Equivalents	\$ -	\$ 17,348	\$ 213,842	\$ 292,527	\$ 831,253
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Due to Other Funds	\$ 21,039	\$ -	\$ -	\$ -	\$ 21,129
Fund Balances:					
Spendable:					
Restricted	-	17,348	213,842	292,527	831,253
Unassigned	(21,039)	-	-	-	(21,129)
Total Fund Balances	(21,039)	17,348	213,842	292,527	810,124
Total Liabilities and Fund Balances	\$ -	\$ 17,348	\$ 213,842	\$ 292,527	\$ 831,253

**Echo School District #5R
Umatilla County, Oregon**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2018**

	Title IA Grant Fund #201	Title V REAP Flex Fund #205	IDEA Enhancement Grant Fund #207	High School Success 98 Measure Fund #213	Small Rural School Ach. Grant Fund #216	SPR&I Grant Fund #217
<u>Revenues</u>						
Property Taxes	91,319	10,512	1,591	52,237	25,880	1,230
Intergovernmental	-	-	-	-	-	-
Food Service Sales	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	-
Earnings on Investments	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
Total Revenues	91,319	10,512	1,591	52,237	25,880	1,230
<u>Expenditures</u>						
Current:						
Instruction:						
Regular Programs	2,483	4,615	-	51,210	-	-
Special Programs	88,919	5,904	1,591	-	25,880	1,230
Support Services:						
Central Activities	-	-	-	-	-	-
Enterprise and Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	91,402	10,519	1,591	51,210	25,880	1,230
Change in Fund Balances Before Other Financial Sources / (Uses)	(83)	(7)	-	1,027	-	-
Other Financial Sources / (Uses):						
Transfer (to) / from Other Funds	-	-	-	-	-	-
Change in Fund Balances	(83)	(7)	-	1,027	-	-
Fund Balances, Beginning	-	-	-	-	-	-
Fund Balances, Ending	(83)	(7)	-	1,027	-	-

Echo School District #5R
Umatilla County, Oregon

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2018

	ECBPB Wind Grants Fund #218	Small High School Grant Fund #219	IDEA, Part B Fund #220	Energy Schools Fund #225	Miscellaneous Grants Fund #229	ODE Transportation Fund #255
<u>Revenues</u>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	24,485	15,349	36,812	-	26,014	31,458
Food Service Sales	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	-
Earnings on Investments	-	-	-	-	-	-
Other Revenue	-	-	-	8,920	-	-
Total Revenues	24,485	15,349	36,812	8,920	26,014	31,458
<u>Expenditures</u>						
Current:						
Instruction:						
Regular Programs	-	7,187	-	-	16,725	-
Special Programs	-	-	36,450	-	-	-
Support Services:						
Central Activities	-	-	-	-	-	-
Enterprise and Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	-	7,187	36,450	-	16,725	-
Change in Fund Balances Before Other Financial Sources / (Uses)	24,485	8,162	362	8,920	9,289	31,458
Other Financial Sources / (Uses):						
Transfer (to) / from Other Funds	-	-	-	-	-	-
Change in Fund Balances	24,485	8,162	362	8,920	9,289	31,458
Fund Balances, Beginning	-	14,972	-	51,241	5,811	38,428
Fund Balances, Ending	\$ 24,485	\$ 23,134	\$ 362	\$ 60,161	\$ 15,100	\$ 69,886

Echo School District #5R
Umatilla County, Oregon

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2018

	Associated Student Body Fund #270	Echo Preschool Fund #280	Food Services Fund #290	Construction Bond Fund #310	OPERS UAL Debt Service Fund #311	Total Nonmajor Governmental Funds
<u>Revenues</u>						
Property Taxes	\$ -	\$ -	\$ -	\$ 335,243	\$ -	\$ 335,243
Intergovernmental	-	-	113,299	-	-	430,186
Food Service Sales	-	-	33,312	-	-	33,312
Charges for Services	82,933	54,129	-	-	-	137,062
Contributions and Donations	34,741	-	-	-	-	34,741
Earnings on Investments	8	-	-	6,099	893	7,000
Other Revenue	-	-	(607)	-	-	8,313
Total Revenues	117,682	54,129	146,004	341,342	893	985,857
<u>Expenditures</u>						
Current:						
Instruction:						
Regular Programs	116,181	-	-	-	-	198,401
Special Programs	-	-	-	-	-	159,974
Support Services:						
Central Activities	-	-	-	-	1,600	1,600
Enterprise and Community Services	-	36,117	142,981	-	-	179,098
Capital Outlay						
Debt Services	13,688	-	-	-	-	13,688
Principal	-	-	-	205,000	45,073	250,073
Interest	-	-	-	138,421	115,645	254,066
Total Expenditures	129,869	36,117	142,981	343,421	162,318	1,056,900
Change in Fund Balances Before Other Financial Sources / (Uses)	(12,187)	18,012	3,023	(2,079)	(161,425)	(71,043)
Other Financial Sources / (Uses):						
Transfer (to) / from Other Funds	-	-	-	-	160,493	160,493
Change in Fund Balances	(12,187)	18,012	3,023	(2,079)	(932)	89,450
Fund Balances, Beginning	125,568	(39,051)	14,325	215,921	293,459	720,674
Fund Balances, Ending	\$ 113,381	\$ (21,039)	\$ 17,348	\$ 213,842	\$ 292,527	\$ 810,124

Budgetary Comparison Schedules

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
Title IA Grant Fund #201
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with
<u>Receipts</u>	Original	Final		Final Budget
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 99,992	\$ 99,992	\$ 91,319	\$ (8,673)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	-	-	508	(508)
1131 High School Programs	-	-	1,975	(1,975)
1272 Title I	111,933	111,933	88,919	23,014
Total Disbursements	111,933	111,933	91,402	20,531
 Net Change in Fund Balance	 (11,941)	 (11,941)	 (83)	 11,858
 Fund Balance, Beginning	 11,941	 11,941	 -	 (11,941)
 Fund Balance, Ending	 \$ -	 \$ -	 \$ (83)	 \$ (83)

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
Title V REAP Flex Fund #205
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with
<u>Receipts</u>	Original	Final		Final Budget
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 9,916	\$ 9,916	\$ 10,512	\$ 596
 <u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	-	-	4,015	(4,015)
1131 High School Programs	-	-	600	(600)
1250 Less Restrictive Programs for Students with Disabilities	2,965	2,965	-	2,965
1272 Title I	6,951	6,951	5,904	1,047
Total Disbursements	9,916	9,916	10,519	(603)
Net Change in Fund Balance	-	-	(7)	(7)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (7)	\$ (7)

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
High Cost Disability Grant Fund #206
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3101 State Unrestricted Resources	\$ 10,700	\$ 10,700	\$ -	\$ (10,700)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	10,700	10,700	-	10,700
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
IDEA Enhancement Grant Fund #207
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with
<u>Receipts</u>	Original	Final		Final Budget
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 1,600	\$ 1,600	\$ 1,591	\$ (9)
 <u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	-	-	371	(371)
1299 Other Programs	1,600	1,600	1,220	380
Total Disbursements	1,600	1,600	1,591	9
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
High School Success Measure 98 Fund 213
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 25,356	\$ 25,356	\$ 52,237	\$ 26,881
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	25,356	25,356	51,210	(25,854)
Net Change in Fund Balance	-	-	1,027	1,027
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ 1,027	\$ 1,027

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
G5 Small Rural School Achievement Grant Fund #216
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget	
	Original	Final			
<u>Receipts</u>					
Federal Sources:					
4300	Direct Federal Restricted Funds	\$ -	\$ -	\$ 25,880	\$ 25,880
4500	Restricted Revenue from the Federal Government Through the State	22,544	22,544	-	(22,544)
	Total Receipts	22,544	22,544	25,880	3,336
<u>Disbursements</u>					
Instruction:					
1111	Elementary, K-5 or K-6	14,197	14,197	-	14,197
1250	Less Restrictive Programs for Students with Disabilities	8,347	8,347	24,997	(16,650)
1299	Other Programs	-	-	883	(883)
	Total Disbursements	22,544	22,544	25,880	(3,336)
Net Change in Fund Balance					
		-	-	-	-
Fund Balance, Beginning					
		-	-	-	-
Fund Balance, Ending					
		\$ -	\$ -	\$ -	\$ -

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
SPR&I Grant Fund #217
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with
<u>Receipts</u>	Original	Final		Final Budget
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 1,400	\$ 1,400	\$ 1,230	\$ (170)
 <u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	1,400	1,400	1,230	170
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
ECBPB Wind Grants Fund #218
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1990	Miscellaneous Income	\$ -	\$ -	\$ -
Intermediate Sources:				
2200	Restricted Revenue	83,000	24,485	(58,515)
	Total Receipts	83,000	24,485	(58,515)
<u>Disbursements</u>				
Instruction:				
1111	Elementary, K-5 or K-6	38,000	-	38,000
1131	High School Programs	22,000	-	22,000
1132	High School Extracurricular	5,000	-	5,000
	Total Instruction	65,000	-	65,000
Support Services:				
2540	Operation and Maintenance of Plant Services	18,000	-	18,000
	Total Disbursements	83,000	-	83,000
Net Change in Fund Balance		-	24,485	24,485
Fund Balance, Beginning		-	-	-
Fund Balance, Ending		\$ -	\$ 24,485	\$ 24,485

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
Small High School Grant Fund #219
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3199 Other Unrestricted Grants-in-Aid	\$ 19,218	\$ 19,218	\$ 15,349	\$ (3,869)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	1,762	1,762	4,978	(3,216)
1131 High School Programs	16,823	16,823	2,209	14,614
1400 Summer School Programs	1,133	1,133	-	1,133
Total Instruction	19,718	19,718	7,187	12,531
Support Services:				
2132 Medical Services	2,500	2,500	-	2,500
2240 Instructional Staff Development	8,000	8,000	-	8,000
2542 Building Services	3,000	3,000	-	3,000
Total Support Services	13,500	13,500	-	13,500
Total Disbursements	33,218	33,218	7,187	26,031
Net Change in Fund Balance	(14,000)	(14,000)	8,162	22,162
Fund Balance, Beginning	14,000	14,000	14,972	972
Fund Balance, Ending	\$ -	\$ -	\$ 23,134	\$ 23,134

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
IDEA, Part B Fund #220
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
<u>Receipts</u>	Original	Final		
Federal Sources:				
4700 Restricted Revenue from the Federal Government Through Intermediate Agency	\$ 34,060	\$ 34,060	\$ 36,812	\$ 2,752
<u>Disbursements</u>				
Instruction:				
1220 Restrictive Programs for Students with Disabilities	17,036	17,036	18,011	(975)
1250 Less Restrictive Programs for Students with Disabilities	17,024	17,024	18,439	(1,415)
Total Disbursements	34,060	34,060	36,450	(2,390)
 Net Change in Fund Balance	-	-	362	362
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ 362	\$ 362

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
Energy Schools Fund #225
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
<u>Receipts</u>	Original	Final		
Local Sources:				
1990 Miscellaneous	\$ 7,200	\$ 7,200	\$ 8,920	\$ 1,720
<u>Disbursements</u>				
Support Services:				
2542 Building Services	45,939	45,939	-	45,939
2660 Technology Services	10,800	10,800	-	10,800
Total Disbursements	56,739	56,739	-	56,739
Net Change in Fund Balance	(49,539)	(49,539)	8,920	58,459
Fund Balance, Beginning	49,539	49,539	51,241	1,702
Fund Balance, Ending	\$ -	\$ -	\$ 60,161	\$ 60,161

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
Miscellaneous Grants Fund #229
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1990 Miscellaneous Income	\$ 10,638	\$ 10,638	\$ -	\$ (10,638)
Intermediate Sources:				
2200 Restricted Revenue	25,000	25,000	-	(25,000)
State Sources:				
3299 Other Restricted Grants-in-Aid	30,000	30,000	16,014	(13,986)
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	30,000	30,000	10,000	(20,000)
Total Receipts	95,638	95,638	26,014	(69,624)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	-	-	12,475	(12,475)
1132 High School Extracurricular	10,638	10,638	4,250	6,388
1299 Other Programs	44,000	44,000	-	44,000
Total Instruction	54,638	54,638	16,725	37,913
Support Services:				
2240 Instructional Staff Development	15,000	15,000	-	15,000
2660 Technology Services	26,000	26,000	-	26,000
Total Support Services	41,000	41,000	-	41,000
Total Disbursements	95,638	95,638	16,725	78,913
Net Change in Fund Balance	-	-	9,289	9,289
Fund Balance, Beginning	-	-	5,811	5,811
Fund Balance, Ending	\$ -	\$ -	\$ 15,100	\$ 15,100

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
ODE Transportation Fund #255
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3222 State School Fund (SSF) Transportation	\$ 36,000	\$ 36,000	\$ 31,458	\$ (4,542)
Total Receipts	36,000	36,000	31,458	(4,542)
<u>Disbursements</u>				
Support Services:				
2550 Student Transportation Services	74,428	74,428	-	74,428
Total Disbursements	74,428	74,428	-	74,428
Net Change in Fund Balance	(38,428)	(38,428)	31,458	69,886
Fund Balance, Beginning	38,428	38,428	38,428	-
Fund Balance, Ending	\$ -	\$ -	\$ 69,886	\$ 69,886

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
Associated Student Body Fund #270
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1510 Earnings on Investments	\$ 100	\$ 100	\$ 8	\$ (92)
1700 Extracurricular Activities	100,900	100,900	82,933	(17,967)
1920 Contributions from Private Sources	30,000	30,000	34,741	4,741
Total Receipts	<u>131,000</u>	<u>131,000</u>	<u>117,682</u>	<u>(13,318)</u>
<u>Disbursements</u>				
Instruction:				
1113 Elementary Extracurricular	2,500	2,500	1,766	734
1122 Middle School Extracurricular	500	500	300	200
1132 High School Extracurricular	143,000	143,000	127,803	15,197
Total Instruction	<u>146,000</u>	<u>146,000</u>	<u>129,869</u>	<u>16,131</u>
Net Change in Fund Balance	(15,000)	(15,000)	(12,187)	2,813
Fund Balance, Beginning	<u>80,434</u>	<u>80,434</u>	<u>125,568</u>	<u>45,134</u>
Fund Balance, Ending	<u>\$ 65,434</u>	<u>\$ 65,434</u>	<u>\$ 113,381</u>	<u>\$ 47,947</u>

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
Echo Preschool Fund #280
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with
	Original	Final		Final Budget
<u>Receipts</u>				
Local Sources:				
1800 Community Service Activities	\$ 56,262	\$ 56,262	\$ 43,650	\$ (12,612)
1910 Rental Receipts	15,500	15,500	10,479	(5,021)
Total Receipts	71,762	71,762	54,129	(17,633)
<u>Disbursements</u>				
Enterprise and Community Services:				
3300 Community Services	71,762	71,762	36,117	35,645
Net Change in Fund Balance	-	-	18,012	18,012
Fund Balance, Beginning	-	-	(39,051)	(39,051)
Fund Balance, Ending	\$ -	\$ -	\$ (21,039)	\$ (21,039)

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
Food Services Fund #290
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget	
	Original	Final			
<u>Receipts</u>					
Local Sources:					
1600	Food Service	\$ 37,098	\$ 37,098	\$ 33,312	\$ (3,786)
1990	Miscellaneous	1,346	1,346	(607)	(1,953)
	Total Local Sources	38,444	38,444	32,705	(5,739)
State Sources:					
3102	State School Fund - School Lunch Match	2,747	2,747	1,300	(1,447)
3299	Other Restricted Grants-in-Aid	-	-	2,341	2,341
	Total State Sources	2,747	2,747	3,641	894
Federal Sources:					
4500	Restricted Revenue from the Federal Government Through the State	120,500	120,500	100,550	(19,950)
4900	Revenue for/on Behalf of the District	-	-	9,108	9,108
	Total Federal Sources	120,500	120,500	109,658	(10,842)
	Total Receipts	161,691	161,691	146,004	(15,687)
<u>Disbursements</u>					
Enterprise and Community Services:					
3100	Food Services	162,491	162,491	142,981	19,510
	Net Change in Fund Balance	(800)	(800)	3,023	3,823
	Fund Balance, Beginning	800	800	14,325	13,525
	Fund Balance, Ending	\$ -	\$ -	\$ 17,348	\$ 17,348

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
Construction Bond Fund #310
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
<u>Receipts</u>	Original	Final		
Local Sources:				
1110 Ad Valorem Taxes Levied by District	\$ 351,175	\$ 351,175	\$ 335,243	\$ (15,932)
1500 Earnings on Investments	3,500	3,500	6,099	2,599
Total Local Sources	354,675	354,675	341,342	(13,333)
 <u>Disbursements</u>				
Other Uses:				
5100 Debt Service:				
Principal	205,000	205,000	205,000	-
Interest	138,425	138,425	138,421	4
Total Disbursements	343,425	343,425	343,421	4
Net Change in Fund Balance	11,250	11,250	(2,079)	(13,329)
Fund Balance, Beginning	211,011	211,011	215,921	4,910
Fund Balance, Ending	\$ 222,261	\$ 222,261	\$ 213,842	\$ (8,419)

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
OPERS UAL Debt Service Fund #311
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 100	\$ 100	\$ 893	\$ 793
<u>Disbursements</u>				
Support Services:				
2520 Fiscal Services	2,000	2,000	1,600	400
Other Uses:				
5100 Debt Service:				
Principal	45,073	45,073	45,073	-
Interest	115,645	115,645	115,645	-
Total Debt Service	160,718	160,718	160,718	-
Total Disbursements	162,718	162,718	162,318	400
Change in Fund Balance Before				
Other Financial Sources / (Uses)	(162,618)	(162,618)	(161,425)	1,193
Other Financial Sources / (Uses):				
Transfers from Other Funds	160,718	160,718	160,493	(225)
Net Change in Fund Balance	(1,900)	(1,900)	(932)	968
Fund Balance, Beginning	272,100	272,100	293,459	21,359
Fund Balance, Ending	\$ 270,200	\$ 270,200	\$ 292,527	\$ 22,327

**Echo School District #5R
Umatilla County, Oregon**

**Budgetary Comparison Schedule
Bond Construction Fund #400
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 31,500	\$ 31,500	\$ 55,739	\$ 24,239
State Sources:				
3299 Other Restricted Grants-in-Aid	3,618,568	3,618,568	3,566,522	(52,046)
Total Receipts	<u>3,650,068</u>	<u>3,650,068</u>	<u>3,622,261</u>	<u>(27,807)</u>
<u>Disbursements</u>				
Support Services:				
2520 Fiscal Services	5,000	5,000	-	5,000
Facilities Acquisition and Construction:				
4150 Building Acquisition, Construction and Improvement Services	<u>7,336,400</u>	<u>7,336,400</u>	<u>6,336,884</u>	<u>999,516</u>
Total Disbursements	<u>7,341,400</u>	<u>7,341,400</u>	<u>6,336,884</u>	<u>1,004,516</u>
Net Change in Fund Balance	(3,691,332)	(3,691,332)	(2,714,623)	976,709
Fund Balance, Beginning	<u>3,691,332</u>	<u>3,691,332</u>	<u>4,078,170</u>	<u>386,838</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,363,547</u>	<u>\$ 1,363,547</u>

Other Financial Schedules

**Echo School District #5R
Umatilla County, Oregon**

**Supplemental Information Required by the Oregon Department of Education
Fiscal Year Ended June 30, 2018**

	Objects 325 and 326
Function 2540	\$ 82,095
Function 2550	\$ -

A. Energy Bills for Heating – **All Funds:**
Please enter your expenditures for electricity and heating fuel for these Functions and Objects.

B. Replacement of Equipment – **General Fund:**
Include all General Fund expenditures in Object 542, except for the following exclusions:

<u>Exclude these functions:</u>	<u>Exclude these functions:</u>	
1113, 1122 & 1132	4150	Construction
1140	2550	Pupil Transportation
1300	3100	Food Service
1400	3300	Community Services
	\$	-

**Echo School District #5R
Umatilla County, Oregon**

**Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2018**

Revenue from Local Sources

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	852,112	516,869	-	335,243	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-	-	-	-
1190 Penalties and Interest on Taxes	-	-	-	-	-	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	-	-	-	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	-	-	-	-	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	-	-	-	-	-	-	-	-
1313 Regular Day School Tuition - Other Districts Outside	-	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	-	-	-	-	-	-	-	-
1412 Transportation Fees - Other Dist Within State	-	-	-	-	-	-	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-	-	-	-	-	-
1420 Summer School Transportation Fees	-	-	-	-	-	-	-	-
1500 Earnings on Investments	103,086	40,346	8	6,993	55,739	-	-	-
1600 Food Service	33,312	-	33,312	-	-	-	-	-
1700 Extracurricular Activities	89,267	6,334	82,933	-	-	-	-	-
1800 Community Services Activities	43,650	-	43,650	-	-	-	-	-
1910 Rentals	10,479	-	10,479	-	-	-	-	-
1920 Contributions and Donations From Private Sources	59,741	25,000	34,741	-	-	-	-	-
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	-	-	-	-	-	-	-	-
1970 Services Provided Other Funds	-	-	-	-	-	-	-	-
1980 Fees Charged to Grants	-	-	-	-	-	-	-	-
1990 Miscellaneous	33,448	25,135	8,313	-	-	-	-	-
Total Revenue from Local Sources	1,225,095	613,684	213,436	342,236	55,739	-	-	-

Revenue from Intermediate Sources

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	7,500	7,500	-	-	-	-	-	-
2102 General ESD Revenue	-	-	-	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	-	-
2200 Restricted Revenue	38,985	14,500	24,485	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	46,485	22,000	24,485	-	-	-	-	-

Revenue from State Sources

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	2,979,665	2,979,665	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	1,300	-	1,300	-	-	-	-	-
3103 Common School Fund	29,670	29,670	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	15,349	-	15,349	-	-	-	-	-
3200 Restricted Grant in Aid	3,566,522	-	-	-	3,566,522	-	-	-
3222 State School Fund (SSF) Transportation Equipment	31,458	-	31,458	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	70,593	-	70,593	-	-	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from State Sources	6,694,557	3,009,335	118,700	-	3,566,522	-	-	-

Revenue from Federal Sources

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government	-	-	-	-	-	-	-	-
4200 Unrestricted Revenue From the Federal Government Through the State	-	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	25,880	-	25,880	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	215,202	-	215,202	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	36,812	-	36,812	-	-	-	-	-
4801 Federal Forest Fees	403	403	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	-	-	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	9,108	-	9,108	-	-	-	-	-
Total Revenue from Federal Sources	287,405	403	287,002	-	-	-	-	-

Revenue from Other Sources

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	-	-	-	-	-	-	-	-
5200 Interfund Transfers	160,493	-	-	160,493	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	6,247,381	1,448,535	211,296	509,380	4,078,170	-	-	-
Total Revenue from Other Sources	6,407,874	1,448,535	211,296	669,873	4,078,170	-	-	-

Grand Totals

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Grand Totals	14,661,416	5,093,957	854,919	1,012,109	7,700,431	-	-	-

Echo School District #5R
Umatilla County, Oregon

Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2018

Fund: 100 General Fund

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	782,875	524,068	204,270	7,156	47,381	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	339,060	222,290	106,821	5,151	4,798	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	657,516	440,289	190,363	9,171	16,929	-	764	-
1132 High School Extracurricular	126,031	73,351	12,686	14,078	11,969	-	13,947	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	16,737	14,144	2,593	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	126,210	91,906	33,768	521	15	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	1,730	1,425	305	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	760	-	-	760	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	14,077	8,500	5,577	-	-	-	-	-
Total Instruction Expenditures	2,064,996	1,375,973	556,383	36,837	81,092	-	14,711	-

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	67,033	39,853	23,197	3,891	42	-	50	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	28	-	-	28	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	697	-	-	697	-	-	-	-
2310 Board of Education Services	41,882	-	-	10,336	4,073	-	27,473	-
2320 Executive Administration Services	150,670	103,736	40,640	1,539	4,231	-	524	-
2410 Office of the Principal Services	93,884	62,558	24,683	4,002	2,641	-	-	-
2490 Other Support Services - School Administration	128,457	72,941	16,499	37,659	1,358	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	104,136	56,319	24,755	19,981	1,647	-	1,434	-
2540 Operation and Maintenance of Plant Services	431,478	98,323	39,596	151,056	59,875	81,603	1,025	-
2550 Student Transportation Services	131,917	55,290	21,559	13,267	20,408	13,299	8,094	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	88,555	-	-	47,441	41,034	-	80	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	1,238,737	489,020	190,929	289,897	135,309	94,902	38,680	-

Enterprise and Community Services Expenditures

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

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	-	-	-	-	-	-	-	-

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	21,983	-	-	-	-	-	21,983	-
5200 Transfers of Funds	160,493	-	-	-	-	-	-	160,493
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	182,476	-	-	-	-	-	21,983	160,493

Grand Totals

Grand Totals	3,486,209	1,864,993	747,312	326,734	216,401	94,902	75,374	160,493
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**Echo School District #5R
Umatilla County, Oregon**

**Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2018**

Fund: 200 Special Revenue Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	9,501	-	-	1,406	8,095	-	-	-
1113 Elementary Extracurricular	1,766	-	-	-	1,766	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	300	-	-	-	-	-	300	-
1131 High School Programs	68,469	26,939	12,271	13,375	15,884	-	-	-
1132 High School Extracurricular	132,053	-	-	7,146	91,072	13,688	20,147	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	18,011	15,226	2,785	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	45,037	36,824	6,612	1,230	371	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	94,824	66,564	28,165	-	95	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	2,103	-	-	1,220	883	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	372,064	145,553	49,833	24,377	118,166	13,688	20,447	-
Support Services Expenditures								
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	-	-	-	-	-	-	-	-
Enterprise and Community Services Expenditures								
3100 Food Services	144,389	34,865	24,366	1,111	83,597	-	450	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	34,709	26,351	8,358	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	179,098	61,216	32,724	1,111	83,597	-	450	-
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	-	-	-	-	-	-	-	-
Other Uses Expenditures								
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	-	-	-	-	-	-	-	-
Grand Totals	551,162	206,769	82,557	25,488	201,763	13,688	20,897	-

Echo School District #5R
Umatilla County, Oregon

Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2018

Fund: 300 Debt Service Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	-	-	-	-	-	-	-	-

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	1,600	-	-	-	-	-	1,600	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	1,600	-	-	-	-	-	1,600	-

Enterprise and Community Services Expenditures

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

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	-	-	-	-	-	-	-	-

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	504,138	-	-	-	-	-	504,138	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	504,138	-	-	-	-	-	504,138	-

Grand Totals

	505,738	-	-	-	-	-	505,738	-
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Echo School District #5R
Umatilla County, Oregon

Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2018

Fund: 400 Capital Projects Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	-	-	-	-	-	-	-	-
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2680 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	-	-	-	-	-	-	-	-
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	17,407	-	-	17,407	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	6,319,476	58,685	5,495	186,809	-	6,060,492	7,995	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	6,336,883	58,685	5,495	204,216	-	6,060,492	7,995	-
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	-	-	-	-	-	-	-	-
Grand Totals	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
	6,336,883	58,685	5,495	204,216	-	6,060,492	7,995	-

**Echo School District #5R
Umatilla County, Oregon**

**Oregon Department of Education Required Schedule of Federal Awards
Fiscal Year Ended June 30, 2018**

Federal Grantor Pass-Through Grantor	Program Title	Federal CFDA #	Pass-Through Entity ID #	Grant Period	Grant Amount	2017-18 Revenues	2017-18 Expenditures
U.S. Department of Agriculture - General Fund:							
Passed through Umatilla County, Oregon:							
	Forest Service Schools and Roads Grants to States	10.665		7/1/17 - 6/30/18	\$ 403	\$ 403	\$ 403
				Total	<u>403</u>	<u>403</u>	<u>403</u>
Total U.S. Department of Agriculture - General Fund					403	403	403
Total General Fund					403	403	403
U.S. Department of Agriculture - Special Revenue Funds:							
Passed through Oregon State Department of Education:							
	School Breakfast Program	10.553	3005001	7/1/17 - 6/30/18	32,972	32,972	32,972
	National School Lunch Program	10.555	3005001	7/1/17 - 6/30/18	66,417	66,417	66,417
	Commodities	10.555	3005001	7/1/17 - 6/30/18	9,108	9,108	9,108
	Summer Food Service Program for Children	10.559	3005001	7/1/17 - 6/30/18	1,161	1,161	1,161
				Total	<u>109,658</u>	<u>109,658</u>	<u>109,658</u>
Total U.S. Department of Agriculture - Special Revenue Funds					109,658	109,658	109,658
U.S. Department of Education - Special Revenue Funds:							
Direct Federal Grants:							
	Small, Rural School Achievement Program (Title VI, Part B of ESEA)	84.358A	S358A0112376	10/1/17 - 9/30/18	25,880	25,880	25,880
				Total	<u>25,880</u>	<u>25,880</u>	<u>25,880</u>
Passed through Oregon State Department of Education:							
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	35964	7/1/17 - 9/30/18	91,319	91,319	91,319
				Total	<u>91,319</u>	<u>91,319</u>	<u>91,319</u>
	Special Performance Review & Improvement Grant (IDEA Part B, Section 611)	84.027	44375	7/1/17 - 9/30/18	1,230	1,230	1,230
				Total	<u>1,230</u>	<u>1,230</u>	<u>1,230</u>
	Special Education Enhancement Grant (IDEA Part B, Section 611)	84.027	38309	7/1/17-9/30/18	1,591	1,591	1,591
				Total	<u>1,591</u>	<u>1,591</u>	<u>1,591</u>
	Improving Teacher Quality State Grants (Title II, Part A of ESEA)	84.367	45799	7/1/17 - 9/30/18	10,512	10,512	10,512
				Total	<u>10,512</u>	<u>10,512</u>	<u>10,512</u>
Passed through InterMountain Education Service District:							
	Special Education Grants to States (IDEA Part B, Section 611)	84.027	45317	7/1/17 - 9/30/18	36,812	36,812	36,812
				Total	<u>36,812</u>	<u>36,812</u>	<u>36,812</u>
Total U.S. Department of Education - Special Revenue Funds					167,344	167,344	167,344
Total Special Revenue Funds					277,002	277,002	277,002
Total Federal Financial Assistance					\$ 277,405	\$ 277,405	\$ 277,405

Note: The above schedule of federal awards is presented on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This schedule is not presented as a requirement of OMB's Uniform Guidance, but rather as a requirement of the Oregon Department of Education.

COMPLIANCE SECTION

Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERSHIPS

AMERICAN INSTITUTE OF CPA'S
OREGON SOCIETY OF CPA'S
AICPA - PRIVATE COMPANIES PRACTICE SECTION

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

To the Board of Education and Management
Echo School District #5R
Echo, Oregon 97826

We have audited the modified cash basis financial statements of Echo School District #5R (the District) as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated November 30, 2018. 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 District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

The District was not in compliance with Oregon Local Budget Law (ORS 294) as it pertains to the fiscal year July 1, 2017 through June 30, 2018 as expenditures exceeded appropriations in the following categories:

- General Fund #100 – Instruction & Transfers to Other Funds
- Title V REAP Flex Fund #205 – Instruction
- High School Success Measure 98 Fund #213 – Instruction
- G5 Small Rural School Achievement Grant Fund #216 – Instruction

- IDEA, Part B Fund #220 – Instruction

Also, the District was not in compliance with Oregon State School Fund factors and calculations as it pertains to the fiscal year July 1, 2016 through June 30, 2017 as follows:

- As part of our audit procedures performed to test the Oregon State School Fund factors, we reviewed the June 30, 2017 “Bus and Garage Depreciation Schedule and Mileage Report” that was submitted to the Oregon Department of Education (ODE) and noted there was no subtraction in this report for non-reimbursable miles. Our further review revealed documentation that the non-reimbursable miles for vehicles with capacity of 20 or less was 5,740 and 13,512 for vehicles with capacity of 21 or more. As a result, the non-reimbursable miles subtraction should have been \$39,702, not \$0 as was originally entered. Overall, since the Transportation piece of the State School Fund Grant is calculated at 70% of actual amounts, it appears that the District was overpaid by \$27,792 ($\$39,702 \times .70$) in their State School Fund Grant for the 2016-2017 School Year and will need to repay this amount to the ODE.

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

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

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

We did identify certain deficiencies in internal control that we consider to be significant deficiencies, which we reported to the Board of Education and management of the District in a separate letter dated November 30, 2018.

Restrictions on Use

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



Cockburn & McClintock, LLC

Pendleton, Oregon

November 30, 2018