

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

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2013**



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

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

FINANCIAL REPORT  
For the Year Ended June 30, 2013

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

BOARD OF EDUCATION AS OF JUNE 30, 2013

<u>NAME</u>	<u>TERM EXPIRES</u>
Dean Livelybrooks, Chair	June 30, 2013
Jeff Ramp	June 30, 2013
Darren Willits	June 30, 2013
Doug Perry	June 30, 2014
Troy Wilson	June 30, 2014

All board members receive mail at the address below:

ADMINISTRATION

Larry Sullivan, Superintendent  
David Standridge, Business Manager  
85955 Territorial Road  
Eugene, Oregon 97402

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LANE COUNTY, OREGON  
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LANE COUNTY, OREGON  
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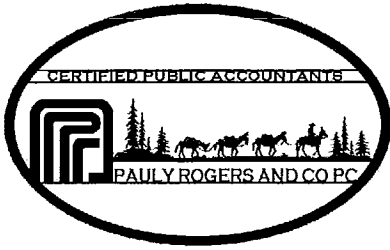
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PAULY, ROGERS, AND Co., P.C.  
12700 SW 72<sup>nd</sup> Ave. Tigard, OR 97223  
(503) 620-2632 (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

November 29, 2013

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crow-Applegate-Lorane School District No. 66, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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

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

### **Auditors' 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 auditors' 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 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Crow-Applegate-Lorane School District No. 66, as of June 30, 2013, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

The District adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, for the year ended June 30, 2013. Our opinion is not modified with respect to this matter.



## **Other Matters**

### *Required Supplementary Information*

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

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

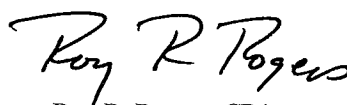
The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures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

### *Other Information*

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

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

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 29, 2013, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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As management of the Crow-Applegate-Lorane School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2013.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2013 by \$1,704,260. Of this amount, \$612,562 represents the District's net investment in capital assets, \$307,128 is restricted for specific operations and activities and \$784,570 is unrestricted and available to meet the District's ongoing obligations.
- Of the \$3,717,172 in governmental fund revenue, the general fund represents 90% of the total. The general fund's ending fund balance is \$498,327 or 49% of the total for all governmental funds.
- The General Fund received \$3,327,847 in revenue in 2012-13. The revenues that make up the State School Fund formula dollars represented 93% of the total. The Local Option Levy was 3% of the total and the remaining 4% was from other sources.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

**Statement of Net Position** The *Statement of Net Position* presents information on all of the assets and liabilities of the District as of June 30, 2013. Net position consists of assets remaining after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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

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

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

### **Fund Financial Statements**

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

**Governmental Funds** The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike government-wide financial statements, however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Federal and State Projects Fund, Capital Projects Fund and Bus Replacement Fund which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the combining statements.

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

**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Notes to the Basic Financial Statements** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10-20 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

<b>Summary Statement of Net Position Governmental Activities</b>		
	<u>2011-12</u>	<u>2012-13</u>
Current and Other Assets	\$ 1,369,540	\$ 1,436,064
Capital Assets	656,450	612,562
<b>Total Assets</b>	<u>2,025,990</u>	<u>2,048,626</u>
Current Liabilities	222,389	344,366
Non-Current Liabilities	15,769	0
<b>Total Liabilities</b>	<u>238,158</u>	<u>344,366</u>
<b>Net Position</b>		
Net Investment in Capital Assets	656,450	612,562
Restricted	292,722	307,128
Unrestricted	838,660	784,570
<b>Total Net Position</b>	<u>\$ 1,787,832</u>	<u>\$ 1,704,260</u>

There was just a nominal increase in Assets from the prior year. The increase in Accounts Payable is primarily due to the timing of when some year-end invoices were paid compared to the prior year. In 2011-12 they were paid before June 30th and in 2012-13 they were paid after June 30th. The \$43,888 reduction in capital assets is primarily the result of depreciation for the year.

As noted earlier, net position may serve as a useful indicator of the District's financial position over time. The District's assets exceeded liabilities by \$1,704,260 on June 30, 2013. A portion of the District's net position (36%) reflects its investment in capital assets. The District uses these capital assets to provided services; consequently these assets are not available for future spending.

**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Changes in Net Position**

<b>Summary Statement of Changes in Net Position</b>		
	<b>2011-12</b>	<b>2012-13</b>
<b>Revenues:</b>		
Program Revenues:		
Charges for Service	\$ 92,847	\$ 94,355
Operating Grants & Contributions	410,268	275,792
General Revenues:		
Property Taxes	1,149,261	1,050,073
State Support	2,191,216	2,162,853
Unrestricted Federal Income	16,707	16,641
Unrestricted Intermediate/Local Sources	80,677	109,833
Earnings on Investments	7,867	7,625
Total Revenue	3,948,843	3,717,172
<b>Expenses:</b>		
Instruction	2,037,516	1,944,354
Support Services	1,881,147	1,681,284
Community Services	174,321	175,106
Total Expenses	4,092,984	3,800,744
Change in Net Position	-144,141	-83,572
Net Position – beginning	1,931,973	1,787,832
Net Position – ending	\$ 1,787,832	\$ 1,704,260

Revenues showed an overall decrease compared to the prior year. Some of the more significant changes are highlighted below.

- Operating Grant revenues decreased because 2011-12 included funds that were carved out of the regular state school fund support and awarded as grant funds. In 2012-13 the funds were awarded as regular state school funds. Some of the grant funds awarded in 2012-13 were carried forward to be spent in 2013-14. These include IDEA, Title I and Title II funds.
- Property tax revenue decreased due to a sharp decrease in assessed valuation.
- State support decreased even with the additional funds mentioned above. The formula for the state payments finally included that adjustment for having all students at one elementary school. The small school correction for Lorane was no longer included in the formula.
- The increase in Intermediate/Local Revenue includes e-rate revenue for the first time.

**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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There was a decrease in overall expenses in 2012-13.

- The cost for Instruction Services decreased at the elementary level with the closure of Lorane Elementary. There was also a decrease in IDEA grant expenses as mentioned above.
- The reduction in Support Services includes the savings from having a part time superintendent, maintenance and other related costs by closing Lorane Elementary and the decrease in grant expenses as mentioned above.

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

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

#### **Governmental Funds**

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

*General Fund* The General Fund is the chief operating fund of the District. As of June 30, 2013, the fund balance was \$498,327. This represents a decrease of \$73,816 from the prior year's financial statement. Included in the ending General Fund balance is the \$29,366 ending fund balance from the Curriculum Reserve Fund. Per GASB 54, since this fund no longer has ongoing revenue streams, the ending fund balance is to be combined into the General Fund fund balance for reporting purposes. The actual General Fund balance was \$468,961 on June 30, 2013.

*Other Governmental Funds* These funds include the Federal/State Projects, Athletics, Food Service, Bus Replacement, Student Activity, Scholarship and the Capital Projects Fund. The combined fund balance for all of these funds increased \$15,938. The ending fund balance is now \$512,184. The Bus Replacement fund balance increased \$20,958 with revenue from the state school fund. The Food Service, Scholarship and Student Activity funds all used a portion of their fund balance to support the programs in 2012-13.

#### **BUDGETARY ANALYSIS**

The General Fund ending fund balance was more than budgeted due to several factors. The primary factor was a \$100,325 positive adjustment in the state school fund formula reconciliation for 2011-12. This positive adjustment is recorded as additional revenue in 2012-13 because the actual amount is not known until May 2013.

**CROW-APPLEGATE-LORANE SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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**CAPITAL ASSETS**

<b>Capital Assets (net of depreciation)</b>		
	<u>2011-12</u>	<u>2012-13</u>
Land	\$ 138,420	\$ 138,420
Buildings and Improvements	309,260	279,684
Vehicles and Equipment	208,770	194,458
Total	<u>\$ 656,450</u>	<u>\$ 612,562</u>

**Capital Assets** The District's investment in capital assets includes land, buildings and improvements, vehicles, and equipment. As of June 30, 2013, the District had invested \$612,562 in capital assets, net of depreciation, as shown on the table above. During the year, the District's investment in buildings/improvements and vehicles/equipment decreased as a result of depreciation.

**REQUESTS FOR INFORMATION**

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



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Dave Standridge  
Director of Business Services

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

BASIC FINANCIAL STATEMENTS



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

STATEMENT OF NET POSITION  
June 30, 2013

	Governmental Activities
<b>Assets</b>	
Current Assets	
Cash and Investments	\$ 1,270,613
Accounts Receivable	69,826
Property Tax Receivables	92,014
Inventory of Supplies	3,611
Total Current Assets	1,436,064
Non-Current Assets	
Capital Assets, Net:	
Land	138,420
Buildings and Improvements	279,684
Equipment	194,458
Total Non-Current Assets	612,562
Total Assets	2,048,626
<b>Liabilities</b>	
Accounts Payable	141,534
Payroll Liabilities Payable	168,095
Accrued Vacation	10,552
Unearned Revenue	24,185
Total Liabilities	344,366
<b>Net Position</b>	
Net Investment in Capital Assets	612,562
Restricted for:	
General Operations	29,366
Bus Replacement Services	164,362
Food Services	8,498
Student Activity	48,165
Expendable Scholarships	56,737
Unrestricted	784,570
Total Net Position	\$ 1,704,260

See accompanying notes to the basic financial statements

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

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Instruction	\$ 1,944,354	\$ 53,596	\$ 169,465	\$ (1,721,293)
Support Services	1,681,284	3,313	9,774	(1,668,197)
Community Services	<u>175,106</u>	<u>37,446</u>	<u>96,553</u>	<u>(41,107)</u>
Total Governmental Activities	<u>\$ 3,800,744</u>	<u>\$ 94,355</u>	<u>\$ 275,792</u>	<u>(3,430,597)</u>
General Revenues				
				1,050,073
				2,162,853
				109,833
				16,641
				<u>7,625</u>
				Total General Revenues <u>3,347,025</u>
				Change in Net Position (83,572)
				Net Position Beginning of Year <u>1,787,832</u>
				Net Position End of Year <u>\$ 1,704,260</u>

See accompanying notes to the basic financial statements

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

BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2013

	GENERAL	FEDERAL AND STATE PROJECTS FUND	CAPITAL PROJECTS FUND	BUS REPLACEMENT FUND	OTHER GOVERNMENTAL	TOTALS
<b>ASSETS:</b>						
Cash and Investments	\$ 741,767	\$ 25,645	\$ 230,031	\$ 164,362	\$ 108,808	\$ 1,270,613
Receivables:						
Taxes	92,014	-	-	-	-	92,014
Accounts	23,971	28,299	-	-	17,556	69,826
Due From Other Funds	36,424	-	-	-	-	36,424
Supply Inventory	3,005	-	-	-	606	3,611
Total Assets	<u>\$ 897,181</u>	<u>\$ 53,944</u>	<u>\$ 230,031</u>	<u>\$ 164,362</u>	<u>\$ 126,970</u>	<u>\$ 1,472,488</u>
<b>LIABILITIES AND FUND BALANCE:</b>						
Liabilities:						
Accounts Payable	\$ 139,020	\$ 1,460	\$ -	\$ -	\$ 1,054	\$ 141,534
Payroll Liabilities	168,095	-	-	-	-	168,095
Deferred Revenue	91,739	24,185	-	-	-	115,924
Due To Other Funds	-	28,299	-	-	8,125	36,424
Total Liabilities	<u>398,854</u>	<u>53,944</u>	<u>-</u>	<u>-</u>	<u>9,179</u>	<u>461,977</u>
Fund Balances:						
Non-spendable	3,005	-	-	-	606	3,611
Restricted	29,366	-	-	164,362	113,400	307,128
Assigned	-	-	230,031	-	3,785	233,816
Unassigned	465,956	-	-	-	-	465,956
Total Fund Balance	<u>498,327</u>	<u>-</u>	<u>230,031</u>	<u>164,362</u>	<u>117,791</u>	<u>1,010,511</u>
Total Liabilities and Fund Balance	<u>\$ 897,181</u>	<u>\$ 53,944</u>	<u>\$ 230,031</u>	<u>\$ 164,362</u>	<u>\$ 126,970</u>	<u>\$ 1,472,488</u>

See accompanying notes to the basic financial statements

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

Reconciliation of Governmental Funds  
Balance Sheet to Statement of Net Position

June 30, 2013

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Total Fund Balances

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

\$ 1,010,511

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Capital Assets, net

612,562

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unearned in the funds.

91,739

Long-term assets not realizable in the current year are not reported as governmental fund assets.

Accrued Vacation

(10,552)

Total Net Position

\$ 1,704,260

See accompanying notes to the basic financial statements

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2013

	GENERAL	FEDERAL AND STATE PROJECTS FUND	CAPITAL PROJECTS FUND	BUS REPLACEMENT FUND	OTHER GOVERNMENTAL	TOTALS
<b>REVENUES:</b>						
From Local Sources	\$ 1,136,700	\$ 9,366	\$ -	\$ -	\$ 119,619	\$ 1,265,685
From Intermediate Sources	5,567	-	-	-	-	5,567
From State Sources	2,168,938	-	-	20,958	1,677	2,191,573
From Federal Sources	16,642	141,152	-	-	96,553	254,347
<b>Total Revenues</b>	<b>3,327,847</b>	<b>150,518</b>	<b>-</b>	<b>20,958</b>	<b>217,849</b>	<b>3,717,172</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
Instruction	1,663,784	110,699	-	-	126,983	1,901,466
Support Services	1,641,108	35,819	-	-	8,799	1,685,726
Enterprise and Community Services	-	-	-	-	172,287	172,287
Capital Outlay	11,571	4,000	-	-	-	15,571
<b>Total Expenditures</b>	<b>3,316,463</b>	<b>150,518</b>	<b>-</b>	<b>-</b>	<b>308,069</b>	<b>3,775,050</b>
Excess of Revenues Over, (Under) Expenditures	11,384	-	-	20,958	(90,220)	(57,878)
<b>Other Financing Sources, (Uses)</b>						
Transfers In	-	-	-	-	85,200	85,200
Transfers Out	(85,200)	-	-	-	-	(85,200)
<b>Total Other Financing Sources, (Uses)</b>	<b>(85,200)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,200</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(73,816)</b>	<b>-</b>	<b>-</b>	<b>20,958</b>	<b>(5,020)</b>	<b>(57,878)</b>
Beginning Fund Balance	572,143	-	230,031	143,404	122,811	1,068,389
<b>Ending Fund Balance</b>	<b>\$ 498,327</b>	<b>\$ -</b>	<b>\$ 230,031</b>	<b>\$ 164,362</b>	<b>\$ 117,791</b>	<b>\$ 1,010,511</b>

See accompanying notes to the basic financial statements

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

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

For the Year Ended June 30, 2013

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Net Change in Fund Balance		\$	(57,878)
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Amounts reported for governmental activities in the Statement  
of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the  
Statement of Activities, the cost of those assets is allocated over their estimated  
useful lives as depreciation expense. In the current period, these amounts are:

Capital asset additions	\$	15,571	
Depreciation expense		<u>(59,459)</u>	(43,888)

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

Net change in Pension Asset			947
Net change in OPEB Obligation			14,822
Net change in Accrued Vacation			<u>2,425</u>

Change in Net Position		\$	<u><u>(83,572)</u></u>
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See accompanying notes to the basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE FINANCIAL REPORTING DISTRICT

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

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental entities and special service districts which provide services within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units, as defined by the Governmental Accounting Standards Board (GASB) Statement 61, or included in these basic financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND PRESENTATION

Government Wide Financial Statements (GWFS)

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

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

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

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

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



NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

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

Governmental Fund Types

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

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

There are the following major governmental funds:

General Fund

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

Federal and State Projects Fund

The principal sources of revenue are grants from governmental agencies. The primary uses of revenue are salaries and supplies specifically requested with the grant application.

Capital Projects Fund

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

Bus Replacement Fund

This fund accounts for activities related to the replacement of the buses within the District's fleet.

Special Revenue Funds Rolled into the General Fund for GASB 54 Purposes

As discussed in Note 1(B), financial statements for periods beginning after June 15, 2010 must report as Special Revenue funds only those which have a substantial portion of revenue inflows from restricted or committed revenue sources. The Curriculum Reserve fund is combined into the General Fund because the primary revenue source is transfers from the General Fund.

Curriculum Reserve Fund

The curriculum reserve fund is used for the replacement of curriculum and related classroom materials. There are currently no ongoing revenues for this fund; it was established by a transfer from the general fund.

Interfund Transfers

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

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property Taxes

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

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

Grants

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

Inventories of Supplies

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

Capital Assets

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

Use of Estimates

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

Long-Term Obligations

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Currently there are no long-term obligations.

Retirement Plans

Substantially all of the employees are participants in the Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged to expenditures as funded.

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Accrued Compensated Absences

It is policy to permit employees to accumulate earned but unused vacation pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service. All vacation pay is accrued in the government-wide statements as a liability.

Net Position

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

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

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. There are no deferred outflows.

In addition to liabilities, the statement of financial 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. There are no deferred inflows.

Fund Balance

In March 2009, GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of the fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance (continued)

- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The authority to classify portions of ending fund balance as Assigned is granted to the Superintendent and the Business Manager.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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

There were no committed fund balances as of June 30, 2013.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2013 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which the services are consumed. There were no prepaid items at June 30, 2013.

Cash and Investments

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

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

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

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool (LGIP) is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of Federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2013, the fair value of the position in the Oregon State Treasurer's Short-Term Investment Pool approximates the value of the pool shares. The investments in the Oregon Short-Term Fund are available from the Oregon State Treasurer.

NOTES TO BASIC FINANCIAL STATEMENTS

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2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2013.

3. CASH AND CASH EQUIVALENTS

A. DEPOSITS

Deposits with financial institutions include bank demand deposits. The total bank balance at June 30, 2013 was \$272,536, all of which was covered by federal depository insurance. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

B. INVESTMENTS

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

NOTES TO BASIC FINANCIAL STATEMENTS

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3. CASH AND CASH EQUIVALENTS (CONTINUED)

B. INVESTMENTS (CONTINUED)

Cash and Investments at June 30, 2013, (recorded at fair value) consisted of:

Deposits with Financial Institutions:

Demand Deposits:

Checking	\$ 255,702
Investments	1,012,861
Petty Cash	<u>2,050</u>
Total	<u>\$ 1,270,613</u>

There were the following investments and maturities at June 30, 2013:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	18-59
State Treasurer's Investment Pool	\$ 1,012,861	\$ 1,012,861	\$ -	\$ -
Total	<u>\$ 1,012,861</u>	<u>\$ 1,012,861</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk – Investments

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

Interest Rate Risk

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

Concentration of Credit Risk

At June 30, 2013, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

4. RECEIVABLES

Receivables at June 30, 2013 consisted of the following:

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in capital assets for governmental activities for the fiscal year ended June 30, 2013 are as follows:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
Land	\$ 138,420	\$ -	\$ -	\$ 138,420
Buildings and Improvements	1,892,689	-	-	1,892,689
Equipment and Vehicles	<u>808,828</u>	<u>15,571</u>	<u>-</u>	<u>824,399</u>
Total Capital Assets	<u>2,839,937</u>	<u>15,571</u>	<u>-</u>	<u>2,855,508</u>
Accumulated Depreciation				
Buildings and Improvements	(1,583,429)	(29,576)		(1,613,005)
Equipment and Vehicles	<u>(600,058)</u>	<u>(29,883)</u>		<u>(629,941)</u>
Total Accumulated Depreciation	<u>(2,183,487)</u>	<u>(59,459)</u>	<u>-</u>	<u>(2,242,946)</u>
Government Activities:				
Capital Assets, net	<u>\$ 656,450</u>	<u>\$ (43,888)</u>	<u>\$ -</u>	<u>\$ 612,562</u>

Depreciation was charged to the following functions:

Instruction	\$ 44,594
Support Services	11,892
Enterprise and community Services	<u>2,973</u>
Total	<u>\$ 59,459</u>

6. INTERFUND RECEIVABLE/PAYABLE AND INTERFUND TRANSFERS

Due to/from other funds at June 30, 2013 and transfers in and out for the year then ended are as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 36,424	\$ -	\$ -	\$ 85,200
Federal and State Projects Fund	-	28,299	-	-
Other Governmental	<u>-</u>	<u>8,125</u>	<u>85,200</u>	<u>-</u>
	<u>\$ 36,424</u>	<u>\$ 36,424</u>	<u>\$ 85,200</u>	<u>\$ 85,200</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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7. OTHER POST-EMPLOYMENT BENEFITS

The District adopted an early retirement incentive stipend plan in 1982. The District also operates a single-employer retiree benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses. Generally accepted accounting principles only require Districts to record any implicit subsidy (OPEB obligation), and per the actuary that amount is not significant. Management has determined based upon advice from its actuary that the value of the OPEB obligation is immaterial to the financial statements as a whole and therefore no liability has been recorded in the financial statements.

Plan Description – Early Retirement

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

Actuarial Methods and Assumptions – Early Retirement

The annual required contribution (ARC) was last determined as part of the June 30, 2010 actuarial valuation using the Entry Age Normal Method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included a rate of return on investment of present and future assets of 3.5% compounded annually. Medical premiums are assumed to be 11% initially, decreasing over 10 years to a rate of 5%. The District's Unfunded Actuarial Accrued Liability (UAAL) is amortized over a five-year open amortization period. Actuarial present values of total projected benefits are determined using the Normal Cost method. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Plan Description – Post-Employment Health Insurance Subsidy

The District operates a single-employer retiree benefit plan that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. The post-retirement healthcare plan established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the implicit employer contribution. An irrevocable trust has not been established (or equivalent arrangement) to account for the plan.

Actuarial Methods and Assumptions – Post-Employment Health Insurance Subsidy

The annual required contribution (ARC) was last determined as part of the June 30, 2010 actuarial valuation using the Entry Age Normal Method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included a rate of return on investment of present and future assets of 3.5% compounded annually. Medical premiums are assumed to be 11% initially, decreasing over 10 years to a rate of 5%. The District's Unfunded Actuarial Accrued Liability (UAAL) is amortized over a five-year open amortization period. Actuarial present values of total projected benefits are determined using the Normal Cost method. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.



NOTES TO BASIC FINANCIAL STATEMENTS

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8. PROPERTY TAX LIMITATION

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

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

9. DEFINED BENEFIT PENSION PLAN

Plan Description

Contributions are made to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contributions for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs. The Pension Program, the defined benefit portion of the plan, applies to qualifying employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contributions portion of the plan.

PERS members retain their existing PERS accounts, but any future contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR 97281-3700, or by calling (503) 598-7377.

Funding Policy

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The District is required by ORS 238.225 to contribution at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the two year period beginning June 30, 2011 are 19.48% and 17.97%, respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost

Contributions to PERS for the years ending June 30, 2013, 2012 and 2011 were \$349,541, \$387,574 and \$343,995 respectively, which were equal to the required contributions for each year.

NOTES TO BASIC FINANCIAL STATEMENTS

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10. RISK MANAGEMENT

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

11. COMMITMENTS AND CONTINGENCIES

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

There is participation in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2013 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected by management to be immaterial.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
June 30, 2013

SCHEDULE OF FUNDING PROGRESS - HEALTH INSURANCE

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability	Unfunded Actuarial Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2012	\$ -	\$ 306,918	306,918	0%	\$ 245,022	125%
6/30/2011	-	376,785	376,785	0%	245,022	154%
6/30/2010	-	486,881	486,881	0%	245,022	199%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2012	\$ 106,017	88%
2011	106,017	119%
2010	106,017	88%

SCHEDULE OF FUNDING PROGRESS - RETIREMENT STIPEND

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability	Unfunded Actuarial Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2012	\$ -	\$ 112,386	112,386	0%	\$ 245,022	46%
6/30/2011	-	137,451	137,451	0%	245,022	56%
6/30/2010	-	170,859	170,859	0%	245,022	70%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2012	\$ 37,533	81%
2011	37,533	106%
2010	37,533	110%

The above tables present the most recent actuarial valuations for the District's post-retirement health and welfare benefits plan, and they provide information that approximates the funding progress of the plan.

Generally accepted accounting principles only require Districts to record the net OPEB obligation and not the actuarial liability. The actuary has determined that the OPEB amount is not significant and therefore immaterial to the financial statements as a whole.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2013

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 1,177,500	\$ 1,177,500	\$ 1,136,700	\$ (40,800)
Intermediate Sources	6,000	6,000	5,567	(433)
State Sources	2,002,000	2,002,000	2,168,938	166,938
Federal Sources	-	-	16,642	16,642
Total Revenues	<u>3,185,500</u>	<u>3,185,500</u>	<u>3,327,847</u>	<u>142,347</u>
<b>EXPENDITURES:</b>				
Instruction	1,669,477	1,669,477 (1)	1,663,784	5,693
Support Services	1,725,942	1,725,942 (1)	1,652,679	73,263
Contingency	<u>227,881</u>	<u>227,881 (1)</u>	<u>-</u>	<u>227,881</u>
Total Expenditures	<u>3,623,300</u>	<u>3,623,300</u>	<u>3,316,463</u>	<u>306,837</u>
Excess of Revenues Over, (Under) Expenditures	(437,800)	(437,800)	11,384	449,184
Other Financing Sources, (Uses): Transfers Out	<u>(85,200)</u>	<u>(85,200) (1)</u>	<u>(85,200)</u>	<u>-</u>
Net Change in Fund Balance	(523,000)	(523,000)	(73,816)	449,184
Beginning Fund Balance	<u>523,000</u>	<u>523,000</u>	<u>542,777</u>	<u>19,777</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	468,961	<u>\$ 468,961</u>

(1) Appropriation Level

Reconciliation to Governmental Fund Balance as required by GASB 54

Ending Fund Balance:

Curriculum Reserve Fund

29,366
<u>\$ 498,327</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2013

FEDERAL AND STATE PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 4,000	\$ 4,000	\$ 9,366	\$ 5,366
Federal Sources	286,700	286,700	141,152	(145,548)
Total Revenues	<u>290,700</u>	<u>290,700</u>	<u>150,518</u>	<u>(140,182)</u>
EXPENDITURES:				
Instruction	194,000	194,000 (1)	114,699	79,301
Support Services	96,700	96,700 (1)	35,819	60,881
Total Expenditures	<u>290,700</u>	<u>290,700</u>	<u>150,518</u>	<u>140,182</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level



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

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2013

CAPITAL PROJECTS FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
EXPENDITURES:				
Support Services	230,000	230,000 (1)	-	230,000
Net Change in Fund Balance	(230,000)	(230,000)	-	(230,000)
Beginning Fund Balance	230,000	230,000	230,031	31
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,031</u>	<u>\$ 230,031</u>

(1) Appropriation Level

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2013

<u>BUS REPLACEMENT FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
State Sources	\$ 21,000	\$ 21,000	\$ 20,958	\$ (42)
EXPENDITURES:				
Support Services	165,000	165,000 (1)	-	165,000
Net Change in Fund Balance	(144,000)	(144,000)	20,958	164,958
Beginning Fund Balance	144,000	144,000	143,404	(596)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,362</u>	<u>\$ 164,362</u>

(1) Appropriation Level

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

COMBINING BALANCE SHEET – ALL NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2013

	FOOD SERVICE FUND	ATHLETICS/ ACTIVITIES FUND	STUDENT ACTIVITY FUND	EXPENDABLE SCHOLARSHIP FUND	TOTAL
<b>ASSETS:</b>					
Cash and Investments	\$ -	\$ 3,906	\$ 48,165	\$ 56,737	\$ 108,808
Accounts Receivable	17,273	283	-	-	17,556
Supply Inventory	606	-	-	-	606
<b>Total Assets</b>	<b>\$ 17,879</b>	<b>\$ 4,189</b>	<b>\$ 48,165</b>	<b>\$ 56,737</b>	<b>\$ 126,970</b>
<b>LIABILITIES AND FUND EQUITY:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 650	\$ 404	\$ -	\$ -	\$ 1,054
Due To Other Funds	8,125	-	-	-	8,125
<b>Total Liabilities</b>	<b>8,775</b>	<b>404</b>	<b>-</b>	<b>-</b>	<b>9,179</b>
<b>Fund Balances:</b>					
Non-Spendable	606	-	-	-	606
Restricted	8,498	-	48,165	56,737	113,400
Assigned	-	3,785	-	-	3,785
<b>Total Fund Balance</b>	<b>9,104</b>	<b>3,785</b>	<b>48,165</b>	<b>56,737</b>	<b>117,791</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 17,879</b>	<b>\$ 4,189</b>	<b>\$ 48,165</b>	<b>\$ 56,737</b>	<b>\$ 126,970</b>

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

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL NONMJAOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2013

	FOOD SERVICE FUND	ATHLETICS/ ACTIVITIES FUND	STUDENT ACTIVITY FUND	EXPENDABLE SCHOLARSHIP FUND	TOTAL
<b>REVENUES:</b>					
Local Sources	\$ 38,090	\$ 29,100	\$ 52,103	\$ 326	\$ 119,619
State Sources	1,677	-	-	-	1,677
Federal Sources	96,553	-	-	-	96,553
	<u>136,320</u>	<u>29,100</u>	<u>52,103</u>	<u>326</u>	<u>217,849</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction	-	68,598	57,885	500	126,983
Support Services	-	8,799	-	-	8,799
Enterprise and Community Services	172,287	-	-	-	172,287
	<u>172,287</u>	<u>77,397</u>	<u>57,885</u>	<u>500</u>	<u>308,069</u>
Excess of Revenues Over, (Under) Expenditures	(35,967)	(48,297)	(5,782)	(174)	(90,220)
Other Financing Sources, (Uses):					
Transfers In	34,700	50,500	-	-	85,200
Net Change in Fund Balance	(1,267)	2,203	(5,782)	(174)	(5,020)
Beginning Fund Balance	10,371	1,582	53,947	56,911	122,811
Ending Fund Balance	<u>\$ 9,104</u>	<u>\$ 3,785</u>	<u>\$ 48,165</u>	<u>\$ 56,737</u>	<u>\$ 117,791</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2013

	<u>FOOD SERVICE FUND</u>			VARIANCE TO FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Local Sources	\$ 41,400	\$ 41,400	\$ 38,090	\$ (3,310)
State Sources	1,000	1,000	1,677	677
Federal Sources	99,000	99,000	96,553	(2,447)
Total Revenues	<u>141,400</u>	<u>141,400</u>	<u>136,320</u>	<u>(5,080)</u>
EXPENDITURES:				
Enterprise and Community Services	<u>186,100</u>	<u>186,100</u> (1)	<u>172,287</u>	<u>13,813</u>
Excess of Revenues Over, (Under) Expenditures	(44,700)	(44,700)	(35,967)	8,733
Other Financing Sources, (Uses):				
Transfers In	<u>34,700</u>	<u>34,700</u>	<u>34,700</u> (2)	<u>-</u>
Net Change in Fund Balance	(10,000)	(10,000)	(1,267)	8,733
Beginning Fund Balance	<u>10,000</u>	<u>10,000</u>	<u>10,371</u>	<u>371</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,104</u>	<u>\$ 9,104</u>

(1) Appropriation Level

(2) Included in this transfer from the General Fund is the required state revenue match of \$1,319 the District must transfer to the Food Service Fund for National School Lunch Support in order to meet the general cash assistance match.



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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2013

ATHLETIC/ACTIVITIES FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 35,500	\$ 35,500	\$ 29,100	\$ (6,400)
EXPENDITURES:				
Instruction	76,786	76,786 (1)	68,598	8,188
Support Services	9,214	9,214 (1)	8,799	415
Total Expenditures	<u>86,000</u>	<u>86,000</u>	<u>77,397</u>	<u>8,603</u>
Excess of Revenues Over, (Under) Expenditures	(50,500)	(50,500)	(48,297)	2,203
Other Financing Sources, (Uses):				
Transfers In	<u>50,500</u>	<u>50,500</u>	<u>50,500</u>	<u>-</u>
Net Change in Fund Balance	-	-	2,203	2,203
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>1,582</u>	<u>1,582</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,785</u>	<u>\$ 3,785</u>

(1) Appropriation Level

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2013

STUDENT ACTIVITY FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 65,200	\$ 65,200	\$ 52,103	\$ (13,097)
EXPENDITURES:				
Instruction	115,200	115,200 (1)	57,885	57,315
Net Change in Fund Balance	(50,000)	(50,000)	(5,782)	44,218
Beginning Fund Balance	50,000	50,000	53,947	3,947
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,165</u>	<u>\$ 48,165</u>

(1) Appropriation Level

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2013

<u>EXPENDABLE SCHOLARSHIP FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 300	\$ 300	\$ 326	\$ 26
EXPENDITURES:				
Instruction	12,000	12,000 (1)	500	11,500
Net Change in Fund Balance	(11,700)	(11,700)	(174)	11,526
Beginning Fund Balance	57,000	57,000	56,911	(89)
Ending Fund Balance	<u>\$ 45,300</u>	<u>\$ 45,300</u>	<u>\$ 56,737</u>	<u>\$ 11,437</u>

(1) Appropriation Level

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2013

<u>CURRICULUM RESERVE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
EXPENDITURES:				
Instruction	\$ 29,370	\$ 29,370 (1)	\$ -	\$ 29,370
Net Change in Fund Balance	(29,370)	(29,370)	-	29,370
Beginning Fund Balance	29,370	29,370	29,366	(4)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,366</u>	<u>\$ 29,366</u>

(1) Appropriation Level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 due to its financing resources being derived primarily from General Fund transfers.

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
 OF TAXES UNCOLLECTED  
 For The Year Ended June 30, 2013

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2012	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2013
<u>GENERAL FUND:</u>						
CURRENT:						
2012-13	\$ 1,077,658	\$ 27,321	\$ (2,733)	\$ 422	\$ 1,013,769	\$ 34,257
PRIOR YEARS:						
2011-12	38,264	(32)	(2,120)	1,231	15,815	21,592
2010-11	22,331	(4)	(723)	1,438	8,614	14,436
2009-10	15,505	-	(555)	1,709	7,228	9,431
2008-09	4,228	(1)	(432)	808	2,921	1,684
2007-08 & Prior	11,411	(2)	(370)	334	763	10,614
Total Prior	91,739	(39)	(4,200)	5,520	35,341	57,757
Total	<u>\$ 1,169,397</u>	<u>\$ 27,282</u>	<u>\$ (6,933)</u>	<u>\$ 5,942</u>	<u>\$ 1,049,110</u>	<u>\$ 92,014</u>

RECONCILIATION OF REVENUE:

	<u>GENERAL FUND</u>
Cash Collections by County Treasurer Above	\$ 1,049,110
Accrual of Receivables:	
Payments in lieu of taxes	963
Total Revenue	<u>\$ 1,050,073</u>

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

Independent Auditors' Report Required by Oregon State Regulations

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PAULY, ROGERS AND Co., P.C.  
12700 SW 72<sup>nd</sup> Ave. ♦ Tigard, OR 97223  
(503) 620-2632 ♦ (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

November 29, 2013

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

We have audited the basic financial statements of the Crow-Applegate-Lorane School District No. 66 as of and for the year ended June 30, 2013, and have issued our report thereon dated November 29, 2013. 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 financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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



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

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

We noted a matter involving the internal control structure and its operation that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants, which is noted in our management letter, dated November 29, 2013.

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

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, prominent "R" at the beginning.

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

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

OTHER INFORMATION

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**2012-13 DISTRICT AUDIT REVENUE SUMMARY  
CROW-APPLEGATE LORANE SCHOOL DISTRICT**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
<b>Revenue from Local Sources</b>							
1110 Ad Valorem Taxes Levied by District	\$ 939,959						
1120 Local Option Ad Valorem Taxes Levied by District	\$ 103,599						
1190 Penalties and Interest on Taxes	\$ 6,515						
1200 Rev from Local Gov't Units Other Than Districts							
1310 Regular Day School Tuition	\$ 23,536						
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1400 Local & Federal Sources							
1500 Earnings on Investments	\$ 6,853	\$ 772					
1600 Food Service		\$ 37,445					
1700 Extracurricular Activities	\$ 4,173	\$ 74,016					
1800 Community Services Activities							
1910 Rentals	\$ 240						
1920 Contributions and Donations From Private Sources	\$ 5,353	\$ 14,122					
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	\$ 1,630						
1970 Services Provided Other Funds							
1980 Fees Charged to Grants	\$ 3,073						
1990 Miscellaneous	\$ 41,769	\$ 2,630					
<b>Total Revenue from Local Sources</b>	<b>\$ 1,136,700</b>	<b>\$ 128,985</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue from Intermediate Sources</b>							
2101 County School Funds	\$ 5,567						
2102 Education Service District Apportionment							
2105 Natural Gas, Oil, and Mineral Receipts							
2199 Other Intermediate Sources							
2200 Restricted Revenue							
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
<b>Total Revenue from Intermediate Sources</b>	<b>\$ 5,567</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue from State Sources</b>							
3101 State School Fund - General Support	\$ 2,075,623						
3102 State School Fund - School Lunch Match							
3103 Common School Fund	\$ 32,712						
3104 State Managed County Timber							
3199 Other Unrestricted Grants-in-Aid	\$ 31,883	\$ 530					
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment		\$ 20,958					
3299 Other Restricted Grants-in-Aid	\$ 28,720	\$ 1,147					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
<b>Total Revenue from State Sources</b>	<b>\$ 2,168,938</b>	<b>\$ 22,635</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue from Federal Sources</b>							
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		\$ 26,045					
4500 Restricted Revenue From the Federal Government Through the State		\$ 162,654					
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$ 44,355					
4801 Federal Forest Fees	\$ 16,642						
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		\$ 4,651					
<b>Total Revenue from Federal Sources</b>	<b>\$ 16,642</b>	<b>\$ 237,705</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue from Other Sources</b>							
5100 Long Term Debt Financing Sources							
5200 Interfund Transfers		\$ 85,200					
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	\$ 542,777	\$ 295,581		\$ 230,031			
<b>Total Revenue from Other Sources</b>	<b>\$ 542,777</b>	<b>\$ 380,781</b>	<b>\$</b>	<b>\$ 230,031</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Grand Totals</b>	<b>\$ 3,870,624</b>	<b>\$ 770,106</b>	<b>\$</b>	<b>\$ 230,031</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**2012-13 DISTRICT AUDIT REVENUE SUMMARY  
CROW-APPLEGATE LORANE SCHOOL DISTRICT**

**Fund: 100 - General Fund**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Primary, K-3	\$ 575,652	\$ 356,772	\$ 210,922	\$ 225	\$ 7,733			
1112 Intermediate Programs	\$							
1113 Elementary Extracurricular	\$							
1121 Middle/Junior High Programs	\$ 176,812	\$ 111,639	\$ 64,346		\$ 652		\$ 175	
1122 Middle/Junior High School Extracurricular	\$							
1131 Local & Federal Sources	\$ 570,714	\$ 357,054	\$ 187,361	\$ 15,039	\$ 11,122		\$ 138	
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	\$ 340,606	\$ 215,180	\$ 96,499	\$ 27,514	\$ 1,413			
1260 Early Intervention	\$							
1271 Remediation	\$							
1272 Title I	\$							
1280 Alternative Education	\$							
1291 English Second Language Programs	\$							
1292 Teen Parent Program	\$							
1293 Migrant Education	\$							
1294 Youth Corrections Education	\$							
1299 Other Programs	\$							
1300 Adult/Continuing Education Programs	\$							
1400 Summer School Programs	\$							
<b>Total Instruction Expenditures</b>	\$ 1,663,784	\$ 1,040,645	\$ 559,128	\$ 42,778	\$ 20,920	\$	\$ 313	\$
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$							
2120 Guidance Services	\$ 17,820	\$ 16,429	\$ 1,391					
2130 Health Services	\$							
2140 Psychological Services	\$							
2150 Speech Pathology and Audiology Services	\$ 55,688			\$ 55,688				
2160 Other Student Treatment Services	\$							
2190 Service Direction, Student Support Services	\$							
2210 Improvement of Instruction Services	\$							
2220 Educational Media Services	\$ 66,958	\$ 30,757	\$ 32,652		\$ 3,549			
2230 Assessment & Testing	\$							
2240 Instructional Staff Development	\$							
2310 Board of Education Services	\$ 35,258			\$ 24,771	\$ 967		\$ 9,520	
2320 Executive Administration Services	\$ 129,511	\$ 90,825	\$ 35,910	\$ 2,087	\$ 687		\$ 2	
2410 Office of the Principal Services	\$ 250,440	\$ 128,036	\$ 85,572	\$ 12,822	\$ 20,006	\$ 3,093	\$ 911	
2490 Other Support Services - School Administration	\$							
2510 Direction of Business Support Services	\$							
2520 Fiscal Services	\$ 63,182		\$ 24,107	\$ 37,379	\$ 486		\$ 1,210	
2540 Operation and Maintenance of Plant Services	\$ 445,939	\$ 133,504	\$ 94,805	\$ 144,659	\$ 28,576	\$ 8,479	\$ 35,916	
2550 Student Transportation Services	\$ 386,928	\$ 149,985	\$ 135,107	\$ 29,574	\$ 63,292		\$ 8,970	
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	\$ 66,616	\$ 487	\$ 171	\$ 40,374	\$ 25,584			
2670 Records Management Services	\$							
2690 Other Support Services - Central	\$							
2700 Supplemental Retirement Program	\$ 134,339	\$ 35,640	\$ 98,699					
<b>Total Support Services Expenditures</b>	\$ 1,652,679	\$ 585,663	\$ 508,414	\$ 347,354	\$ 143,147	\$ 11,572	\$ 56,529	\$
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$							
3200 Other Enterprise Services	\$							
3300 Community Services	\$							
3500 Custody and Care of Children Services	\$							
<b>Total Enterprise and Community Services Expenditures</b>	\$	\$	\$	\$	\$	\$	\$	\$
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$							
4120 Site Acquisition and Development Services	\$							
4150 Building Acquisition, Construction, and Improvement Services	\$							
4190 Other Facilities Construction Services	\$							
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$	\$	\$	\$	\$	\$	\$	\$
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$							
5200 Transfers of Funds	\$ 85,200							\$ 85,200
5300 Apportionment of Funds by ESD	\$							
5400 PERS UAL Bond Lump Sum	\$							
<b>Total Other Uses Expenditures</b>	\$ 85,200	\$	\$	\$	\$	\$	\$	\$ 85,200
<b>Grand Total</b>	\$ 3,401,663	\$ 1,626,308	\$ 1,067,542	\$ 390,132	\$ 164,067	\$ 11,572	\$ 56,842	\$ 85,200

**2012-13 DISTRICT AUDIT REVENUE SUMMARY  
CROW-APPLEGATE LORANE SCHOOL DISTRICT**

**Fund: 200 - Special Revenue**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Primary, K-3	\$ 2,316				\$ 2,316			
1112 Intermediate Programs	\$							
1113 Elementary Extracurricular	\$ 7,644				\$ 7,644			
1121 Middle/Junior High Programs	\$							
1122 Middle/Junior High School Extracurricular	\$ 4,054	\$ 2,000	\$ 174		\$ 1,880			
1131 Local & Federal Sources	\$ 43,512	\$ 17,746	\$ 12,001	\$ 2,457	\$ 7,308	\$ 4,000		
1132 High School Extracurricular	\$ 114,785	\$ 38,836	\$ 6,900	\$ 11,168	\$ 54,602		\$ 3,279	
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	\$ 38,750	\$ 28,259	\$ 9,516				\$ 975	
1260 Early Intervention	\$							
1271 Remediation	\$							
1272 Title I	\$ 30,121	\$ 21,711	\$ 7,307				\$ 1,103	
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	\$ 500			\$ 500				
1400 Summer School Programs	\$							
<b>Total Instruction Expenditures</b>	\$ 241,682	\$ 108,552	\$ 35,898	\$ 14,125	\$ 73,750	\$ 4,000	\$ 5,357	\$
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$ 45				\$ 45			
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	\$ 30,454	\$ 18,087	\$ 7,005		\$ 4,409		\$ 953	
2220 Educational Media Services	\$							
2230 Assessment & Testing	\$							
2240 Instructional Staff Development	\$ 5,320	\$ 2,537	\$ 902	\$ 1,632	\$ 208		\$ 41	
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	\$ 8,799	\$ 6,819	\$ 1,980					
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	\$							
<b>Total Support Services Expenditures</b>	\$ 44,618	\$ 27,443	\$ 9,887	\$ 1,632	\$ 4,662	\$	\$ 994	\$
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$ 172,287	\$ 46,209	\$ 44,438	\$ 25	\$ 81,615			
3200 Other Enterprise Services	\$							
3300 Community Services	\$							
3500 Custody and Care of Children Services	\$							
<b>Total Enterprise and Community Services Expenditures</b>	\$ 172,287	\$ 46,209	\$ 44,438	\$ 25	\$ 81,615	\$	\$	\$
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$							
4120 Site Acquisition and Development Services	\$							
4150 Building Acquisition, Construction, and Improvement Services	\$							
4190 Other Facilities Construction Services	\$							
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$	\$	\$	\$	\$	\$	\$	\$
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$							
5200 Transfers of Funds	\$							
5300 Apportionment of Funds by ESD	\$							
5400 PERS UAL Bond Lump Sum	\$							
<b>Total Other Uses Expenditures</b>	\$	\$	\$	\$	\$	\$	\$	\$
<b>Grand Total</b>	\$ 458,587	\$ 182,204	\$ 90,223	\$ 15,782	\$ 160,027	\$ 4,000	\$ 6,351	\$

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

SUPPLEMENTAL INFORMATION  
 As Required by The Oregon Department of Education  
 For The Year Ended June 30, 2013

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A. Energy bills for heating - all funds:		<u>Objects 325 and 326</u>
	Function 2540	\$ 85,130
	Function 2550	3,658

B. Replacement of equipment - General Fund:		
Include all General Fund expenditures in Object 542, except for the following exclusions:		<u>Amount</u>

Exclude these functions:			
1113, 1122 & 1132	Co-curricular activities	4150	Construction
1140	Pre-kindergarten	2550	Pupil transportation
1300	Continuing education	3100	Food service
1400	Summer school	3300	Community services



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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For The Year Ended June 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	<u>FEDERAL CFDA NUMBER</u>	<u>EXPENDITURES</u>
U.S. DEPARTMENT OF EDUCATION:		
Passed Through Oregon Department of Education:		
Title I Grants to Local Educational Agencies	84.010	\$ 30,121
Improving Teacher Quality State Grants	84.367	1,880
Special Education Grants to States	84.027	38,750
Rural Education	84.358	26,045
Passed Through Eugene School District:		
Mathematics and Science Partnerships	84.366	3,440
Passed Through Lane Education Service District:		
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126A	28,691
Career and Technical Education -- Basic Grants to States	84.048	<u>12,225</u>
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>141,152</u>
U.S. DEPARTMENT OF AGRICULTURE:		
Passed Through Oregon Department of Education:		
National School Lunch Program	10.555	50,534
School Breakfast Program	10.553	41,368
Commodities	10.550	4,651
Schools and Roads - Grants to States	10.665	<u>16,642</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>113,195</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u>\$ 254,347</u>