

UNION COUNTY SCHOOL DISTRICT No. 15

COVE, OREGON

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019



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INTRODUCTORY SECTION

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UNION COUNTY SCHOOL DISTRICT NO. 15
District Officials

Earl Pettit

Superintendent

Board of Directors
June 30, 2019

<u>Name</u>	<u>Term Expires</u>	<u>Position</u>
Andy Lindsey P.O. Box 68 Cove, OR 97824	June 30, 2021	1
Steve McLean P.O. Box 68 Cove, OR 97824	June 30, 2019	2
John Frisch P.O. Box 68 Cove, OR 97824	June 30, 2021	3
Jamie Dickenson P.O. Box 68 Cove, OR 97824	June 30, 2021	4

Budget Committee

	<u>Term Expires</u>
Darren Hansen	June 30, 2019
Mark Mallory	June 30, 2020
Jed Hassinger	June 30, 2020
Erin Lair	June 30, 2021
Lori Shields	June 30, 2021

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FINANCIAL SECTION

Independent Auditors' Report

Honorable Superintendent and Board of Directors
Union County School District No. 15
P.O. Box 68
Cove, OR 97824

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union County School District No. 15, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 of 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Union County School District No. 15, as of June 30, 2019, and the respective changes in modified cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

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

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise Union County School District No. 15’s basic financial statements. The budgetary comparison information, introductory section, combining and individual nonmajor fund financial statements and other financial schedules, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information, combining and individual nonmajor fund financial statements, and other financial schedules were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary comparison information, combining and individual nonmajor fund financial statements, and other financial schedules 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 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 budgetary comparison information, combining and individual nonmajor fund financial statements, and other financial schedules are fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on such information.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated September 5, 2019, on our consideration of Union County School District No. 15’s 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.

CONNECTED PROFESSIONAL ACCOUNTANTS, LLC
Certified Public Accountants

Chelsea A. Hewitt

By _____
Chelsea A. Hewitt, Owner/Member

La Grande, Oregon
September 5, 2019

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

UNION COUNTY SCHOOL DISTRICT NO. 15
Statement of Net Position
Modified Cash Basis
June 30, 2019

	Governmental Activities
Assets	
Cash and investments	\$ 2,525,026
Capital assets:	
Land	109,434
Construction in progress	88,975
Building and improvements	2,353,445
Equipment	993,828
Less: accumulated depreciation	(1,543,187)
Total capital assets net of depreciation	2,002,495
Total assets	4,527,521
Deferred outflow of resources	-
Liabilities	-
Deferred inflow of resources	-
Net Position	
Investment in capital assets	2,002,495
Restricted for:	
Federal and state grants	1,518
Debt Service	56
Unrestricted	2,523,452
Total net position	\$ 4,527,521

(The accompanying notes are an integral part of these financial statements)

UNION COUNTY SCHOOL DISTRICT NO. 15
Statement of Activities
Modified Cash Basis
June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 2,543,042	\$ 4,092	\$ 224,264	\$ -	\$ (2,314,686)
Support services	1,239,002	9,394	40,417	-	(1,189,191)
Enterprise and community services	125,808	28,354	56,016	-	(41,438)
Facilities acquisition and construction	46,629	-	-	6,297	(40,332)
Total primary government	<u>\$ 3,954,481</u>	<u>\$ 41,840</u>	<u>\$ 320,697</u>	<u>\$ 6,297</u>	<u>(3,585,647)</u>

General Revenues:

Property taxes:

Levied for general purposes	680,740
Levied for debt service	83
State Aid - Basic School Support	2,994,156
Grants not for specific purpose:	
Common school fund	29,923
County school fund	9,782
Federal forest fees	12,322
Interest and miscellaneous income	120,441

Special Items:

Loss on disposal of asset	<u>(6,994)</u>
Total general revenues and special items	<u>3,840,453</u>
Change in net position	254,806
Net position - beginning of year	<u>4,272,715</u>
Net position - end of year	<u>\$ 4,527,521</u>

(The accompanying notes are an integral part of these financial statements)

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FUND FINANCIAL STATEMENTS

UNION COUNTY SCHOOL DISTRICT NO. 15
Statement of Assets and Liabilities
Modified Cash Basis
Governmental Funds
June 30, 2019

	<u>General Fund</u>	<u>CTE Grant Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets and Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 2,469,403	\$ -	\$ 55,623	\$ 2,525,026
Interfund receivable	1,370	-	-	1,370
Total assets	<u>2,470,773</u>	<u>-</u>	<u>55,623</u>	<u>2,526,396</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 2,470,773</u>	<u>\$ -</u>	<u>\$ 55,623</u>	<u>\$ 2,526,396</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Interfund payable	\$ -	\$ 1,370	\$ -	\$ 1,370
Deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>1,370</u>	<u>-</u>	<u>1,370</u>
Fund balances:				
Restricted	-	-	1,574	1,574
Committed	16,515	-	54,049	70,564
Unassigned	2,454,258	(1,370)	-	2,452,888
Total fund balances	<u>2,470,773</u>	<u>(1,370)</u>	<u>55,623</u>	<u>2,525,026</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,470,773</u>	<u>\$ -</u>	<u>\$ 55,623</u>	<u>\$ 2,526,396</u>

(The accompanying notes are an integral part of these financial statements)

UNION COUNTY SCHOOL DISTRICT NO. 15
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances - governmental funds \$ 2,525,026

Amounts reported for governmental *activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Those assets consist of:

Land	\$ 109,434	
Building and improvements	2,353,445	
Equipment	993,828	
Less: accumulated depreciation	<u>(1,543,187)</u>	<u>2,002,495</u>

Total net position - governmental activities \$ 4,527,521

(The accompanying notes are an integral part of these financial statements)

UNION COUNTY SCHOOL DISTRICT NO. 15
Statement of Revenues, Expenditures and Changes
in Fund Balances - Modified Cash Basis
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	<u>General Fund</u>	<u>CTE Grant Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 680,740	\$ -	\$ 83	\$ 680,823
Miscellaneous:				
Other local sources	119,255	-	41,858	161,113
Intermediate sources	9,782	-	-	9,782
Charges for services	-	-	41,840	41,840
Intergovernmental revenues:				
State sources	3,024,079	6,297	87,091	3,117,467
Federal sources	16,574	-	188,937	205,511
Total revenues	<u>3,850,430</u>	<u>6,297</u>	<u>359,809</u>	<u>4,216,536</u>
Expenditures				
Current:				
Instruction	2,039,609	-	451,804	2,491,413
Support services	1,225,067	-	239	1,225,306
Enterprise and community services	-	-	125,808	125,808
Capital outlay	233,935	-	16,102	250,037
Total expenditures	<u>3,498,611</u>	<u>-</u>	<u>593,953</u>	<u>4,092,564</u>
Excess of revenues over (under) expenditures	<u>351,819</u>	<u>6,297</u>	<u>(234,144)</u>	<u>123,972</u>
Other Financing Sources (Uses)				
Transfers in	92,847	-	229,200	322,047
Transfers out	(321,300)	-	(747)	(322,047)
Total other finance sources (uses)	<u>(228,453)</u>	<u>-</u>	<u>228,453</u>	<u>-</u>
Net change in fund balances	123,366	6,297	(5,691)	123,972
Beginning fund balance	<u>2,347,407</u>	<u>(7,667)</u>	<u>61,314</u>	<u>2,401,054</u>
Ending fund balances	<u>\$ 2,470,773</u>	<u>\$ (1,370)</u>	<u>\$ 55,623</u>	<u>\$ 2,525,026</u>

(The accompanying notes are an integral part of these financial statements)

UNION COUNTY SCHOOL DISTRICT NO. 15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Total net change in fund balances - governmental funds	\$ 123,972
Amounts reported for governmental <i>activities</i> 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. This is the amount by which depreciation expense (\$111,954) exceeds capital outlays and other capitalized expenditures (\$250,037) in the current year.	138,083
In the statement of activities, losses (\$6,994) on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds (\$255) from the disposal of capital assets are reflected, regardless of whether a gain or loss is realized.	<u>(7,249)</u>
Change in net position - governmental activities	<u><u>\$ 254,806</u></u>

(The accompanying notes are an integral part of these financial statements)

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**NOTES TO BASIC FINANCIAL
STATEMENTS**

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

The accompanying financial statements present the activities of Union County School District No. 15. The District was previously organized under ORS Chapter 330 for the purpose of operating elementary and secondary schools, until it was granted charter school status under ORS Chapter 338 during the fiscal year ended June 30, 2010. It is directed by five elected school board members who serve four year terms on a voluntary basis. The District is legally and financially independent of other state and local government units, has the power to levy taxes, is responsible for its debts and is entitled to any surpluses.

As discussed in Note 1 - Basis of Accounting, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). These modified cash-basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the District as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund Financial Statements

Financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows, liabilities, deferred inflows, net position, fund balance, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The District presently has no proprietary or fiduciary funds. An emphasis is placed on major funds within the governmental category. All remaining governmental funds are aggregated and reported as nonmajor funds. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, deferred outflows, liabilities, deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of the category or type.

The major funds of the financial reporting entity are described below:

Governmental Funds

General Fund - The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are either legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District includes the following major special revenue fund:

CTE Grant Fund - This fund accounts for money received for Career Technical Education Program Grants.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded regardless of the measurement focus applied.

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Basic Financial Statements

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below:

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

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

Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

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

If the District utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Financial Position

Investments

Investments classified in the financial statements consist entirely of deposits in the local government investment pool and are stated at fair value.

Due From Other Funds or Governments

Receivables and payables to other funds or governments arising from cash transactions or events are recorded in the financial statements as a modification to the cash basis of accounting.

Capital Assets

The District's modified cash basis of accounting reports capital assets resulting from cash transactions or events and reports depreciation, when appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements - In the government-wide financial statements, capital assets arising from cash transactions or events are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost, if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to July 1, 2003. Prior to July 1, 2003, governmental funds infrastructure assets were not capitalized. Assets acquired since July 1, 2003 are recorded at cost. The District does not have any infrastructure assets.

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Basic Financial Statements

Depreciation of all exhaustible capital assets arising from cash transactions or events is recorded as an unallocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used for assets that have an initial useful life extending beyond a single reporting period. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Machinery and equipment	5 - 40 years
Buildings	10 - 100 years

Fund Financial Statements - In the fund financial statements, capital assets arising from cash transactions or events acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Debt:

All long-term bonds, notes, and other debt arising from cash transactions or events to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Net Position/Fund Balance Classifications

Government-Wide Statements - Equity is classified as net position and displayed in three components:

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

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Fund Financial Statements - In the governmental funds the difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. The constraints are defined as follows:

Nonspendable - Resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Restricted - Constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - Reported when the Board passes an ordinance that places specific constraints on how the resources may be used. The Board can modify or rescind the ordinance at any time through passage of an additional ordinance.

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Basic Financial Statements

Assigned - Resources that are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the Board approves which resources should be "reserved" during the adoption of the annual budget. The District Clerk uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District's annual financial report.

Unassigned - The residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

The District has no formal minimum fund balance policies or any formal stabilization arrangements in place.

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

Revenues, Expenditures and Expenses

Program Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the District's taxpayers are reported as program revenues. All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements - Interfund activity resulting from cash transactions or events, if any, within and among the governmental fund category is reported as follows in the fund financial statements:

- 1) Interfund Loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- 2) Interfund Services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- 3) Interfund Reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
- 4) Interfund Transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government-Wide Financial Statements - Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- 1) Internal Balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental activities column of the Statement of Net Position.
- 2) Internal Activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

Use of Estimates

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Basic Financial Statements

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property on July 1, when they are levied, and until they are paid. Taxes are due in one-third increments, on November 15, February 15, and May 15. Unpaid taxes are considered delinquent after November 15.

Property tax revenues are recognized when they are collected.

Compensated Absences

The School District has no significant amount of vesting compensated absences at the fiscal year end. Therefore, these financial statements make no allowance for this type of liability.

Note 2 - Compliance and Accountability:

Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38 "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations.

Violation: The District did not comply with ORS 279C.305. A list of public improvements known to the District was not filed with the Commissioner of the Bureau of Labor.

Action Taken: The District will prepare and file a Planned Public Improvement Summary in each year a public improvement is budgeted.

Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances at year end, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
CTE Grant Fund	\$ 1,370	Grant expenditures expected to be reimbursed

Note 3 - Deposits and Investments:

Deposits and Investments are comprised of the following at June 30, 2019:

	<u>Carrying Value</u>	<u>Fair Value</u>
Petty Cash	\$ 555	\$ 555
Deposits with financial institutions	139,523	139,523
Investments with State of Oregon		
Local Government Investment Pool	<u>2,384,948</u>	<u>2,384,948</u>
	<u>\$ 2,525,026</u>	<u>\$ 2,525,026</u>

Deposits and investments are reflected in the government-wide Statement of Net Position as follows:

Cash and Investments	<u>\$ 2,525,026</u>
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The District maintains a cash management pool for its cash and cash equivalents in which each fund participates. Interest earnings are distributed monthly based on average daily balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Pool (LGIP) are stated at fair value.

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Basic Financial Statements

Deposits

Deposits with financial institutions are comprised of bank demand deposits. The total bank balance per the bank statements was \$2,809,600 at June 30, 2019. The difference is due to transactions in process. Deposits are secured by federal deposit insurance to legal limits. The remaining amount is secured by collateral in accordance with Oregon Revised Statutes.

Custodial Credit Risk - Deposits

Custodial credit risk on deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. In order to minimize this risk, state statutes require banks holding public funds to become members of the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created by the Office of the State Treasurer. To qualify, participating banks must pledge collateral against any public fund deposits in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating bank depositories, it does not guarantee that all funds are 100% protected.

All accounts are insured by FDIC up to \$250,000.

Investments

The purpose of the District's investment policy is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. The District has delegated investment responsibilities to the Deputy Clerk, who is primarily responsible for implementing the investment policy.

Credit Risk - Investments

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

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The District does not have a policy that limits the amounts of investments that can be held by counterparties.

The Local Government Investment Pool (LGIP) is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. The LGIP's credit quality is unrated.

Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by the securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Basic Financial Statements

Concentration Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one investment. The District has concentrations in the following investments: Local Government Pool. These investments are 100% of the District's total investments.

Investment Type	Maturities	Concentration % of Portfolio	Actual Amount
Local Government Investment Pool	Avg 6-18 months	100%	\$ 2,384,948

Interest Rate Risk

The District does not have a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Note 4 - Capital Assets:

Capital Asset activity for the year ended June 30, 2019, was as follows:

	Balance at July 1, 2018	Increases	Decreases	Balance at June 30, 2019
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 109,434	\$ -	\$ -	\$ 109,434
Construction in progress	-	88,975	-	88,975
Total capital assets not being depreciated	109,434	88,975	-	198,409
Capital assets being depreciated:				
Buildings	2,335,325	18,120	-	2,353,445
Equipment	888,564	142,942	(37,678)	993,828
Total capital assets being depreciated	3,223,889	161,062	(37,678)	3,347,273
Less: accumulated depreciation:				
Buildings	(955,726)	(41,250)	-	(996,976)
Equipment	(505,935)	(70,704)	30,428	(546,211)
Total accumulated depreciation	(1,461,661)	(111,954)	30,428	(1,543,187)
Net capital assets being depreciated	1,762,228	49,108	(7,250)	1,804,086
Net capital assets - Governmental Activities	\$ 1,871,662	\$ 138,083	\$ (7,250)	\$ 2,002,495

Depreciation expense was charged to functions as follows:

Primary Government:

Governmental Activities:

Instruction	\$ 51,629
Student supporting services	13,695
Facilities	46,629
Total depreciation expense for governmental activities	\$ 111,953

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Basic Financial Statements

Note 5 - Grants:

In the normal course of operations, the District received grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of a grantor audit is not believed to be material.

Note 6 - Operating Leases:

On July 28, 2016 the District entered into a 60-month lease for a copy machine. The District is charged a base fee of \$127.40 per month.

On August 23, 2017 the District entered into a 60-month lease for a copy machine. The District is charged a base fee of \$208.71 per month.

Future minimum rental payments required under leases that have initial or remaining noncancellable lease terms in excess of one year as of June 30, 2019, are as follows:

Year Ending June 30,	District Copier
2020	4,034
2021	4,034
2022	2,632
2023	417
	\$ 11,117

Note 7 - Internal Transfers:

Transfers between funds of the primary government for the year ended June 30, 2019 were as follows:

Governmental Funds:	Transfers In	Transfers Out
General Funds	\$ 92,847	\$ 321,300
Nonmajor Govern- mental Funds	229,200	747
	\$ 322,047	\$ 322,047

Transfers are primarily used to move funds from the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 8 - Internal Balances:

Internal balances at June 30, 2019, consist of the following receivables and payables:

	Receivables	Payables
Governmental Funds:		
General Fund	\$ 1,370	\$ -
CTE Grant Fund	-	1,370

Interfund receivables are to supplement funds operating at a deficit.

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Basic Financial Statements

Note 9 - Defined Benefit Pension Plan:

Plan Description

The District contributes 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 contribution 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 and the Individual Account Program (IAP).

The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003, and to inactive employees who return to 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 IAP, the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

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, P.O. 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 contribute 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 rate in effect for the year ended June 30, 2019 was 26.7%. The OPSRP rate in effect for the year ended June 30, 2019 was 21.44%. 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

The District's contributions to PERS for the years ending June 30, 2017, 2018, and 2019 were \$386,064, \$470,338, and \$527,422 respectively, which equaled the required contribution for the year.

Note 10 - Other Postemployment Benefits:

PERS Retirement Health Insurance Account

Plan Description

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

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Basic Financial Statements

Funding Policy and Benefits Provided

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.50% Tier 1 and Tier 2 payroll and 0.43% OPSRP annual covered payroll. The Oregon PERS Board of Trustees sets the employer contribution rate. It is based on the annual required contribution of the combined participant employers. This is an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a closed period not to exceed 30 years. The District's contributions to RHIA for the years ended June 30, 2017, 2018, and 2019 were \$7,644, \$7,635, and \$8,655 respectively, which equaled the required contributions each year. These rates and contributions are included in the PERS rates as listed in the financial statements.

Note 11 - Fund Balance Classifications:

Fund balances by classification for the year ended June 30, 2019 were as follows:

	<u>General Fund</u>	<u>CTE Grant Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Fund balances:</u>				
Restricted:				
Federal and State Grants	\$ -	\$ -	\$ 1,518	\$ 1,518
Debt service	-	-	56	56
Committed:				
Food service	-	-	4,389	4,389
Unemployment Reserve	16,015	-	-	16,015
Capital acquisitions	500	-	-	500
Student activities	-	-	49,660	49,660
Unassigned	<u>2,454,258</u>	<u>(1,370)</u>	<u>-</u>	<u>2,452,888</u>
Total fund balances	<u>\$ 2,470,773</u>	<u>\$ (1,370)</u>	<u>\$ 55,623</u>	<u>\$ 2,525,026</u>

Note 12 - Risk Management:

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters; employee injury or illness for which the District carries commercial insurance, subject to customary deductibles and total coverage limits recommended by the District's insurance agent of record. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Basic Financial Statements

Note 13 - Related Party Transaction:

Board member John Frisch owns a farm the FFA students purchase pig feed from. The District was doing business with John Frisch before the related party became a board member and payments to his business were immaterial and conducted as arm's length transactions.

SUPPLEMENTARY INFORMATION

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UNION COUNTY SCHOOL DISTRICT NO. 15
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Modified Cash Basis
General Funds
For the Fiscal Year Ended June 30, 2019

	100	106	160	180	
	General	PERS	Unemployment	Capital	Total
	Fund	Reserve	Fund	Improvement	
Revenues					
Taxes	\$ 680,740	\$ -	\$ -	\$ -	\$ 680,740
Miscellaneous:					
Other local sources	104,273	2,883	721	11,378	119,255
Intermediate sources	9,782	-	-	-	9,782
Intergovernmental revenues:					
State sources	3,024,079	-	-	-	3,024,079
Federal sources	16,574	-	-	-	16,574
Total revenues	<u>3,835,448</u>	<u>2,883</u>	<u>721</u>	<u>11,378</u>	<u>3,850,430</u>
Expenditures					
Current:					
Instruction	2,039,609	-	-	-	2,039,609
Support services	1,201,981	-	5,727	17,359	1,225,067
Capital outlay	128,474	-	-	105,461	233,935
Total expenditures	<u>3,370,064</u>	<u>-</u>	<u>5,727</u>	<u>122,820</u>	<u>3,498,611</u>
Excess of revenues over (under) expenditures	<u>465,384</u>	<u>2,883</u>	<u>(5,006)</u>	<u>(111,442)</u>	<u>351,819</u>
Other Finance Sources (Uses)					
Transfers in	747	-	-	92,100	92,847
Transfers out	(321,300)	-	-	-	(321,300)
Total other finance sources (uses)	<u>(320,553)</u>	<u>-</u>	<u>-</u>	<u>92,100</u>	<u>(228,453)</u>
Net change in fund balance	144,831	2,883	(5,006)	(19,342)	123,366
Beginning fund balance	<u>2,175,194</u>	<u>131,350</u>	<u>21,021</u>	<u>19,842</u>	<u>2,347,407</u>
Ending fund balance	<u>\$2,320,025</u>	<u>\$ 134,233</u>	<u>\$ 16,015</u>	<u>\$ 500</u>	<u>\$2,470,773</u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
General Fund - 100
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 673,200	\$ 673,200	\$ 680,740	\$ 7,540
Other local sources	70,000	70,000	104,273	34,273
Intermediate sources	11,000	11,000	9,782	(1,218)
State sources	2,874,000	2,874,000	3,024,079	150,079
Federal sources	3,000	3,000	16,574	13,574
Total revenues	<u>3,631,200</u>	<u>3,631,200</u>	<u>3,835,448</u>	<u>204,248</u>
Expenditures				
Instruction	2,187,106	2,187,106	2,108,723	78,383
Support services	1,280,125	1,290,125	1,261,341	28,784
Contingencies	554,920	494,920	-	494,920
Total expenditures	<u>4,022,151</u>	<u>3,972,151</u>	<u>3,370,064</u>	<u>602,087</u>
Excess of revenues over (under) expenditures	<u>(390,951)</u>	<u>(340,951)</u>	<u>465,384</u>	<u>806,335</u>
Other Finance Sources (Uses)				
Transfers in	133,000	133,000	747	(132,253)
Transfers out	<u>(1,458,530)</u>	<u>(1,508,530)</u>	<u>(321,300)</u>	<u>1,187,230</u>
Total other finance sources (uses)	<u>(1,325,530)</u>	<u>(1,375,530)</u>	<u>(320,553)</u>	<u>1,054,977</u>
Net change in fund balance	<u>(1,716,481)</u>	<u>(1,716,481)</u>	<u>144,831</u>	<u>1,861,312</u>
Beginning fund balance	<u>1,900,000</u>	<u>1,900,000</u>	<u>2,175,194</u>	<u>275,194</u>
Ending fund balance	<u>\$ 183,519</u>	<u>\$ 183,519</u>	<u>\$ 2,320,025</u>	<u>\$ 2,136,506</u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
PERS Reserve Fund - 106
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local sources	\$ -	\$ -	\$ 2,883	\$ 2,883
Expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	2,883	2,883
Other Finance Sources (Uses)				
Transfers out	(131,500)	(131,500)	-	131,500
Net change in fund balance	(131,500)	(131,500)	2,883	134,383
Beginning fund balance	131,500	131,500	131,350	(150)
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,233</u>	<u>\$ 134,233</u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
Unemployment Fund - 160
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local sources	\$ 500	\$ 500	\$ 721	\$ 221
Expenditures				
Support services	<u>22,000</u>	<u>22,000</u>	<u>5,727</u>	<u>16,273</u>
Net change in fund balance	(21,500)	(21,500)	(5,006)	16,494
Beginning fund balance	<u>21,500</u>	<u>21,500</u>	<u>21,021</u>	<u>(479)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,015</u>	<u>\$ 16,015</u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
Capital Improvements - 180
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local sources	\$ 1,200	\$ 1,200	\$ 11,378	\$ 10,178
Expenditures				
Support services	<u>1,230,000</u>	<u>1,230,000</u>	<u>122,820</u>	<u>1,107,180</u>
Excess of revenues over (under) expenditures	(1,228,800)	(1,228,800)	(111,442)	1,117,358
Other Finance Sources (Uses)				
Transfers in	<u>1,183,800</u>	<u>1,183,800</u>	<u>92,100</u>	<u>(1,091,700)</u>
Net change in fund balance	(45,000)	(45,000)	(19,342)	25,658
Beginning fund balance	<u>45,000</u>	<u>45,000</u>	<u>19,842</u>	<u>(25,158)</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 500</u></u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
CTE Grant Fund - 280
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State sources	\$ 25,000	\$ 25,000	\$ 6,297	\$ (18,703)
Expenditures				
Instruction	25,000	25,000	-	25,000
Net change in fund balance	-	-	6,297	6,297
Beginning fund balance	-	-	(7,667)	(7,667)
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,370)</u>	<u>\$ (1,370)</u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Combining Statement of Assets and Liabilities - Modified Cash Basis
Nonmajor Governmental Funds
June 30, 2019

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets and Deferred Outflows of Resources			
Assets:			
Cash and investments	\$ 55,567	\$ 56	\$ 55,623
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 55,567</u>	<u>\$ 56</u>	<u>\$ 55,623</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Deferred inflows of resources	-	-	-
Fund balances:			
Restricted	1,518	56	1,574
Committed	54,049	-	54,049
Total fund balances	<u>55,567</u>	<u>56</u>	<u>55,623</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 55,567</u>	<u>\$ 56</u>	<u>\$ 55,623</u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Combining Statement of Assets and Liabilities - Modified Cash Basis
Nonmajor Special Revenue Funds
June 30, 2019

	200 Title REAP	202 Measure 98	204 Title I	208 Outdoor School
Assets and Deferred Outflows of Resources				
Assets:				
Cash and investments	\$ 588	\$ 224	\$ 158	\$ 111
Deferred outflows of resources:	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 588</u>	<u>\$ 224</u>	<u>\$ 158</u>	<u>\$ 111</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
	\$ -	\$ -	\$ -	\$ -
Deferred inflows of resources:	-	-	-	-
Fund balances:				
Restricted	588	224	158	111
Committed	-	-	-	-
Total fund balances	<u>588</u>	<u>224</u>	<u>158</u>	<u>111</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 588</u>	<u>\$ 224</u>	<u>\$ 158</u>	<u>\$ 111</u>

<u>210 IDEA</u>	<u>250 Food Services</u>	<u>270 Student Body</u>	<u>Total</u>
\$ 437	\$ 4,389	\$ 49,660	\$ 55,567
-	-	-	-
<u>\$ 437</u>	<u>\$ 4,389</u>	<u>\$ 49,660</u>	<u>\$ 55,567</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
437	-	-	1,518
-	4,389	49,660	54,049
<u>437</u>	<u>4,389</u>	<u>49,660</u>	<u>55,567</u>
<u>\$ 437</u>	<u>\$ 4,389</u>	<u>\$ 49,660</u>	<u>\$ 55,567</u>

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UNION COUNTY SCHOOL DISTRICT NO. 15
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Modified Cash Basis
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ -	\$ 83	\$ 83
Miscellaneous:			
Other local sources	41,138	720	41,858
Charges for services	41,840	-	41,840
Intergovernmental revenues:			
State sources	87,091	-	87,091
Federal sources	188,937	-	188,937
Total revenues	<u>359,006</u>	<u>803</u>	<u>359,809</u>
Expenditures			
Current:			
Instruction	451,804	-	451,804
Support services	239	-	239
Enterprise and community services	125,808	-	125,808
Capital outlay	16,102	-	16,102
Total expenditures	<u>593,953</u>	<u>-</u>	<u>593,953</u>
Excess of revenues over (under) expenditures	<u>(234,947)</u>	<u>803</u>	<u>(234,144)</u>
Other Finance Sources (Uses)			
Transfers in	229,200	-	229,200
Transfers out	-	(747)	(747)
Total other finance sources (uses)	<u>229,200</u>	<u>(747)</u>	<u>228,453</u>
Net change in fund balance	(5,747)	56	(5,691)
Beginning fund balance	<u>61,314</u>	<u>-</u>	<u>61,314</u>
Ending fund balance	<u>\$ 55,567</u>	<u>\$ 56</u>	<u>\$ 55,623</u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Modified Cash Basis
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019

	200 Title REAP	202 Measure 98	204 Title I	208 Outdoor School
Revenues				
Miscellaneous:				
Other local sources	\$ -	\$ 721	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental revenues:				
State sources	-	78,902	-	7,788
Federal sources	44,745	-	39,156	-
Total revenues	<u>44,745</u>	<u>79,623</u>	<u>39,156</u>	<u>7,788</u>
Expenditures				
Current:				
Instruction	76,667	71,867	44,098	7,677
Support services	-	-	-	-
Enterprise and community services	-	-	-	-
Capital outlay	-	16,102	-	-
Total expenditures	<u>76,667</u>	<u>87,969</u>	<u>44,098</u>	<u>7,677</u>
Excess of revenues over (under) expenditures	(31,922)	(8,346)	(4,942)	111
Other Finance Sources (Uses)				
Transfers in	<u>32,500</u>	<u>7,300</u>	<u>5,100</u>	<u>-</u>
Net change in fund balance	578	(1,046)	158	111
Beginning fund balance	<u>10</u>	<u>1,270</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ 588</u>	<u>\$ 224</u>	<u>\$ 158</u>	<u>\$ 111</u>

210 IDEA	250 Food Services	270 Student Body	Total
\$ -	\$ -	\$ 40,417	\$ 41,138
-	28,354	13,486	41,840
-	401	-	87,091
49,421	55,615	-	188,937
<u>49,421</u>	<u>84,370</u>	<u>53,903</u>	<u>359,006</u>
187,484	-	64,011	451,804
-	-	239	239
-	125,808	-	125,808
-	-	-	16,102
<u>187,484</u>	<u>125,808</u>	<u>64,250</u>	<u>593,953</u>
(138,063)	(41,438)	(10,347)	(234,947)
<u>138,500</u>	<u>45,800</u>	<u>-</u>	<u>229,200</u>
437	4,362	(10,347)	(5,747)
-	27	60,007	61,314
<u>\$ 437</u>	<u>\$ 4,389</u>	<u>\$ 49,660</u>	<u>\$ 55,567</u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
Title REAP - 200
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Federal sources	\$ 38,000	\$ 38,000	\$ 44,745	\$ 6,745
Expenditures				
Instruction	79,400	79,400	76,667	2,733
Support services	13,200	13,200	-	13,200
Total expenditures	92,600	92,600	76,667	15,933
Excess of revenues over (under) expenditures	(54,600)	(54,600)	(31,922)	22,678
Other Finance Sources (Uses)				
Transfers in	54,600	54,600	32,500	(22,100)
Net change in fund balance	-	-	578	578
Beginning fund balance	-	-	10	10
Ending fund balance	\$ -	\$ -	\$ 588	\$ 588

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
Measure 98 Fund - 202
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State sources	\$ 59,060	\$ 59,060	\$ 78,902	\$ 19,842
Other local sources	200	200	721	521
Total revenues	<u>59,260</u>	<u>59,260</u>	<u>79,623</u>	<u>20,363</u>
Expenditures				
Instruction	<u>73,090</u>	<u>88,090</u>	<u>87,969</u>	<u>121</u>
Excess of revenues over (under) expenditures	(13,830)	(28,830)	(8,346)	20,484
Other Finance Sources (Uses)				
Transfers in	<u>13,830</u>	<u>13,830</u>	<u>7,300</u>	<u>(6,530)</u>
Net change in fund balance	-	(15,000)	(1,046)	13,954
Beginning fund balance	<u>-</u>	<u>15,000</u>	<u>1,270</u>	<u>(13,730)</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 224</u></u>	<u><u>\$ 224</u></u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
Title I Fund - 204
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal sources	\$ 40,000	\$ 40,000	\$ 39,156	\$ (844)
Expenditures				
Instruction	49,200	49,200	44,098	5,102
Excess of revenues over (under) expenditures	(9,200)	(9,200)	(4,942)	4,258
Other Finance Sources (Uses)				
Transfers in	9,200	9,200	5,100	(4,100)
Net change in fund balance	-	-	158	158
Beginning fund balance	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158</u>	<u>\$ 158</u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
Outdoor School Fund - 208
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State sources	\$ 8,000	\$ 8,000	\$ 7,788	\$ (212)
Expenditures				
Instruction	<u>8,000</u>	<u>8,000</u>	<u>7,677</u>	<u>323</u>
Net change in fund balance	-	-	111	111
Beginning fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 111</u></u>	<u><u>\$ 111</u></u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
IDEA Fund - 210
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal sources	\$ 15,500	\$ 15,500	\$ 49,421	\$ 33,921
Expenditures				
Instruction	<u>176,800</u>	<u>216,800</u>	<u>187,484</u>	<u>29,316</u>
Excess of revenues over (under) expenditures	(161,300)	(201,300)	(138,063)	63,237
Other Finance Sources (Uses)				
Transfers in	<u>161,300</u>	<u>201,300</u>	<u>138,500</u>	<u>(62,800)</u>
Net change in fund balance	-	-	437	437
Beginning fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 437</u></u>	<u><u>\$ 437</u></u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
Food Service Fund - 250
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local sources	\$ 35,000	\$ 35,000	\$ 28,354	\$ (6,646)
State sources	-	-	401	401
Federal sources	45,200	45,200	55,615	10,415
Total revenues	<u>80,200</u>	<u>80,200</u>	<u>84,370</u>	<u>4,170</u>
Expenditures				
Enterprise and community services	<u>116,000</u>	<u>126,000</u>	<u>125,808</u>	<u>192</u>
Excess of revenues over (under) expenditures	(35,800)	(45,800)	(41,438)	4,362
Other Finance Sources (Uses)				
Transfers in	<u>35,800</u>	<u>45,800</u>	<u>45,800</u>	<u>-</u>
Net change in fund balance	-	-	4,362	4,362
Beginning fund balance	<u>-</u>	<u>-</u>	<u>27</u>	<u>27</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,389</u></u>	<u><u>\$ 4,389</u></u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
Reimbursable & Student Body Fund - 270
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local sources	\$ 63,100	\$ 63,100	\$ 53,903	\$ (9,197)
Expenditures				
Instruction	102,000	102,000	64,011	37,989
Support services	2,100	2,100	239	1,861
Total expenditures	<u>104,100</u>	<u>104,100</u>	<u>64,250</u>	<u>39,850</u>
Net change in fund balance	(41,000)	(41,000)	(10,347)	30,653
Beginning fund balance	<u>41,000</u>	<u>41,000</u>	<u>60,007</u>	<u>19,007</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,660</u>	<u>\$ 49,660</u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
Debt Service Fund - 300
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,000	\$ 1,000	\$ 83	\$ (917)
Other local sources	500	500	720	220
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>803</u>	<u>(697)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	1,500	1,500	803	(697)
Other Finance Sources (Uses)				
Transfers out	<u>(1,500)</u>	<u>(1,500)</u>	<u>(747)</u>	<u>753</u>
Net change in fund balance	-	-	56	56
Beginning fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 56</u></u>	<u><u>\$ 56</u></u>

UNION COUNTY SCHOOL DISTRICT NO. 15
Notes to Supplementary Information

Budgets and Budgetary Accounting

The District budgets all funds which are subject to budget requirements of state law. The School Board legally adopts the budget by resolution before July 1. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of control (by function: total instruction, supporting services, Enterprise and Community services, and Building Acquisition Construction Improvement) is established by resolution for all funds.

The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. A supplemental budget that differs by 10 percent or more of any one of the individual funds contained in the original budget for that fiscal year requires hearings before the public, publications in newspapers, and approval by the School Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the School Board. Appropriations that have not been expended at year-end lapse and subsequent actual expenditures are then charged against ensuing year's appropriations.

Appropriations

The District has complied with legal requirements relating to the preparation, adoption and execution of the annual budget for the year ended June 30, 2019.

OTHER FINANCIAL SCHEDULES

UNION COUNTY SCHOOL DISTRICT NO. 15
Form 581-3211-C - Supplemental Information
Oregon Department of Education Required Information
For the Fiscal Year Ended June 30, 2019

A. Energy Bill for Heating - **All Funds**: Please enter your expenditures for electricity & heating fuel for these Functions & Objects.

	Objects 325 & 326 & 327
Function 2540	\$ 84,559
Function 2550	\$ -

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

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

UNION COUNTY SCHOOL DISTRICT NO. 15
Revenue Summary by Fund
All Funds
For the Fiscal Year Ended June 30, 2019

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources							
1110 Ad Valorem Taxes Levied by District	\$ 680,740	\$ -	\$ 83	\$ -	\$ -	\$ -	\$ -
1500 Earnings on Investments	71,030	721	720	-	-	-	-
1600 Food Service	-	28,354	-	-	-	-	-
1700 Extracurricular Activities	-	53,903	-	-	-	-	-
1990 Miscellaneous	48,225	-	-	-	-	-	-
Total Revenue from Local Sources	799,995	82,978	803	-	-	-	-
Revenue from Intermediate Sources							
2101 County School Funds	9,782	-	-	-	-	-	-
Total Revenue from Intermediate Sources	9,782	-	-	-	-	-	-
Revenue from State Sources							
3101 State School Fund - General Support	2,994,156	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	-	401	-	-	-	-	-
3103 Common School Fund	29,923	-	-	-	-	-	-
3210 Grants-Restricted	-	78,902	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	-	14,085	-	-	-	-	-
Total Revenue from State Sources	3,024,079	93,388	-	-	-	-	-
Revenue from Federal Sources							
4500 Restricted Revenue From the Federal Government Through the State	4,252	184,121	-	-	-	-	-
4801 Federal Forest Fees	12,322	-	-	-	-	-	-
4900 Commodity Value	-	4,816	-	-	-	-	-
Total Revenue from Federal Sources	16,574	188,937	-	-	-	-	-
Revenue from Other Sources							
5200 Interfund Transfers	92,847	229,200	-	-	-	-	-
5400 Resources - Beginning Fund Balance	2,347,407	53,647	-	-	-	-	-
Total Revenue from Other Sources	2,440,254	282,847	-	-	-	-	-
Grand Totals	\$ 6,290,684	\$ 648,150	\$ 803	\$ -	\$ -	\$ -	\$ -

UNION COUNTY SCHOOL DISTRICT NO. 15
Expenditure Summary by Object
General Fund - 100
For the Fiscal Year Ended June 30, 2019

	Total	100	200	300	400	500	600	700
Instruction Expenditures								
1111 Primary, K-3	\$ 826,126	\$ 478,052	\$ 327,166	\$ -	\$ 19,200	\$ 1,708	\$ -	\$ -
1121 Middle/Junior High Programs	238,120	141,448	92,772	447	3,453	-	-	-
1122 Middle/Junior High School Extracurricular	17,327	11,609	2,822	-	2,778	-	118	-
1131 High School Programs	843,424	447,048	290,862	58,936	44,134	-	2,444	-
1132 High School Extracurricular	143,416	70,876	22,993	17,687	25,784	-	6,076	-
1210 Student Transportation Services/Out of District	604	-	-	604	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	37,324	7,245	1,334	24,532	4,200	-	13	-
1280 Alternative Education	2,382	-	-	2,382	-	-	-	-
Total Instruction Expenditures	2,108,723	1,156,278	737,949	104,588	99,549	1,708	8,651	-
Support Services Expenditures								
2130 Health Services	94	-	-	-	94	-	-	-
2140 Psychological Services	3,840	-	-	3,840	-	-	-	-
2220 Educational Media Services	33,556	19,320	11,218	-	1,791	-	1,227	-
2230 Assessment & Testing	576	-	-	-	576	-	-	-
2240 Instructional Staff Development	5,951	-	150	4,513	1,203	-	85	-
2310 Board of Education Services	23,930	-	-	21,762	-	-	2,168	-
2320 Executive Administration Services	227,735	132,625	81,976	5,868	5,256	-	2,010	-
2410 Office of the Principal Services	156,028	94,700	56,437	2,617	392	-	1,882	-
2520 Fiscal Services	95,538	51,500	40,641	41	734	-	2,622	-
2540 Operation and Maintenance of Plant Services	507,162	115,950	79,371	222,883	45,901	21,161	21,896	-
2550 Student Transportation Services	210,599	1,138	141	207,255	11	-	2,054	-
2570 Internal Services	13,796	-	-	4,361	9,435	-	-	-
2660 Technology Services	111,083	-	-	32,252	70,392	-	8,439	-
Total Support Services Expenditures	1,389,888	415,233	269,934	505,392	135,785	21,161	42,383	-
Other Uses Expenditures								
5200 Transfers of Funds	321,300	-	-	-	-	-	-	321,300
Grand Total	\$ 3,819,911	\$ 1,571,511	\$ 1,007,883	\$ 609,980	\$ 235,334	\$ 22,869	\$ 51,034	\$ 321,300

UNION COUNTY SCHOOL DISTRICT NO. 15
Expenditure Summary by Object
Special Revenue Funds - 200
For the Fiscal Year Ended June 30, 2019

	Total	100	200	300	400	500	600	700
Instruction Expenditures								
1111 Primary, K-3	\$ 73,489	\$ 39,602	\$ 25,021	\$ -	\$ 8,866	\$ -	\$ -	\$ -
1121 Middle/Junior High Programs	7,677	750	294	6,633	-	-	-	-
1122 Middle/Junior High School Extracurricular	155	-	-	80	75	-	-	-
1131 High School Programs	137,988	27,851	18,966	34,337	55,782	-	1,052	-
1132 High School Extracurricular	11,335	-	-	10,966	369	-	-	-
1250 Less Restrictive Prog. for Students with Disabilities	187,484	100,821	86,663	-	-	-	-	-
1272 Title I	44,535	28,189	14,515	-	646	-	1,185	-
1273 Educationally Disadvantaged	5,242	1,389	3,853	-	-	-	-	-
Total Instruction Expenditures	467,905	198,602	149,312	52,016	65,738	-	2,237	-
Support Services Expenditures								
2410 Office of the Principal Services	239	-	-	-	-	-	239	-
Enterprise and Community Services Expenditures								
3100 Food Services	125,808	42,481	28,789	20	53,732	-	786	-
Grand Total	\$ 593,952	\$ 241,083	\$ 178,101	\$ 52,036	\$ 119,470	\$ -	\$ 3,262	\$ -

UNION COUNTY SCHOOL DISTRICT NO. 15
Expenditure Summary by Object
Debt Service Fund - 300
For the Fiscal Year Ended June 30, 2019

	Total	100	200	300	400	500	600	700
Other Uses Expenditures								
5200 Transfers of Funds	\$ 747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 747
Grand Total	\$ 747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 747

UNION COUNTY SCHOOL DISTRICT NO. 15
Schedule of Expenditures of Federal Awards - Modified Cash Basis
Presented for Oregon Department of Education Puroses Only
For the Fiscal Year Ended June 30, 2019

Federal Grantor	Program Title	Grant Period	CFDA Number	Original Grant	2018-2019 Revenues	2018-2019 Expenditures
Pass through Grantor						
Federal Financial Assistance - Special Revenue Funds:						
U.S. Department of Education:						
<u>Passed through Oregon State Department of Education:</u>						
	Student Support & Enrichment	7/1/18 - 9/30/19	84.424	\$ 10,000	\$ 10,000	\$ 10,000
	Title 1A/1D	7/1/18 - 9/30/19	84.010	39,156	39,156	39,156
	Title IIA	7/1/18 - 9/30/19	84.367	7,471	7,471	7,471
	IDEA - Part B, 611, 2016-17	7/1/18 - 9/30/19	84.027	49,421	49,421	49,421
<u>Direct Awards:</u>						
	REAP SRSAP	7/1/18 - 9/30/19	84.358A	27,274	27,274	27,274
	Total U.S. Department of Education - Special Revenue Funds			<u>133,322</u>	<u>133,322</u>	<u>133,322</u>
U.S. Department of Agriculture - Special Revenue Funds:						
<u>Passed through Oregon State Department of Education:</u>						
	Natl School Lunch	2018-19	10.555		36,780	36,780
	Natl School Breakfast	2018-19	10.553		14,019	14,019
	Commodities	2018-19	10.555		4,816	4,816
	Total U.S. Department of Education			-	55,615	55,615
	Total Federal Financial Assistance - Special Revenue Funds			<u>133,322</u>	<u>188,937</u>	<u>188,937</u>
Federal Financial Assistance - General Fund:						
U.S. Department of Education:						
<u>Passed through Oregon State Department of Education:</u>						
	IDEA - SPR&I	7/1/18 - 6/30/19	84.027	1,205	1,205	1,205
	IDEA - Enhancement	10/1/18 - 9/30/19	84.027	1,591	1,591	1,591
	IDEA - Part B, 619, 2017-18	7/1/17 - 9/30/19	84.173	1,456	1,456	-
	IDEA - Part B, 619, 2018-19	7/1/18 - 9/30/20	84.173	1,507	-	1,507
	Total U.S. Department of Education - General Fund			<u>5,759</u>	<u>4,252</u>	<u>4,303</u>
Direct Federal Funds						
	Federal Forest Fees	2018-19	10.665	12,322	12,322	12,322
	Total Federal Financial Assistance - General Fund			<u>18,081</u>	<u>16,574</u>	<u>16,625</u>
Total Federal Financial Assistance				\$ 151,403	\$ 205,511	\$ 205,562

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**INDEPENDENT AUDITORS'
REPORT REQUIRED BY OREGON
STATE REGULATIONS**

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

Board of Directors
Union County School District No. 15
P.O. Box 68
Cove, Oregon 97824

We have audited the basic financial statements of Union County School District No. 15 as of and for the year ended June 30, 2019, and have issued our report thereon dated September 5, 2019. 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 Union County School District No. 15's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

The independent elected officials of Union County School District No. 15 do not collect or receive money and are, therefore, not subject to requirements of OAR 162-10-140.

In connection with our testing nothing came to our attention that caused us to believe Union County School District No. 15 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 Corporation except as follows:

1. The District did not comply with ORS 279C.305. A list of public improvements known to the District was not filed with the Commissioner of the Bureau of Labor.

OAR 162-10-0230 Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Union County School District No. 15's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Union County School District No. 15's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Union County School District No. 15's internal control over financial reporting. Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However as described below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in a separate letter dated September 5, 2019 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. During our audit we did not identify any significant deficiencies.

Purpose of this Report

This report is intended solely for the information and use of the board of directors and management of Union County School District No. 15 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

CONNECTED PROFESSIONAL ACCOUNTANTS, LLC
Certified Public Accountants

By Chelsea A. Hewitt
Chelsea A. Hewitt, Owner/Member

La Grande, Oregon
September 5, 2019