

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019



12700 SW 72nd Ave.
Tigard, OR 97223

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019

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YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

BOARD OF DIRECTORS

BOARD OF DIRECTORS

TERM EXPIRES

Jami Eglund, Chair

June 30, 2021

Tim Pfeiffer, Vice Chair

June 30, 2019

Jack Bibb

June 30, 2021

Susan FitzGerald

June 30, 2019

Ken Watson

June 30, 2021

All board members will receive mail at the following address:

120 N. Larch Place
Yamhill, OR 97148
(503) 852-6980

ADMINISTRATION

Charan Cline, Superintendent
Tami Zigler, Business Manager

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YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

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YAMHILL COUNTY, OREGON

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December 18, 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Yamhill Carlton School District No. 1
Yamhill 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 Yamhill Carlton School District No. 1 as of and for the year ended June 30, 2019, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Yamhill Carlton School District, as of June 30, 2019, 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. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements for the year ended June 30, 2019. 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 supplemental 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the Management's Discussion and Analysis 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 schedule of expenditures of federal awards is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, are 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 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.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 18, 2019, 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.



TARA M KAMP, CPA
PAULY, ROGERS AND CO., P.C.

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YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

As management of Yamhill–Carlton School District No. 1 (the 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, 2019.

FINANCIAL HIGHLIGHTS

- In the government-wide financial statements, the assets of the District exceeded its liabilities at June 30, 2019 by \$2,904,145.
- The District's total net position increased by \$900,941 for the year ended June 30, 2019.
- As of June 30, 2019, the District's governmental funds reported combined ending fund balances of \$3,456,784 a decrease of \$3,559,363 in comparison with the prior year, primarily due to the majority of the bond project being completed throughout the year. The ending fund balance includes \$2,280,573 which is non-spendable or reserved for specific programs. \$1,176,211 constitutes unassigned ending fund balance which is available for spending at the District's discretion subject to board policy.
- At June 30, 2019, the General Fund balance was \$1,176,211 or 11.35% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the 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 shown in one category:

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

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

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 and objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are reported as governmental 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. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The basic governmental fund financial statements can be found on pages 6-11 of this report.

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 basic financial statements can be found on pages 12 - 36 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the PERS schedules detailing ten years of pension (assets)/liabilities and pension contributions. With the addition of GASB 73 and GASB 75, implemented in fiscal year ending June 30, 2018, the schedule of changes in other post-employment benefits (OPEB) liability is presented. This requirement is to show information for ten years, however until a full year trend has been compiled the information is presented for which the requirement is available. Along with this information is the budget to actual presentations for required major funds. Required supplementary information can be found on page 37 - 40 of this report.

Supplementary Information presented on pages 41 - 43, includes budgetary comparison for nonmajor and other funds, and schedule of property tax transactions and balances. *Other information* includes continuing disclosures information and other financial schedules. Other information can be found on pages 44 - 46.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position, over time, may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$2,904,145 as of June 30, 2019.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1			
NET POSITION			
	<u>Governmental Activities</u>		
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Increase (Decrease)</u>
ASSETS			
Current and Other Assets	\$ 4,140,194	\$ 9,565,660	\$ (5,425,466)
Capital Assets	<u>28,253,282</u>	<u>22,281,849</u>	<u>5,971,433</u>
Total Assets	<u>32,393,476</u>	<u>31,847,509</u>	<u>545,967</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-Related Deferrals	1,505,395	1,555,479	(183,110)
Total OPEB Related Deferred Outflows	<u>82,229</u>	<u>133,026</u>	<u>82,229</u>
Total deferred Outflows of Resources	<u>1,587,624</u>	<u>1,688,505</u>	<u>(100,881)</u>
LIABILITIES			
Current Liabilities	2,329,663	3,928,002	(1,598,339)
Long-Term Obligations	<u>28,017,269</u>	<u>27,224,758</u>	<u>792,511</u>
Total Liabilities	<u>30,346,932</u>	<u>31,152,760</u>	<u>(805,828)</u>
DEFERRED INFLOWS OF RESOURCES			
Net Pension-Related Deferrals	687,774	345,925	307,724
Total OPEB Related Deferred Inflows	<u>42,249</u>	<u>34,125</u>	<u>42,249</u>
Total deferred Inflows	<u>730,023</u>	<u>380,050</u>	<u>349,973</u>
NET POSITION			
Net Investment in Capital Assets	10,184,270	9,032,170	1,152,100
Restricted	883,762	728,602	154,160
Unrestricted	<u>(8,162,887)</u>	<u>(7,757,768)</u>	<u>(405,319)</u>
Total Net Position	<u>\$ 2,904,145</u>	<u>\$ 2,003,204</u>	<u>\$ 900,941</u>

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 87.22% of total assets. The remaining assets consist mainly of investments, cash, prepaid pension costs, and grants and property taxes receivable.

The District's long-term liability, representing about 92.32% of the District's total liabilities, is for the repayment of general obligation and limited tax pension obligation bonds. Current liabilities, which make up about 7.68% of the District's total liabilities, consist principally of payables on accounts, interest and salaries and benefits.

A portion of the District's net position reflect its investment in capital assets (e.g. land, buildings, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debit, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental activities. During the current fiscal year, the District's net position increased by \$900,941. The key elements of the change in the District's net position for the years ended June 30, 2019 and June 30, 2018 are as follows:

- Capital Grants and Contributions decreased by \$3.07 million, primarily due to the OSCIM grant received in 2017-2018.
- Property Taxes Levied increased by \$211,817 for General Purpose and \$45,777 for Debt Service primarily due to the economic growth in the District.
- Beginning Net Position from 2017-18 being restated, primarily in relation to the GASB 68 and GASB 75 adjustments for Other Post-Employment Benefits (OPEB).

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

YAMHILL CARLTON SCHOOL DISTRICT NO. 1			
CHANGES IN NET POSITION			
Year Ended June 30, 2019			
	Governmental Activities		Increase
	June 30, 2019	June 30, 2018	(Decrease)
REVENUES			
Program Revenues			
Charges for Services	\$ 226,823	\$ 91,050	\$ 135,773
Operating Grants and Contributions	835,620	760,195	75,425
Capital Grants and Contributions	61,606	3,135,199	(3,073,593)
General Revenues			
Property Taxes Levied for:			
General Purposes	3,288,144	3,076,327	211,817
Debt Service	1,516,499	1,470,722	45,777
State Sources	6,606,617	6,616,692	(10,075)
Other Local Sources	729,660	624,535	105,125
Intermediate Sources	173,407	203,733	(30,326)
Federal, Unrestricted	0	0	0
Miscellaneous	129,340	20,000	109,340
Earnings on Investments	0	255,396	(255,396)
Total Revenues	<u>13,567,716</u>	<u>16,253,849</u>	<u>(2,686,133)</u>
EXPENSES			
Instruction	6,745,209	6,420,156	325,053
Support services	4,299,920	4,042,656	257,264
Enterprise and community services	346,962	360,373	(13,411)
Interest on long-term debt	<u>1,313,754</u>	<u>1,276,780</u>	<u>36,974</u>
Total expenses	<u>12,705,845</u>	<u>12,099,965</u>	<u>605,880</u>
Change in Net Position	861,871	4,153,884	(3,292,013)
Net Position, Beginning as restated	2,042,274	(2,150,680)	4,192,954
Net Position, Ending	<u>\$ 2,904,145</u>	<u>\$ 2,003,204</u>	<u>\$ 900,941</u>

FUND FINANCIAL ANALYSIS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. For more information on the details behind each fund balance category see Note 1 beginning on page 18 of this report.

At June 30, 2019, the District's governmental funds reported combined ending fund balances of \$3,456,784. Of this amount, \$2,280,573 (65.97%) of the ending fund balances constitutes nonspendable or restricted ending fund balance, which are amounts that are either not expendable (such as inventory or prepaid

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

expenses) or are legally restricted by outside parties for a specific purpose (such as bonded debt). The remaining \$1,176,211 (34.03%) of the ending fund balances is unassigned and available for spending at the District's discretion.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2019 the unassigned fund balance was \$1,176,211. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The fund balance represents about 11.35% of total General Fund expenditures. The total fund balance increased by \$181,490 as compared to prior year's fund balance.

Special Revenue. The Special Revenue Fund accounts for revenue and expenditures of grants restricted for specific educational projects as well as internal funds segregated by the Board for the food service program, student activities, and other activities. Grant revenues are primarily from Federal sources. As of June 30, 2019 the restricted fund balance was \$374,716, an increase of \$19,937 from the prior year.

Debt Service. The Debt Service Fund has a total fund balance of \$785,895, all of which is restricted for the payment of debt service.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

Capital Assets. The District's investment in capital assets includes land, buildings and building improvements, vehicles and equipment. As of June 30, 2019 the District had invested \$34,156,448 in capital assets, net of depreciation. For more information on capital assets, see Note 4 on page 21 of this report.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1			
CAPITAL ASSETS			
(net of depreciation)			
	Governmental Activities		
	June 30,	June 30,	Increase
	2019	2018	(Decrease)
Land	\$ 7,664,354	\$ 612,077	\$ 7,052,277
Construction in Progress	0	15,626,916	(15,626,916)
Building and Equipment, net of depreciation	26,492,094	6,042,856	20,449,238
Total Capital Assets, net of depreciation	<u>\$ 34,156,448</u>	<u>\$ 22,281,849</u>	<u>\$ 11,874,599</u>

Long-Term Debt. At the end of the current fiscal year, the District had \$23,255,695 in bonded debt outstanding. This is an increase of \$663,622 from prior year, as the District had an additional borrowing of \$2,000,000, less the continued pay down on outstanding general obligation and limited tax pension obligation bonds. Refer to Note 5 on page 22 of this report for detailed information.

Economic factors and next year's budget

The primary factors considered in developing the budget for next year were the District's student population and increases in wages and benefits for employees, including PERS related costs.

Personnel expenses make up 72% of the program costs for the instruction, support and administrative functions. Negotiations led to a PERS pickup of employee's 6% contribution in lieu of a salary increase for Licensed and Administration, excluding the Superintendent. In addition, there will be a 2.5% increase in both fiscal years 2021 and 2022. The Classified negotiations led to a 2% salary increase for fiscal year 2020 and a 1.5% salary increase in 2021 for the majority of the classified bargaining group. Two classifications received increased salary based on comparisons with like districts. Negotiations for all groups increased the District contribution towards medical, dental and vision premiums to \$1,350 in fiscal years 2020 and 2021 and will increase to \$1,450 in 2022. This in turn increases the associated payroll costs. These escalating costs continue to be one of the most pressing concerns for the District in the attempt to balance student needs with the provision of a realistic compensation package for staff.

Medical insurance costs are also expected to increase. The premiums for District health insurance plans have increased over the years, consistent with state and national trends, and this trend is expected to continue.

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

Another area that will require monitoring is Public Employees Retirement System (PERS). For the current biennium, ending June 30, 2019, effective rates are 0.06% of salary covered under the plan for Tier 1 and Tier 2 employees and 0% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). This is in large due to the healthy PERS side accounts that were refinanced, in which we allocate 18.5% of salaries to cover the debt service.

Other areas of concern include the need for equipment replacement and the continued need for facilities repairs and maintenance at all District schools.

There is great anticipation of the funding from Oregon's Student Success Act to begin in 2020-2021. The act is expected to generate \$1 billion a year for education, with roughly half of that available to districts based on enrollment through an application process. The District is working with students, staff, families, and our community to identify the values and priorities in which to invest in.

The District's Budget Committee and School Board have considered all these factors while preparing the 2019-2020 budget.

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, contact the Business Office, Yamhill-Carlton School District, 120 N. Larch Pl., Yamhill, Oregon 97148.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF NET POSITION
 June 30, 2019

ASSETS	
Cash and Cash Equivalents	\$ 3,273,760
Property Taxes Receivable	263,732
Accounts Receivable	592,595
Prepays	80
Supply Inventory	10,027
Capital Assets - Nondepreciable	7,550,190
Capital Assets - Depreciable, Net of Depreciation	<u>20,703,092</u>
Total Assets	<u>32,393,476</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension-Related Deferrals	1,505,395
OPEB Related Deferred Outflows	<u>82,229</u>
Total deferred Outflows of Resources	<u>1,587,624</u>
LIABILITIES:	
Accounts Payable	54,007
Interest Payable	396,161
Payroll Liabilities	391,631
Accrued Compensated Absences	4,033
Unearned Revenue	8,319
Noncurrent Liabilities	
Proportionate Share of Net Pension Liability	3,482,004
Total OPEB Liability	859,978
Due within one year	1,475,512
Due in more than one year	<u>23,675,287</u>
Total Liabilities	<u>30,346,932</u>
DEFERRED INFLOWS OF RESOURCES	
Pension-Related Deferrals	687,774
OPEB Related Deferred Inflows	<u>42,249</u>
Total deferred Inflows	730,023
NET POSITION:	
Net Investment in Capital Assets	10,184,270
Restricted for:	
Debt Service	785,895
Food Service	33,419
Unemployment Retiree Reserve	63,448
Unrestricted	<u>(8,162,887)</u>
Total Net Position	<u>\$ 2,904,145</u>

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Instruction	\$ 6,745,209	\$ 161,932	\$ 557,589	\$ 61,606	\$ (5,964,082)
Support Services	4,299,920	64,891	79,853	-	(4,155,176)
Community Services	346,962	-	198,178	-	(148,784)
Interest on Long-Term Debt	1,313,754	-	-	-	(1,313,754)
Total Governmental Activities	<u>\$ 12,705,845</u>	<u>\$ 226,823</u>	<u>\$ 835,620</u>	<u>\$ 61,606</u>	<u>(11,581,796)</u>

General Revenues

Taxes:

Property Taxes, Levied for General Purposes

3,288,144

Property Taxes, Levied for Debt Service

1,516,499

State Sources

6,606,617

Income Not Restricted to Specific Programs

Local Sources

729,660

Intermediate Sources

173,407

Miscellaneous

129,340

Total General Revenues

12,443,667

Changes in Net Position

861,871

Net Position - Beginning

2,003,204

Prior Period Adjustment

39,070

Net Position - Ending

\$ 2,904,145

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS:					
Cash and Investments	\$ 1,339,050	\$ 53,006	\$ 759,161	\$ 1,122,543	\$ 3,273,760
Property Taxes Receivable	182,487	-	81,245	-	263,732
Accounts Receivable	253,221	323,113	16,261	-	592,595
Prepays	80	-	-	-	80
Inventory	-	10,027	-	-	10,027
Total Assets	\$ 1,774,838	\$ 386,146	\$ 856,667	\$ 1,122,543	\$ 4,140,194
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 48,315	\$ 3,111	\$ -	\$ 2,581	\$ 54,007
Payroll Liabilities	391,631	-	-	-	391,631
Unearned Revenue	-	8,319	-	-	8,319
Total Liabilities	439,946	11,430	-	2,581	453,957
Deferred Inflows:					
Unavailable Property Taxes	158,681	-	70,772	-	229,453
Fund Balances:					
Non-spendable	80	10,027	-	-	10,107
Restricted for:					
Capital Projects	-	-	-	1,119,962	1,119,962
Debt Service	-	-	785,895	-	785,895
Food Service	-	33,419	-	-	33,419
Unemployment Retiree Reserve	-	63,448	-	-	63,448
Assigned:					
Assigned to Student Body	-	252,258	-	-	252,258
Unassigned	1,176,131	15,564	-	-	1,191,695
Total Fund Balances	1,176,211	374,716	785,895	1,119,962	3,456,784
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,774,838	\$ 386,146	\$ 856,667	\$ 1,122,543	\$ 4,140,194

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2019

Total Fund Balances - Governmental Funds	\$	3,456,784
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The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.

Net Capital Assets		28,253,282
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Accrued interest payable is not included as a liability in the governmental funds.		(396,161)
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Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.

Long term Liabilities		
General Obligation Bonds Payable	\$ (16,596,729)	
Limited Tax PERS Bond	(5,961,826)	
QZAB and Note	(697,140)	
Accrued Compensated Absences	(4,033)	(23,259,728)

The Net Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		(3,482,004)
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The Total OPEB Liability is liability related to the other post employment benefits for health insurance premiums.		(859,978)
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Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Pension deferred inflows		(687,774)
Pension deferred outflows		1,505,395
Total OPEB deferred inflows		(42,249)
Total OPEB deferred outflows		82,229

The unamortized portion of bond premium revenue is not available to pay for current period revenues, and therefore is not reported in the governmental funds.		(1,895,104)
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Unearned revenue related to property taxes		229,453
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Net Position	\$	2,904,145
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See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:					
Taxes	\$ 3,315,812	\$ -	\$ 1,524,872	\$ 94,855	\$ 4,935,539
State and Local Sources	6,894,550	186,677	-	226,027	7,307,254
Federal Sources	-	452,138	-	-	452,138
Charges for Services	205,348	336,077	963,973	-	1,505,398
Interest	94,856	150	10,980	49,447	155,433
Contributions and Donations	10,000	81,590	-	-	91,590
Other	26,394	4,066	20,349	9,011	59,820
Total Revenues	10,546,960	1,060,698	2,520,174	379,340	14,507,172
EXPENDITURES:					
Current:					
Instruction	5,869,328	685,301	-	-	6,554,629
Support Services	4,012,660	106,476	-	59,294	4,178,430
Community Services	-	337,159	-	-	337,159
Facilities Acquisition and Construction	-	-	-	69,877	69,877
Debt Service	-	-	2,626,879	-	2,626,879
Capital Outlay	22,518	42,324	-	6,564,719	6,629,561
Total Expenditures	9,904,506	1,171,260	2,626,879	6,693,890	20,396,535
Excess of Revenues Over, (Under) Expenditures	642,454	(110,562)	(106,705)	(6,314,550)	(5,889,363)
OTHER FINANCING SOURCES (USES)					
Loan Proceeds	-	-	-	2,000,000	2,000,000
Sale of Capital Assets	-	-	31,325	298,675	330,000
Transfers In	-	130,500	230,464	100,000	460,964
Transfers Out	(460,964)	-	-	-	(460,964)
Total Other Financing Sources (Uses)	(460,964)	130,500	261,789	2,398,675	2,330,000
Net Change in Fund Balance	181,490	19,938	155,084	(3,915,875)	(3,559,363)
Beginning Fund Balance	994,721	354,778	630,811	5,035,837	7,016,147
Ending Fund Balance	<u>\$ 1,176,211</u>	<u>\$ 374,716</u>	<u>\$ 785,895</u>	<u>\$ 1,119,962</u>	<u>\$ 3,456,784</u>

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2019

Total Net Changes in Fund Balances - Governmental Funds \$ (3,559,363)

Repayment of bond principal, capital leases and vested compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additions to bond principal, capital leases and vested compensated absences is an expense for the Statement of Net Position but not the governmental funds.

GO Bonds	\$ 947,409	
Full Faith & Credit Loan	(2,000,000)	
Bond premium	12,705	
Limited Tax PERS Bonds	252,540	
Accrued Vacation Payable	(554)	
QZAB Payments	<u>136,429</u>	
		(651,471)

Fixed asset additions are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital assets additions exceeds depreciation.

Capital Asset Additions	6,681,396
Depreciation Expense	(548,373)
Gain on Sale of Capital Assets	(200,660)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (23,253)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:
Unavailable property taxes recognized on a full accrual basis (104,823)

The Pension Expense represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. (732,732)

The expense related to OPEB liability represents the net changes in the liability balance from year to year and is not recorded in the governmental funds. 1,150

Change in Net Position of Governmental Activities \$ 861,871

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
June 30, 2019

	<u>LAUGHLIN SCHOLARSHIP FUND</u>
ASSETS:	
Cash and Investments	\$ <u>45,802</u>
Total Assets	<u><u>45,802</u></u>
LIABILITIES, AND FUND BALANCES:	
Liabilities:	
Accounts Payable	\$ <u>2,000</u>
Total Liabilities	<u>2,000</u>
NET POSITION:	
Restricted	<u>43,802</u>
Total Liabilities and Fund Balances	<u><u>\$ 43,802</u></u>

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
For the Year Ended June 30, 2019

	<u>LAUGHLIN SCHOLARSHIP FUND</u>
REVENUES:	
From Local Sources	\$ 710
Total Revenues	<u>710</u>
EXPENDITURES:	
Instruction	<u>2,000</u>
Total Expenditures	<u>2,000</u>
Net Change in Net Position	(1,290)
Net Position - Beginning	<u>45,092</u>
Net Position - Ending	<u><u>\$ 43,802</u></u>

See accompanying notes to basic financial statements.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The district's significant accounting policies are described below.

REPORTING ENTITY

Yamhill Carlton School District No. 1 (the District) is a municipal corporation governed by a separately elected five-member board authorized to transact all business on the District's behalf. The District is a primary government exercising financial accountability for all public education within its boundaries. The Board approves administrative officials. The daily functioning is under supervision of the Superintendent. As required by generally accepted accounting principles, all activities have been included in the basic financial statements.

The financial statements include all funds and account groups. The District is not financially accountable for any other governmental entity. Financial accountability is determined in accordance with criteria set forth in GAAP and Governmental Accounting Standards Board (GASB) Statement No. 61. Financial accountability is based primarily on the authority to appoint a voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific financial benefits or impose specific financial burdens and that organization's fiscal dependency. There are no component units.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Under terms of grant agreements, certain programs are funded by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are restricted and unrestricted resources available to finance the program. It is policy to first apply cost reimbursement grant resources to such programs and then general revenues. In the process of aggregating data for the Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables were eliminated to minimize the "grossing up" effect on assets and liabilities. Neither fiduciary funds nor component units that are fiduciary in nature are included.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues included in the Statement of Activities 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 general revenues. Program revenues include 1) charges to customers who purchase or use goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

All direct expenses by function are reported in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS) (CONTINUED)

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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. The minimum number of funds are maintained consistent with legal and managerial requirements.

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “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 are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments which are recognized as expenditures because they will 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.

The following major governmental funds are reported:

GENERAL FUND

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

SPECIAL REVENUE FUND

This fund consists of all special revenue funds established to account for revenues and expenditures related to grants, student activities and other special revenues.

DEBT SERVICE FUND

This fund accounts for the property tax revenues related to debt service and makes the debt service payments on the general obligation bonds.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND TYPES (CONTINUED)

CAPITAL PROJECTS FUND

This fund accounts for activities related to the acquisition, construction, repairing and equipping of facilities. Principal revenue sources are proceeds from the sale of bonds and construction excise tax.

FIDUCIARY FUND – NON-MAJOR

LAUGHLIN SCHOLARSHIP FUND

This fund accounts for donations received from the Laughlin family. The funds are disbursed to award recipients chosen annually by the Laughlin family.

BUDGETS

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except that property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, capital outlay is reported as an expenditure rather than capitalized, depreciation and amortization are not recorded and debt, vacation pay, and Other Post-Employment Benefits (OPEB) obligations are expensed when paid instead of when incurred.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through early spring with the budget committee approving the budget in late spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund: Instruction, Support Services, Enterprise & Community Services, Other Uses - Debt Service and Interfund Transfers, and Operating Contingency.

Expenditures cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances which could not be determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2019, except for Capital Projects Fund, Support Services by \$88,000, and Facilities Acquisition by \$722,358.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES RECEIVABLE

Real and personal property taxes are attached as an enforceable lien on property as of January 1. All taxes levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

CASH AND CASH EQUIVALENTS

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

FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

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

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

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

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

ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables are comprised primarily of State School support and claims for reimbursement of costs under various federal and state grants. No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible.

GRANTS

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

SUPPLY INVENTORIES

School food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in inventories at USDA wholesale value. Supplies are accounted for based on the purchase method. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities at balance sheet date is considered immaterial by management for reporting purposes.

CAPITAL ASSETS

Capital assets include land, buildings & improvements, and vehicles & equipment, and are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets were depreciated, in prior years, using the straight-line method over the following useful lives:

Building and Improvements	20 to 50 years
Land Improvements	15 to 25 years
Equipment	5 to 20 years
Vehicles	10 years

In the government fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Accordingly, capital assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

COMPENSATED ABSENCES

The liability for accrued vacation benefits reported in the government-wide statements consists of unpaid, accumulated annual vacation, the rate at which vacation is earned is determined by the employee's length of employment. The early retirement liability has been calculated using the accrual method for benefit amounts due to former employees who currently are receiving early-retirement benefits. Early retirement benefits are available to a limited number of employees each year.

All payables and accrued liabilities are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full form. Current financial resources are reported as obligation of the funds.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

statements and reported amounts of revenues, expense/expenditures during the reporting period. Actual results could differ from those estimates.

LONG-TERM OBLIGATIONS

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

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

RETIREMENT PLANS

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value in accordance with GASB Statements 68, 71, 73 and 75.

PERS

Substantially all employees participate 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.

EARLY RETIREMENT

Certificated employees who have reached age 55 or hired before July 1, 2005, the last 10 years of which have been in the District, are eligible for early retirement benefits which are funded and charged to expenditures as payments become due to early retirees.

NET POSITION

Net position comprises 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 asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are assets restricted for capital projects, debt service, food service and unemployment retiree reserve.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION (CONTINUED)

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

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

FUND BALANCE

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of 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 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.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- 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 District has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net positions that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in the category. Net Pension Related Deferrals and Total OPEB Related Deferrals related to the pension plan

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The item unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government has two types of items, which arises under full accrual accounting in the Statement of Net Position. The Statement of Net Position reports deferred inflows from a Net Deferred Pension Asset and a Total OPEB related deferral resulting from actuarial valuations and contributions subsequent to measurement date.

2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions are comprised of bank demand deposits. The total bank balance per the bank statements is \$521,901, of which \$382,011 is covered by federal depository insurance. The remainder is covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. State statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295.001 to 295.108. As long as the bank depository has entered into an agreement (ORS 295.008(2)(b)) and has deposited securities pursuant to state statutes (ORS 295.015(1)), there may be deposits at any one bank depository and its branches, a sum in excess of the amount insured by the Federal Deposit Insurance Corporation.

Cash and Investments at June 30, 2019, (recorded at fair value) consisted of:

Demand Deposits:			
Checking	\$ 338,276	Governmental Funds	\$ 3,273,760
Savings	3,300	Fiduciary Funds	45,802
Certificate of Deposit	52,251		
Wells Fargo PERS	10,306		
LGIP	2,915,430		
	<u> </u>		<u> </u>
Total	\$ 3,319,562	Total	\$ 3,319,562

INVESTMENTS

State statutes governing cash management are followed. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

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

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)
If the link has expired please contact the Oregon Short Term Fund directly.

There were the following investments and maturities at June 30, 2019:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
Wells Fargo PERS	\$ 10,306	\$ 10,306		
State Treasurer's Investment Pool	2,915,430	2,915,430	\$ -	\$ -
Total	\$ 2,925,736	\$ 2,925,736	\$ -	\$ -

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of June 30, 2019, none of the bank balance was exposed to custodial credit risk because it was fully insured.

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 that have a maturity date beyond three months.

Credit Risk – Investments

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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

At June 30, 2019, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. Property taxes are levied and become a lien on all taxable property as of July 1. Taxes unpaid and outstanding on May 16 are considered delinquent. No allowance for uncollectible accounts has been recorded because all receivables are considered by management to be collectible.

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Restated Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
1 Land and Land Improvements	\$ 612,077	\$ 7,252,937	\$ (200,660)	\$ 7,664,354
Construction in Progress	15,780,150	-	(15,780,150)	-
Total capital assets not being depreciated	<u>16,392,227</u>	<u>7,252,937</u>	<u>(15,980,810)</u>	<u>7,664,354</u>
Capital assets being depreciated:				
Buildings and Improvements	11,251,079	15,066,013	(468,133)	25,848,959
Vehicles & Equipment	500,539	142,596	-	643,135
Total capital assets being depreciated	<u>11,751,618</u>	<u>15,208,609</u>	<u>(468,133)</u>	<u>26,492,094</u>
Less total accumulated depreciation for:				
Buildings and Improvements	(5,553,568)	(500,920)	468,133	(5,586,355)
Vehicles & Equipment	(269,358)	(47,453)	-	(316,811)
Total accumulated depreciation	<u>(5,822,926)</u>	<u>(548,373)</u>	<u>468,133</u>	<u>(5,903,166)</u>
Total capital assets being depreciated, net	<u>5,928,692</u>	<u>14,660,236</u>	<u>-</u>	<u>20,588,928</u>
Total Capital Assets, Net	<u>\$ 22,320,919</u>			<u>\$ 28,253,282</u>

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

Depreciation for the year was charged to the following programs:

Instruction	\$ 324,689
Support Services	206,982
Enterprise and Community Services	16,702
	<u>\$ 548,373</u>

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT

A summary of debt transactions of the year ended June 30, 2019 is as follows:

Issue Date	Interest Rates	Issue Amount	Outstanding July 1, 2018	Issued	Matured and Redeemed	Outstanding June 30, 2019	Due Within One Year
Direct Borrowings and Placements							
2007 QZAB	1.49%	\$ 1,000,000	\$ 405,000	\$ -	\$ 65,000	\$ 340,000	\$ 65,000
2009 QZAB	0.00%	1,000,000	428,569	-	71,429	357,140	71,429
2018 FF & C	3.15%	2,000,000	-	2,000,000	-	2,000,000	73,303
Bonds							
2003 PERS UAL	1.50-5.68%	9,421,889	6,214,366	-	252,540	5,961,826	250,609
2015 Refunding	1.97%	3,685,955	1,944,138	-	617,409	1,326,729	645,172
2016 GO Bond	2-4.25%	14,200,000	13,600,000	-	330,000	13,270,000	370,000
Total Governmental Activities			<u>\$ 22,592,073</u>	<u>\$ 2,000,000</u>	<u>\$ 1,336,378</u>	<u>\$ 23,255,695</u>	<u>\$ 1,475,512</u>
Bond Premium			\$ 1,907,809	\$ -	\$ 12,705	\$ 1,895,104	\$ -
Total with premium			<u>\$ 24,499,882</u>	<u>\$ 2,000,000</u>	<u>\$ 1,349,083</u>	<u>\$ 25,150,799</u>	<u>\$ 1,475,512</u>

For further detail on debt service, see the ‘Schedule of Bond and Interest Transactions and Balances’ and ‘Schedule of Future Requirements for Retirement of Long-Term Debt’ in the Other Information section of this report.

Bonds

Fiscal Year Ended

Fiscal Year Ended	Principal	Interest	Total
2019-20	\$ 1,265,781	\$ 1,280,450	\$ 2,546,231
2020-21	1,335,951	1,312,855	2,648,806
2021-22	698,152	1,334,470	2,032,622
2022-23	738,670	1,373,452	2,112,122
2023-24	8,155,000	2,870,078	11,025,078
2025-29	4,665,000	1,338,200	6,003,200
2030-34	3,700,000	308,200	4,008,200
Total	<u>\$ 20,558,555</u>	<u>\$ 9,817,705</u>	<u>\$ 30,376,259</u>

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT (CONTINUED)

Direct Borrowings and Placements

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019-20	\$ 209,732	\$ 66,911	\$ 276,643
2020-21	212,041	63,598	275,639
2021-22	1,992,514	32,284	2,024,798
2022-23	141,429	2,088	143,517
2023-24	141,429	1,043	142,472
Total	<u>\$ 2,697,145</u>	<u>\$ 165,924</u>	<u>\$ 2,863,069</u>

BONDS:

General Obligation Bond 2016: The grant agreement also stipulates events of default under the agreement and remedies of the State in case of a default by the District. The events of default include any false or misleading representations by the District to the State or failure to perform any covenant after notice from the State and a cure period. The remedies include requiring the District to repay grant funds that have been disbursed (including any costs of decreasing the portion of the State's bonds, allocable costs of issuance and legal fees) and allowing the State to intercept State school fund disbursements due to the District to make these payments. If the grant was not received, terminated, or required to be repaid, the District does not expect it would have a material impact on the District's ability to complete the Project, repay the Bonds or to operate the District.

Refunding 2015: If an Event of Default occurs, the Bank may exercise any remedy available at law or in equity (excluding acceleration), and may increase the interest rate applicable to the Bond by three percentage points. No remedy shall be exclusive. The Bank may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default.

Pension Obligation Bond 2003: If an Event of Default occurs and is continuing the Program Trustee may exercise any remedy available at law or in equity; however, the Bond Payments shall not be subject to acceleration, and the District shall be responsible solely for its Bond Payments and any Additional Charges reasonably allocated to it.

DIRECT BORROWINGS AND PLACEMENTS:

2018 Full Faith & Credit Loan 2018: If an Event of Default occurs, the Lender may exercise any remedy available at law or in equity except that the Note shall not be subject to acceleration. No remedy shall be exclusive. The Lender may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default. If an Event of Default occurs due to (i) a failure to pay when due any principal, interest, fees or other amount under this Agreement, then the Lender may increase the interest rate on this Agreement and the Note by an additional 3%.

QZAB 2007: Whenever any Event of Default exists, the Seller shall have the right at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) Without terminating this Agreement, and by written notice to the District, the Seller may declare all Installment Payments and other amounts payable by the District hereunder to the end of the then current budget year of the District to be due, including without limitation delinquent Installment Payments from prior budget years;

NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT (CONTINUED)

DIRECT BORROWINGS AND PLACEMENTS CONTINUED:

(b) Terminating this Agreement, and by written notice to the District, the Seller may accelerate all outstanding Installment Payments, in which case the District agrees to pay to the Seller an amount equal to the outstanding Installment Payments, as well as any other sums due hereunder; and upon written notice to the District, all funds in the Project Account, shall be paid to Seller and shall be applied by Seller to the amount due by the District under this Agreement; The Seller may take whatever action at law or in equity necessary or desirable to enforce its rights under this Agreement.

QZAB 2009: Whenever any Event of Default exists, the Seller shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps: (a) Without terminating this Agreement, and by written notice to the District, the Seller may declare all Installment Payments and other amounts payable by the District hereunder to the end of the then current budget year of the District to be due, including without limitation delinquent Installment Payments from prior budget years; (b) Terminating this Agreement, and by written notice to the District, the Seller may accelerate all outstanding Installment Payments, in which case the District agrees to pay to the Seller an amount equal to the outstanding Installment Payments, as well as any other sums due hereunder; and upon written notice to the District, all funds in the Project Account, shall be paid to Seller and shall be applied by Seller to the amount due by the District under this agreement The Seller may take whatever action at law or in equity necessary or desirable to enforce its rights under this Agreement.

6. PENSION PLAN

Oregon Public Employees Retirement System (PERS)

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

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i) Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated either by a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

- ii) **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii) **Disability Benefits.** A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv) **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

- i) **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii) **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, which became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2019 were \$43,268, excluding amounts to fund employer specific liabilities. In addition approximately \$296,389 in employee contributions were paid or picked up by the District in fiscal 2019. Approximately \$927,012 was charged for the year ended June 30, 2019 as PERS benefit expenditures to be used for bond payments as they became due. At June 30, 2019, the District reported a net pension liability of \$3,482,004 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2018 and 2017, the District's proportion was .023 percent and .023 percent, respectively. Pension expense for the year ended June 30, 2019 was \$732,732.

The rate in effect for the year ended June 30, 2019 was:

- (1) Tier 1/Tier 2 – 1.56%
- (2) OPSRP Police and Fire - 0.43%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 118,447	\$ -
Changes in assumptions	809,559	-
Net difference between projected and actual earnings on pension plan investments	-	154,621
Net changes in proportionate share	534,121	27,828
Differences between District contributions and proportionate share of contributions	-	505,325
Subtotal - Amortized Deferrals (below)	1,462,127	687,774
District contributions subsequent to measuring date	43,268	-
Deferred outflow (inflow) of resources	\$ 1,505,395	\$ 687,774

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2019.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

<u>Year ending June 30,</u>	<u>Amount</u>
2020	\$ 495,948
2021	373,511
2022	(72,845)
2023	(29,302)
2024	7,042
Thereafter	-
Total	<u>\$ 774,353</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2019. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year),

(b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2016 rolled forward to June 30, 2018
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Projected salary increase	3.50 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	13.5%	21.5%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2018 PERS CAFR; p. 98)

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NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015, revised as of June 7, 2017, the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equity	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2018 PERS CAFR; p. 72)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2018 and 2017, was 7.20 percent and 7.50 percent, respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
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NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Direct proportionate share of the net pension liability	\$ 5,819,086	\$ 3,482,004	\$ 1,552,933

Changes Subsequent to the Measurement Date

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

There are no changes subsequent to the June 30, 2018 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

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

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2019.

Oregon Public Employees Retirement Systems' (PERS) Retiree Health Insurance Account (RHIA)

Plan Description:

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

Funding Policy:

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. PENSION PLAN (CONTINUED)

Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991. Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.50% of annual covered OPERS payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2017, 2018 and 2019 were \$23,540, \$22,564 and \$22,591, respectively, which equaled the required contributions each year.

At June 30, 2019, the District's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

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

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

7. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75

Plan Description: The District operates a single-employer retiree benefit plan that provides postemployment health, dental and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. All classes of employee are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage. Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

Benefits and eligibility for members are established through the collective bargaining agreements. The post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Funding Policy: The benefits from this program are paid by the District on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is not obligation on the part of the District to fund these benefits in advance.

Actuarial Methods and Assumptions: The District engaged an actuary to perform an evaluation as of June 30, 2019 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75 (CONTINUED)

Discount Rate per year	3.58%
General Inflation Rate per year	2.50%
Salary Scale per year	3.50%

Health Care Cost Trends:

<u>Year</u>	<u>Trend</u>	<u>Year</u>	<u>Trend</u>
2017	4.25 %	2042-2043	6.00 %
2018	5.50	2044-2048	5.75
2019	6.75	2049-2057	5.50
2020-2030	5.00	2058-2064	5.25
2031-2032	5.25	2065-2067	5.00
2033	5.50	2068-2069	4.75
2034	6.00	2070-2073	4.50
2035-2041	6.25	2074+	4.25

Mortality rates were based on rates adopted by the Oregon Public Employees Retirement System (PERS) for its December 31, 2016 actuarial valuation of retirement benefits.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were not used.

Retirement rates were based on Oregon PERS assumptions. Annual rates are based on age, Tier / OPSRP, and duration of service.

The projection of benefits for financial reporting purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Changes in Medical Benefit OPEB Liability:

Total OPEB Liability - Beginning	<u>2019</u>	<u>2018</u>
	\$ 920,049	\$ 1,011,762
Changes for the Year:		
Service Cost	55,933	58,950
Interest	32,580	28,538
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions or Other Input	(15,558)	(39,457)
Benefit Payments	<u>(133,026)</u>	<u>(139,744)</u>
Net Changes for the Year	<u>(60,071)</u>	<u>(91,713)</u>
Total OPEB Liability - Ending	<u>\$ 859,978</u>	<u>\$ 920,049</u>

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75 (CONTINUED)

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates: The following presents the net other post-employment benefit liability (NOL), calculated using the discount rate of 3.87 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

June 30, 2019	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 910,921	\$ 859,978	\$ 811,894

The following presents the net other post-employment benefit liability (NOL), calculated using trend rate of 6.5 percent graded down to 5.0 percent, as well as what the liability would be if it was calculated using a trend rate 1-percentage-point lower (5.5 percent graded down to 4.0 percent) or 1-percentage-point higher (7.5 percent graded down to 6.0 percent) than the current rate:

June 30, 2019	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 805,465	\$ 859,978	\$ 923,141

	Deferred Inflow of Resources	Deferred Outflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	(42,249)	-
Benefit Payments	-	82,229
Deferred outflow (inflow) of resources	\$ (42,249)	\$ 82,229

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30	Amount
2020	\$ (7,434)
2021	(7,434)
2022	(7,434)
2023	(7,434)
2024	(7,434)
Thereafter	(5,079)
Total	\$ (42,249)

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any to be immaterial. 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, there can be increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

9. 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. The District has joined with other school districts in the state, which are participating members of United Schools Insurance Program of Oregon, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The District has an annually renewable contract to pay United Schools Insurance Program of Oregon an annual premium for its general liability, property liability, automobile liability, boiler and machinery, comprehensive crime, and umbrella insurance coverage.

The District carries commercial insurance for all other losses, including workers' compensation and employee health and accident insurance. Premiums to the health insurance company are paid through a combination of employer contributions and payroll withholdings for eligible employees. The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State of Oregon to pay for any claims paid to former employees. There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

10. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2019 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 460,964
Special Revenue Funds	130,500	-
Debt Service Fund	230,464	-
Debt Service Fund	100,000	-
	<u>\$ 460,964</u>	<u>\$ 460,964</u>

The interfund transfers are budgeted amounts from the General Fund to cover the early retiree benefits and food service in the Special Revenue Fund and to cover the payments for the QZAB loans and PERS UAL debt in the Debt Service Fund.

11. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school government operations. School operations included community colleges, local school districts, and education service districts. The limitation provided that property taxes for school operations are limited to \$5.00 for each

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. PROPERTY TAX LIMITATIONS (CONTINUED)

\$1,000 of property market value. The 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.

12. PRIOR PERIOD ADJUSTMENT

There was a prior period adjustment in capital assets in the amount of \$39,070 for changes to capital assets not recorded in a prior year.

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YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
 For the Year Ended June 30, 2019

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) YCS D covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.02 %	\$ 3,482,004	\$ 4,860,496	71.6 %	82.1 %
2018	0.02	3,141,205	5,219,307	60.2	83.1
2017	0.02	3,233,657	5,185,832	62.4	80.5
2016	0.01	354,405	4,767,772	7.4	91.9
2015	0.01	(146,649)	4,758,828	(3.1)	103.6
2014	0.01	330,156	4,182,881	7.9	92

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

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

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2019	\$ 43,268	\$ 43,268	\$ -	\$ 4,941,223	0.9 %
2018	44,344	44,344	-	4,860,496	0.9
2017	23,856	23,856	-	5,219,307	0.5
2016	88,072	88,072	-	5,185,832	1.7
2015	148,632	148,632	-	4,767,772	3.1
2014	81,797	81,797	-	4,758,828	1.7

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

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

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY
For the fiscal year ended June 30, 2019

	2019	2018
Total OPEB Liability - Beginning	\$ 920,049	\$ 1,011,762
Changes for the year:		
Service Cost	55,933	58,950
Interest	32,580	28,538
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions or Other Input	(15,558)	(39,457)
Benefit Payments	(133,026)	(139,744)
 Net Changes for the Year	 (60,071)	 (91,713)
Total OPEB Liability - Ending	\$ 859,978	\$ 920,049
 Covered Payroll	 4,941,223	 4,860,496
Net Single Employer Pension Plan as a Percentage of Covered Payroll	17.40%	18.93%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73 and GASB 75 in the fiscal year ending June 30, 2018.

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2019

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 3,248,600	\$ 3,248,600	\$ 3,673,068	\$ 424,468
Intermediate Sources	170,000	170,000	173,408	3,408
State Sources	6,603,374	6,603,374	6,700,484	97,110
Total Revenues	10,021,974	10,021,974	10,546,960	524,986
EXPENDITURES:				
Instruction	6,026,486	6,026,486 (1)	5,869,328	157,158
Support Services	4,379,524	4,379,524 (1)	4,035,178	344,346
Contingencies	400,000	155,000 (1)	-	155,000
Total Expenditures	10,806,010	10,561,010	9,904,506	656,504
Excess of Revenues Over (Under) Expenditures	(784,036)	(539,036)	642,454	1,181,490
OTHER FINANCING SOURCES (USES)				
Transfers Out	(215,964)	(460,964) (1)	(460,964)	-
Total Other Financing Sources (Uses)	(215,964)	(460,964)	(460,964)	-
Net Change in Fund Balance	(1,000,000)	(1,000,000)	181,490	1,181,490
Beginning Fund Balance	1,000,000	1,000,000	994,721	(5,279)
Ending Fund Balance	\$ -	\$ -	\$ 1,176,211	\$ 1,176,211

(1) Appropriation Level

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2019

<u>SPECIAL REVENUE FUNDS</u>				
REVENUES:	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Local Sources	\$ 600,350	\$ 600,350	\$ 419,147	\$ (181,203)
Intermediate Sources	2,714	2,714	2,736	22
State Sources	186,251	186,251	186,677	426
Federal Sources	514,374	514,374	452,138	(62,236)
Total Revenues	<u>1,303,689</u>	<u>1,303,689</u>	<u>1,060,698</u>	<u>(242,992)</u>
 EXPENDITURES:				
Instruction	1,025,270	1,025,270 (1)	727,625	297,645
Support Services	164,714	164,714 (1)	106,476	58,238
Community & Enterprise	391,005	391,005 (1)	337,159	53,846
Total Expenditures	<u>1,580,989</u>	<u>1,580,989</u>	<u>1,171,260</u>	<u>409,729</u>
Excess of Revenues Over (Under) Expenditures	(277,300)	(277,300)	(110,562)	166,738
 Other Financing Sources, (Uses)				
Transfers In	85,500	85,500	130,500	45,000
Total Other Financing Sources	<u>85,500</u>	<u>85,500</u>	<u>130,500</u>	<u>45,000</u>
Net Change in Fund Balance	(191,800)	(191,800)	19,938	211,738
Beginning Fund Balance	<u>191,800</u>	<u>191,800</u>	<u>354,778</u>	<u>162,978</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 374,716</u>	<u>\$ 374,716</u>

(1) Appropriation Level

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2019

DEBT SERVICE FUND

REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Local Sources	\$ 2,499,000	\$ 2,499,000	\$ 2,499,825	\$ 825
State Sources	12,000	12,000	20,349	8,349
Total Revenues	<u>2,511,000</u>	<u>2,511,000</u>	<u>2,520,174</u>	<u>9,174</u>
 EXPENDITURES:				
Debt Service	<u>3,042,423</u>	<u>3,042,423 (1)</u>	<u>2,626,879</u>	<u>415,544</u>
Total Expenditures	<u>3,042,423</u>	<u>3,042,423</u>	<u>2,626,879</u>	<u>415,544</u>
Excess of Revenues Over (Under) Expenditures	<u>(531,423)</u>	<u>(531,423)</u>	<u>(106,705)</u>	<u>424,718</u>
 Other Financing Sources, (Uses)				
Sale of Capital Assets	-	-	31,325	31,325
Transfers In	<u>130,464</u>	<u>130,464</u>	<u>230,464</u>	<u>100,000</u>
Total Other Financing Sources	<u>130,464</u>	<u>130,464</u>	<u>261,789</u>	<u>131,325</u>
Net Change in Fund Balance	(400,959)	(400,959)	155,084	556,043
Beginning Fund Balance	<u>400,959</u>	<u>400,959</u>	<u>630,811</u>	<u>229,852</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 785,895</u>	<u>\$ 785,895</u>

(1) Appropriation Level

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2019

<u>CAPITAL PROJECTS FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Local Sources	\$ 100,000	\$ 100,000	\$ 317,735	\$ 217,735
State Sources	-	-	61,605	61,605
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>379,340</u>	<u>279,340</u>
EXPENDITURES:				
Support Services	125,000	125,000 (1)	213,800	(88,800)
Facilities Acquisition & Construction	5,757,732	5,757,732 (1)	6,480,090	(722,358)
Debt Service	2,000,000	2,000,000 (1)	-	2,000,000
Total Expenditures	<u>7,882,732</u>	<u>7,882,732</u>	<u>6,693,890</u>	<u>1,188,842</u>
Excess of Revenues Over (Under) Expenditures	(7,782,732)	(7,782,732)	(6,314,550)	(1,468,182)
Other Financing Sources, (Uses)				
Debt Proceeds	2,000,000	2,000,000	2,000,000	-
Sale of Capital Assets	2,637,732	2,637,732	298,675	(2,339,057)
Transfers In	-	-	100,000	100,000
Total Other Financing Sources, (Uses)	<u>4,637,732</u>	<u>4,637,732</u>	<u>2,398,675</u>	<u>(2,239,057)</u>
Net Change in Fund Balance	<u>(3,145,000)</u>	<u>(3,145,000)</u>	<u>(3,915,875)</u>	<u>(770,875)</u>
Beginning Fund Balance	<u>3,145,000</u>	<u>3,145,000</u>	<u>5,035,837</u>	<u>1,890,837</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,119,962</u>	<u>\$ 1,119,962</u>

(1) Appropriation Level

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2019

LAUGHLIN SCHOLARSHIP FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Local Sources	\$ 2,000	\$ 2,000	\$ 710	\$ (1,290)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>710</u>	<u>(1,290)</u>
EXPENDITURES:				
Instruction	<u>2,000</u>	<u>2,000</u>	(1) <u>2,000</u>	<u>-</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(1,290)</u>	<u>(1,290)</u>
Beginning Fund Balance	<u>40,000</u>	<u>40,000</u>	<u>45,092</u>	<u>5,092</u>
Ending Fund Balance	<u><u>\$ 40,000</u></u>	<u><u>\$ 40,000</u></u>	<u><u>\$ 43,802</u></u>	<u><u>\$ 3,802</u></u>

(1) Appropriation Level

YAMHILL-CARLTON SCHOOL DISTRICT NO. 1

SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES
For the Year Ended June 30, 2019

DATE OF ISSUE	BONDS & COUPONS MATURING DURING THE YEAR	BONDS REDEEMED AND COUPONS PAID DURING THE YEAR
April 21, 2003	\$ 252,540	\$ 252,540
June 12, 2007	65,000	65,000
July 1, 2009	71,429	71,429
March 17, 2015	617,409	617,409
July 19, 2016	<u>330,000</u>	<u>330,000</u>
 Total	 <u>\$ 1,336,378</u>	 <u>\$ 1,336,378</u>

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT
 For the Year Ended June 30, 2019

	YEAR	PRINCIPAL		INTEREST		INTEREST RATES
		Due 12/20 & 6/20	Due 12/20 & 6/20	Due 12/20 & 6/20	Due 12/20 & 6/20	
Full Faith and Credit Loan Agreement and Note, Series 2018 Original issue: \$2,000,000						
	2019-20	\$ 73,303	\$ 61,845			3.15%
	2020-21	75,612	59,500			3.15%
	2021-22	1,851,085	29,155			3.15%
		<u>\$ 2,000,000</u>	<u>\$ 150,500</u>			
On March 17, 2015, \$3,685,955 of General Obligation Refunding Bonds were issued.						
	2019-20	\$ 645,172	\$ 26,137			1.97%
	2020-21	681,557	13,427			1.97%
		<u>\$ 1,326,729</u>	<u>\$ 39,564</u>			
Oregon School Boards Association Limited Tax Pension Obligation Bonds Series 2003, Wells Fargo Bank Northwest, NA, Trustee - Original Balance \$9,421,889						
	2019-20	\$ 250,609	\$ 740,763			6.15%
	2020-21	249,394	791,978			6.22%
	2021-22	248,152	843,220			6.26%
	2022-23	248,670	897,702			6.27%
	2023-24	920,000	281,372			6.27%
	2024-25	1,025,000	229,756			5.68%
	2025-26	1,145,000	171,536			5.68%
	2026-27	1,270,000	106,500			5.68%
	2027-28	605,000	34,365			5.68%
		<u>\$ 5,961,826</u>	<u>\$ 4,097,192</u>			

YAMHILL-CARLTON SCHOOL DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT
For the Year Ended June 30, 2019

	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>INTEREST RATES</u>
General Obligation Bond				
July 19, 2016				
Original issue: \$14,200,000				
Premium: \$1,923,680				
	2019-20	\$ 370,000	\$ 513,550	
	2020-21	405,000	507,450	
	2021-22	450,000	491,250	
	2023-27	2,935,000	2,163,950	
	2028-32	4,340,000	1,499,125	
	2033-37	4,770,000	505,625	
		<u>\$ 13,270,000</u>	<u>\$ 5,680,950</u>	
		<u>Due 7/10</u>	<u>Due 7/10</u>	
Qualified Zone Academy Bond (QZAB)				
held by LaSalle Bank N.A.				
- Original Balance \$1,000,000				
	2019-20	\$ 65,000	\$ 5,066	1.49%
	2020-21	65,000	4,098	1.49%
	2021-22	70,000	3,129	1.49%
	2022-23	70,000	2,088	1.49%
	2023-24	70,000	1,043	1.49%
		<u>\$ 340,000</u>	<u>\$ 15,424</u>	
		<u>Due 7/1</u>	<u>Due 7/1</u>	
Qualified Zone Academy Bond (QZAB)				
held by All Points Capital Corporation				
- Original Balance \$1,000,000				
	2019-20	\$ 71,429	\$ -	0.00%
	2020-21	71,429	-	0.00%
	2021-22	71,429	-	0.00%
	2022-23	71,429	-	0.00%
	2023-24	71,429	-	0.00%
		<u>\$ 357,141</u>	<u>\$ -</u>	

YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

OTHER INFORMATION

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Yamhill-Carlton School District No. 1
Yamhill County, Oregon

REVENUE SUMMARY - ALL FUNDS
YEAR ENDED JUNE 30, 2019

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 700	TOTAL
Revenue from Local Sources						
1110 Ad Valorem Taxes Levied by District	\$ 3,301,536	\$ -	\$ 1,521,163	\$ -	\$ -	\$ 4,822,699
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	94,855	-	94,855
1190 Penalties and Interest on Taxes	14,276	-	3,708	-	-	17,984
1311 Tuition From Individuals	-	-	-	-	-	-
1312 Tuition From Other Districts Within the State	158,584	-	-	-	-	158,584
1313 Tuition From Other Districts Outside the State	-	-	-	-	-	-
1330 Summer School Tuition	3,205	-	-	-	-	3,205
1411 Transportation Fees from Individuals	143	-	-	-	-	143
1500 Earnings on Investments	94,856	150	10,979	49,448	-	155,433
1600 Food Service	-	90,178	-	-	-	90,178
1700 Extracurricular Activities	43,414	245,900	-	-	-	289,314
1800 Community Services Activities	-	-	-	-	-	-
1910 Rentals	4,055	-	-	17,422	-	21,477
1920 Contributions and Donations From Private Sources	10,000	78,853	-	-	710	89,563
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	6,604	-	-	147,000	-	153,604
1970 Services Provided Other Funds	-	-	963,973	-	-	963,973
1990 Miscellaneous	36,394	4,068	-	9,011	-	49,473
Total Revenue from Local Sources	3,673,067	419,149	2,499,823	317,736	710	6,910,485
Revenue from Intermediate Sources						
2101 County School Funds	3,407	-	-	-	-	3,407
2102 General ESD Funds	170,000	-	-	-	-	170,000
2200 Restricted Revenue	-	2,737	-	-	-	2,737
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-
Total Revenue from Intermediate Sources	173,407	2,737	-	-	-	176,144
Revenue from State Sources						
3101 State School Fund - General Support	6,468,179	-	-	-	-	6,468,179
3102 SSF - School Lunch Match	-	3,386	-	-	-	3,386
3103 Common School Fund	113,596	-	-	-	-	113,596
3199 Other Unrestricted Grants-In-Aid	118,707	-	-	-	-	118,707
3200 Restricted Grants-In-Aid	-	2,025	-	-	-	2,025
3299 Other Restricted Grants-In-Aid	-	181,267	-	61,606	-	242,873
3900 Revenue for/on Behalf of the District	-	-	20,349	-	-	20,349
Total Revenue from State Sources	6,700,482	186,678	20,349	61,606	-	6,969,115
Revenue from Federal Sources						
4500 Restricted Rev Fed Gov through State	-	420,548	-	-	-	420,548
4700 Grants-In-Aid from the Fed Gov through Other Intermediate Agencies	-	3,660	-	-	-	3,660
4900 USDA Donated Commodities	-	27,931	-	-	-	27,931
Total Revenue from Federal Sources	-	452,139	-	-	-	452,139
Revenue from Other Sources						
5100 Long Term Debt Financing Sources	-	-	-	2,000,000	-	2,000,000
5200 Interfund Transfers	-	130,500	230,464	100,000	-	460,964
5300 Sale/Compensation Fixed Assets	-	-	31,325	298,675	-	330,000
5400 Resources - Beginning Fund Balance	994,721	354,779	630,811	5,035,838	45,092	7,061,241
Total Revenue from Other Sources	994,721	485,279	892,600	7,434,513	45,092	9,852,205
Total	\$ 11,541,677	\$ 1,545,982	\$ 3,412,772	\$ 7,813,855	\$ 45,802	\$ 24,360,088

**Yamhill-Carlton School District No. 1
Yamhill County, Oregon**

**GENERAL FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2019**

Fund: 100 General Funds								
Instruction Expenditures	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
1111 Primary, K-3	\$ 808,127	\$ 367,552	\$ 42,140	\$ 22,195	\$ -	\$ -	\$ -	\$ 1,240,014
1121 Middle/Junior high school programs	724,592	369,542	41,162	23,679	-	-	-	1,158,975
1122 Middle/Junior high school extracurricular	1,262	896	-	-	-	-	-	2,158
1131 High school programs	799,505	399,980	87,405	36,539	-	475	-	1,323,904
1132 High school extracurricular	170,772	37,659	30,827	18,681	-	6,322	-	264,261
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1220 Restrictive programs for student with disabilities	432,642	333,336	120,131	1,135	-	-	-	887,244
1250 Less restrictive programs for student with disabilities	240,017	160,830	34,596	4,288	-	-	-	439,731
1280 Alternative education	263,329	118,602	87,007	39,625	-	-	-	508,563
1291 English second language programs	23,652	13,681	4,104	3	-	-	-	41,440
1400 Summer school programs	2,300	642	-	93	-	-	-	3,035
Total Instruction Expenditures	3,466,198	1,802,720	447,372	146,238	-	6,797	-	5,869,325
Support Services Expenditures								
2110 Attendance and social work	20,594	17,197	48	60	-	595	-	38,494
2120 Guidance services	74,258	34,714	77,270	1,118	-	-	-	187,360
2130 Health services	-	-	-	538	-	-	-	538
2140 Psychological services	-	-	-	-	-	-	-	-
2190 Service direction, student support services	58,273	24,267	294	1,009	-	-	-	83,843
2210 Improvement of instruction services	-	-	4,276	-	-	-	-	4,276
2220 Educational media services	52,488	45,758	273	4,056	-	-	-	102,575
2240 Instructional Staff Development	-	-	1,933	-	-	-	-	1,933
2310 Board of education services	-	-	69,307	2,186	-	27,803	-	99,296
2320 Executive administration services	155,353	67,203	2,071	1,805	-	595	-	227,027
2410 Office of the principal services	588,672	237,473	20,241	10,053	-	1,838	-	858,277
2520 Fiscal services	129,840	32,791	11,436	40,617	-	1,336	-	216,020
2540 Operation and maintenance of plant services	317,017	184,261	405,461	39,314	22,518	114,214	-	1,082,785
2550 Student transportation services	-	-	754,369	-	-	-	-	754,369
2640 Staff services	86,812	42,594	14,533	439	-	1,676	-	146,054
2660 Technology services	30,140	10,243	141,692	50,105	-	150	-	232,330
Total Support Services Expenditures	1,513,447	696,501	1,503,204	151,300	22,518	148,207	-	4,035,177
Other Uses Expenditures								
5100 Debt service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	460,964	460,964
Total Other Uses Expenditures	-	-	-	-	-	-	460,964	460,964
Total 100 General Funds	\$ 4,979,645	\$ 2,499,221	\$ 1,950,576	\$ 297,538	\$ 22,518	\$ 155,004	\$ 460,964	\$ 10,365,466

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

SPECIAL REVENUE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2019

Fund: 200 Special Revenue Funds

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Instruction Expenditures								
1111 Primary, K-3	\$ 2,708	\$ 764	\$ -	\$ 4,191	\$ -	\$ -	\$ -	\$ 7,663
1113 Elementary extracurricular	-	-	-	41,629	-	-	-	41,629
1121 Middle/Junior High Programs	-	-	15,622	11,414	-	-	-	27,036
1122 Middle/Junior high school extracurricular	3,716	475	500	35,139	-	-	-	39,830
1131 High school programs	72,577	48,809	8,958	19,670	42,324	-	-	192,338
1132 High school extracurricular	1,575	433	1,000	172,314	-	-	-	175,322
1220 Restrictive programs for student with disabilities	2,849	811	-	-	-	-	-	3,660
1250 Less restrictive programs for student with disabilities	98,163	44,785	3,362	95	-	-	-	146,405
1272 Title I	49,945	29,253	-	12,359	-	-	-	91,557
1291 English Language Learner	114	28	1,810	235	-	-	-	2,187
Total Instruction Expenditures	231,647	125,358	31,252	297,046	42,324	-	-	727,627
Support Services Expenditures								
2120 Guidance Services	1,848	152	2,410	-	-	-	-	4,410
2210 Improve instruction services	-	-	8,928	225	-	-	-	9,153
2212 Other improvement of instruction services	-	-	-	-	-	-	-	-
2230 Assessment and testing	-	-	-	-	-	-	-	-
2240 Instructional staff development	-	-	4,000	1,301	-	-	-	5,301
2410 Office of principal services	-	-	-	-	-	-	-	-
2490 Other support services - school administration	-	-	-	-	-	-	-	-
2520 Fiscal services	-	1,318	-	-	-	-	-	1,318
2529 Other fiscal services	-	-	-	-	-	-	-	-
2540 Operation and maintenance of plant services	-	-	-	-	-	-	-	-
2558 Special education transportation services	-	-	-	-	-	-	-	-
2579 Other internal services	-	-	-	-	-	-	-	-
2620 Plan, research and development	-	-	-	-	-	-	-	-
2640 Staff services	-	35,357	-	-	-	-	-	35,357
2660 Technology services	-	-	-	-	-	-	-	-
2700 Supplemental retirement program	19,500	31,439	-	-	-	-	-	50,939
Total Support Services Expenditures	21,348	68,266	15,338	1,526	-	-	-	106,478
Enterprise and Community Services								
3100 Food services	118,801	69,153	13,278	130,635	-	5,294	-	337,161
Total Enterprise and Community Services	118,801	69,153	13,278	130,635	-	5,294	-	337,161
Total 200 Special Revenue Funds	\$ 371,796	\$ 262,777	\$ 59,868	\$ 429,207	\$ 42,324	\$ 5,294	\$ -	\$ 1,171,266

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

DEBT SERVICE FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2019

Fund: 300 Debt Service									
	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>	<u>TOTAL</u>	
Other Uses Expenditures									
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,626,878	\$ -	\$ 2,626,878	
Total Other Uses Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,626,878</u>	<u>-</u>	<u>2,626,878</u>	
Total 500 Enterprise Funds	<u>\$ -</u>	<u>\$ 2,626,878</u>	<u>\$ -</u>	<u>\$ 2,626,878</u>					

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

CAPITAL PROJECTS FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2019

Fund: 400 Capital Projects Funds

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
Support Services Expenditures								
2310 Board of Education Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520 Fiscal Services	-	-	-	-	-	6,674	-	6,674
2540 Operation and Maintenance of Plant Services	-	-	48,194	3,916	154,506	510	-	207,126
Total Support Services Expenditures	-	-	48,194	3,916	154,506	7,184	-	213,800
Facilities Acquisition and Construction								
4150 Building Acquisition, Construction, and Impr	-	-	69,878	-	6,410,214	-	-	6,480,092
Total Other Uses Expenditures	-	-	69,878	-	6,410,214	-	-	6,480,092
Total 400 Capital Projects Funds								
	\$ -	\$ -	\$ 118,072	\$ 3,916	\$ 6,564,720	\$ 7,184	\$ -	\$ 6,693,892

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

FIDUCIARY FUND
EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2019

Fund: 700 Fiduciary Fund								
	<u>Object 100</u>	<u>Object 200</u>	<u>Object 300</u>	<u>Object 400</u>	<u>Object 500</u>	<u>Object 600</u>	<u>Object 700</u>	<u>TOTAL</u>
Instruction								
1300 Adult/Continuing Education Programs	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	2,000
Total Instruction Expenditures	-	-	2,000	-	-	-	-	2,000
Total 700 Agency Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,000</u>

Yamhill-Carlton School District No. 1
Yamhill County, Oregon

SUPPLEMENTAL INFORMATION
As Required by The Department of Education
For the Year Ended June 30, 2019

A. Energy Bill for Heating - **All Funds:**

Please enter your expenditures for electricity
 & heating fuel for these Functions & Objects.

Function 2540
 Function 2550

Objects 325 & 326

\$		226,941
		-

B. Replacement of Equipment – **General Fund:**

Include all General Fund expenditures in object 542, except for the following exclusions:

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

Amount

\$		-
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**YAMHILL-CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019**

Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Number	Grant Period	2018/2019 Revenue and Expenditures
U.S. Department of Education					
Title I, Part A Cluster:					
Grants to Local Educational Agencies	ODE	84.010	45726	7/1/2017 - 9/30/2018	\$ 9,839
Grants to Local Educational Agencies	ODE	84.010	50513	7/1/2018 - 9/30/2019	81,718
Total, Title I, Part A Cluster					<u>91,557</u>
Special Education Cluster (IDEA):					
IDEA Part B, Section 611 17-18	ODE	84.027	45282	7/1/2017 - 9/30/2019	103,151
IDEA Part B, Section 611 18-19	ODE	84.027	49979	7/1/2018 - 9/30/2020	36,791
SPR&I 2018-19	ODE	84.027	49651	7/1/2018 - 9/30/2019	1,241
IDEA Enhancement 18-19	ODE	84.027	51401	7/1/2018 - 9/30/2019	2,122
Total, Special Education Cluster CFDA 84.027					<u>143,304</u>
Special Education Preschool Grants					
IDEA Part B, Section 619 16-17	ODE	84.173	40703	7/1/2016 - 9/30/2018	1,791
IDEA Part B, Section 619 17-18	ODE	84.173	45530	7/1/2017 - 9/30/2019	448
IDEA Part B, Section 619 18-19	ODE	84.173	50215	7/1/2018 - 9/30/2020	861
Total, Special Education Preschool Grants					<u>3,101</u>
Total Special Education Cluster					<u>146,405</u>
Title II-A - Improving Teacher Quality State Grants	ODE	84.367	49439	7/1/2018 - 9/30/2019	11,716
Total, Title II-A - Improving Teacher Quality State Grants					<u>11,716</u>
Total, U.S. Department of Education					<u>249,678</u>
U.S. Department of Health and Human Services					
Foster Care Transportation Reimbursement	ODE	93.658	47567	7/1/2018 - 6/30/2019	183
Total, Foster Care Transportation Reimbursement					<u>183</u>
Total, U.S. Department of Health and Human Services					<u>183</u>
U.S. Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program	ODE	10.553	N/A	7/1/2018 - 6/30/2019	38,593
Total School Breakfast Program					<u>38,593</u>
National School Lunch Program	ODE	10.555	N/A	7/1/2018 - 6/30/2019	131,653
National School Lunch Program Commodities	ODE	10.555	N/A	7/1/2018 - 6/30/2019	28,250
Total School Lunch Program					<u>159,903</u>
Total, Child Nutrition Cluster					<u>198,496</u>
State Administrative Expenses for Child Nutrition	ODE	10.560	N/A	7/1/2018 - 6/30/2019	624
Total, U.S. Department of Agriculture					<u>199,119</u>
Total, Federal Awards					<u>\$ 448,981</u>

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Representative Levy Rate			
(Rates per \$1,000 of Assessed Value)			
	2019		
	Operating	Bond Levy	Consolidated
General Government	Rate	Rate	Rate
Yamhill County	\$ 2.5775	-	\$ 2.5775
Yamhill County Extension Service	0.0449	-	0.0449
Yamhill County Soil & Water	0.0354	-	0.0354
Chemekata Library	0.0818	-	0.0818
City of Carlton	5.0098	0.3658	5.3756
New Carlton Fire	1.0500	0.3828	1.4328
Total General Government	<u>8.7994</u>	<u>0.7486</u>	<u>9.5480</u>
Education			
Yamhill-Carlton SD	4.7818	2.1996	6.9814
Willamette Regional ESD	0.2967	-	0.2967
Chemekata Community College	0.6259	0.2707	0.8966
Total Education	<u>5.7044</u>	<u>2.4703</u>	<u>8.1747</u>
Total Tax Rate	<u>\$ 14.5038</u>	<u>\$ 3.2189</u>	<u>\$ 17.7227</u>

Source: Yamhill County Assessor's Office, Tax Code 11

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Taxable Property Values

Fiscal Year	M5 Real Market Value	Total Assessed Value	Urban Renewal Excess	Net Assessed Value
2019	\$ 1,146,491,541	\$ 700,499,778	\$ 8,744,168	\$ 709,243,946
2018	1,077,253,841	667,298,085	8,039,947	675,338,032
2017	923,637,986	643,686,198	6,961,018	650,647,216
2016	815,265,599	612,467,346	6,431,725	618,899,071
2015	784,024,262	585,124,515	4,446,352	589,570,867
2014	801,527,897	565,421,402	3,610,473	569,031,875
2013	740,047,841	543,068,722	3,075,193	546,143,915

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Major Taxpayers - Fiscal Year 2019

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
Portland General Electric Co	Electrical/Utility	\$ 63,968	\$ 15,262,000	2.18%
Weyerhaeuser Company by Merger to	Wood Products	46,004	9,620,699	1.37%
Jackson Family Investments	Investment	30,208	6,317,187	0.90%
Bailey Nurseries Inc	Agriculture	17,424	3,683,138	0.53%
Jackson Family Investments III LLC	Investment	16,895	3,773,291	0.54%
Carlton Packing Co Inc	Farm	16,618	3,951,679	0.56%
Doran Living Trust	Trust	15,562	3,254,741	0.46%
Campbell Vineyard Properties LLC	Winery	14,552	3,270,385	0.47%
Trappist Abby of Our Lady of Guadalupe	Monastery	14,075	3,130,779	0.45%
Somar Ranches LLC	Livestock	12,066	2,525,822	0.36%
Subtotal - Ten of District's largest taxpayers			54,789,721	7.82%
All other District's taxpayers			645,710,057	92.18%
Total District			\$ 700,499,778	100.00%

Yamhill Carlton School District No. 1

Yamhill County, Oregon

Representative Levy Rate

Fiscal Year	Permanent Rate	Bond Levy	Total
2019	\$ 4.7818	\$ 2.1996	\$ 6.9814
2018	4.7818	2.3550	7.1368
2017	4.7818	2.2804	7.0622
2016	4.7818	0.9371	5.7189
2015	4.7818	1.2178	5.9996
2014	4.7818	1.0985	5.8803
2013	4.7818	1.1171	5.8989
2012	4.7818	1.2178	5.9996

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Historical Enrollment

Fiscal Year	Average Daily Membership(w)⁽¹⁾	Enrollment⁽²⁾
2019 ⁽³⁾	1,142	1,026
2018	1,172	1,023
2017	1,178	1,035
2016	1,268	1,051
2015	1,271	1,077
2014	1,295	1,166

(1) Weighted Average Daily Membership is the enrollment figure, adjusted for part-time students and students with special needs, that is used to allocate revenues appropriated by the State to school districts. Districts receive funding based on the higher ADMw of current and prior year.

(2) Enrollment is the number of students attending classes.

(3) Preliminary, subject to change.

Yamhill Carlton School District No. 1
Yamhill County, Oregon

Debt Ratios – 2019

Measure 5 Real Market Value (Fiscal Year 2019) ⁽¹⁾	\$1,146,491,541	
Estimated Population ⁽²⁾	7,195	
Per Capita Real Market Value	<u>\$159,345.59</u>	
Debt Information	Gross Direct Debt⁽³⁾⁽⁵⁾	Net Direct Debt⁽⁴⁾⁽⁵⁾
Direct Debt	\$26,265,697	\$26,265,697
Overlapping Direct Debt	9,300,656	7,632,538
Total Direct Debt	<u>\$35,566,353</u>	<u>\$33,898,235</u>
Bonded Debt Ratios		
Direct Debt to Real Market Value	2.29%	2.29%
Total Direct Debt to Real Market Value	3.10%	2.96%
Per Capita Direct Debt	\$3,651	\$3,651
Per Capita Total Direct Debt	\$4,943	\$4,711

(1) Source: Yamhill County Assessor as of September 30, 2019.

(2) Source: December 2018 U.S. Census Bureau SAIPE School District Estimates.

(3) Gross Direct Debt includes all limited and unlimited tax supported debt, including the Obligations.

(4) Net Direct Debt is Gross Direct Debt less self-supporting unlimited tax general obligation debt and less self-supporting full faith and credit debt.

(5) The following obligations are not included in the property tax-backed debt calculations: appropriation credits, conduit revenue bonds, dedicated niche obligations, revenue bonds, obligations issued for less than 13-months, lease purchase agreements, loans, lines of credit or other non-publicly offered financial obligations. For additional information regarding debt types see the Oregon Bond Education Center, Types of Debt Instruments, at <https://www.oregon.gov/treasury/public-financial-services/pages/oregon-bond-education-center.aspx>.

Source: Debt Management Division, The Office of the State Treasurer as of September 4, 2019, and District.

Yamhill Carlton School District No. 1
Yamhill County, Oregon

District General Obligation Debt Capacity

Measure 5 Real Market Value (Fiscal Year 2019) ⁽¹⁾	\$1,146,491,541
Debt Capacity	
General Obligation Debt Capacity (7.95% of Real Market Value)	\$91,146,078
Less: Outstanding Debt Subject to Limit ⁽²⁾	14,596,729
Remaining General Obligation Bond Capacity	76,549,349
Percent of Capacity Issued	16.01%

(1) *Source: Yamhill County Assessor.*

(2) Represents voter-approved unlimited tax general obligation bonds of the District. *Source: District.*

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YAMHILL CARLTON SCHOOL DISTRICT NO. 1
YAMHILL COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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December 18, 2019

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the Yamhill Carlton School District as of and for the year ended June 30, 2019, and have issued our report thereon dated December 18, 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 the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of 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.**

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

1. Budget over expenditures as noted on page 14.

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 control over financial

reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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

Tara M Kamp, CPA

TARA M KAMP, CPA
PAULY, ROGERS AND CO., P.C.