



GLENDALE SCHOOL DISTRICT NO. 77

Glendale, Oregon

Annual Financial Report

June 30, 2019

GLENDALE SCHOOL DISTRICT NO. 77

PO Box E
Glendale, Oregon 97442
(503) 876-4525

BOARD OF DIRECTORS

CAROLINE LYDON 10598 Azalea Glen Road, Glendale, OR 97442	Chair
MACKENZIE PERRY 10598 Azalea Glen Road, Glendale, OR 97442	Vice Chair
KENNY KENT 10598 Azalea Glen Road, Glendale, OR 97442	Member
SAMANTHA CLINE 10598 Azalea Glen Road, Glendale, OR 97442	Member
JANICE AUSTIN 10598 Azalea Glen Road, Glendale, OR 97442	Member
MISTY MORNINGSTART 10598 Azalea Glen Road, Glendale, OR 97442	Member
RYAN OWENS 10598 Azalea Glen Road, Glendale, OR 97442	Member

ADMINISTRATION

RACHEAL AIKEN 1871 NE Stephens Street, Roseburg, OR 97470	Business Manager
CLAIRE COTTON 1871 NE Stephens Street, Roseburg, OR 97470	Ex-Business Manager
DAVID HANSON 10598 Azalea Glen Road, Glendale, OR 97442	Superintendent

GLENDALE SCHOOL DISTRICT NO. 77

AUDIT REPORT

June 30, 2019

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AUDIT REPORT

June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Glendale School District No. 77,
PO Box E Glendale, Oregon 97442

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Glendale School District No. 77 as of and for the year ended June 30, 2019 which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions

Opinions

In my 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 Glendale School District No. 77 as of June 30, 2019, and the respective changes in financial position and in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 2-9, the schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 48-50, the pension schedules on pages 51-52, and OPEB schedules on pages 53-54 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.

I have applied certain limited procedures to the management’s discussion and analysis and the pension schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described above on pages 58-50 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. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Glendale School District No. 77’s basic financial statements. The other supplementary information on pages 55-65 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Glendale School District No. 77.

The other supplementary information on pages 55-65 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other 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 my opinion, other supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued my report dated December 30, 2019, on my consideration of the Glendale School District No. 77’s compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of my testing of compliance and the results of that testing and not to provide an opinion on the District’s compliance.



Steve Tuchscherer, CPA
December 30, 2019

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

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GLENDALE SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019

The discussion and analysis of Glendale School District's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2019 are as follows:

- The District's net position decreased by \$184,845 which represents a 9.6% decrease from the previous year.
- General revenues accounted for \$5,503,529 in revenue, or 90.0% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$610,684 or 10.0% of total revenues of \$6,114,213.
- The District had \$6,299,061 in expenses, which was more than total revenues, resulting in a decrease in total net position of \$184,845.
- Total assets of governmental activities decreased by \$295,938, primarily due to a decrease in the prepaid pension obligation balance from the prior year.
- Total liabilities decreased by \$261,278 during the year primarily due to principal payments on long term debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.

GLENDALE SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019

The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues, principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plant, student transportation, and non-instructional support services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of individual budget versus actual statements and combining statements in a later section of this report.

Governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, these statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Fiduciary funds such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements but are excluded from government-wide reporting. Fiduciary fund financial statements report net position and changes in net position on a cash basis.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund, PERS Reserve Fund, and the Charter School Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary information includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

GLENDALE SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's net position at fiscal year-end was \$1,740,519. This is a \$184,845 decrease from last year's net position and represents a 9.6% decrease from the previous year.

The following table provides a summary of the District's net position. Comparative information from the previous year is provided.

Summary of Net Position

	Governmental Activities		
	June 30, 2019	June 30, 2018	Percentage Change
Assets			
Current and Other Assets	\$ 2,562,862	\$ 3,144,172	-18.5%
Capital Assets	1,966,287	1,680,915	17.0%
Total Assets	4,529,149	4,825,087	-6.1%
Deferred Outflow of Resources	1,391,732	1,372,118	1.4%
Liabilities			
Long-Term Liabilities	3,380,460	3,455,382	-2.2%
Other Liabilities	156,940	343,296	-54.3%
Total Liabilities	3,537,400	3,798,678	-6.9%
Deferred Inflow of Resources	642,963	473,163	35.9%
Net Position			
Net Investment in Capital Assets	1,635,287	1,218,915	34.2%
Unrestricted	94,932	706,449	-86.6%
Total Net Position - Restated for Prior Year	<u>\$ 1,740,519</u>	<u>\$ 1,925,364</u>	-9.6%

GLENDALE SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019

The following table shows the changes in net position. Prior-year information is provided for comparative analysis of government-wide revenue and expense information.

	Governmental Activities		
	2018-19	2017-18	Percentage Change
Revenues			
Program Revenues			
Charges for Services	\$ 22,437	\$ 31,361	-28.5%
Operating Grants and Contributions	588,247	595,643	-1.2%
General Revenues			
Property Taxes	1,068,245	1,004,988	6.3%
State Basic School Support	2,856,507	2,511,922	13.7%
Federal Forest Fees	29,385	-	N/A
Other	1,549,392	1,565,925	-1.1%
Total Revenues	6,114,213	5,709,839	7.1%
Program Expenses			
Instruction	3,709,082	3,456,443	7.3%
Support Services	2,374,973	2,026,242	17.2%
Community Services	201,227	190,698	5.5%
Interest on Long-Term Debt	13,779	34,231	-59.7%
Total Program Expenses	6,299,061	5,707,614	10.4%
Change in Net Position	\$ (184,848)	\$ 2,225	

GLENDALE SCHOOL DISTRICT

**Management’s Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2019**

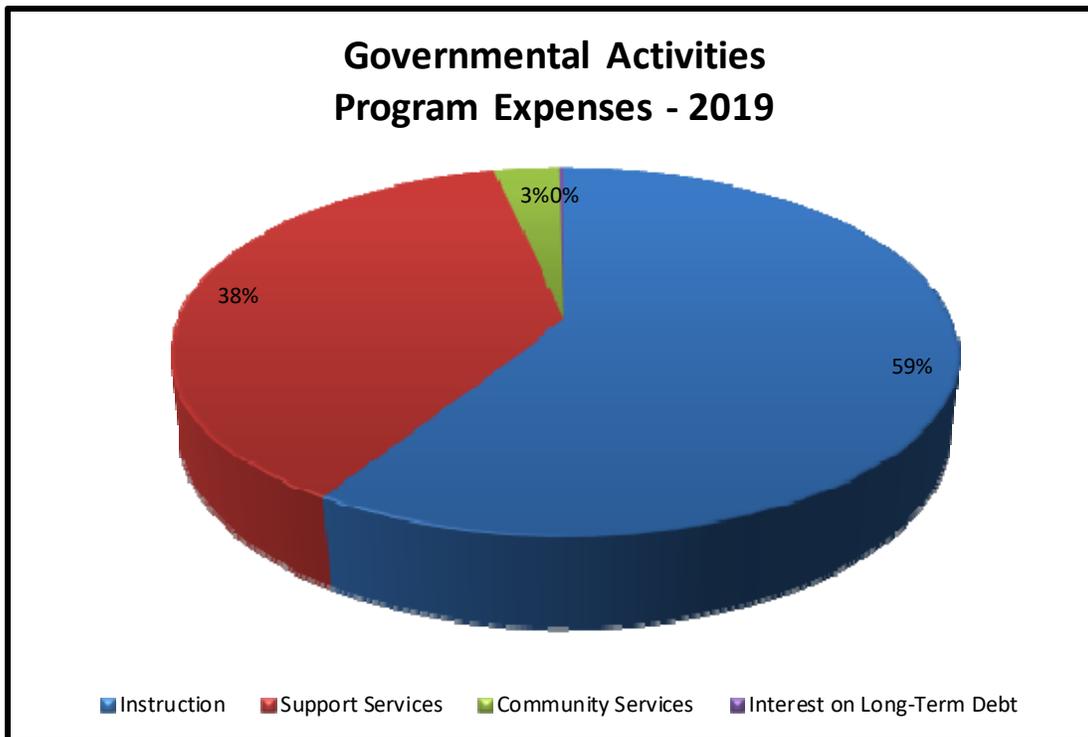
The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function’s net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District’s taxpayers by each of these functions. Prior-year information is provided for comparative analysis.

Governmental Activities

	2018-19		2017-18	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	\$ 3,709,082	\$ 3,508,163	\$ 3,456,443	\$ 3,134,705
Support Services	2,374,973	2,060,818	2,026,242	1,945,905
Community Services	201,227	105,617	190,698	-
Interest on Long-Term Debt	13,779	13,779	34,231	-
Total Program Expenses	\$ 6,299,061	\$ 5,688,377	\$ 5,707,614	\$ 5,080,610

The dependence on general revenues for general government activities is apparent. For the current year, 95% of general government activities are supported through general revenues.

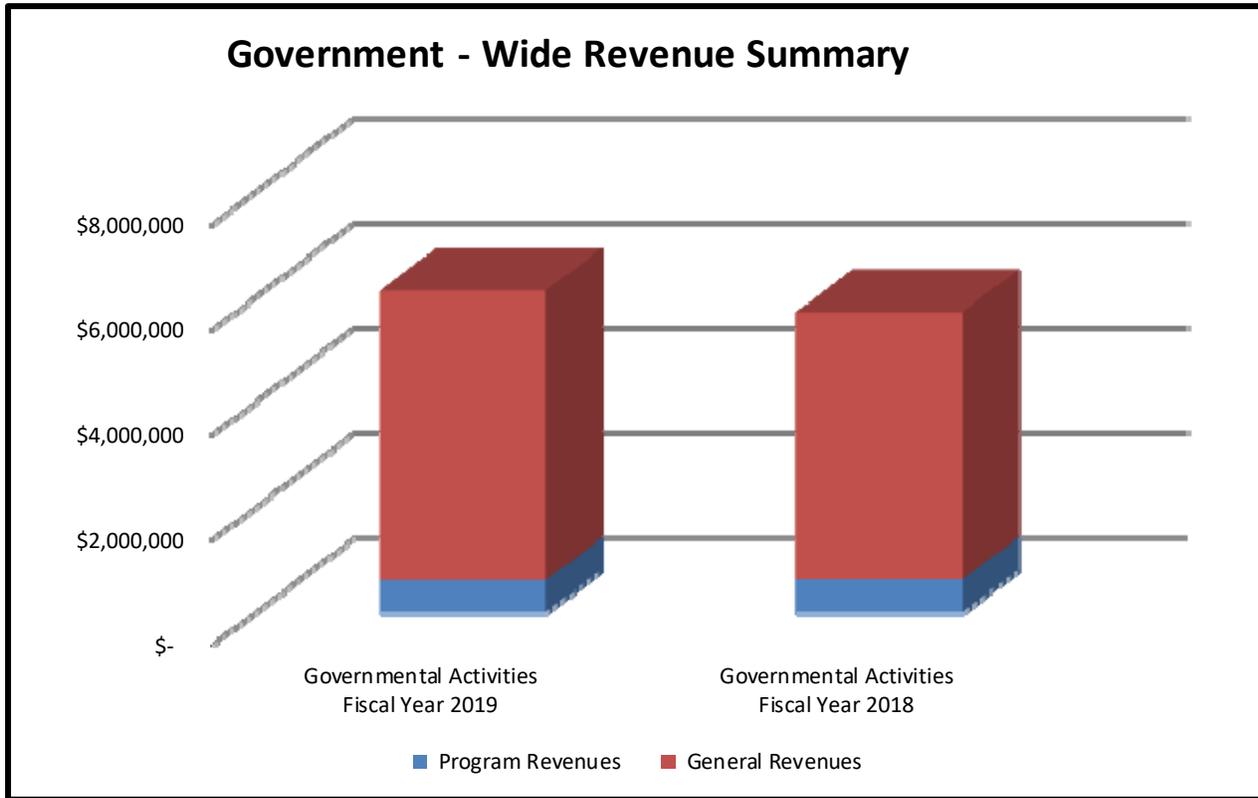
This graph represents the cost of the District’s Program expenses by governmental activities.



GLENDALE SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019

The following chart analyzes the revenue between governmental activities from prior to current year.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$2,463,605, a decrease of \$395,784. The fund balance consists of nonspendable, restricted, committed, and unassigned amounts. Of the current fund balances, \$1,909 is nonspendable, \$10,300 is restricted, \$1,331,039 is committed and \$1,120,357 is unassigned and available for spending at the District's discretion.

The General Fund is the principal operating fund of the District. The decrease in fund balance in the General Fund for the fiscal year was \$185,986.

GLENDALE SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019

BUDGETARY HIGHLIGHTS

Over the course of the year, the District made only minor changes to its various funds' budgets.

General Fund revenues were budgeted and anticipated to be collected in the amount of \$3,961,575 during the fiscal year. Actual revenues of \$4,233,151 were more than budgeted revenues by \$271,576. General Fund expenditures budget was over-spent by \$131,307. The actual ending fund balance was more than the budgeted ending fund balance by \$96,614.

The Special Revenue Fund's ending fund balance was more than budgeted by \$511,257 at June 30, 2019. Actual revenues were more than budgeted revenues by \$64,499, and actual expenditures were under budgeted by \$233,329. The Special Revenue Fund's ending fund balance was \$1,332,948, a decrease of \$208,831 from prior year.

The Charter School Fund ending fund balance was more than budgeted by \$2,358 at June 30, 2019. Actual revenues were more than budgeted revenues by \$322,733, and actual expenditures were over budgeted by \$185,774.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, the District had invested \$8,517,406 in capital assets, including school buildings, athletic facilities, land, vehicles, computers and other equipment and furnishings. This amount represents a net increase prior to depreciation of \$396,055 from last year due to additions of \$396,055 and deletions of \$0.

Total depreciation expense for the year was \$110,683. Additional information on the District's capital assets can be found in the Capital Asset Note in the notes to the basic financial statements section of this report.

Long-Term Debt

At June 30, 2019 the District had \$331,000 in long-term debt outstanding. The District paid \$131,000 toward the principal balance of the long-term debt. The District paid \$12,415 in interest on total debt.

Additional information on the District's long-term debt can be found in the Long-Term Debt Note in the notes to the basic financial statements section of this report.

GLENDALE SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The primary factors considered in developing the budget for next year were the District's continued commitment to provide quality education programs for all of their students while maintaining fiscal responsibility to their community. The estimated weighted average daily membership (ADMW) student population is 480.9; this provides the District with a total state formula revenue of \$4,224,277. This computation reflects an enrollment increase of about 15 (weighted) students from the current 18-19 projection. This number was based on December enrollment, which has since decreased. Due to the fact it takes the state twenty-four months to reconcile a specific years' revenue, adjustments can be made within that time to alleviate any surprises. Additionally, the proposed budget reflects steps and COLA salary increases. There is a re-opener to negotiate insurance contributions for licensed staff and the classified contract is up for renewal. Negotiations have yet to begin. Lastly, PERS rates increased an average 4.77%, and this individual line item increased by \$373,844. Some of that increase can be attributed to higher salaries.

The District's adopted budget for the fiscal year ending June 30, 2020 represents an overall increase of \$2,260,098 or 31.9% when compared with the current fiscal year. The total budget for the fiscal year ending June 30, 2020 is \$9,350,235. The most significant changes in the 2019-20 budget are the increased efforts at the state level to increase K-12 funding statewide, along with an estimated increase in enrollment. The state revenue is based on the co-chair's budget; however, being a legislative year, this amount could change. The remaining operating costs of governmental activities are expected to be like those of the current period.

The District will levy its maximum permanent property tax rate of \$4.7431 per \$1,000 of assessed property valuation.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the Glendale School District at PO Box E, Glendale, Oregon 97442.

BASIC FINANCIAL
STATEMENTS

Government -Wide
Financial Statements

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GLENDALE SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2019

	<u>Governmental Activities</u>	
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 2,315,282	
Property Taxes Receivable	96,880	
Due From Other Governments	119,386	
Prepaid Expenses	11,678	
Inventory-Food, Supplies & Commodities	1,909	
Total Current Assets		2,545,135
Restricted Assets:		
Net OPEB Asset (RHIA)	17,727	
Total Restricted Assets		17,727
Capital Assets:		
Land	70,514	
Land Improvement	144,034	
Building and Building Improvement	7,098,147	
Machinery and Equipment	1,204,711	
Less: Accumulated Depreciation	(6,551,119)	
Total Capital Assets, Net of Depreciation		1,966,287
Total Assets		4,529,149
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension Related Deferrals	1,383,861	
OPEB Related Deferrals - RHIA	7,871	
Total Deferred Outflow of Resources		1,391,732
<u>LIABILITIES:</u>		
Accrued Interest Payable	1,364	
Accrued Vacation Benefits	14,576	
Bonds Payable		
Due within one year	141,000	
Due in more than one year	190,000	
Net Pension Liability	3,190,460	
Total Liabilities		3,537,400
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Related Deferrals	637,846	
OPEB Related Deferrals - RHIA	5,117	
Total Deferred Inflow of Resources		642,963
<u>NET POSITION:</u>		
Net Investment in Capital Assets	1,635,287	
Restricted for:		
Debt Service	10,300	
Unrestricted	94,932	
Total Net Position		\$ 1,740,519

The accompanying notes to the basic financial statements are an integral part of this statement.

GLENDALE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2019

	<u>(Expenses)</u>	<u>Program Revenues</u>			<u>Net</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>(Expense) Revenue and Change in Net Position</u>
<u>GOVERNMENTAL ACTIVITIES:</u>					
Instruction	\$ 3,709,082	\$ 21,461	\$ 179,458	\$ -	\$ (3,508,163)
Support Services	2,374,973	-	314,155	-	(2,060,818)
Enterprise and Community Services	201,227	976	94,634	-	(105,617)
Interest on Long-Term Debt	13,779	-	-	-	(13,779)
Total Governmental Activities	\$ 6,299,061	\$ 22,437	\$ 588,247	\$ -	\$ (5,688,377)
<u>GENERAL REVENUES:</u>					
Local Sources:					
Property Taxes, Levied for General Purposes					\$ 975,822
Property Taxes, Levied for Debt Service					92,423
Earnings on Investments					82,004
Unrestricted State and Local Revenue					91,605
Intermediate Sources					1,348,666
State School Fund for Education and Support Services					2,856,507
State Common School Fund					27,117
Federal Forest Fees for General Purposes					29,385
Subtotal - General Revenues					<u>5,503,529</u>
Change in Net Position					(184,848)
Net Position, July 1, 2018					<u>1,925,367</u>
Net Position, June 30, 2019					<u>\$ 1,740,519</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Governmental Fund
Financial Statements

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GLENDALE SCHOOL DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2019

	General Fund #100	Special Revenue Fund #200	Charter School Fund #702	Other Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 989,498	\$ 1,318,984	\$ -	\$ 6,800	\$ 2,315,282
Property Taxes Receivable	88,217	-	-	8,663	96,880
Due From Other Funds	90,251	-	-	-	90,251
Due From Other Governments	26,606	92,780	-	-	119,386
Prepaid Expenses	-	-	-	11,678	11,678
Inventory-Food, Supplies & Commodities	-	1,909	-	-	1,909
Total Assets	<u>\$ 1,194,572</u>	<u>\$ 1,413,673</u>	<u>\$ -</u>	<u>\$ 27,141</u>	<u>\$ 2,635,386</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>					
LIABILITIES:					
Due to Other Funds	\$ -	\$ 80,725	-	\$ 9,525	\$ 90,250
Total Liabilities	<u>-</u>	<u>80,725</u>	<u>-</u>	<u>9,525</u>	<u>90,250</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	74,213	-	-	7,316	81,529
Total Deferred Inflows of Resources	<u>74,213</u>	<u>-</u>	<u>-</u>	<u>7,316</u>	<u>81,529</u>
FUND BALANCES:					
Nonspendable	-	1,909	-	-	1,909
Restricted for:					
Debt Service	-	-	-	10,300	10,300
Committed for:					
Educational Programs	-	1,332,948	-	-	1,332,948
Food Service Program	-	(1,909)	-	-	(1,909)
Unassigned	1,120,359	-	-	-	1,120,357
Total Fund Balances	<u>1,120,359</u>	<u>1,332,948</u>	<u>-</u>	<u>10,300</u>	<u>2,463,605</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,194,572</u>	<u>\$ 1,413,673</u>	<u>\$ -</u>	<u>\$ 27,141</u>	<u>\$ 2,635,384</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

GLENDALE SCHOOL DISTRICT

**RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

June 30, 2019

Total Fund Balances - Governmental Funds		\$ 2,463,605
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Cost of assets	\$ 8,517,406	
Accumulated depreciation	<u>(6,551,119)</u>	
Net Value of Capital Assets		1,966,287
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		
		81,529
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Contributions	1,391,732	
Deferred Earnings on Pension/OPEB Assets	<u>(642,963)</u>	
Net Value of Deferrals		748,769
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
These liabilities consist of :		
Accrued Interest Payable	1,364	
Bonds Payable	331,000	
Net Pension Liability	3,190,460	
Net OPEB Obligations	(17,727)	
Accrued Vacation Benefits	<u>14,576</u>	
Total		<u>(3,519,673)</u>
Net Position of Governmental Activities		<u>\$ 1,740,517</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

GLENDALE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2019

	General Fund #100	Special Revenue Fund #200	Charter School Fund #702	Other Governmental Funds	Total Governmental Funds
<u>REVENUES:</u>					
Taxes	\$ 976,497	\$ -	\$ -	\$ 104,110	\$ 1,080,607
Earnings on Investments	55,714	26,289	-	-	82,003
Fees and Charges	-	19,732	3,206	-	22,938
Miscellaneous Revenue	242,969	14,721	6,965	8,340	272,995
Intermediate Government Aid	44,812	-	1,303,855	-	1,348,666
State Aid	2,883,624	180,481	-	-	3,064,105
Federal Aid	29,535	393,508	-	-	423,043
Total Revenues	<u>4,233,151</u>	<u>634,731</u>	<u>1,314,026</u>	<u>112,450</u>	<u>6,294,357</u>
<u>EXPENDITURES:</u>					
Current:					
Instruction	2,663,790	349,276	627,245	-	3,640,312
Support Services	1,355,347	664,205	686,781	-	2,706,333
Enterprise and Community Services	-	200,081	-	-	200,081
Debt Service	-	-	-	143,415	143,415
Total Expenditures	<u>4,019,137</u>	<u>1,213,562</u>	<u>1,314,026</u>	<u>143,415</u>	<u>6,690,141</u>
Excess (Deficiency) of Revenues Over Expenditures	214,014	(578,831)	-	(30,965)	(395,784)
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	-	370,000	-	30,000	400,000
Interfund Transfers Out	(400,000)	-	-	-	(400,000)
Total Other Financing Sources (Uses)	<u>(400,000)</u>	<u>370,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
Net Change in Fund Balance	(185,986)	(208,831)	-	(965)	(395,784)
Beginning Fund Balance	1,306,345	1,541,779	-	11,265	2,859,389
Ending Fund Balance	<u>\$ 1,120,359</u>	<u>\$1,332,948</u>	<u>\$ -</u>	<u>\$ 10,300</u>	<u>\$ 2,463,605</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

GLENDALE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

Net Changes in Fund Balances - Total Governmental Funds \$ (395,784)

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 396,055	
Less current year depreciation	<u>(110,683)</u>	
		285,372

Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue.

Deferred revenues increased by this amount this year.		(12,362)
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Repayment of principal on long term debt and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Retirement of principal is as follows:

Bonds	<u>131,000</u>	
		131,000

Government funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense and changes in deferred inflows and outflows related to the net pension asset/(liability) are recorded based upon an actuarial valuation of such activity.

This is the net change in pension related items.		(204,128)
--	--	-----------

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

The activities consist of:

Net increase/(decrease) in accrued interest expense	(1,364)	
Increase/(decrease) in accrued OPEB	17,269	
Increase/(decrease) in accrued vacation benefits	<u>\$ (4,853)</u>	
		<u>11,052</u>

Change in Net Position of Governmental Activities		<u>\$ (184,850)</u>
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BASIC FINANCIAL
STATEMENTS

Fiduciary Fund
Financial Statements

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GLENDALE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
at June 30, 2019

	Private- Purpose Trusts
<u>ASSETS:</u>	
Cash and Cash Equivalents	\$ 49,358
Total Assets	\$ 49,358
<u>NET POSITION:</u>	
Reserved for Scholarships and Grants	\$ 49,358
Total Net Position	\$ 49,358

The accompanying notes to the basic financial statements are an integral part of this statement.

GLENDALE SCHOOL DISTRICT

**STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION**

For the Fiscal Year Ended June 30, 2019

	<u>Private- Purpose Trusts</u>
<u>ADDITIONS:</u>	
Interest Earned	\$ 1,207
Contributions and Donations	500
Total Additions	<u>1,707</u>
<u>DEDUCTIONS:</u>	
Purchased Services	<u>-</u>
Change in Net Position	<u>1,707</u>
Net Position, July 1, 2018	<u>47,649</u>
Net Position, June 30, 2019	<u><u>\$ 49,356</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

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GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Glendale School District No. 77 was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected seven-member Board of Directors who approve the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The basic financial statements of Glendale School District No. 77 have been prepared in conformity with accounting principles generally accepted in the United States of America 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 more significant of the District's accounting policies are described below.

Reporting Entity

In determining the financial reporting entity, the Glendale School District No. 77 complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their own name); 2) the District holds the corporate powers of the organization; 3) the District appoints a voting majority of the organization's board; 4) the District is able to impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the District; and 6) there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, the Glendale School District No. 77 has one component unit.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District with most of the inter-fund activities removed to minimize the double counting of internal activities. Governmental activities include programs supported primarily by taxes, state school support payments, grants and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support. The District also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to school district functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General Fund expenditures are categorized by "Instruction" which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are transportation, maintenance of facilities (i.e. heating, phones, electricity, cleaning,) administration, counseling for students, and technology support.

Special Revenue Fund - This fund accounts for grants and other special revenue activities.

Charter School Fund - This fund accounts for and reports all expenditures incurred in operating the Charter School including the cost of instructors, administrators, instructional aides and building maintenance and operation of the school are accounted for in this fund.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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.

Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Receivables

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the District. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Intergovernmental grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as accounts receivable.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inventory

Food and supply inventories in the Food Service Fund are valued at cost determined on the FIFO method. Commodities inventory in the Food Service Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

Restricted Assets and Liabilities

Assets with use restricted to future bond payments and the related liability, are segregated in the statements of net position.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized, but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Asset Class</u>	<u>Estimated Years of Useful Lives</u>
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

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

Compensated Absences and Accrued Liabilities:

The liability for accrued vacation benefits reported in the government-wide statements consists of unpaid, accumulated annual vacation.

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 by current financial resources are reported as obligations of the funds.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred pension contributions.

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 District has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

Long-Term Debt

All bonds, notes and capital leases payable are recognized in the government-wide financial statements as liabilities of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on long-term debt are recorded as debt service in the expenditure section of the statement and schedules.

Equity Classifications

Government-wide Statements

Equity is classified as net position, which represents the difference between assets, liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications (Cont.)

Governmental Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable**: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- **Restricted**: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed**: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the District Council, and does not lapse at year-end.
- **Assigned**: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the District Council or through the District Council delegating this responsibility to selected staff members or through the budgetary process.
- **Unassigned**: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

Property Taxes

Real and personal property taxes attach as an enforceable lien on property as of January 1. All taxes are 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.

Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectable taxes has been established. All property taxes receivables are due from property owners within the District.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the purposes of the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

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 amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP'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.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see Cash and Investments note on page 21.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Cash and Investments note on page 21.

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

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2019, the reported amount of the District's deposits was \$696,263, the bank balance was \$1,122,062 and \$735 in petty cash. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices.

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2019, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

CASH AND INVESTMENTS (Cont.):

At June 30, 2019, the District's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	\$ 1,667,642	N/A
Total Investments	<u>\$ 1,667,642</u>	

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a *concentration of credit risk*. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the District's total investments.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2019:

<u>Governmental Activities</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets not being depreciated:				
Land	\$ 70,514	\$ -	\$ -	\$ 70,514
Total assets not being depreciated	70,514	-	-	70,514
Assets being depreciated:				
Land Improvement	144,034	-	-	144,034
Building and Building Improvement	6,702,092	396,055	-	7,098,147
Machinery and Equipment	1,204,711	-	-	1,204,711
Total Depreciable Assets	8,050,837	396,055	-	8,446,892
Less: Accumulated Depreciation				
Land Improvement	128,526	3,503	-	132,029
Building and Building Improvement	5,395,304	61,695	-	5,456,999
Machinery and Equipment	916,606	45,485	-	962,091
Total Accumulated Depreciation	6,440,436	110,683	-	6,551,119
Net Value of Capital Assets Being Depreciated	1,610,401	285,372	-	1,895,773
Total Governmental Activities -- Net Value of Capital Assets	<u>\$ 1,680,915</u>	<u>\$ 285,372</u>	<u>\$ -</u>	<u>\$ 1,966,287</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 57,500
Support Services	52,604
Enterprise and Community Services	580
Total Depreciation Expense	<u>\$ 110,683</u>

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

LONG-TERM DEBT:

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

The District entered into a General Obligation Bond, Series 2000, held by US Bank. The original balance of the bonds is \$990,000 and carry an interest rate between 5.150% - 5.625%.

The District entered into a QSCB, Series 2010A Flex Fund Program with Bank of New York Mellon dated July 1, 2010 for HVAC upgrades. The original amount of the bonds is \$540,000 and carries an interest rate of 5.2043%. As part of the QSCB program, interest payments are subsidized by the Federal government. Therefore, the District makes principal-only payments on the bonds and the Federal government issues tax credits to the buyer.

The following is a schedule of transactions during the year:

	<u>Outstanding Balance July 1, 2018</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Outstanding Balance June 30, 2019</u>	<u>Due Within One Year</u>
Bonds Payable:					
General Obligation Bond, Series 2000	\$ 200,000	\$ 95,000	\$ 11,250	\$ 105,000	\$ 105,000
QSCB Loan, Seried 2010A Flex Fund Program	262,000	36,000	1,165	226,000	36,000
Total Bonds Payable	<u>462,000</u>	<u>131,000</u>	<u>12,415</u>	<u>331,000</u>	<u>141,000</u>
Total Long-Term Debt	<u>\$ 462,000</u>	<u>\$ 131,000</u>	<u>\$ 12,415</u>	<u>\$ 331,000</u>	<u>\$ 141,000</u>

The future debt service requirements on the above debt are as follows:

Bonds Payable:	<u>Due Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2020	\$ 141,000	\$ 24,106	\$ 165,106
	2021	38,000	10,450	48,450
	2022	38,000	10,450	48,450
	2023	38,000	10,450	48,450
	2024	38,000	10,450	48,450
	2025 - 2029	38,000	10,450	48,450
	Total	<u>\$ 331,000</u>	<u>\$ 76,356</u>	<u>\$ 407,356</u>

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' and 'Schedule of Future Requirements for Retirement of Long Term' in the Supplemental Data section of this report.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

PENSION PLAN:

Name of Pension Plan

The Oregon Public Employees Retirement System (PERS) consists of a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

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, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

PENSION PLAN (Cont.):

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 of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2019 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

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

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

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.

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.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2019 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

3. IAP Plan Description:

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

PENSION PLAN (Cont.):

Upon retirement, a member of the OPSRP Individual Account Program (IAP), may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

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

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2019 were \$401,741 excluding amounts to fund employer specific liabilities.

Pension Plan CAFR

Oregon PERS produces an independently audited CAFR which can be found at:
http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Actuarial Valuations

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the projected unit credit 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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) 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 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution 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 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.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

PENSION PLAN (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.50 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) 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 the value of projected benefits 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 methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on July 26, 2016.

Discount Rate

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

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

PENSION PLAN (Cont.):

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Assumed Asset Allocation

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation</u>
Cash	0.0% - 3.0%	0.0%	Cash	5.2%
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	18.9%
Public Equity	32.5% - 42.5%	37.5%	Public Equity	36.7%
Real estate	9.5% - 15.5%	12.5%	Real estate	10.1%
Private Equity	13.5% - 21.5%	17.5%	Private Equity	19.7%
Alternative Equity	0.0% - 12.5%	12.5%	Alternative Equity	7.3%
Opportunity Portfolio	0.0% - 3.0%	0.0%	Opportunity Portfolio	2.1%
Total		<u>100%</u>	Total	<u>100%</u>

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

PENSION PLAN (Cont.):

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 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. 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. 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.

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Mean</u>	<u>Compound Annual (Geometric) Return</u>	<u>Annual Standard Deviation</u>
Core Fixed Income	8.00%	3.59%	3.49%	4.55%
Short-Term Bonds	8.00%	3.42%	3.38%	2.70%
Bank/Leveraged Loans	3.00%	5.34%	5.09%	7.50%
High Yield Bonds	1.00%	6.90%	6.45%	10.00%
Large/Mid Cap US Equities	15.75%	7.45%	6.30%	16.25%
Small Cap US Equities	1.31%	8.49%	6.69%	20.55%
Micro Cap US Equities	1.31%	9.01%	6.80%	22.90%
Developed Foreign Equities	13.13%	8.21%	6.71%	18.70%
Emerging Foreign Equities	4.13%	10.53%	7.45%	27.35%
Non-US Small Cap Equities	1.88%	8.67%	7.01%	19.75%
Private Equity	17.50%	11.45%	7.82%	30.00%
Real Estate (Property)	10.00%	6.15%	5.51%	12.00%
Real Estate (REITS)	2.50%	8.26%	6.37%	21.00%
Hedge Fund of Funds - Diversified	2.50%	4.36%	4.09%	7.80%
Hedge Fund - Event-driven	0.63%	6.21%	5.86%	8.90%
Timber	1.88%	6.37%	5.62%	13.00%
Farmland	1.88%	6.90%	6.15%	13.00%
Infrastructure	3.75%	7.54%	6.60%	14.65%
Commodities	1.88%	5.43%	3.84%	18.95%
Assumed Inflation - Mean			2.50%	1.85%

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 7, 2017.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

PENSION PLAN (Cont.):

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the employer'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	Discount Rate	1% Increase
	6.20%	7.20%	8.20%
Employer's proportionate share of the net pension liability	\$ 5,331,861	\$ 3,190,460	\$ 1,422,908

Changes in Assumptions

A summary of key changes implemented since the December 31, 2016 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2016 Experience Study for the System, which was published on July 26, 2016 and can be found at:

<https://www.oregon.gov/pers/Documents/2016-Exp-Study.pdf>

Changes in Actuarial Methods and Allocation Procedures

There were no changes to actuarial methods and procedures since the December 31, 2016 valuation.

Changes in Economic Assumptions

There were no changes to economic assumptions since the December 31, 2016 valuation.

Changes in Demographic Assumptions

There were no changes to economic assumptions since the December 31, 2016 valuation.

Changes in Benefit Terms and Assumptions

Benefit Terms: The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability. The changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

PENSION PLAN (Cont.):

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	December 31, 2015 Valuation	Recommended December 31, 2016 and 2017 Valuations
Healthy Annuitant Mortality	RP-2000 Generational with Scale BB, Combined Active/Healthy Annuitant, Sex Distinct	RP-2014 Healthy Annuitant, Sex Distinct, Generational Projection Unisex Social Security Data Scale
School District male	No collar, set back 24 months	White collar, set back 12 months
Other General Service male (and male beneficiary)	Blended 25% blue collar/75% white collar, set back 12 months	Blended 50% blue collar/50% white collar, set back 12 months
Police & Fire male	Blended 25% blue collar/75% white collar, set back 12 months	Blended 50% blue collar/50% white collar, set back 12 months
School District female	No collar, set back 24 months	White collar, set back 12 months
Other female (and female beneficiary)	Blended 25% blue collar/75% white collar, no set back	Blended 50% blue collar/50% white collar, no set back
Disabled Retiree Mortality	RP-2000 Generational with Scale BB, Disabled, No Collar, Sex distinct	RP-2014 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
Male	70% of Disabled table, but not less than corresponding healthy annuitant rates	No collar adjustment, no set back
Female	95% of Disabled table, but not less than corresponding healthy annuitant rates	No collar adjustment, no set back
Non-Annuitant Mortality	Fixed Percentage of Healthy Annuitant Mortality	RP-2014 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	60%	Same collar and set back as Healthy Annuitant assumption
Other General Service male	75%	Same collar and set back as Healthy Annuitant assumption
Police & Fire male	75%	Same collar and set back as Healthy Annuitant assumption
School District female	55%	Same collar and set back as Healthy Annuitant assumption
Other female	60%	Same collar and set back as Healthy Annuitant assumption

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2018, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over 5.4 years, the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.
- Changes in employer proportion since the prior measurement date, which is being amortized over 5.4 years, the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.
- A Net difference between projected and actual earnings which is being amortized over a closed five-year period. One year's amortization is being recognized in the employer's total pension expense for the measurement period.

Employer Contributions

PERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position. These are normally included in the employer statements cut off as of the fifth of the following month. PERS does not try to accrue contributions based on pay date.

Beginning with fiscal year 2016, PERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the PERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 74, of the June 30, 2018 PERS CAFR.

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2019, the employer reported a liability of \$3,190,460 for its proportionate share of the net pension liability. The net pension liability/(asset) 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 that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

PENSION PLAN (Cont.):

At June 30, 2018, the employer's proportion was 0.02106097%.

For the year ended June 30, 2019, the employer recognized pension expense of \$468,132. At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 108,530	\$ -
Changes of assumptions	741,776	-
Net difference between projected and actual earnings on investments	-	141,674
Changes in proportionate share	-	480,343
Differences between employer contributions and employer's proportionate share of system contributions	<u>131,814</u>	<u>15,829</u>
Total Deferred Outflows/Inflows	\$ 982,120	\$ 637,846
Post-measurement date contributions	401,741	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 1,383,861</u>	<u>\$ 637,846</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ 344,274</u>

\$344,274 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ 251,251
2nd Fiscal Year	155,774
3rd Fiscal Year	(87,803)
4th Fiscal Year	11,556
5th Fiscal Year	13,493
Thereafter	-
Total	<u>\$ 344,274</u>

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

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

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the PERS web site at <http://oregon.gov/PERS/>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.50% of annual covered PERS payroll and 0.43% for OPSRP payroll. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

Contributions

The District's contributions to PERS' RHIA for the years ended June 30, 2019, 2018 and 2017 were \$7,871, \$7,690 and \$7,468 respectively which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2018. That independently audited report was dated April 11, 2018 and can be found at:

http://www.oregon.gov/pers/EMP/Documents/GASB/2018/GASB_75_06.30.2017.pdf

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

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.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

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 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. Milliman's assumptions for each of the asset classes in which the plan was invested at that time are 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. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS' audited financial statements at:

http://www.oregon.gov/pers/docs/financial_reports/2017_cafr.pdf

Sensitivity Analysis

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the employer's proportionate share of the OPEB liability/(asset) 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	Discount Rate	1% Increase
	6.20%	7.20%	8.20%
Employer's proportionate share of the net OPEB liability	\$ (10,322)	\$ (17,727)	\$ (24,031)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2019, the District reported a net OPEB liability/(asset) of \$(17,727) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2018, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2015. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2018, the District's proportion was 0.01588073%. OPEB expense/(income) for the year ended June 30, 2019 was \$(1,776).

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,005
Changes of assumptions	-	56
Net difference between projected and actual earnings on	-	3,822
Changes in proportionate share	-	234
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Total Deferred Outflows/Inflows	\$ -	\$ 5,117
Post-measurement date contributions	7,871	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 7,871</u>	<u>\$ 5,117</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ (5,117)</u>

\$5,117 reported as deferred inflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (1,721)
2nd Fiscal Year	(1,710)
3rd Fiscal Year	(1,307)
4th Fiscal Year	(380)
5th Fiscal Year	-
Thereafter	-
Total	<u>\$ (5,117)</u>

Changes Subsequent to the Measurement Date

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB:

OEGB Health Insurance Subsidy

The OEGB net OPEB liability is reported only as an estimate for the current year financial reporting. No actuarial report was obtained for the current fiscal year. Therefore, the amounts reported on the Statement of Net Position for deferred items and the liability are estimated based on a similar-sized district for the current fiscal year.

Plan Description

The District operates a single employer retiree benefit plan through the Oregon Educators Benefit Board that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. GASB Statement 75 is applicable to the District due only to this implicit rate subsidy. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the District has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The District will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

The amount of net OPEB liability (asset) for OEGB is below the threshold for materiality for all opinion units and therefore, will not be reported on the Statement of Net Position.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to review 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. The District is not currently named as a defendant in any pending or threatened litigation.

RISK:

To reduce the risk of loss from liability, fire, theft, accident, medical costs, and error and omissions, the District maintains various commercial insurance policies.

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 to pay for any claims paid to former employees. Any reimbursements are paid by the fund incurring the liability to the Employment Division of the State of Oregon. The estimated liability for unpaid claims is calculated as the present value of expected but unpaid claims based on historical experience and going concern assessments. The District's estimated liability for unpaid unemployment claims is immaterial. Therefore, no liability amount appears on the District's statement of net position or balance sheet.

Certain employees have health care coverage provided by a third-party insurance company. Premiums to the insurance company are paid by employer contributions for eligible 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.

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund balances at June 30, 2019 consisted of the following individual fund receivables and payables:

	Due From Other Funds	Due To Other Funds
	<u> </u>	<u> </u>
General Fund #100	\$ 90,250	\$ -
Special Revenue Fund #200	-	80,725
Debt Service Fund #300	-	9,525
	<u> </u>	<u> </u>
Total	<u>\$ 90,250</u>	<u>\$ 90,250</u>

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

	Transfers Out	Transfers In
	<u> </u>	<u> </u>
General Fund #100	\$ 400,000	\$ -
Special Revenue Fund #200	-	370,000
Debt Service Fund #300	-	30,000
	<u> </u>	<u> </u>
Total	<u>\$ 400,000</u>	<u>\$ 400,000</u>

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

OVER-EXPENDITURE OF APPROPRIATIONS:

Expenditures in excess of appropriation in individual funds for the year ended June 30, 2019 occurred as follows:

<u>Fund / Category</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
General Fund / Instruction	2,402,074	2,663,790	261,716
Special Revenue Fund / Enterprise & Community Services	182,909	200,081	17,172
Charter School Fund / Instruction	620,929	627,244	6,315
Charter School Fund / Support Services	505,821	686,781	180,960

REQUIRED
SUPPLEMENTARY
INFORMATION

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GLENDALE SCHOOL DISTRICT

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

General Fund #100

For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Taxes	\$ 920,000	\$ 920,000	\$ 976,497	\$ 56,497
Earnings on Investments	35,000	35,000	55,714	20,714
Miscellaneous Revenue	75,000	75,000	242,969	167,969
Intermediate Government Aid	43,500	43,500	44,812	1,312
State Aid	2,888,075	2,888,075	2,883,624	(4,451)
Federal Aid	-	-	29,535	29,535
Total Revenues	3,961,575	3,961,575	4,233,151	271,576
<u>EXPENDITURES:</u>				
Instruction	2,302,074	2,402,074	2,663,790	261,716
Support Services	1,485,756	1,385,756	1,355,347	(30,409)
Contingency	200,000	100,000	-	(100,000)
Total Expenditures	3,987,830	3,887,830	4,019,137	131,307
Excess (Deficiency) of Revenues Over Expenditures	(26,255)	73,745	214,014	140,269
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers Out	(300,000)	(400,000)	(400,000)	-
Total Other Financing Sources (Uses)	(300,000)	(400,000)	(400,000)	-
Net Change in Fund Balance	(326,255)	(326,255)	(185,986)	140,269
Beginning Fund Balance	1,350,000	1,350,000	1,306,345	(43,655)
Ending Fund Balance	\$ 1,023,745	\$ 1,023,745	\$ 1,120,359	\$ 96,614

GLENDALE SCHOOL DISTRICT

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Earnings on Investments	\$ 6,750	\$ 6,750	\$ 26,289	\$ 19,539
Fees and Charges	30,500	30,500	19,732	(10,768)
Miscellaneous Revenue	10,000	10,000	14,721	4,721
State Aid	1,500	139,705	180,481	40,776
Federal Aid	371,429	383,277	393,508	10,231
Total Revenues	420,179	570,232	634,731	64,499
<u>EXPENDITURES:</u>				
Instruction	393,179	543,232	349,276	(193,956)
Support Services	720,750	720,750	664,205	(56,545)
Enterprise and Community Services	182,909	182,909	200,081	17,172
Total Expenditures	1,296,838	1,446,891	1,213,562	(233,329)
Excess (Deficiency) of Revenues Over Expenditures	(876,659)	(876,659)	(578,831)	297,828
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	300,000	300,000	370,000	70,000
Total Other Financing Sources (Uses)	300,000	300,000	370,000	70,000
Net Change in Fund Balance	(576,659)	(576,659)	(208,831)	367,828
Beginning Fund Balance	1,398,350	1,398,350	1,541,779	143,429
Ending Fund Balance	\$ 821,691	\$ 821,691	\$ 1,332,948	\$ 511,257

GLENDALE SCHOOL DISTRICT

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Charter School Fund #702

For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Fees and Charges	\$ 7,500	\$ 7,500	\$ 3,206	\$ (4,294)
Miscellaneous Revenue	-	-	6,964	6,964
Intermediate Government Aid	985,000	985,000	1,303,855	318,855
Total Revenues	992,500	992,500	1,314,025	321,525
<u>EXPENDITURES:</u>				
Instruction	620,929	620,929	627,244	6,315
Support Services	505,821	505,821	686,781	180,960
Total Expenditures	1,126,750	1,126,750	1,314,025	187,275
Net Change in Fund Balance	(134,250)	(134,250)	-	134,250
Beginning Fund Balance	134,250	134,250	-	(134,250)
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

GLENDALE SCHOOL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**

PERS

Last 10 Fiscal Years*

2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.02106097%	0.02317784%	0.02430314%	0.03175365%
Employer's proportionate share of the net pension liability (asset)	\$ 3,190,460	\$ 3,124,382	\$ 3,648,466	\$ 1,823,124
Employer's covered - employee payroll	\$ 1,742,433	\$ 1,781,140	\$ 1,644,331	\$ 1,616,123
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	183.10%	175.41%	221.88%	112.81%
Plan fiduciary net position as a percentage of the total pension liability	82.1%	83.1%	80.5%	91.9%
				103.6%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

GLENDALE SCHOOL DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERS
Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 401,741	\$ 1,354,242	\$ 2,065,024	\$ 361,175	\$ 353,151
Contributions in relation to the contractually required contribution	401,741	510,464	397,671	262,863	353,151
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 843,778</u>	<u>\$ 1,667,353</u>	<u>\$ 98,312</u>	<u>\$ -</u>
Employer's covered - employee payroll	\$ 1,742,433	\$ 1,781,140	\$ 1,644,331	\$ 1,616,123	\$ 1,621,512
Contributions as a percentage of covered - employee payroll	23.06%	47.37%	124.08%	22.35%	21.78%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

GLENDALE SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
OPEB RHIA
Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's proportion of the net OPEB liability (asset)	0.01588073%	0.01485515%	0.01542811%
Employer's proportionate share of the net OPEB liability (asset)	\$ (17,727)	\$ (6,198)	\$ 4,190
Employer's covered - employee payroll	\$ 1,742,433	\$ 1,781,140	\$ 1,644,331
Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered - employee payroll	-1.02%	-0.35%	0.25%
Plan fiduciary net position as a percentage of the total OPEB liability	124.0%	108.9%	94.2%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

GLENDALE SCHOOL DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB RHIA
Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 7,871	\$ 7,690	\$ 7,468	
Contributions in relation to the contractually required contribution	7,871	7,690	7,468	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered - employee payroll	\$ 1,742,433	\$ 1,781,140	\$ 1,644,331	\$ 1,616,123
Contributions as a percentage of covered - employee payroll	0.45%	0.43%	0.45%	

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

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OTHER
SUPPLEMENTARY
INFORMATION

Debt Service Funds

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GLENDALE SCHOOL DISTRICT

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Debt Service Fund #300 (A Non-Major Fund)
For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> (Budgetary Basis) (See Note 1)	<u>Final Budget</u> Over (Under)
<u>REVENUES:</u>				
Taxes	\$ 91,250	\$ 91,250	\$ 104,110	\$ 12,860
Miscellaneous Revenue	8,500	8,500	8,340	(160)
Federal Aid	18,000	18,000	-	(18,000)
Total Revenues	117,750	117,750	112,450	(5,300)
<u>EXPENDITURES:</u>				
Debt Service	157,200	157,200	143,415	(13,785)
Total Expenditures	157,200	157,200	143,415	(13,785)
Excess (Deficiency) of Revenues Over Expenditures	(39,450)	(39,450)	(30,965)	8,485
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	-	-	30,000	30,000
Total Other Financing Sources (Uses)	-	-	30,000	30,000
Net Change in Fund Balance	(39,450)	(39,450)	(965)	38,485
Beginning Fund Balance	39,450	39,450	11,265	(28,185)
Ending Fund Balance	\$ -	\$ -	\$ 10,300	\$ 10,300

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OTHER
SUPPLEMENTARY
INFORMATION

Fiduciary Fund

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GLENDALE SCHOOL DISTRICT

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Trust & Agency Fund #700

For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Earnings on Investments	\$ 500	\$ 500	\$ 1,207	\$ 707
Fees and Charges	7,500	7,500	-	(7,500)
Miscellaneous Revenue	-	-	501	501
Intermediate Government Aid	985,000	985,000	-	(985,000)
Total Revenues	993,000	993,000	1,708	(991,292)
<u>EXPENDITURES:</u>				
Instruction	620,929	620,929	(1)	(620,930)
Support Services	507,321	507,321	-	(507,321)
Total Expenditures	1,128,250	1,128,250	(1)	(1,128,251)
Net Change in Fund Balance	(135,250)	(135,250)	1,709	136,959
Beginning Fund Balance	182,250	182,250	47,649	(134,601)
Ending Fund Balance	\$ 47,000	\$ 47,000	\$ 49,358	\$ 2,358

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OTHER
SUPPLEMENTARY
INFORMATION

Additional
Supporting Schedules

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GLENDALE SCHOOL DISTRICT
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2019

General Obligation Bond, Series 2000

General Obligation Bond, Series 2000 held by US Bank. The original balance of the bonds is \$990,000 and carry an interest rate between 5.150% - 5.625%.

Current Year Activity:

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 200,000	\$ -	\$ 95,000	\$ 105,000	\$ 105,000
Interest	-	11,250	11,250	-	5,906
Total	<u>\$ 200,000</u>	<u>\$ 11,250</u>	<u>\$ 106,250</u>	<u>\$ 105,000</u>	<u>\$ 110,906</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2020	\$ 105,000	\$ 5,906	\$ 110,906	5.63%
Total		<u>\$ 105,000</u>	<u>\$ 5,906</u>	<u>\$ 110,906</u>	

GLENDALE SCHOOL DISTRICT
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2019

QSCB Loan, Series 2010A Flex Fund Program

QSCB , Series 2010A Flex Fund Program with Bank of New York Mellon dated July 1, 2010 for HVAC upgrades. The original amount of the bonds is \$540,000 and carries an interest rate of 5.2043%. As part of the QSCB program, interest payments are subsidized by the Federal government. Therefore, the District makes principal-only payments on the bonds and the Federal government issues tax credits to the buyer.

Current Year Activity:

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 262,000	\$ -	\$ 36,000	\$ 226,000	\$ 36,000
Interest	-	1,165	1,165	-	18,200
Total	\$ 262,000	\$ 1,165	\$ 37,165	\$ 226,000	\$ 54,200

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2020	\$ 36,000	\$ 18,200	\$ 54,200	5.20%
	2021	38,000	10,450	48,450	5.20%
	2022	38,000	10,450	48,450	5.20%
	2023	38,000	10,450	48,450	5.20%
	2024	38,000	10,450	48,450	5.20%
	2025	38,000	10,450	48,450	5.20%
Total		\$ 226,000	\$ 70,450	\$ 296,450	

GLENDALE SCHOOL DISTRICT

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2019

SUPPLEMENTAL INFORMATION 2018-2019

Part A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

B. Energy Bills for Heating - All Funds:

Please enter your expenditures for electricity
& heating fuel, and water & sewage
for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 151,124
Function 2550	\$ 10,142

C. Replacement of Equipment - General Fund:

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

Exclude these functions:

1113,1122 & 1132
1140
1300
1400

Extra-curricular Activities
Pre-Kindergarten
Continuing Education
Summer School

Exclude these functions:

4150 Construction
2550 Pupil Transportation
3100 Food Service
3300 Community Services

\$	-
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*Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.

GLENDALE SCHOOL DISTRICT

Audit Revenue Summary - All Funds

For the Fiscal Year Ended June 30, 2019

Revenue from Local Sources

1110	Ad Valorem Taxes Levied by District
1500	Earnings on Investments
1600	Food Service
1700	Extracurricular Activities
1920	Contributions and Donations From Private Sources
1940	Services Provided Other Local Education Agencies
1990	Miscellaneous

Fund 100	Fund 200	Fund 300	Fund 700
\$ 976,497	\$ -	\$ 104,110	\$ -
55,714	26,289	-	1,207
-	976	-	-
-	18,756	-	3,206
500	13,108	-	500
167,784	-	-	-
74,684	1,613	8,340	6,965
\$ 1,275,181	\$ 60,742	\$ 112,450	\$ 11,878

Total Revenue from Local Sources

Revenue from Intermediate Sources

2101	County School Funds
2102	General ESD Revenue
2199	Other Intermediate Sources

Fund 100	Fund 200	Fund 300	Fund 700
\$ 3,945	\$ -	\$ -	\$ -
40,867	-	-	-
-	-	-	1,303,855
\$ 44,812	\$ -	\$ -	\$ 1,303,855

Total Revenue from Intermediate Sources

Revenue from State Sources

3101	State School Fund - General Support
3102	State School Fund - School Lunch Match
3103	Common School Fund
3104	State Managed County Timber
3199	Other Unrestricted Grants-In-Aid
3222	State School Fund (SSF) Transportation Equipment
3299	Other Restricted Grants-In-Aid

Fund 100	Fund 200	Fund 300	Fund 700
\$ 2,765,853	\$ -	\$ -	\$ -
-	1,595	-	-
27,117	-	-	-
90,654	-	-	-
-	2,769	-	-
-	33,205	-	-
-	142,913	-	-
\$ 2,883,624	\$ 180,481	\$ -	\$ -

Total Revenue from State Sources

Revenue from Federal Sources

4300	Restricted Revenue From the Federal Government
4500	Restricted Revenue From the Federal Government Through the State
4700	Grants-In-Aid From the Federal Government Through Other Intermediate Agencies
4801	Federal Forest Fees
4900	Revenue for/on Behalf of the District

Fund 100	Fund 200	Fund 300	Fund 700
\$ -	\$ 11,293	\$ -	\$ -
150	369,031	-	-
-	2,530	-	-
29,385	-	-	-
-	10,655	-	-
\$ 29,535	\$ 393,508	\$ -	\$ -

Total Revenue from Federal Sources

Revenue from Other Sources

5200	Interfund Transfers
5400	Resources - Beginning Fund Balance

Fund 100	Fund 200	Fund 300	Fund 700
\$ -	\$ 370,000	\$ 30,000	\$ -
1,306,345	1,541,779	11,265	47,649
\$ 1,306,345	\$ 1,911,779	\$ 41,265	\$ 47,649

Total Revenue from Other Sources

Grand Total

\$ 5,539,497	\$ 2,546,510	\$ 153,714	\$ 1,363,381
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GLENDALE SCHOOL DISTRICT
Audit Expenditure Summary-General Fund #100
For the Fiscal Year Ended June 30, 2019

FUND: General Fund #100

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$ 609,612	\$ 348,741	\$ 230,140	\$ 20,159	\$ 10,572	\$ -	\$ -
1121 Middle/Junior High Programs	303,817	174,565	112,196	9,560	7,496	-	-
1122 Middle/Junior High School Extracurricular	29,478	20,416	4,390	2,553	1,658	462	-
1140 Pre-Kindergarten Programs	3,699	2,727	972	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	403,214	214,436	116,660	68,559	3,559	-	-
1272 Title I	10,116	5,020	5,096	-	-	-	-
1280 Alternative Education	1,303,855	-	-	1,303,855	-	-	-
Total Instruction Expenditures	\$ 2,663,790	\$ 765,904	\$ 469,454	\$ 1,404,685	\$ 23,285	\$ 462	\$ -

Support Expenditure Description

	Totals	Object 100	Object 200	Object 300	Object 400	Object 600	Object 700
2110 Attendance and Social Work Services	\$ 7,989	\$ 4,777	\$ 695	\$ -	\$ 2,518	\$ -	\$ -
2120 Guidance Services	28,580	17,190	1,390	10,000	-	-	-
2130 Health Services	237	-	-	237	-	-	-
2140 Psychological Services	31,000	-	-	31,000	-	-	-
2190 Service Direction, Student Support Services	67,425	59,632	4,799	2,144	850	-	-
2210 Improvement of Instruction Services	2,661	2,008	653	-	-	-	-
2220 Educational Media Services	7,542	-	-	-	7,542	-	-
2240 Instructional Staff Development	3,652	-	-	2,981	672	-	-
2310 Board of Education Services	30,489	-	1,110	22,500	1,034	5,844	-
2320 Executive Administration Services	232,133	94,528	92,040	32,662	10,979	1,923	-
2410 Office of the Principal Services	189,305	112,136	75,263	377	866	664	-
2520 Fiscal Services	54,592	-	-	52,100	-	2,492	-
2540 Operation and Maintenance of Plant Services	260,861	83,384	44,717	82,419	17,264	33,078	-
2550 Student Transportation Services	343,658	147,430	123,219	23,758	30,381	18,870	-
2570 Internal Services	1,170	-	-	1,170	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	15,149	14,022	1,127	-	-	-	-
2660 Technology Services	78,904	-	-	63,326	15,502	75	-
Total Support Services Expenditures	\$ 1,355,347	\$ 535,107	\$ 345,012	\$ 324,674	\$ 87,608	\$ 62,946	\$ -

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 600	Object 700
5200 Transfers of Funds	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Total Other Uses Expenditures	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Grand Total	\$ 4,419,137	\$ 1,301,011	\$ 814,466	\$ 1,729,359	\$ 110,893	\$ 63,408	\$ 400,000

GLENDALE SCHOOL DISTRICT
Audit Expenditure Summary-Special Revenue Fund #200
For the Fiscal Year Ended June 30, 2019

FUND: Special Revenue Fund #200

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 600
1111 Elementary, K-5 or K-6	\$ 30,913	\$ -	\$ -	\$ -	\$ 30,913	\$ -
1113 Elementary Extracurricular	403	-	-	-	403	-
1121 Middle/Junior High Programs	391	-	-	-	391	-
1122 Middle/Junior High School Extracurricular	1,427	-	-	23	1,404	-
1131 High School Programs	80,999	-	-	394	80,605	-
1132 High School Extracurricular	31,619	-	-	-	31,389	230
1140 Pre-Kindergarten Programs	32,428	22,649	9,497	-	282	-
1250 Less Restrictive Programs for Students with Disabilities	42,379	20,968	18,931	889	1,591	-
1272 Title I	128,209	74,230	53,978	-	-	-
1400 Summer School Programs	509	-	-	-	509	-
Total Instruction Expenditures	\$ 349,276	\$ 117,848	\$ 82,406	\$ 1,306	\$ 147,486	\$ 230

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 600
2110 Attendance and Social Work Services	\$ 89,762	\$ 10,660	\$ 1,016	\$ 15,382	\$ 62,704	\$ -
2120 Guidance Services	12,022	-	-	12,000	22	-
2140 Psychological Services	10,000	7,379	2,621	-	-	-
2190 Service Direction, Student Support Services	13,353	8,342	5,011	-	-	-
2210 Improvement of Instruction Services	11,848	10,969	879	-	-	-
2220 Educational Media Services	710	-	-	-	710	-
2240 Instructional Staff Development	15,856	-	-	15,856	-	-
2540 Operation and Maintenance of Plant Services	437,213	-	-	428,064	9,149	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	25,142	-	-	25,142	-	-
2660 Technology Services	48,298	-	-	19,895	28,403	-
Total Support Services Expenditures	\$ 664,205	\$ 37,350	\$ 9,527	\$ 516,339	\$ 100,988	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 600
3100 Food Services	\$ 200,081	\$ 60,635	\$ 36,113	\$ 10,813	\$ 91,930	\$ 590
Total Enterprise and Community Services Expenditures	\$ 200,081	\$ 60,635	\$ 36,113	\$ 10,813	\$ 91,930	\$ 590
Grand Total	\$ 1,213,561	\$ 215,833	\$ 128,047	\$ 528,457	\$ 340,404	\$ 820

GLENDALE SCHOOL DISTRICT

Audit Expenditure Summary-Debt Service Fund #300

For the Fiscal Year Ended June 30, 2019

FUND: Debt Service Fund #300

Other Uses Expenditures

5100 Debt Service

Total Other Uses Expenditures

Grand Total

Totals	Object 600
\$ 143,415	\$ 143,415
\$ 143,415	\$ 143,415
\$ 143,415	\$ 143,415

GLENDALE SCHOOL DISTRICT
Audit Expenditure Summary-Trust and Agency #700
For the Fiscal Year Ended June 30, 2019

FUND: Trust & Agency Fund #700

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 600
1131 High School Programs	\$ 478,624	\$ 255,791	\$ 148,475	\$ 52,550	\$ 21,808	\$ -
1132 High School Extracurricular	101,422	51,693	12,493	15,965	18,836	2,435
1280 Alternative Education	47,197	13,796	21,666	-	11,735	-
Total Instruction Expenditures	\$ 627,243	\$ 321,280	\$ 182,634	\$ 68,515	\$ 52,379	\$ 2,435

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 600
2120 Guidance Services	\$ 12,000	\$ -	\$ -	\$ 12,000	\$ -	\$ -
2220 Educational Media Services	3,566	-	-	-	3,566	-
2240 Instructional Staff Development	1,960	-	-	1,960	-	-
2410 Office of the Principal Services	200,194	114,926	78,379	1,151	4,974	764
2490 Other Support Services - School Administration	173,004	-	-	167,784	-	5,220
2540 Operation and Maintenance of Plant Services	295,445	86,607	44,598	135,470	28,770	-
2660 Technology Services	613	-	-	-	613	-
Total Support Services Expenditures	\$ 686,781	\$ 201,533	\$ 122,977	\$ 318,366	\$ 37,922	\$ 5,984
Grand Total	\$1,314,025	\$ 522,813	\$ 305,611	\$ 386,880	\$ 90,301	\$ 8,419

GLENDALE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED June 30, 2019

Federal Grantor/Pass Through Grantor/ Program Title	Grant Fund	Federal CFDA Number	Grant Period	(Receivable)/			Expenditures	(Receivable)/
				Original Program or Grant Amount	Deferred Revenue June 30, 2018	Cash Received		Deferred Revenue June 30, 2019
US. DEPARTMENT OF EDUCATION								
Passed Through Oregon Department of Education:								
Title IA - Grants to Local Education Agencies	Federal Grants	84.010	2018-19	\$ 143,862	\$ -	\$ 143,862	\$ 143,862	\$ -
Title IA - Grants to Local Education Agencies	Federal Grants	84.010	2017-18	148,930	(10,108)	16,553	6,445	-
ESSA D&SI PPD District Engagement Phase I	Federal Grants	84.010	2018-19	3,949	-	3,949	3,949	-
ESSA D&SI PPD District Engagement Phase II	Federal Grants	84.010	2017-18	7,899	-	7,899	7,899	-
Total Title I				304,640	(10,108)	172,263	162,155	-
Title II-A Teacher Quality	Federal Grants	84.367	2018-19	12,390	-	12,390	12,390	-
Total Title II-A				12,390	-	12,390	12,390	-
Rural Education	Federal Grants	84.358	2018-19	11,293	-	11,293	11,293	-
Total Rural Education				11,293	-	11,293	11,293	-
IDEA - Special Education Grants to States(Part B Sec.611)	Federal Grants	84.027A	2018-19	50,772	-	28,792	35,092	(6,300)
IDEA - Special Education Grants to States(Part B Sec.611)	Federal Grants	84.027A	2017-18	54,134	-	4,807	4,807	-
IDEA - Enhancement & Extended Assessment Training	Federal Grants	84.027A	2018-19	1,591	-	-	1,591	(1,591)
IDEA - SPR & I	Federal Grants	84.027	2018-19	1,265	-	1,265	1,265	-
IDEA - Post School Outcomes	Federal Grants	84.027	2018-19	150	-	-	150	(150)
Total IDEA				107,912	-	34,864	42,905	(8,041)
Student Support & Academic Enrichment	Federal Grants	84.424	2018-19	10,000	-	-	10,000	(10,000)
Student Support & Academic Enrichment	Federal Grants	85.424	2017-18	10,000	-	10,000	10,000	-
Total Student Support & Academic Enrichment				20,000	-	10,000	20,000	(10,000)
Total Passed through Oregon Department of Education				\$ 456,235	\$ (10,108)	\$ 240,810	\$ 248,743	\$ (18,041)
Passed through Douglas ESD:								
Carl Perkins Vo-Ed Basic Grants to States	Federal Grants	84.048	2018-19	\$ 2,530	\$ -	\$ 2,530	\$ 2,530	\$ -
Total Passed through Douglas ESD				\$ 2,530	\$ -	\$ 2,530	\$ 2,530	\$ -
Total U.S. Department of Education				\$ 458,765	\$ (10,108)	\$ 243,340	\$ 251,273	\$ (18,041)
U.S. DEPARTMENT OF AGRICULTURE								
Passed Through Oregon Department of Education:								
Commodities	Food Service	10.555	2018-19	\$ 10,655	\$ -	\$ 10,655	\$ 10,655	\$ -
National School Lunch - Breakfast	Food Service	10.553	2018-19	33,133	-	31,508	33,133	(1,625)
National School Lunch - Section 4	Food Service	10.555	2018-19	77,247	-	73,465	77,247	(3,782)
Childcare Food Service Program	Food Service	10.558	2018-19	10,738	-	10,738	16,587	(5,849)
Summer Food Program	Food Service	10.559	2018-19	3,907	-	3,907	4,402	(495)
Summer Food Program	Food Service	10.560	2018-19	76	-	57	361	(304)
Total National School Lunch Program				135,756	-	130,330	142,385	(12,055)
Total U.S. Department of Agriculture				\$ 135,756	\$ -	\$ 130,330	\$ 142,385	\$ (12,055)
TOTALS				\$ 594,521	\$ (10,108)	\$ 373,670	\$ 393,658	\$ (30,096)

This schedule is prepared using the modified accrual basis of accounting.

RECONCILIATION TO REVENUE:

Cash Receipts per Schedule Above	\$ 373,670
Grants Receivable/Deferred Revenue Beginning of Year	(10,108)
Grants Receivable/Deferred Revenue End of Year	30,096
Federal Revenue Recognized per Financial Statements	\$ 393,658

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ACCOMPANYING
INFORMATION

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GLENDALE SCHOOL DISTRICT NO. 77

INDEPENDENT AUDITOR'S REPORT **REQUIRED BY OREGON STATE REGULATIONS**

As of June 30, 2019

To the Governing Body of the Glendale School District
Glendale, Oregon

I have audited the basic financial statements of the Glendale School District as of and for the year ended June 30, 2019 and have issued my report thereon dated December 30, 2019. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

- Over-expenditure of appropriations occurred in one fund for the fiscal year ended June 30, 2019, as noted on page 47 of the audit report.

OAR 162-10-0230 Internal Control

In planning and performing my audit, I considered the District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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



Steve Tuhscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 30, 2019