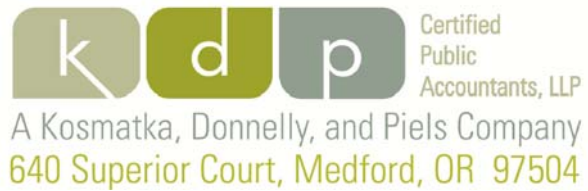


**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C  
Curry County, Oregon**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2015  
WITH  
INDEPENDENT AUDITOR'S REPORT**



**BROOKINGS-HARBOR SCHOOL DISTRICT NO.17C**  
**Curry County, Oregon**  
**June 30, 2015**

Administrative Office  
629 Easy Street  
Brookings, Oregon 97415

BOARD OF DIRECTORS AS OF JUNE 30, 2015

Bruce Raleigh - Chairperson

Sue Gold - Vice-Chair

Sue Chambers - Director

Alice Farmer - Director

Katherine Johnson - Director

ADMINISTRATIVE STAFF

Sean Gallagher, Superintendent

Kathy McKee, Business Manager

# BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C

Year Ended June 30, 2015

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Brookings-Harbor School District No. 17C  
Curry County, Oregon

We have audited the accompanying financial statements of the governmental activities and each major fund of Brookings-Harbor School District No. 17C (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2015, and the respective changes in financial position thereof for the year then ended 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 and analysis, the general fund and special revenue fund budgetary comparison information, schedule of funding progress (other postemployment benefits) and certain pension schedules, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and schedule of funding progress (other postemployment benefits) in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis or schedule of funding progress because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The pension schedules, general fund and special revenue fund budgetary comparison information are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the pension schedules, general fund and special revenue fund budgetary comparison information are fairly stated in all material aspects, in relation to the basic financial statements as a whole.

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Other Supplementary Information and Other Financial Schedules, as listed in the Table of Contents, is presented for the purposes of additional analysis and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards, as listed in the Table of Contents, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The Other Supplementary Information, Other Financial Schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 our opinion, the Other Supplementary Information, Other Financial Schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### *Change in Accounting Principle*

As discussed in note 1 to the financial statements, in 2015 the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

### **Other Reporting Required by Government Auditing Standards and Oregon State Regulations**

In accordance with *Government Auditing Standards*, we have also issued a report dated December 11, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

In accordance with Oregon State Regulation, we have also issued our report dated December 11, 2015 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.

*Stewart Parmele CPA, Partner*

Stewart Parmele CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 11, 2015

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Management's Discussion and Analysis**  
**June 30, 2015**

As management of Brookings Harbor School District No. 17-C (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those financial statements. It should also be noted that that all amounts included in text below are rounded for ease of reading.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the asset/deferred outflows of the District exceeded its liabilities/deferred inflows at June 30, 2015 by \$4.5 million. Of this amount, \$7.24 million represents the District's net investment in capital assets, \$1.2 million is restricted for debt service, \$34 thousand is restricted for scholarships, and the credit balance of \$3.9 million is considered unrestricted.
- The District's total net position increased by \$2.8 million during the year ended June 30, 2015. In the prior year, the District's total net position increased by \$358 thousand. The District decreased its total expenditures from the prior year, \$15.10 to \$14.1 million. District revenues increased from the prior year, \$15.46 to \$16.93 million.
- The District's total debt decreased by \$1.4 million during the 2014-2015 fiscal year as a result of scheduled principal payments.
- At the end of the fiscal year, the combined fund balances for all governmental funds was \$7.25 million, an increase of \$409 thousand in comparison to the prior year. Approximately \$2.5 million of this amount is available for spending at the District's discretion.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$2.5 million, up from \$2.1 million in the prior year. Total fund balance in the General Fund represented about 19.8 percent of total General Fund expenditures, up from 17.2 percent in the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements**

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

The *Statement of Net Position*. The *statement of net position* presents information on all of the assets, deferred outflows, liabilities and deferred inflows of the District at year-end. Net position is the difference between assets/deferred outflows and liabilities/deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Management's Discussion and Analysis**  
**June 30, 2015**

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

In the government-wide financial statements, the District's activities are shown in one category:

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

The government-wide financial statements can be found as listed in the Table of Contents of this report.

**Fund financial statements**

The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be categorized as governmental funds.

**Governmental funds.** The governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The District maintains four individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Special Revenue, Debt Service, and Capital Projects Funds, all of which are considered major funds.

The basic governmental fund financial statements can be found as listed in the Table of Contents of this report.



**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Management's Discussion and Analysis**  
**June 30, 2015**

**Notes to the basic financial statements**

The *notes to the basic financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Information such as significant accounting policies and detail of certain assets/deferred outflows and liabilities/deferred inflows are included in the notes which should be read in conjunction with the basic financial statements. The notes can be found as listed in the Table of Contents of this report.

*Other information.* In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*, *other supplementary information* and *other financial schedules* as listed in the Table of Contents of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District's, assets/deferred outflows exceeded liabilities/deferred inflows by \$4.5 million at June 30, 2015. At June 30, 2014 District assets were greater than liabilities by \$9.52 million.

**Net Position**  
**Governmental Activities**  
**(in thousands)**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Current and other assets	\$ 8,431	\$ 7,899
Other assets	948	6,085
Capital assets	<u>14,826</u>	<u>14,937</u>
Total assets	<u>24,205</u>	<u>28,921</u>
Deferred outflows	<u>374</u>	<u>-</u>
Total assets and deferred outflows	<u>24,579</u>	<u>28,921</u>
Current liabilities	2,696	2,003
Long-term debt	<u>15,497</u>	<u>17,397</u>
Total liabilities	<u>18,193</u>	<u>19,400</u>
Deferred inflows	<u>1,879</u>	<u>-</u>
Total liabilities and deferred inflows	<u>20,072</u>	<u>19,400</u>
Net position:		
Net investment in capital assets	7,244	6,330
Restricted for scholarships	34	34
Restricted for debt service	1,198	1,087
Unassigned	<u>(3,969)</u>	<u>2,068</u>
Total net position	<u>\$ 4,507</u>	<u>\$ 9,519</u>

As noted earlier, net position may be an indicator of a government's financial position. At the end of the current year, the District has a positive net position balance. Net position increased by \$2.8 million from the prior year. The District's beginning net position was restated as a result of implementing new accounting standards and an adjustment resulting from under-reporting of the Common School Fund (see note 1 to the financials).

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Management's Discussion and Analysis**  
**June 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 61 percent of total assets at June 30, 2015. The remaining assets consist mainly of cash and investments, grants and property taxes receivable, inventories and net pension asset. At June 30, 2014, capital assets represented approximately 51 percent of total assets.

The District's largest liability (92 percent) is for the repayment of general obligation and PERS bonds. Current liabilities, representing about 14 percent of the District's total liabilities, consist almost entirely of payables on accounts, salaries and benefits, and the current portion of capital lease and bonded debt obligations. In the prior year, the repayment of general obligation and PERS bonds was also the District's largest liability and represented about 93 percent of total liabilities, while current liabilities represented about 10 percent of total liabilities.

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

**Changes in Net Position**  
**Governmental Activities**  
**(in thousands)**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Revenues:		
Program revenues:		
Charges for service	\$ 92	\$ 128
Operating grants and contributions	1,452	1,388
General revenues:		
Property taxes	6,567	5,957
State school fund - general support	7,505	6,714
Other federal, state and local sources	613	640
Earnings on investments	64	114
Other	641	521
Total revenues	<u>16,934</u>	<u>15,462</u>
Expenses:		
Instruction	7,837	8,795
Support Services	5,017	4,967
Enterprise and community services	534	587
Facilities acquisition and construction	38	-
Interest on long-term debt	694	755
Total expenses	<u>14,120</u>	<u>15,104</u>
Change in net position	<u>\$ 2,814</u>	<u>\$ 358</u>

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Management's Discussion and Analysis**  
**June 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

During the current fiscal year, the District's net position increased by \$2.8 million. Property tax revenues of \$6.57 million and state school support of \$7.5 million account for the significant revenues received.

As previously stated, all District activities are governmental in nature, and during the current fiscal year, the District's net position increased by \$2.8 million. Governmental activities revenue totaled \$16,934 million in the current year, and consisted primarily of property taxes, state school support and intergovernmental operating grants. The primary reasons for the current year increase in net position are increased state school support and property taxes of approximately \$791 thousand and \$610 thousand, respectively, when compared to June 30, 2014, as well as an overall decrease in expenses of \$970 thousand from June 30, 2014.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

At June 30, 2015, the District's governmental funds reported combined ending fund balances of \$7.25 million, an increase of \$409 thousand in comparison with the prior year. About \$2.5 million (34 percent) of the ending fund balance constitutes *unassigned ending fund balance*, which is available for spending at the District's discretion. An additional \$1.09 million (15 percent) is reserved for debt service obligations.

*General Fund:* The General Fund is the chief operating fund of the District. As of June 30, 2015, total fund balance was \$2.5 million, up \$389 thousand from the prior year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. General fund balance represents about 20 percent of total General Fund expenditures.

*Special Revenue Fund:* The Special Revenue Fund had a total fund balance of \$3.35 million, of which \$44 thousand is non-spendable, \$34 thousand is restricted for scholarships, \$2.98 million is committed and \$293 thousand is assigned.

*Debt Service Fund:* The Debt Service Fund has a total fund balance of \$1.09 million, all of which is restricted for the payment of debt service.

*Capital Projects Fund:* The Capital Projects Fund has a total fund balance of \$310 thousand, all of which is committed for ongoing capital projects.

**CURRENT ECONOMIC FACTORS**

The major economic factor facing the Brookings Harbor School District is the declining enrollment. In the 2004-05 school year the enrollment for the Brookings Harbor School District was 1904 students. In 14-15 this number had decreased to 1544. The District is funded per student; therefore, the declining enrollment will put additional pressure on the School District's resources. Under the current funding formula used by the state of Oregon, the drop of 360 students equals approximately \$2.52 million dollars in lost funding from the state.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Management's Discussion and Analysis**  
**June 30, 2015**

The School District has added a virtual education program designed to target children living in the Brookings Harbor area who do not currently attend the School District. This program saw an average of 70 students per month. Approximately 8 students attended the equivalent of full time. The remaining students enrolled in the virtual program attended part time with the numbers fluctuating from month to month. In the 14-15 school year we moved this program to a newly constructed facility on campus. The School District must continue to find ways to expand our offerings and attract more students who live within the Brookings Harbor area to attend the School District. In addition the School District must be conscience of the declining enrollment trend and continue to plan accordingly.

In conclusion through careful strategic planning and management of our current resources, the Brookings Harbor School District will be able to continue to provide the same high level of services to our student population.

**REQUESTS FOR INFORMATION**

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Director Fiscal Services, Kathy McKee, at 629 Easy Street, Brookings, Oregon 97415.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash and investments	\$ 7,423,478
Receivables	943,353
Inventories	19,594
Prepays	43,816
Net Pension Asset	948,474
Capital assets, net	
Land	212,401
Construction in Progress	76,431
Buildings and improvements	13,717,574
Vehicles and equipment	819,963
<b>TOTAL ASSETS</b>	<u>24,205,084</u>
Deferred outflows of resources	
Deferred amounts related to pensions	<u>374,375</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>24,579,459</u>
<b>LIABILITIES:</b>	
Accounts payable	196,955
Accrued salaries and benefits	397,122
Accrued interest payable	5,726
Accrued compensated absences payable	14,431
Other post employment obligation	599,036
Note payable	
Due within one year	12,700
Due in more than one year	12,694
Capital lease payable:	
Due within one year	69,690
Due in more than one year	82,688
Bonds payable, net of unamortized premium/discount:	
Due within one year	1,401,092
Due in more than one year	<u>15,401,508</u>
<b>TOTAL LIABILITIES</b>	<u>18,193,642</u>
Deferred inflows of resources	
Deferred amounts related to pensions	<u>1,878,596</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>20,072,238</u>
<b>NET POSITION:</b>	
Net investment in capital assets	7,243,991
Restricted for scholarship	34,114
Restricted for debt service	1,197,890
Unrestricted	<u>(3,968,774)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 4,507,221</u>

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 7,836,881	\$ 9,826	\$ 755,869	\$ (7,071,186)
Supporting services	5,017,079	6,868	249,109	(4,761,102)
Enterprise and community services	534,788	75,116	447,158	(12,514)
Facilities acquisition and construction	38,095	-	-	(38,095)
Interest on long-term debt	693,509	-	-	(693,509)
Total government activities	<u>\$ 14,120,352</u>	<u>\$ 91,810</u>	<u>\$ 1,452,136</u>	<u>(12,576,406)</u>
General revenues:				
Property taxes levied for general purposes				5,274,339
Property taxes levied for debt service				1,292,525
Tax receipt from other government				108,700
State school fund - general support				7,504,688
Common school fund				139,826
Federal forest fees				352,084
Unrestricted state and local sources				13,022
Earnings on investments				63,976
Miscellaneous				498,818
Gain (loss) on sale of capital assets				142,754
Total general revenues				<u>15,390,732</u>
<b>CHANGE IN NET POSITION</b>				2,814,326
Net Position - July 1, 2014 (as restated)				<u>1,692,895</u>
Net Position - June 30, 2015				<u>\$ 4,507,221</u>



**FUND FINANCIAL STATEMENTS**

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
<b>ASSETS</b>					
Equity in pooled cash and investments	\$ 2,708,692	\$ 3,338,652	\$ 1,066,256	\$ 309,878	\$ 7,423,478
Receivables	623,505	188,214	131,634	-	943,353
Prepays	-	43,816	-	-	43,816
<b>TOTAL ASSETS</b>	<b>\$ 3,332,197</b>	<b>\$ 3,570,682</b>	<b>\$ 1,197,890</b>	<b>\$ 309,878</b>	<b>\$ 8,410,647</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 76,402	\$ 120,553	\$ -	\$ -	\$ 196,955
Accrued salaries and benefits	295,666	101,456	-	-	397,122
<b>TOTAL LIABILITIES</b>	<b>372,068</b>	<b>222,009</b>	<b>-</b>	<b>-</b>	<b>594,077</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	452,013	-	112,030	-	564,043
<b>TOTAL DEFERRED INFLOWS</b>	<b>452,013</b>	<b>-</b>	<b>112,030</b>	<b>-</b>	<b>564,043</b>
Fund Balances:					
Non-spendable	-	43,816	-	-	43,816
Restricted for debt service	-	-	1,085,860	-	1,085,860
Restricted for scholarships	-	34,114	-	-	34,114
Committed	-	2,977,905	-	309,878	3,287,783
Assigned	-	292,838	-	-	292,838
Unassigned	2,508,116	-	-	-	2,508,116
<b>Total fund balances</b>	<b>2,508,116</b>	<b>3,348,673</b>	<b>1,085,860</b>	<b>309,878</b>	<b>7,252,527</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 3,332,197</b>	<b>\$ 3,570,682</b>	<b>\$ 1,197,890</b>	<b>\$ 309,878</b>	<b>\$ 8,410,647</b>

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2015**

**TOTAL FUND BALANCES** \$ 7,252,527

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

Inventory is not reported as a governmental fund asset under the purchase method of accounting for inventory 19,594

Capital assets are not financial resources and therefore are not reported in the governmental funds:

Cost	23,899,724	
Accumulated depreciation	<u>(9,073,355)</u>	14,826,369

A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds. 564,043

The asset (liability) associated with the District's pension (OPERS) is not recorded in the governmental funds as it is not available nor payable currently. 948,474

The net deferred outflow/(inflow) associated with the District's pension (OPERS) is not recorded in the governmental funds as it is not available nor payable currently. (1,504,221)

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of:

Accrued interest payable	(5,726)	
Other post employment obligation	(599,036)	
Note payable	(25,394)	
Capital lease payable	(152,378)	
Bonds payable	(16,802,600)	
Compensated absences payable	<u>(14,431)</u>	<u>(17,599,565)</u>

**TOTAL NET POSITION** \$ 4,507,221

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED JUNE 30, 2015**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
<b>REVENUES</b>					
Property taxes	\$ 5,225,597	\$ -	\$ 1,279,992	\$ -	\$ 6,505,589
Charges for services	16,694	75,116	-	-	91,810
Interest on investments	14,175	36,742	7,257	5,802	63,976
Miscellaneous	202,947	295,871	-	-	498,818
Intergovernmental	8,118,320	1,452,136	-	-	9,570,456
<b>TOTAL REVENUES</b>	<b>13,577,733</b>	<b>1,859,865</b>	<b>1,287,249</b>	<b>5,802</b>	<b>16,730,649</b>
<b>EXPENDITURES</b>					
Current					
Instruction	7,453,018	1,321,417	-	-	8,774,435
Support services	5,183,206	486,971	-	-	5,670,177
Enterprise and community services	-	563,056	-	-	563,056
Facilities acquisition	-	-	-	176,181	176,181
Debt service	-	105,073	1,189,371	-	1,294,444
<b>TOTAL EXPENDITURES</b>	<b>12,636,224</b>	<b>2,476,517</b>	<b>1,189,371</b>	<b>176,181</b>	<b>16,478,293</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	941,509	(616,652)	97,878	(170,379)	252,356
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	554,778	-	-	554,778
Transfers out	(554,778)	-	-	-	(554,778)
Proceeds from sale of capital assets	2,437	-	-	154,112	156,549
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(552,341)</b>	<b>554,778</b>	<b>-</b>	<b>154,112</b>	<b>156,549</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>389,168</b>	<b>(61,874)</b>	<b>97,878</b>	<b>(16,267)</b>	<b>408,905</b>
<b>FUND BALANCE, July 1, 2014 (as restated)</b>	<b>2,118,948</b>	<b>3,410,547</b>	<b>987,982</b>	<b>326,145</b>	<b>6,843,622</b>
<b>FUND BALANCE, June 30, 2015</b>	<b>\$ 2,508,116</b>	<b>\$ 3,348,673</b>	<b>\$ 1,085,860</b>	<b>\$ 309,878</b>	<b>\$ 7,252,527</b>

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2015**

**NET CHANGE IN FUND BALANCE** \$ 408,905

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

Governmental funds do not report inventory balances under the purchase method of accounting for inventory while the Statement of Net Position does. This is the change in inventory in the current period. 346

Government funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Gain/Loss on the disposal of capital assets	142,754	
Proceeds from sale of capital assets	(156,549)	
Expenditures for capital assets	402,967	
Less current year depreciation	<u>(500,231)</u>	(111,059)

In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due. 28,109

Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditure when earned. 8,859

Early retirement benefits are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities early retirement benefits are recognized as an expenditure when earned. (67,092)

Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which repayments exceeded proceeds:

Principal paid on capital lease obligations	99,295	
Principal paid on long-term general obligation debt	1,298,000	
Proceeds from note payable	(25,394)	
Proceeds from capital lease	<u>(139,155)</u>	1,232,746

Governmental funds report pension contributions as expenditures. In the statement of activities, the cost of pension benefits earned (actuarially determined) net of employee contributions is reported as pension expense. 1,252,237

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied. 61,275

**CHANGE IN NET POSITION** \$ 2,814,326

**NOTES TO BASIC FINANCIAL STATEMENTS**

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 1 - Summary of Significant Accounting Policies**

**The Reporting Entity**

Brookings-Harbor School District No. 17C (the District), Curry County, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected five-member Board of Education (Board) who approves 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.

There are various governmental agencies and special service districts that provide services within the District's boundaries. However, the District is not financial accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

The more significant of the District's accounting policies are described below.

**Basis of Presentation**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Government-wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are clearly identifiable with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

The District operates and reports only governmental funds. Therefore, financial statements have only been prepared for governmental funds.

Net position is reported as restricted when constraints placed on assets used are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

**Fund Financial Statements**

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All (if any) remaining governmental funds are aggregated and reported as other governmental funds.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 1 - Summary of Significant Accounting Policies (continued)**

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

Special Revenue Fund - This fund accounts for revenues and expenditures of grants and other restricted for specific educational purposes and student related activities. Principal revenue sources are federal and state grants, fees and charges for activities.

Debt Service Fund - This fund provides for the payment of principal and interest on general obligation bonded debt. Principal revenue source is property taxes.

Capital Projects Fund - This fund accounts for the acquisition, construction and maintenance of improvements within the District. Principal revenue source is proceeds from general obligation bonds and investment earnings.

**Measurement Focus and Basis of Accounting**

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program, it is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

In addition to assets, the statements of financial position (government-wide) and the balance sheet (governmental funds) 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. The District has one type of deferred outflow, which arises only under the full accrual basis of accounting (i.e. government-wide financials) that qualifies for reporting in this category. Accordingly, the item, deferred amounts related to pension, is reported only in the government-wide statement of net position.



**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Measurement Focus and Basis of Accounting (continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of deferred inflows, deferred amounts related to pension and unavailable revenue related to property taxes. Deferred amounts related to pension are reported only in the government-wide statement of net position while unavailable revenue is reported only in the governmental funds balance sheet.

**Cash, Cash Equivalents and Investments**

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Short-term investments are stated at cost which approximates fair value.

The District's investments, authorized under state statute, consist of banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). Banker's acceptances, commercial paper and U.S. Government Agency securities are stated at amortized cost which approximates fair value. 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 no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

**Property Taxes Receivable**

Ad valorem property taxes are levied on all taxable property as of January 1 preceding the beginning of the fiscal year. Property taxes become a lien on July 1 for personal property and real property. Property taxes are levied on July 1. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are included in receivables on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

**Accounts and Other Receivables**

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants.

**Grants**

Unreimbursed grant expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned revenue.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Inventories**

Inventories consist of supplies held for sale. In the government-wide financial statements, inventories are stated at cost using the first-in, first-out (FIFO) method. In the fund financial statements, inventory is reported using the purchase method where purchases are charged to expense when purchased.

A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded as expenditures when consumed and are stated at their fair market value based on guidelines provided by the USDA.

**Capital Assets**

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

Buildings and improvements	-	10 to 50 years
Equipment and vehicles	-	5 to 30 years

**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 System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

**Post-Employment Benefits**

The District's other post-employment benefit plan (OPEB) includes an implicit rate subsidy for medical insurance. GAAP requires biennial actuarial valuation of the District's OPEB. This valuation includes both eligible active employees and retirees. With each valuation, the net OPEB obligation or asset is determined, as well as an annual OPEB cost, which the District records in the government-wide financial statements.

**Unearned Revenue**

The District reports unearned revenue on the Statement of Net Position consisting of revenue received but not earned at fiscal year end.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Long-term Debt**

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are expenses as incurred.

In the fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Position/Fund Balance**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

1. *Net investment in capital assets* – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
2. *Restricted net position* – Consists of net position with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows or resources related to the restricted assets.
3. *Unrestricted net position* – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

In the fund financial statements, governmental fund equity is classified in the following categories:

- *Non-Spendable* – Includes items not immediately converted to cash, such as prepaid items and inventory.
- *Restricted* – Includes items that are restricted by external creditors, grantors, or contributors, or restricted by legal constitutional provisions.
- *Committed* – Includes items committed by the District's Board of Directors, by formal board action.
- *Assigned* – Includes items assigned for specific purposes, authorized by the District's Superintendent and/or Director of Business Services
- *Unassigned* – This is the residual classification used for those balances not included in another category.

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

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**New Accounting Pronouncements and Resulting Restatement of Beginning Net Position**

For the year ending June 30, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Both GASB 68 and GASB 71 were effective for financial statement periods beginning after June 15, 2014. GASB 68 replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. GASB 71 amends GASB 68 to provide clarification of pension contributions made subsequent to the measurement date. The primary objective of both statements is to improve accounting and financial reporting by state and local governments for pensions.

The implementation of GASB 68 resulted in a restatement of beginning net position in order to recognize the District's proportionate share of the net pension asset and corresponding deferred outflows and inflows. The result of the restatement was a \$7,892,622 reduction in the beginning net position of governmental activities.

In addition, during the year ended June 30, 2015, the District determined the prior period needed to be restated due to the under-reporting of the Common School Fund. The result of the restatement was a \$65,559 increase in the beginning net position of the governmental activities.

**Budget**

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. This budgetary basis of accounting is different than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary and GAAP basis of accounting are that capital outlay and other long-term assets, and debt principal and other long-term liabilities, are included as budgeted expenditures in the governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and or appropriation resolution.

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget appropriation requires hearings before the public, publication in newspapers, and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers within a fund between the levels of control (major function levels) with Board approval. Budget amounts are as originally adopted and as amended by the Board of Directors. During the year, various resolutions were approved. Appropriations lapse at the end of each fiscal year.

**Use of Estimates**

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

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 2 - Equity in Pooled Cash and Investments**

**Deposits** - The Governmental Accounting Standards Boards has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2015. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require depository institutions to be in compliance with ORS 295. For the fiscal year ended June 30, 2015, the carrying amounts of the District deposits in various qualifying financial institutions were \$662,824 and the bank balances were \$1,234,155. All deposits are held in the name of the District. At June 30, 2015 the District's deposits were covered by federal depository insurance and the State of Oregon shared liability structure for participating bank depositories in Oregon.

Effective July 1, 2008, House Bill 2901 created a shared liability structure for participating bank depositories in Oregon. Barring any exceptions, a qualifying bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of the quarter-end public fund deposits if they are adequately capitalized, or 110% of the quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public bank depositories is available to repay the deposits of public funds of governmental entities.

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

**Investments** - The Brookings Harbor School District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2015. The Oregon Short-term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an external investment pool managed by the State Treasurer's office, which allow governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB statement No. 40. LGIP is not rated.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the District's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 194.180. These funds are held in the District's name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at amortized cost, which approximated fair value.

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool. As of June 30, 2015 and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 2 - Equity in Pooled Cash and Investments (continued)**

*Investments and Credit Risk* - State Statutes authorize the District to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, certain commercial papers, and the State Treasurer's Investment Pool, among others. The District has no formal investment policy that further restricts its investment choices.

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

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

As of June 30, 2015, the District had the following investments:

Investment Type	Maturity	Percentage of Portfolio	Fair Value
Local Government Investment Pool	1 day	73.63%	\$ 4,977,624
Government Securities	1 day	26.37%	1,783,030
Total Investments			<u>\$ 6,760,654</u>

A reconciliation of cash and investments as shown on the Statement of Net Position is as follows:

Carrying amounts of cash and investments:

Demand Deposits	\$ 662,824
Investments:	
Government Securities	1,783,030
Local Government Investment Pool	4,977,624
	<u>\$ 7,423,478</u>

Cash and investments are shown on the basic financial statements as:

Statement of Net Position	
Cash and investments	<u>\$ 7,423,478</u>

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 3 - Receivables**

Receivables are comprised of the following as of June 30, 2015:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals</u>
Property Taxes	\$ 534,232	\$ -	\$ 131,634	\$ 665,866
Grants/Other	89,273	188,214	-	277,487
Receivables	<u>\$ 623,505</u>	<u>\$ 188,214</u>	<u>\$ 131,634</u>	<u>\$ 943,353</u>

All non-current property taxes receivable are treated as unavailable revenue in the fund financial statements. Other accounts and intergovernmental receivables are considered to be fully collectible. Accordingly, no provision for estimated uncollectibles has been established.

**Note 4 - Capital Assets**

The changes in capital assets for the year ended June 30, 2015, are as follows:

	<u>Balance July 1, 2014</u>	<u>Capital Acquisitions</u>	<u>Dispositions</u>	<u>Balance June 30, 2015</u>
Capital assets not being depreciated				
Land	\$ 224,401	\$ -	\$ (12,000)	\$ 212,401
Construction in Progress	-	76,431	-	76,431
Total capital assets not being depreciated	<u>\$ 224,401</u>	<u>\$ 76,431</u>	<u>\$ (12,000)</u>	<u>\$ 288,832</u>
Capital assets being depreciated				
Buildings	\$ 19,804,444	\$ 187,381	\$ (17,665)	\$ 19,974,160
Building Improvements	1,602,425	-	-	1,602,425
Machinery & Equipment	548,464	-	-	548,464
Vehicles	1,498,730	139,155	(152,042)	1,485,843
Totals	<u>23,454,063</u>	<u>326,536</u>	<u>(169,707)</u>	<u>23,610,892</u>
Less accumulated depreciation for:				
Buildings	(6,128,136)	(377,340)	17,665	(6,487,811)
Building Improvements	(1,336,758)	(34,442)	-	(1,371,200)
Machinery & Equipment	(445,592)	(14,024)	-	(459,616)
Vehicles	(830,550)	(74,425)	150,247	(754,728)
Total	<u>(8,741,036)</u>	<u>(500,231)</u>	<u>167,912</u>	<u>(9,073,355)</u>
Total net capital assets being depreciated	<u>14,713,027</u>			<u>14,537,537</u>
Total Capital Assets	<u>\$ 14,937,428</u>			<u>\$ 14,826,369</u>

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 4 - Capital Assets (continued)**

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

Program:		
Instruction	\$	298,025
Supporting Services		182,619
Community Services		<u>19,587</u>
 Total	 \$	 <u><u>500,231</u></u>

**Note 5 - Deferred Inflows of Resources**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2015, the components of deferred inflows of resources included in the governmental funds' Balance Sheet consist of the following:

<u>Fund by Type</u>	<u>Unavailable</u>	<u>Total</u>
Property taxes:		
General fund	\$ 452,013	\$ 452,013
Debt service fund	<u>112,030</u>	<u>112,030</u>
 Total Unavailable Revenue	 <u><u>\$ 564,043</u></u>	 <u><u>\$ 564,043</u></u>

**Note 6 - Interfund Transfers**

The composition of interfund transfers as of June 30, 2015:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 554,778
Special Revenue Fund	<u>554,778</u>	<u>-</u>
 Total Transfers	 <u><u>\$ 554,778</u></u>	 <u><u>\$ 554,778</u></u>

The District made budgeted transfers from the General Fund to the Special Revenue fund including; a routine transfer of \$110,858 to the Student Activity program for support of activities, \$77,000 to the Food Service program to support its operations, \$126,122 to the transportation equipment program to support its operations, \$168,000 to the facility maintenance program to support its operations, and \$30,000 to the Textbook Adoption program to support its operations.



**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 7 - Leases**

Operating Leases

The District leases copiers and a postage machine under noncancellable operating leases. Total costs for such leases were \$27,648 for the year ended June 30, 2015. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30</u>	
2016	\$ 32,376
2017	26,379
2018	26,379
2018	10,488
2019	6,738
	<u>\$ 102,360</u>

Capital Leases

In prior years the District has entered into lease agreements as lessee for financing the acquisition of school buses. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The buses are included in the District's capital assets. The total bus lease principal payments for the year ending June 30, 2015 were \$99,295. The cost of the leased buses totaled \$799,261, with accumulated depreciation of \$232,921, and a net book value of \$566,340 as of the year ended June 30, 2015.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Year Ending June 30</u>	
2016	\$ 40,018
2017	62,468
2018	29,215
2019	29,215
Total minimum lease payments	160,916
Less: amount representing interest	<u>(8,538)</u>
	<u>\$ 152,378</u>

During the fiscal year ended June 30, 2015, \$3,337 of interest was charged to expense related to capitalized leases payable.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 8 - Note Payable**

On August 30, 1990, the District entered into a Deferred Improvement Agreement (DIA) with the City of Brookings, Oregon (City). The DIA obligates the District to construct, at its sole cost and expense, certain improvements along specific City streets fronting the District's properties. During the year ended June 30, 2015, the City completed a grant-funded project to reconstruct and install curb, gutter, sidewalk, and drainage improvements at multiple District owned locations. On November 5, 2014, the District agreed to pay one-half of the local share of the project, or \$38,094, in three annual installments. On January 15, 2015, the District paid \$12,700 as the first installment on the note payable.

The future payments for this note payable are as follows:

Year Ending June 30		
2016	\$	12,700
2017		12,694
2018		-
	\$	25,394

**Note 9 - Long-term Debt**

*General Obligation Bonds.* On January 15, 2001 the District issued general obligation bonds in the amount of \$4,050,000 for repairs and new construction. The District shall levy annually as provided by law a direct ad valorem tax upon all taxable property within the District in a sufficient amount to pay the principal and interest on the bonds as they become due. On December 1, 2004, the portion of the bonds maturing December 15 in years 2014 through 2021 were refinanced (General Obligation Refunding Bonds, Series 2004). The remaining amount of \$65,000 matured in year 2014.

*2004 Refunding of 2000 and 2001 G.O. Bonds.* On December 1, 2004, the District refinanced a portion of its 2000 and 2001 General Obligation Bonds. The District shall levy annually as provided by law a direct ad valorem tax upon all taxable property within the District in a sufficient amount to pay the principal and interest on the bonds as they become due. This debt was refunded through the 2013 General Obligation Bonds for the fiscal years 2015 through 2021. Interest payments are payable semiannually on June 15 and December 15. During the fiscal year ended June 30, 2013, the District refinanced \$7,085,000 of this bond and this amount is considered to be defeased. During the fiscal year ended June 30, 2015, \$23,250 of interest was charged to expense related to this bond. The remaining principal amount of \$930,000 matured June 30, 2015 with an interest rate of 4.5%.

*2013 General Obligation Refunding Bonds:* On March 19, 2013, the District refinanced certain outstanding 2004 General Obligation Refunding Bonds. The District shall levy annually as provided by law a direct ad valorem tax upon all taxable property within the District in a sufficient amount to pay the principal and interest on the bonds as they become due. Interest on this debt is due semiannually on June 15<sup>th</sup> and December 15<sup>th</sup> of each year to maturity. Interest expense for the fiscal year was \$94,954.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 9 - Long-term Debt (continued)**

Aggregate mandatory maturities of long-term debt on 2013 Refunding Bonds, are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rate
2016	\$ 1,140,000	\$ 97,307	\$ 1,237,307	0.608%
2017	1,175,000	89,118	1,264,118	0.804%
2018	1,210,000	77,292	1,287,292	1.174%
2019	1,250,000	60,976	1,310,976	1.474%
2020	1,295,000	40,135	1,335,135	1.796%
2021	1,360,000	14,253	1,374,253	2.096%
	<u>\$ 7,430,000</u>	<u>\$ 379,081</u>	<u>\$ 7,809,081</u>	

*Limited Tax Pension Bonds, Series 2002 and Series 2004.* On October 9, 2002 and February 6, 2004, the District entered into an agreement to participate in the Oregon School Board Association Limited Tax Pension Bonds. Bonds were issued in the amount of \$6,016,455 and \$4,655,000 respectively, bearing interest at 2.06% to 6.1%, payable semiannually. The bonds mature in 2028. Some of the bonds with the maturity date of 2021 shall be subject to optional prepayment, in whole or in part on any date, at a prepayment price equal to par plus accrued interest.

Aggregate mandatory maturities of long-term debt on 2002 and 2004 Pension Bonds, are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rate
2016	\$ 261,092	\$ 596,063	\$ 857,155	5.67%
2017	287,861	612,262	900,123	5.67%
2018	319,093	627,577	946,670	5.82%
2019	351,521	644,964	996,485	6.02%
2020	383,033	661,522	1,044,555	6.10%
2021-2025	4,080,000	1,682,652	5,762,652	5.48-5.55%
2026-2028	3,265,000	328,838	3,593,838	5.55%
	<u>\$ 8,947,600</u>	<u>\$ 5,153,878</u>	<u>\$ 14,101,478</u>	

During the fiscal year ended June 30, 2015, \$560,281 was charged to interest expense for the two bond series.

*2012 Refunding of 2002 Limited Tax Pension Bonds, Series 2002.* On January 31, 2012, the District refinanced a portion of its Oregon School Board Association Limited Tax Pension Bonds, Series 2002. The refunded portion matures in 2021, bearing an interest rate of 2.75% with interest payments payable semiannually on June 30 and December 30 and a one-time principal payment June 30, 2021.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
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**June 30, 2015**

**Note 9 - Long-term Debt (continued)**

Aggregate mandatory maturities of long-term debt on 2012 Refunding Pension Bonds, are as follows:

Year Ending June 30,	Principal	Interest	Total	Interest Rate
2016	\$ -	\$ 11,687	\$ 11,687	2.75%
2017	-	11,687	11,687	2.75%
2018	-	11,688	11,688	2.75%
2019	-	11,688	11,688	2.75%
2020	-	11,687	11,687	2.75%
2021	425,000	11,688	436,688	2.75%
	<u>\$ 425,000</u>	<u>\$ 70,125</u>	<u>\$ 495,125</u>	

During the fiscal year ended June 30, 2015, \$11,687 of interest was charged to interest expense.

The changes in long-term obligations for year ending June 30, 2015, are as follows:

	Outstanding July 1, 2014	Issued	Matured and Redeemed	Outstanding June 30, 2015
General Obligation Bonds:				
2004 Bond Refinancing	\$ 930,000	\$ -	\$ (930,000)	\$ -
2012 Bond Refinancing	7,565,000	-	(135,000)	7,430,000
PERS Bonds Payable	9,605,600	-	(233,000)	9,372,600
Total	<u>18,100,600</u>	<u>-</u>	<u>(1,298,000)</u>	<u>16,802,600</u>
Capital Leases	<u>112,519</u>	<u>139,155</u>	<u>(99,296)</u>	<u>152,378</u>
	<u>\$ 18,213,119</u>	<u>\$ 139,155</u>	<u>\$ (1,397,296)</u>	<u>\$ 16,954,978</u>

The annual debt service requirements on long-term debt outstanding as of June 30, 2015 are as follows:

Year Ending June 30,	Debt Obligations		Capital Lease Obligations	
	Principal	Interest	Principal	Interest
2016	\$ 1,401,092	\$ 705,057	\$ 36,690	\$ 3,328
2017	1,462,861	713,068	59,283	3,185
2018	1,529,093	716,557	27,873	1,342
2019	1,601,521	717,628	28,532	683
2020	1,678,033	713,344	-	-
2021-2025	5,865,000	1,708,592	-	-
2026-2030	3,265,000	328,838	-	-
	<u>\$ 16,802,600</u>	<u>\$ 5,603,084</u>	<u>\$ 152,378</u>	<u>\$ 8,538</u>

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 10 - Compensated Absences**

During the fiscal year ended June 30, 2015, the following changes occurred in compensated absences reported in the Statement of Net Position:

	Balance 6/30/2014	Additions	Reclassifications/ Reductions	Balance 6/30/2015	Due Within One Year
Compensated absences	\$ 23,290	\$ 40,918	\$ (49,777)	\$ 14,431	\$ 14,431

**Note 11 - Other Post Employment Benefits**

***Postemployment Health Insurance Subsidy***

The District implemented GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB) for the fiscal year ended June 30, 2010. The implementation allows the District to report its liability for other post employment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements. The District does not issue a stand alone report for this plan.

***Plan Description*** - The District operates a single-employer retiree benefit plan that provides postemployment health, dental and vision coverage and life insurance benefits to eligible employees and their spouses.

This program was established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that all eligible retirees be allowed to continue receiving health insurance benefits, at their cost, until age 65 or they become otherwise eligible for Medicare. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based upon all plan members, including active members and retirees.

Due to medical premium rates being determined by blending both active employee and retiree experience, there is an implicit medical benefit to retirees because the medical premium rates charged for coverage typically are less than actual expected retiree claim costs. Qualified spouses, domestic partners, and children may qualify for coverage. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution.

***Funding Policy*** - The benefits from this program are paid by the District and retirees on a pay-as-you-go basis. There is no obligation on the part of the District to fund these benefits in advance.

***Annual OPEB Cost and Net OPEB Obligation*** - The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 15 years. The following table shows the components of the District's annual OPEB cost for the year ending June 30, 2015, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 11 - Other Post Employment Benefits (continued)**

Annual required contribution (ARC) and annual OPEB cost (expense)	\$ 151,627
Less: Implicit Benefit Payments	<u>(84,534)</u>
Increase in net OPEB obligation	67,093
Net OPEB obligation - beginning of year	<u>531,943</u>
Net OPEB obligation - end of year	<u><u>\$ 599,036</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ending June 30, 2015, 2014 and 2013 are:

<u>Fiscal year</u>	<u>Annual OPEB Cost</u>	<u>Contributions</u>	<u>Funded Ratio</u>	<u>Net OPEB Obligation</u>
2015	\$ 151,627	\$ 84,534	56%	\$ 599,036
2014	\$ 149,815	\$ 81,053	54%	\$ 531,943
2013	\$ 148,288	\$ 74,683	50%	\$ 463,181

**Actuarial methods and assumptions** - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial assumptions included: (1) an assumed inflation rate of 3.5% and an assumed health care inflation rate of 5.75% per year in 2014-15 grading up to 7.0% in 15 years, (2) range of retirement age for employees with fewer, and more, than 30 years of service, (3) turnover and disability rates by age and years of service, as developed by Oregon PERS, (4) marital status, (5) coverage of eligible children, (6) age 64 health claim costs, and the impact of age to the claims cost which range from 5% per year under age 40 to 4.2% per year for ages 60-64, and (7) and no investment return, due to lack of assets set aside to fund this program.

Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits. The schedule of funding progress is required to report the last three actuarial valuations, however, the October 1, 2009 and the October 1, 2012 are the only valuations prepared to date.

The actuarial cost method used to determine the District's OPEB liability is the Projected Unit Credit Method. The Projected Unit Credit Method is comprised of two components: normal cost, and amortization payments. In its application of this method the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year.

The present value of benefits accrued as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded actuarial accrued liability (UAAL). All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial data are amortized separately. In additions, all gains or losses may be amortized each year. The UAAL is being amortized as a level percentage of payroll over future open periods.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
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**Note 11 - Other Post Employment Benefits (continued)**

***Funded Status and Funding Progress*** - As of October 1, 2012 the actuarial accrued liability for benefits was \$915,647 and the actuarial value of assets was \$0, resulting in a UAAL of \$915,647. The covered payroll (annual payroll of active employees covered by the plan) was \$7.5 million for fiscal year 2013 and the ratio of the UAAL to the covered payroll was 12%. Using a 15-year amortization period, the Annual Required Contribution (ARC) for 2015 has been actuarially determined to be \$196,970.

**Note 12 - Pension Plan**

***Plan Description*** - The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

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

***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, 2011 actuarial valuation, which became effective July 1, 2013. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced. Employer contributions for the year ended June 30, 2015 were \$374,375, excluding amounts to fund employer specific liabilities.

A 10 year schedule of Defined Benefit Pension Plan Contributions can be found beginning on page 58 of the June 30, 2014 PERS CAFR.

***Pension Plan Comprehensive Annual Financial Report (CAFR) -***

Oregon PERS produces an independently audited CAFR which can be found at: [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

***Actuarial Valuation*** - The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the entry age normal actuarial cost method. For the Tire 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 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.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 12 - Pension Plan (continued)**

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.

**Actuarial Methods and Assumptions Used in Developing Total Pension Liability –**

<b>Valuation Date:</b>	December 31, 2012 rolled forward to June 30, 2014.
<b>Actuarial Cost Method:</b>	Entry age normal .
<b>Experience Study Report:</b>	2012, published September 18, 2013.
<b>Amortization Method:</b>	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
<b>Asset Valuation Method:</b>	Market value of assets.
<b>Asset Valuation Method:</b>	Market value of assets
<b>Inflation Rate:</b>	2.75%
<b>Investment Rate of Return:</b>	7.75%
<b>Projected Salary Increases</b>	3.75%
<b>Mortality:</b>	Health Retirees and Beneficiaries: RP-2000 sex-distinct, generational per scale AA, 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. Disables Retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of the 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 methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

**Discount Rate –**

The discount rate used to measure the total pension liability was 7.75 percent for the Defined 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.

**Investment Rate of Return –**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption.



**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 12 - Pension Plan (continued)**

These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target %	Compound Annual Return (Geometric) %
Core Fixed Income	7.20	4.50
Short-Term Bonds	8.00	3.70
Intermediate-Term Bonds	3.00	4.1
High Yield Bonds	1.80	6.66
Large Cap US Equities	11.65	7.2
Mid Cap US Equities	3.88	7.3
Small Cap US Equities	2.27	7.45
Developed Foreign Equities	14.21	6.9
Emerging Foreign Equities	5.49	7.4
Private Equity	20.00	8.26
Opportunity Funds/Absolute	5.00	6.01
Real Estate (Property)	13.75	6.51
Real Estate (REITS)	2.50	6.76
Commodities	7.71	6.07

***Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** - At June 30, 2015, the District reported an asset of \$948,474 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2012. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was approximately 0.04184 percent.

For the year ended June 30, 2015, the District recognized pension income of \$1,252,237. Pension income was generated during the measurement period primarily as a result of the solid investment results. The \$1,252,237 was treated as a reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 59%, 38% and 3%, respectively. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments:	\$ -	\$ 1,830,171
Change in proportion and differences between employer contributions and proportionate share of contributions:	-	48,425
District's contributions subsequent to the measurement date:	374,375	-
	<u>\$ 374,375</u>	<u>\$ 1,878,596</u>

\$374,375 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an increase to the net pension asset in the year ended June 30, 2016.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 12 - Pension Plan (continued)**

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:

Year Ending June 30,	Deferred Outflow/(Inflow) of Resources (prior to post- measurement date.)
2016	\$ (468,070)
2017	(468,070)
2018	(468,070)
2019	(468,070)
2020	(6,316)
Thereafter	-
	\$ (1,878,596)

**Sensitivity for the District's Proportionate Share of the Net Pension Asset to Changes in Discount Rate** - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75 percent) or 1-percentage point higher (8.75 percent) than the current rate:

District's Net Pension Asset/(Liability)	1 % Decrease (6.75%)	Current Discount Rate (7.75%)	1 % Increase (8.75%)
Defined Benefit Pension Plan	(2,008,526)	948,474	3,449,403

**Note 13 - Contingencies**

Amounts received or receivable from grantor agencies are subject to compliance audits by grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

The District's operations are concentrated within Curry County. In addition, substantially all the District's revenues for continuing operations are from federal, state, and local government agencies. In the normal course of operations, the District receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**Note 14 - Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Worker's compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year and the District has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years ending June 30, 2015.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C**  
**Notes to Basic Financial Statements**  
**June 30, 2015**

**Note 15 - Fund Balances**

In the Special Programs Fund, the District has committed funds for the PERS UAL Bond, Roof Maintenance, and Transportation Equipment. Also in the Special Programs Fund, the District has assigned for technology improvements, Food Service, Student Body Funds, maintenance equipment purchases, textbooks, and other miscellaneous programs.

**Note 16 - Subsequent Events**

Management of the District has evaluated events and transactions occurring after June 30, 2015 through December 11, 2015, the date of the financial statements were available for issuance, for recognition and/or disclosure in the financial statements. There were no additional events and/or transactions that required recognition and disclosure in the financial statements, except as follows:

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

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

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology to result in a shift from a net pension asset to a net pension liability.

On July 6, 2015, the District entered into a new capital lease for the purchase of a Bluebird Bus. The lease proceeds and purchase price of this equipment was \$112,930 and is payable in five annual installments of \$22,586, including interest at 2.55%, beginning on August 6, 2015 with the final installment due August 6, 2019.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 5,056,688	\$ 5,056,688	\$ 5,225,597	\$ 168,909
Charges for services	35,000	35,000	16,694	(18,306)
Interest on investments	15,000	15,000	14,175	(825)
Miscellaneous	345,000	345,000	202,947	(142,053)
Intermediate sources				
Intergovernmental	-	-	108,700	108,700
State sources				
State school fund	7,660,516	7,660,516	7,504,688	(155,828)
Intergovernmental	188,112	188,112	152,848	(35,264)
Federal sources				
Intergovernmental	-	-	352,084	352,084
<b>TOTAL REVENUES</b>	<b>13,300,316</b>	<b>13,300,316</b>	<b>13,577,733</b>	<b>277,417</b>
<b>EXPENDITURES</b>				
Current				
Instruction	8,016,029	7,616,029	7,453,018	163,011
Support services	4,944,991	5,344,991	5,183,206	161,785
Contingency	1,534,518	1,534,518	-	1,534,518
<b>TOTAL EXPENDITURES</b>	<b>14,495,538</b>	<b>14,495,538</b>	<b>12,636,224</b>	<b>1,859,314</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,195,222)</b>	<b>(1,195,222)</b>	<b>941,509</b>	<b>2,136,731</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	2,437	2,437
Transfers to other funds	(554,778)	(554,778)	(554,778)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(554,778)</b>	<b>(554,778)</b>	<b>(552,341)</b>	<b>2,437</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,750,000)</b>	<b>(1,750,000)</b>	<b>389,168</b>	<b>2,139,168</b>
<b>FUND BALANCE, July 1, 2014 (as restated)</b>	<b>1,750,000</b>	<b>1,750,000</b>	<b>2,118,948</b>	<b>368,948</b>
<b>FUND BALANCE, June 30, 2015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,508,116</b>	<b>\$ 2,508,116</b>

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND  
FISCAL YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources				
Charges for services	\$ 485,847	\$ 485,847	\$ 75,116	\$ (410,731)
Interest on investments	-	-	36,742	36,742
Miscellaneous	82,500	82,500	295,871	213,371
Intermediate sources				
Intergovernmental	-	-	8,576	8,576
Miscellaneous	25,000	25,000	-	(25,000)
State sources				
Intergovernmental	135,115	135,115	87,802	(47,313)
Federal sources				
Intergovernmental	1,309,694	1,309,694	1,355,758	46,064
<b>TOTAL REVENUES</b>	<b>2,038,156</b>	<b>2,038,156</b>	<b>1,859,865</b>	<b>(178,291)</b>
<b>EXPENDITURES</b>				
Current				
Instruction	1,613,548	1,613,548	1,321,417	292,131
Support services	613,393	613,393	486,971	126,422
Enterprise and community services	644,847	644,847	563,056	81,791
Debt service	110,858	110,858	105,073	5,785
Contingency	237,193	237,193	-	237,193
<b>TOTAL EXPENDITURES</b>	<b>3,219,839</b>	<b>3,219,839</b>	<b>2,476,517</b>	<b>743,322</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,181,683)</b>	<b>(1,181,683)</b>	<b>(616,652)</b>	<b>565,031</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in (out)	554,778	554,778	554,778	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>554,778</b>	<b>554,778</b>	<b>554,778</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(626,905)</b>	<b>(626,905)</b>	<b>(61,874)</b>	<b>565,031</b>
<b>FUND BALANCE, July 1, 2014</b>	<b>3,356,776</b>	<b>3,356,776</b>	<b>3,410,547</b>	<b>53,771</b>
<b>FUND BALANCE, June 30, 2015</b>	<b>\$ 2,729,871</b>	<b>\$ 2,729,871</b>	<b>\$ 3,348,673</b>	<b>\$ 618,802</b>

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
 SCHEDULE OF FUNDING PROGRESS  
 JUNE 30, 2015**

<u>Valuation Date</u>	<u>Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL/ Payroll</u>
10/1/2009	\$ -	\$ 1,702,225	\$ 1,702,225	0.00%	\$ 6,946,851	24.50%
10/1/2012	\$ -	\$ 915,647	\$ 915,647	0.00%	\$ 7,301,830	12.54%

The above table represents the most recent actuarial valuation for the District's other postemployment benefits and provides information that approximates the funding progress of the plan.

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY/(ASSET) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST 10 FISCAL YEARS ENDING JUNE 30 (For Years Information is Available)**

**Brookings-Harbor School District 17C Proportionate Share of Net Pension Liability / (Asset)**

	<u>2014</u>	<u>2013</u>
District's of proportion of the net pension liability/(asset)	0.0418436%	0.0418436%
District's proportion of the net pension liability/(asset)	\$ (948,474)	\$ 2,135,339
District's covered-employee payroll	\$ 6,761,490	\$ 6,654,285
District's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	14.03%	32.09%
Plan fiduciary net position as a percentage of the total pension liability	103.59%	91.97%

**Brookings-Harbor School District 17C Contributions**

	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 374,375	\$ 327,355
Contribution in relation to the contractually required	\$ (374,375)	\$ (327,355)
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered - employee payroll	\$ 6,865,619	\$ 6,761,490
Contributions as a percentage of covered-employee payroll	5.45%	4.84%

**Note 1 - Changes of Benefit Terms and Assumptions -**

No such changes have occurred since the actuarial valuation date of December 31, 2012.



**OTHER SUPPLEMENTARY INFORMATION**

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 1,254,370	\$ 1,254,370	\$ 1,279,992	\$ 25,622
Interest on investments	5,000	5,000	7,257	2,257
<b>TOTAL REVENUES</b>	<u>1,259,370</u>	<u>1,259,370</u>	<u>1,287,249</u>	<u>27,879</u>
<b>EXPENDITURES</b>				
Debt service:	<u>1,329,372</u>	<u>1,329,372</u>	<u>1,189,371</u>	<u>140,001</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(70,002)	(70,002)	97,878	167,880
<b>FUND BALANCE, July 1, 2014</b>	<u>1,000,002</u>	<u>1,000,002</u>	<u>987,982</u>	<u>(12,020)</u>
<b>FUND BALANCE, June 30, 2015</b>	<u>\$ 930,000</u>	<u>\$ 930,000</u>	<u>\$ 1,085,860</u>	<u>\$ 155,860</u>

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources				
Interest on investments	\$ 1,502	\$ 1,502	\$ 5,802	\$ 4,300
<b>TOTAL REVENUES</b>	<u>1,502</u>	<u>1,502</u>	<u>5,802</u>	<u>(4,300)</u>
<b>EXPENDITURES</b>				
Capital outlay	479,754	479,754	176,181	303,573
<b>TOTAL EXPENDITURES</b>	<u>479,754</u>	<u>479,754</u>	<u>176,181</u>	<u>303,573</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(478,252)</u>	<u>(478,252)</u>	<u>(170,379)</u>	<u>307,873</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	154,112	(154,112)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>154,112</u>	<u>(154,112)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>(16,267)</u>	<u>(16,267)</u>
<b>FUND BALANCE, July 1, 2014</b>	<u>478,252</u>	<u>478,252</u>	<u>326,145</u>	<u>(152,107)</u>
<b>FUND BALANCE, June 30, 2015</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,878</u>	<u>\$ 309,878</u>

**OTHER FINANCIAL SCHEDULES**

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
SCHEDULE OF PROPERTY TAX TRANSACTIONS  
FISCAL YEAR ENDED JUNE 30, 2015**

	Tax Year	Uncollected July 1, 2014	Levy as Extended by Assessor	Discounts and Adjustments	Interest	Collections Per Treasurer	Uncollected June 30, 2015
<b><u>GENERAL FUND:</u></b>							
Current	2014-15		\$ 5,306,113	\$ (150,151)	\$ 3,283	\$ (4,919,470)	\$ 239,775
Prior	2013-14	\$ 393,725	-	(136,331)	12,615	(147,124)	122,885
	2012-13	140,904	-	(2,068)	8,486	(64,794)	82,528
	2011-12	73,287	-	6,280	12,179	(47,501)	44,245
	2010-11	46,551	-	(6,007)	5,833	(30,078)	16,299
	2009-10	52,651	-	(35,141)	520	(2,114)	15,916
	Prior	18,637	-	(6,439)	493	(107)	12,584
Total prior		725,755	-	(179,706)	40,126	(291,718)	294,457
<b>TOTAL GENERAL FUND</b>		<u>\$ 725,755</u>	<u>\$ 5,306,113</u>	<u>\$ (329,857)</u>	<u>\$ 43,409</u>	<u>\$ (5,211,188)</u>	<u>\$ 534,232</u>
<b><u>DEBT SERVICE:</u></b>							
Current	2014-15		\$ 1,311,350	(46,971)	\$ 811	\$ (1,205,971)	\$ 59,219
Prior	2013-14	\$ 68,209	-	856	3,247	(40,687)	31,625
	2012-13	30,961	-	(1,512)	1,965	(12,304)	19,110
	2011-12	19,167	-	(1,605)	2,683	(10,502)	9,743
	2010-11	11,809	-	(1,175)	1,531	(7,887)	4,278
	2009-10	12,317	-	(8,029)	132	(375)	4,045
	Prior	4,041	-	(262)	141	(306)	3,614
Total prior		146,504	-	(11,727)	9,699	(72,061)	72,415
<b>TOTAL DEBT SERVICE FUND</b>		<u>\$ 146,504</u>	<u>\$ 1,311,350</u>	<u>\$ (58,698)</u>	<u>\$ 10,510</u>	<u>\$ (1,278,032)</u>	<u>\$ 131,634</u>

**SCHOOL DISTRICT FINANCIAL**  
**ACCOUNTING SUMMARIES**

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
2014 - 15 DISTRICT AUDIT REVENUE SUMMARY**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
<b>Revenue from Local Sources</b>							
1110 Ad Valorem Taxes Levied by District	\$5,225,597		\$1,279,992				
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax							
1190 Penalties and Interest on Taxes							
1200 Revenue from Local Governmental Units Other Than Districts							
1311 Regular Day School Tuition - From Individuals							
1312 Regular Day School Tuition - Other Dist Within State	\$781						
1313 Regular Day School Tuition - Other Districts Outside	\$15,913						
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1411 Transportation Fees - From Individuals							
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	\$14,175	\$36,742	\$7,257	\$5,802			
1600 Food Service		\$75,116					
1700 Extracurricular Activities							
1800 Community Services Activities							
1910 Rentals							
1920 Contributions and Donations From Private Sources							
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure							
1970 Services Provided Other Funds							
1980 Fees Charged to Grants							
1990 Miscellaneous	\$202,947	\$295,871					
<b>Total Revenue from Local Sources</b>	<b>\$5,459,413</b>	<b>\$407,729</b>	<b>\$1,287,249</b>	<b>\$5,802</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Intermediate Sources</b>							
2101 County School Funds	\$108,700						
2102 General ESD Revenue							
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources							
2200 Restricted Revenue		\$8,576					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
<b>Total Revenue from Intermediate Sources</b>	<b>\$108,700</b>	<b>\$8,576</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from State Sources</b>							
3101 State School Fund - General Support	\$7,504,688						
3102 State School Fund - School Lunch Match							
3103 Common School Fund	\$139,825						
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	\$13,023						
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid		\$87,802					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
<b>Total Revenue from State Sources</b>	<b>\$7,657,536</b>	<b>\$87,802</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Federal Sources</b>							
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State		\$800					
4300 Restricted Revenue From the Federal Government		\$66,406					
4500 Restricted Revenue From the Federal Government Through the State		\$1,252,097					
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$1,432					
4801 Federal Forest Fees	\$352,084						
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District		\$35,023					
<b>Total Revenue from Federal Sources</b>	<b>\$352,084</b>	<b>\$1,355,758</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Other Sources</b>							
5100 Long Term Debt Financing Sources							
5200 Interfund Transfers		\$554,778					
5300 Sale of or Compensation for Loss of Fixed Assets	\$2,437			\$154,112			
5400 Resources - Beginning Fund Balance							
<b>Total Revenue from Other Sources</b>	<b>\$2,437</b>	<b>\$554,778</b>	<b>\$0</b>	<b>\$154,112</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Totals</b>	<b>\$13,580,170</b>	<b>\$2,414,643</b>	<b>\$1,287,249</b>	<b>\$159,914</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C**  
**2014 - 15 DISTRICT AUDIT EXPENDITURE SUMMARY**

**Fund: 100 General Fund**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$2,740,738	\$1,706,686	\$936,221	\$12,172	\$85,659			
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$1,358,257	\$865,722	\$457,776	\$9,225	\$25,226	-\$29	\$337	
1122 Middle/Junior High School Extracurricular	\$3,926	\$2,743	\$1,183					
1131 High School Programs	\$2,054,122	\$1,278,866	\$656,307	\$22,318	\$94,931		\$1,700	
1132 High School Extracurricular	\$24,832	\$18,004	\$6,828					
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$1,123,293	\$636,624	\$455,024	\$11,800	\$19,666		\$179	
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$93,428			\$56,189	\$37,239			
1291 English Second Language Programs	\$54,422	\$39,614	\$14,334		\$474			
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	<b>\$7,453,018</b>	<b>\$4,548,259</b>	<b>\$2,527,673</b>	<b>\$111,704</b>	<b>\$263,195</b>	<b>-\$29</b>	<b>\$2,216</b>	<b>\$0</b>
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$79,474			\$240	\$10,483	\$68,751		
2120 Guidance Services	\$299,528	\$172,179	\$91,651	\$31,227	\$4,471			
2130 Health Services	\$79,530	\$49,072	\$29,374		\$1,084			
2140 Psychological Services	\$66,027			\$66,027				
2150 Speech Pathology and Audiology Services	\$4,308				\$4,308			
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$190,344	\$132,478	\$56,948	\$93	\$180		\$645	
2210 Improvement of Instruction Services	\$55,153	\$7,810	\$2,775	\$44,096	\$472			
2220 Educational Media Services	\$131,014	\$67,715	\$47,073	\$2,821	\$13,405			
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$22,394	\$18,337	\$4,057					
2310 Board of Education Services	\$89,863			\$84,941	\$3,122		\$1,800	
2320 Executive Administration Services	\$370,187	\$134,767	\$38,931	\$178,186	\$15,205		\$3,098	
2410 Office of the Principal Services	\$1,349,455	\$813,478	\$460,280	\$64,741	\$6,406		\$4,550	
2490 Other Support Services - School Administration	\$3,965				2474.28		1491.18	
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$460,444	\$152,234	\$99,835	\$83,629	\$8,479		\$116,267	
2540 Operation and Maintenance of Plant Services	\$1,049,492	\$420,508	\$271,905	\$301,726	\$55,353			
2550 Student Transportation Services	\$659,727	\$295,973	\$216,024	\$19,343	\$112,977		\$15,410	
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$272,301	\$96,498	\$52,150	\$44,573	\$79,080			
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	<b>\$5,183,206</b>	<b>\$2,361,049</b>	<b>\$1,371,003</b>	<b>\$921,643</b>	<b>\$317,499</b>	<b>\$68,751</b>	<b>\$143,261</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$0							
5200 Transfers of Funds	\$554,778							\$554,778
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	<b>\$554,778</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$554,778</b>
<b>Grand Total</b>	<b>\$13,191,002</b>	<b>\$6,909,308</b>	<b>\$3,898,676</b>	<b>\$1,033,347</b>	<b>\$580,694</b>	<b>\$68,722</b>	<b>\$145,477</b>	<b>\$554,778</b>



**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
2014 - 15 DISTRICT AUDIT EXPENDITURE SUMMARY**

**Fund: 200 Special Revenue Funds**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$97,423	\$43,946	\$21,205	\$2,244	\$30,028			
1113 Elementary Extracurricular	\$2,000			\$2,000				
1121 Middle/Junior High Programs	\$29,217	\$944	\$88		\$28,185			
1122 Middle/Junior High School Extracurricular	\$84,014	\$26,915	\$12,270	\$5,310	\$39,519			
1131 High School Programs	\$244,282	\$1,529	\$213	\$3,512	\$239,028			
1132 High School Extracurricular	\$194,670	\$112,276	\$26,669	\$21,023	\$34,702			
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$306,747	\$194,114	\$107,675	\$2,430	\$2,528			
1260 Treatment and Habilitation	\$760	\$516	\$244					
1271 Remediation	\$0							
1272 Title I	\$361,880	\$210,027	\$151,853					
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$250			\$250				
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$174			\$174				
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	<b>\$1,321,417</b>	<b>\$590,267</b>	<b>\$320,217</b>	<b>\$36,943</b>	<b>\$373,990</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$91,263	\$55,280	\$34,510	\$1,473				
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$800				\$800			
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$68,594	\$4,132	\$2,881	\$56,947	\$4,634			
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$53,303	\$14,219	\$2,509	\$13,819	\$22,756			
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$10,184			\$10,184				
2410 Office of the Principal Services	\$3,227			\$3,227				
2490 Other Support Services - School Administration	\$1,723			\$987	\$736			
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$20,000			\$20,000				
2540 Operation and Maintenance of Plant Services	\$234,442			\$160,441	\$50,101	\$23,900		
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$3,435	\$2,094	\$1,341					
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	<b>\$486,971</b>	<b>\$75,725</b>	<b>\$41,241</b>	<b>\$267,078</b>	<b>\$79,027</b>	<b>\$23,900</b>	<b>\$0</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$563,056	\$173,031	\$119,691	\$11,481	\$258,201		\$652	
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$563,056</b>	<b>\$173,031</b>	<b>\$119,691</b>	<b>\$11,481</b>	<b>\$258,201</b>	<b>\$0</b>	<b>\$652</b>	<b>\$0</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$105,073						\$105,073	
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	<b>\$105,073</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$105,073</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$2,476,517</b>	<b>\$839,023</b>	<b>\$481,149</b>	<b>\$315,502</b>	<b>\$711,218</b>	<b>\$23,900</b>	<b>\$105,725</b>	<b>\$0</b>

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
2014 - 15 DISTRICT AUDIT EXPENDITURE SUMMARY**

**Fund: 300 Debt Service Funds**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Elementary, K-5 or K-6		\$0							
1113 Elementary Extracurricular		\$0							
1121 Middle/Junior High Programs		\$0							
1122 Middle/Junior High School Extracurricular		\$0							
1131 High School Programs		\$0							
1132 High School Extracurricular		\$0							
1140 Pre-Kindergarten Programs		\$0							
1210 Programs for the Talented and Gifted		\$0							
1220 Restrictive Programs for Students with Disabilities		\$0							
1250 Less Restrictive Programs for Students with Disabilities		\$0							
1260 Treatment and Habilitation		\$0							
1271 Remediation		\$0							
1272 Title I		\$0							
1280 Alternative Education		\$0							
1291 English Second Language Programs		\$0							
1292 Teen Parent Program		\$0							
1293 Migrant Education		\$0							
1294 Youth Corrections Education		\$0							
1299 Other Programs		\$0							
1300 Adult/Continuing Education Programs		\$0							
1400 Summer School Programs		\$0							
<b>Total Instruction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services		\$0							
2120 Guidance Services		\$0							
2130 Health Services		\$0							
2140 Psychological Services		\$0							
2150 Speech Pathology and Audiology Services		\$0							
2160 Other Student Treatment Services		\$0							
2190 Service Direction, Student Support Services		\$0							
2210 Improvement of Instruction Services		\$0							
2220 Educational Media Services		\$0							
2230 Assessment & Testing		\$0							
2240 Instructional Staff Development		\$0							
2310 Board of Education Services		\$0							
2320 Executive Administration Services		\$0							
2410 Office of the Principal Services		\$0							
2490 Other Support Services - School Administration		\$0							
2510 Direction of Business Support Services		\$0							
2520 Fiscal Services		\$0							
2540 Operation and Maintenance of Plant Services		\$0							
2550 Student Transportation Services		\$0							
2570 Internal Services		\$0							
2610 Direction of Central Support Services		\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services		\$0							
2630 Information Services		\$0							
2640 Staff Services		\$0							
2660 Technology Services		\$0							
2670 Records Management Services		\$0							
2690 Other Support Services - Central		\$0							
2700 Supplemental Retirement Program		\$0							
<b>Total Support Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services		\$0							
3200 Other Enterprise Services		\$0							
3300 Community Services		\$0							
3500 Custody and Care of Children Services		\$0							
<b>Total Enterprise and Community Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction		\$0							
4120 Site Acquisition and Development Services		\$0							
4150 Building Acquisition, Construction, and Improvement Services		\$0							
4180 Other Capital Items		\$0							
4190 Other Facilities Construction Services		\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service		\$1,189,371						\$1,189,371	
5200 Transfers of Funds		\$0							
5300 Apportionment of Funds by ESD		\$0							
5400 PERS UAL Bond Lump Sum		\$0							
<b>Total Other Uses Expenditures</b>		\$1,189,371	\$0	\$0	\$0	\$0	\$0	\$1,189,371	\$0
<b>Grand Total</b>		<b>\$1,189,371</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,189,371</b>	<b>\$0</b>

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
2014 - 15 DISTRICT AUDIT EXPENDITURE SUMMARY**

**Fund: 400 Capital Projects Funds**

		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>									
1111 Elementary, K-5 or K-6		\$0							
1113 Elementary Extracurricular		\$0							
1121 Middle/Junior High Programs		\$0							
1122 Middle/Junior High School Extracurricular		\$0							
1131 High School Programs		\$0							
1132 High School Extracurricular		\$0							
1140 Pre-Kindergarten Programs		\$0							
1210 Programs for the Talented and Gifted		\$0							
1220 Restrictive Programs for Students with Disabilities		\$0							
1250 Less Restrictive Programs for Students with Disabilities		\$0							
1260 Treatment and Habilitation		\$0							
1271 Remediation		\$0							
1272 Title I		\$0							
1280 Alternative Education		\$0							
1291 English Second Language Programs		\$0							
1292 Teen Parent Program		\$0							
1293 Migrant Education		\$0							
1294 Youth Corrections Education		\$0							
1299 Other Programs		\$0							
1300 Adult/Continuing Education Programs		\$0							
1400 Summer School Programs		\$0							
<b>Total Instruction Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Support Services Expenditures</b>									
2110 Attendance and Social Work Services		\$0							
2120 Guidance Services		\$0							
2130 Health Services		\$0							
2140 Psychological Services		\$0							
2150 Speech Pathology and Audiology Services		\$0							
2160 Other Student Treatment Services		\$0							
2190 Service Direction, Student Support Services		\$0							
2210 Improvement of Instruction Services		\$0							
2220 Educational Media Services		\$0							
2230 Assessment & Testing		\$0							
2240 Instructional Staff Development		\$0							
2310 Board of Education Services		\$0							
2320 Executive Administration Services		\$0							
2410 Office of the Principal Services		\$0							
2490 Other Support Services - School Administration		\$0							
2510 Direction of Business Support Services		\$0							
2520 Fiscal Services		\$0							
2540 Operation and Maintenance of Plant Services		\$0							
2550 Student Transportation Services		\$0							
2570 Internal Services		\$0							
2610 Direction of Central Support Services		\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services		\$0							
2630 Information Services		\$0							
2640 Staff Services		\$0							
2660 Technology Services		\$0							
2670 Records Management Services		\$0							
2690 Other Support Services - Central		\$0							
2700 Supplemental Retirement Program		\$0							
<b>Total Support Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Enterprise and Community Services Expenditures</b>									
3100 Food Services		\$0							
3200 Other Enterprise Services		\$0							
3300 Community Services		\$0							
3500 Custody and Care of Children Services		\$0							
<b>Total Enterprise and Community Services Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Facilities Acquisition and Construction Expenditures</b>									
4110 Service Area Direction		\$0							
4120 Site Acquisition and Development Services		\$0							
4150 Building Acquisition, Construction, and Improvement Services		\$176,181			\$12,700		\$163,481		
4180 Other Capital Items		\$0							
4190 Other Facilities Construction Services		\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>		\$176,181	\$0	\$0	\$12,700	\$0	\$163,481	\$0	\$0
<b>Other Uses Expenditures</b>									
5100 Debt Service		\$0							
5200 Transfers of Funds		\$0							
5300 Apportionment of Funds by ESD		\$0							
5400 PERS UAL Bond Lump Sum		\$0							
<b>Total Other Uses Expenditures</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total</b>		\$176,181	\$0	\$0	\$12,700	\$0	\$163,481	\$0	\$0

BROOKINGS HARBOR SCHOOL DISTRICT NO. 17C  
 SUPPLEMENTAL INFORMATION, 2014-2015

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.

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

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

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

	Objects 325 & 326
Function 2540	\$190,628
Function 2550	\$ 3,513

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

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

Exclude these functions:

1113, 1122 & 1132  
 1140  
 1300  
 1400

Co-curricular Activities  
 Pre-Kindergarten  
 Continuing Education  
 Summer School

Exclude these functions:

4150  
 2550  
 3100  
 3300

Construction  
 Pupil Transportation  
 Food Service  
 Community Services

\$0

**AUDIT COMMENTS AND DISCLOSURES**  
**REQUIRED BY STATE REGULATIONS**

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

Board of Directors  
Brookings-Harbor School District No. 17C  
Curry County, Oregon

We have audited the basic financial statements of the Brookings-Harbor School District No. 17C (the District) as of and for the year ended June 30, 2015, and have issued our report thereon dated December 11, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

### Compliance

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

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

- Deposit of public funds with financial institutions under ORS Chapter 295.
- Indebtedness limitations, restrictions and repayment under ORS 328.245.
- Budgets legally required under ORS Chapter 294.
- Insurance and fidelity under bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds under ORS Chapter 294.
- Public contracts and purchasing under ORS Chapters 279A, 279B, 279C.
- State School Fund Distribution Factors

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

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

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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, we 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 the District and the State of Oregon, Division of Audits and is not intended to be and should not be used by anyone other than these parties.

*Stewart Parmele CPA, Partner*

Stewart Parmele CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 11, 2015

**ITEMS REQUIRED BY OMB CIRCULAR A-133**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Brookings-Harbor School District No. 17C  
Curry County, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Brookings-Harbor School District No. 17C (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2015.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Directors  
Brookings-Harbor School District No. 17C  
Curry County, Oregon

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Stewart Parmele CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 11, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

Board of Directors  
Brookings-Harbor School District No. 17C  
Curry County, Oregon

**Report on Compliance for Each Major Federal Program**

We have audited Brookings-Harbor School District No. 17C's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

## Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Stewart Parmele CPA, Partner  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 11, 2015

**BROOKINGS-HARBOR SCHOOL DISTRICT 17C  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FISCAL YEAR ENDED JUNE 30, 2015**

Grantor	Program Title	Grant Period	CFDA Number	Pass through #	Grant Amount	2014-15 Revenues	2014-15 Expenditures
<b>U.S. Department of Education:</b>							
Direct Grant	Title V Indian Education	7/1/14 - 6/30/15	84.060A		\$ 76,419	\$ 66,407	\$ 66,407
					<u>76,419</u>	<u>66,407</u>	<u>66,407</u>
Passed through Oregon State Department of Education:							
	Title I-A :	7/1/13 - 9/30/14	84.010	28087	389,531	12,918	12,918
		7/1/14 - 9/30/15	84.010	32539	351,049	351,049	351,049
	Total				<u>740,580</u>	<u>363,967</u>	<u>363,967</u>
Special Education - IDEA Part B:							
		7/1/13 - 9/30/15	84.027	28401	239,878	142,420	142,420
		7/1/14 - 9/30/16	84.027	33228	258,837	158,481	158,481
	IDEA Part B Sec 611	10/1/13 - 9/30/14	84.027	29723	2,652	2,598	2,598
	IDEA Part B Sec 611	10/1/14 - 9/30/15	84.027	33649	2,652	2,458	2,458
	SPR&I Formula	8/1/14 - 6/30/15	84.027	32034	1,905	1,085	1,085
	IDEA Part B Sec 619	7/1/13 - 9/30/15	84.173	28814	2,708	760	760
	Total				<u>508,633</u>	<u>307,800</u>	<u>307,800</u>
Title II-A Improving Teacher Quality:							
		7/1/13 - 9/30/14	84.367	28599	72,259	889	889
		7/1/14 - 9/30/15	84.367	32863	72,443	72,443	72,443
	Total				<u>144,702</u>	<u>73,332</u>	<u>73,332</u>
Special Education - Personnel Development							
	SLP	2/1/15 - 6/3/15	84.323	34962	10,000	10,000	10,000
	SLP	2/1/15 - 6/3/15	84.323	34963	10,000	10,000	10,000
	SLP	2/1/15 - 6/3/15	84.323	34971	400	400	400
	SLP	2/1/15 - 6/3/15	84.323	34972	400	400	400
	Total				<u>20,800</u>	<u>20,800</u>	<u>20,800</u>
Rural Education:							
	Title 6	7/1/13 - 9/30/14	84.358	29918	28,381	7,013	7,013
Passed through Oregon Department of Health and Human Services:							
	YTP - Basic Vocational Rehabilitation Services	7/1/14 - 6/30/15	84.126A	143318	47,403	47,403	47,403
Passed through South Coast ESD:							
	Title I Carl D. Perkins:	7/1/14 - 6/30/15	84.048	2014-15	1,432	1,432	1,432
Passed through Southern Oregon ESD:							
	Title III	7/1/14 - 9/30/15	84.365	2014-15	2,132	2,132	2,132
Passed through Oregon University System:							
	GEAR-UP	7/1/13 - 7/30/14	84.334	2013-14	25,000	22,756	22,756
<b>Total U.S. Department of Education</b>					<u>1,595,482</u>	<u>913,042</u>	<u>913,042</u>
<b>U.S. Department of Agriculture:</b>							
Passed through Oregon State Department of Education:							
	National School Breakfast	2014-15	10.553	2014-15	93,026	93,026	93,026
	National School Lunch	2014-15	10.555	2014-15	300,881	300,881	300,881
	Commodities	2014-15	10.555	2014-15	35,023	35,023	35,023
	Summer Foods Program	2014-15	10.559	2014-15	13,786	13,786	13,786
	Total				<u>442,716</u>	<u>442,716</u>	<u>442,716</u>
Direct Award:							
	Federal Forest Fees	2014-15	10.665	2014-15	352,084	352,084	352,084
					<u>352,084</u>	<u>352,084</u>	<u>352,084</u>
<b>Total U.S. Department of Agriculture</b>					<u>794,800</u>	<u>794,800</u>	<u>794,800</u>
<b>Total Federal Financial Assistance</b>					<u>\$ 2,390,282</u>	<u>\$ 1,707,842</u>	<u>\$ 1,707,842</u>

**Note A - Basis of Presentation**

The schedule of expenditures of federal awards includes the federal grant activity of the Brookings-Harbor School District 17C and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**Note B - Food Distribution**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2015, the District received food commodities totaling \$35,023.

**BROOKINGS-HARBOR SCHOOL DISTRICT NO. 17C  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FISCAL YEAR ENDED JUNE 30, 2015**

**A. SUMMARY OF AUDIT RESULTS**

Financial Statements

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Brookings-Harbor School District No. 17C.
2. No instances of noncompliance material to the basic financial statements of Brookings-Harbor School District No. 17C were disclosed during the audit.

Federal Awards

3. The auditor's report on compliance for the major federal award programs for Brookings-Harbor School District No. 17C expresses an unmodified opinion.
4. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 reported in this schedule.
5. The programs tested as major programs include:

**U.S. Department of Education**

Title I

CFDA # 84.010

**U.S. Department of Agriculture**

Federal Forest Fees

CFDA # 10.665

6. The threshold for distinguishing Types A and B Programs was \$300,000.
7. Brookings-Harbor School District No. 17C qualified as a low-risk auditee under the criteria specified in OMB Circular A-133.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT –  
CURRENT YEAR**

None