

COQUILLE SCHOOL DISTRICT NO. 8
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

COQUILLE SCHOOL DISTRICT NO. 8
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019

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DISTRICT OFFICIALS

COQUILLE SCHOOL DISTRICT NO. 8
DISTRICT OFFICIALS
June 30, 2019

BOARD OF DIRECTORS

Cliff Wheeler
340 South Adams Street
Coquille, OR 97423

Steve Britton
P.O. Box 193
Coquille, OR 97423

Traci GeDeros
99799 Hwy 42
Coquille, OR 97423

Heather Echavarria
1101 East 15th Street
Coquille, OR 97423

Matt Rowe
382 W Central Blvd Apt #2
Coquille, OR 97423

Misty Thrash, Chair
697 South 1st Avenue
Coquille, OR 97423

Roy Wright
94502 Smokey Lane
Coquille, OR 97423

Tim Sweeney, Superintendent

Teri Pointer, Business Manager

Coquille School District No. 8
1366 N. Gould Street
Coquille, Oregon 97423

Telephone: (541) 396-2181

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

December 18, 2019

To the Board of Directors of Coquille School District No. 8:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Coquille School District No. 8, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
General Fund	Unmodified
Special Grant Fund	Unmodified
Capital Project Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinion on Governmental Activities

The District has chosen to not adopt Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. This statement is required by accounting principles generally accepted in the United States of America. Because the District did not determine the amount of their liability under GASB Statement No. 75, the effect on the Statement of Net Position and the Statement of Activities cannot be determined.

The District has also chosen to not adopt Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB No. 27*. This statement provides guidance for reporting net pension liability to improve accounting and financial reporting for pensions. This statement is required by accounting principles generally accepted in the United States of America. Due to the fact that the District did not implement GASB Statement No. 68, the effect on the Statement of Net Position and the Statement of Activities cannot be determined.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of not implementing GASB Statements No. 68 and No. 75, as discussed in the preceding paragraphs, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Coquille School District No. 8 as of June 30, 2019, 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.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of Coquille School District No. 8 as of June 30, 2019, 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 management's discussion and analysis and budgetary comparison information for the General Fund and Special Grant Fund as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the management's discussion and analysis 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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Coquille School District No. 8's basic financial statements. The supplementary information, as listed in the table of contents, and the Schedule of Expenditures of Federal Financial Awards, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The Schedule of Expenditures of Federal Financial Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, and is also not a required part of the basic financial statements.

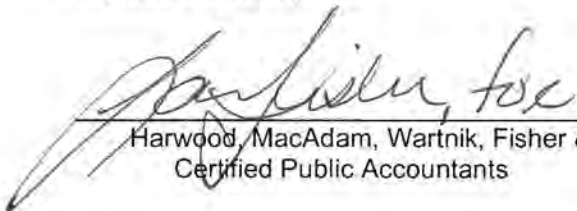
Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information and the Schedule of Expenditures of Federal Financial Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Oregon Department of Education Supplemental Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards* and Oregon Revised Statutes

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of Coquille School District No. 8's internal control over financial reporting and on 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 Coquille School District's internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 18, 2019, on our consideration of the Coquille School District's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 to 162-10-0330. The purpose of that report is to describe our testing of compliance and the results of that testing and not to provide an opinion on compliance. Accordingly, we do not express such an opinion.



Harwood, MacAdam, Wartnik, Fisher & Gorman, LLC
Certified Public Accountants

**COQUILLE SCHOOL DISTRICT 8
COOS COUNTY,
MANAGEMENT'S DISCUSSION AND ANALYSIS
For Year Ended June 30, 2019**

This section of Coquille School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2019. The intent of the Management Discussion and Analysis (MD&A) is to look at the School District's financial performance as a whole. With this in mind, please also refer to the District's financial statements, which immediately follow this section.

Financial Variances from the Prior Year

There were some significant variances in revenues, expenditures and changes in fund balance from the prior year. The General Fund, as discussed in more detail later, had revenue of approximately \$12.86 million (excluding the beginning fund balance), an increase of approximately \$1.03 million from the prior year. This increase was made up of a couple of factors. There was an increase in the General Purpose Grant of \$142 per extended ADMw and enrollment increased by approximately 106 ADMw accounting for approximately \$830,616. This increase also included an under estimate of the current and prior year taxes in the amount of \$60.3 thousand, however, the majority of this will be paid back to ODE in May of 2020. This is an indication of the ever improving economy. General Fund expenditures have also increased as the district continues to grow, causing an increase in staffing and the district also continues to offer new learning opportunities for students. General Fund expenses were approximately \$12.53 million, an increase of about \$1.17 million from the prior year. Some of these were planned budgeted changes, ie: salary and benefit cost increases but others were unplanned ie: the cost of adding staff and the increased supply expense due to the increased student count. This is a situation that will continue to show itself until Coquille's student population is a little more static. At this point in time, Coquille's increasing student population does not show any signs of slowing down. As a result of the change in margins between expenditures and revenue, the ending fund balance had an upward change of approximately \$222 thousand.

Special Grant Fund revenues were up approximately \$205 thousand overall from the prior year. Expenditures were up approximately \$110 thousand. There was an upward net change in the fund balance of about \$69 thousand.

The overall net changes to these funds are due primarily to miscellaneous grants moving in/out, fluctuations in Student Body & Food Service and the amount transferred in from the General Fund for athletics.

The Capital Projects Fund ending fund balance was approximately \$3.52 million. This was a decrease of approximately \$1.4 million from the prior year. This decrease of ending fund balance is due to the construction starting on the new Winter Lakes High School and CTE center. This was a planned expenditure for which a \$4.8 million dollar bond was taken out the previous fiscal year.

Statement of Net Position and the Statement of Activities

While this document contains financial statements for each of the individual funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year ending June 30, 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes in those assets. This change in Net Position is important because it tells the reader whether, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include economic conditions, mandated educational programs, enrollment levels, and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where all of the School District's programs and services are reported including instruction, support services and community services. The School District does not have any business- like activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 5. Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Grant Fund, and the Capital Projects Fund.

Governmental Funds

All of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a comparative summary of the School District's Net Position for the years ending June 30, 2018 and 2019.

Table 1
Net Position

	<u>6/30/2019</u>	<u>6/30/2018</u>
Assets:		
Current and other assets	\$ 7,185,319	\$ 8,313,485
Capital assets	<u>10,953,783</u>	<u>9,121,069</u>
Total assets	<u>18,139,102</u>	<u>17,434,554</u>
Deferred Outflows of Resources		
Deferred amounts on refunding of bonds	<u>36,372</u>	<u>50,301</u>
Liabilities:		
Current liabilities	995,564	1,790,133
Long-term liabilities	<u>11,574,977</u>	<u>11,149,978</u>
Total liabilities	<u>12,570,541</u>	<u>12,940,111</u>
Net Position:		
Invested in capital assets, net of related debt	2,893,053	1,973,104
Restricted	736,356	798,997
Unrestricted	<u>1,975,524</u>	<u>1,772,643</u>
Total Net Position	<u>\$ 5,604,933</u>	<u>\$ 4,544,744</u>

Table 2 shows the changes in Net Position for the year ending June 30, 2018 and 2019.

Table 2
Changes in Net Position

	<u>2019</u>	<u>2018</u>
REVENUES:		
Program revenues:		
Charges for services and contracts	\$ 754,984	\$ 371,933
Operating grants and contributions	1,869,135	2,123,526
Capital grants and contributions	5,000	-
General revenue:		
Property taxes	2,588,527	2,539,005
Federal, State & local sources	10,059,235	9,113,517
Earnings on investments	225,537	80,620
Total Revenues	<u>15,502,418</u>	<u>14,228,601</u>
EXPENSES:		
Instruction	7,821,788	6,980,698
Support services	5,062,387	4,651,092
Community services	826,557	846,473
Interest on long-term debt	300,097	170,870
Unallocated amortization	13,929	13,929
Unallocated depreciation	417,471	372,360
Total Expenses	<u>14,442,229</u>	<u>13,035,422</u>
Increase (decrease) in net position	1,060,189	1,193,179
Net Position - beginning	<u>4,544,744</u>	<u>3,351,565</u>
Net Position - ending	<u><u>\$ 5,604,933</u></u>	<u><u>\$ 4,544,744</u></u>

The Statement of Activities shows the cost of program services and the revenues received for charges for services and grants that offset those services for the year ending June 30, 2019.

Instruction expense includes students and instructional staff expenses directly dealing with the teaching of students and the interaction between teacher and student, and the activities involved with assisting staff with the content and process of teaching to students.

Supporting services includes general, school, and business administration expenses associated with administration of the District as a whole, the administration of the schools individually, and with the fiscal and financial supervision of the District. This also includes activities associated with upgrading and replacing technological equipment and operation and maintenance of the school grounds, buildings, and equipment.

Capital acquisition and construction includes construction and major renovation of building and equipment.

Community services include expenses related to food service costs and scholarship awards.

Interest is associated with the payment of debt principal and capital leases.

The School District's Funds

Information about the School District's major funds revenues and expenditures is on page 9. These funds are accounted for using the modified accrual basis of accounting. Excluding debt refinancing and sales of capital assets, the General Fund had total revenues of \$12,863,528 and expenditures of \$12,528,211. After transfers, debt service, and sale of assets, the net change in fund balance for the year in the General Fund was an increase of \$222,140.

The change in fund balance for Special Grant Fund was an increase of \$69,100, which was due primarily to the change in Food Service and a transfer to Athletics from the General Fund.

The Capital Projects Fund had carryover revenues of \$3.52 million.

General Fund Budgeting Highlights

The School District's budget is prepared according to Oregon law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The adopted budget as amended for the General Fund was \$13,855,603, of which \$968,199 was the beginning fund balance. The actual beginning fund balance was \$1,357,781.

Capital Assets

At the end of the fiscal year 2019, the School District had a net investment of \$10,953,783 in land, land improvements, buildings, equipment, and vehicles.

Debt Administration and Outstanding Debt

The School District has several outstanding debt obligations. One is a general obligation bond issue, which was approved by the voters in 2001. These bonds are required to be paid within no more than 20 years from the date of issue and are backed by the full faith and credit of the District. The proceeds from the bond were used to expand and improve the District's facilities, which the District has completed. On October 6, 2005, a portion of the bonds maturing June 15 in the years 2006 through 2021 were refinanced (2005 Advanced Refunding of 2001 GO Bonds). The remaining bond now matures in 2021 with a 19/20 payment due of \$356,355. The district has five outstanding QZAB loans. This is an almost interest "free to the district" loan (the interest is subsidized by the federal government) that will be repaid over the course of 19 years. These loans have varying maturity dates with the most extended one maturing in 2035. In addition, the district has a lease purchase balance used to upgrade its aging bus fleet, which has a balance of \$569,422 and a bond of \$4.8 million that is being used to build a new Winter Lakes High School and a Career Technical Education Center. The District has continued to grow at an amazing rate and finding space to house all of our new students is a constant challenge. The School District's current debt load is approximately \$14.5 million and the overall legal debt margin is approximately \$32 million, so we are well within the prescribed boundaries.

Current Financial Issues and Concerns

Once again, as in the past number of years, the major concern is the number of ADM to estimate for the 20/21 school year. The district's student population continues to grow in all school buildings and the challenge for the current and next year is finding a way to get the District Office, Special Education Office and Technology out of the school buildings so there is more room for student growth. Daycare also continues to grow and there is a waiting list for the Pre-K programs.

PERS unfunded liability continues to increase. This continues to be a concern and the district has started setting aside funds to help mitigate the projected increases. The current estimate is that the PERS percentage will need to increase by 6%+ for each biennium for the next 3 biennia.

In conclusion, the Coquille School District No. 8 continues to be dedicated to academic excellence and financial responsibility. We are continuing to be proactive in our entrepreneurial endeavors to take advantage of any opportunities that could help increase the district's revenue. The District will start the 20/21 budgeting process in December of 2019 in order to have a better idea of the funding level required for the 20/21 year. The School District will continue to maintain sound fiscal management and encourage staff at all levels to seek ways to stretch our resources while providing daily opportunities for students to grow personally as well as academically.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Teri Pointer, Business Manager, Coquille School District No. 8, 1366 N. Gould St, Coquille, OR 97423, 541-396-2181 or tpointer@coquille.k12.or.us.

BASIC FINANCIAL STATEMENTS

COQUILLE SCHOOL DISTRICT NO. 8
STATEMENT OF NET POSITION
June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 6,724,044
Receivables:	
Accounts	40,130
Intergovernmental	109,630
Property taxes	257,986
Prepaid expenses	33,101
Inventory	18,222
Restricted assets - cash and investments	
Temporarily restricted - permanent trust	2,206
Capital assets:	
Land	1,145,771
Construction in process	1,376,773
Depreciable assets net of depreciation	<u>8,431,239</u>
Total assets	<u>18,139,102</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding of bonds	<u>36,372</u>
LIABILITIES	
Accounts payable	80,324
Accrued payroll and benefits	859,924
Accrued interest payable	11,550
Compensated absences payable	43,766
Capital leases:	
Amount due within one year	77,328
Amount due after one year	470,133
Long-term debt:	
Amount due within one year	761,761
Amount due after one year	<u>10,265,755</u>
Total liabilities	<u>12,570,541</u>
NET POSITION	
Net investment in capital assets	2,893,053
Specific educational purposes	734,150
Scholarships	2,206
Unrestricted	<u>1,975,524</u>
Total net position	<u>\$ 5,604,933</u>

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

COQUILLE SCHOOL DISTRICT NO. 8
Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services & Contracts	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 7,821,788	\$ 328,753	\$ 867,323	\$ -	\$ (6,625,712)
Supporting services	5,062,387	416,394	328,749	5,000	(4,312,244)
Community services	826,557	9,837	673,063	-	(143,657)
Interest on long-term debt*	300,097	-	-	-	(300,097)
Unallocated amortization*	13,929	-	-	-	(13,929)
Unallocated depreciation*	417,471	-	-	-	(417,471)
Total governmental activities	\$ 14,442,229	\$ 754,984	\$ 1,869,135	\$ 5,000	(11,813,110)

General revenues:

Taxes:

Property taxes, levied for general purposes	2,214,744
Property taxes, levied for debt service	373,783
Federal and State aid not restricted to specific purposes	10,059,235
Interest and investment earnings	225,537

Total general revenues 12,873,299

Changes in net position 1,060,189

Net position - beginning 4,544,744

Net position - ending \$ 5,604,933

* depreciation, amortization and interest expense are not allocated

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

COQUILLE SCHOOL DISTRICT NO. 8
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	Major Funds			Nonmajor	
	General	Special Grant	Capital Projects	Funds	Total
ASSETS					
Cash and cash equivalents	\$ 2,345,839	\$ 689,345	\$ 3,528,721	\$ 162,345	\$ 6,726,250
Receivables:					
Accounts	33,871	6,259	-	-	40,130
Intergovernmental	53,234	56,396	-	-	109,630
Property taxes - current	26,289	-	-	4,376	30,665
Property taxes - noncurrent	194,385	-	-	32,936	227,321
Prepaid expenses	33,101	-	-	-	33,101
Inventory	-	18,222	-	-	18,222
Total assets and other debits	<u>\$ 2,686,719</u>	<u>\$ 770,222</u>	<u>\$ 3,528,721</u>	<u>\$ 199,657</u>	<u>\$ 7,185,319</u>
LIABILITIES					
Accounts payable	\$ 52,489	\$ 17,850	\$ 9,985	\$ -	\$ 80,324
Payroll and benefits payable	859,924	-	-	-	859,924
Total liabilities	<u>912,413</u>	<u>17,850</u>	<u>9,985</u>	<u>-</u>	<u>940,248</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>194,385</u>	<u>-</u>	<u>-</u>	<u>32,936</u>	<u>227,321</u>
FUND BALANCES					
Nonspendable	33,101	18,222	-	-	51,323
Restricted	-	734,150	3,477,875	166,721	4,378,746
Committed	-	-	40,861	-	40,861
Assigned	745,000	-	-	-	745,000
Unassigned	801,820	-	-	-	801,820
Total fund balances	<u>1,579,921</u>	<u>752,372</u>	<u>3,518,736</u>	<u>166,721</u>	<u>6,017,750</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,686,719</u>	<u>\$ 770,222</u>	<u>\$ 3,528,721</u>	<u>\$ 199,657</u>	<u>\$ 7,185,319</u>

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

COQUILLE SCHOOL DISTRICT NO. 8
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances - governmental funds	\$ 6,017,750
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Amounts report for governmental activities in the Statement of Net Position are different because:

Capital assets used in government activities are not current financial resources and, therefore, are not reported in the fund financial statements. These assets consist of:

Land	\$ 1,145,771	
Construction in progress	1,376,773	
Buildings, equipment and vehicles	14,591,194	
Less accumulated depreciation on capital assets	<u>(6,159,955)</u>	
		10,953,783

Certain assets reported in the Statement of Net Position are not current financial resources and are not reported in the fund financial statements.

Deferred bond refunding amounts (net)	36,372
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The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.

Property taxes	227,321
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Some liabilities are not due and payable in the current period and, therefore are not reported in the funds. These liabilities consist of:

Long-term debt - Bonds	(11,027,516)	
Capital leases payable	(547,461)	
Accrued interest on long-term debt	(11,550)	
Compensated absences	<u>(43,766)</u>	
		<u>(11,630,293)</u>

Total net position - governmental activities	\$ <u>5,604,933</u>
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The notes to the basic financial statements are an integral part of this statement.

COQUILLE SCHOOL DISTRICT NO. 8
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	Major Funds				
	General	Special Grant	Capital Projects	Nonmajor Funds	Total
Revenues:					
Property taxes	\$ 2,226,978	\$ -	\$ -	\$ 370,780	\$ 2,597,758
Donations	-	157,246	5,000	-	162,246
Charges for services	130,841	48,173	28,255	-	207,269
Curricular activities	7,216	154,499	-	-	161,715
Earnings on investments	222,497	2,940	-	100	225,537
Other	43,168	23,159	-	-	66,327
County and intermediate sources	14,232	31,049	-	-	45,281
State school fund	9,932,108	550,922	-	-	10,483,030
State grants and other funding	235,345	-	-	-	235,345
Federal grants	51,143	1,275,998	-	-	1,327,141
Total revenues	12,863,528	2,243,986	33,255	370,880	15,511,649
Expenditures:					
Current:					
Instruction	6,554,704	1,224,564	75,475	-	7,854,743
Supporting services	4,946,917	296,893	106,582	-	5,350,392
Community services	183,387	709,806	-	-	893,193
Facilities acquisition	104,137	56,784	1,711,915	-	1,872,836
Debt service	739,066	-	-	348,135	1,087,201
Total expenditures	12,528,211	2,288,047	1,893,972	348,135	17,058,365
Excess (deficiency) of revenues over (under) expenditures	335,317	(44,061)	(1,860,717)	22,745	(1,546,716)
Other financing sources (uses):					
Transfer in	110,377	223,554	-	-	333,931
Transfer out	(223,554)	(110,377)	-	-	(333,931)
Issuance of debt	-	-	425,000	-	425,000
Total other financing sources (uses)	(113,177)	113,177	425,000	-	425,000
Net changes in fund balances	222,140	69,116	(1,435,717)	22,745	(1,121,716)
Fund balances, beginning of year	1,357,781	683,256	4,954,453	143,976	7,139,466
Fund balances, end of year	\$ 1,579,921	\$ 752,372	\$ 3,518,736	\$ 166,721	\$ 6,017,750

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

Coquille School District No. 8
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances
to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Total net change in fund balances - governmental funds **\$ (1,121,716)**

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

Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.

Property taxes (9,231)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, these costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount of depreciation and capital outlay expenditures for the year.

Depreciation	\$ (417,471)	
Capital outlay	2,161,756	
Gain (Loss) on disposition of capital assets	<u>88,429</u>	
		1,832,714

The issuance of long-term debt and proceeds of capital leasing provides current financial resources to the governmental funds while the repayment of long-term debt and capital leases consumes the current financial resources. However, neither has any affect on the Statement of Activities.

Issuance of debt	(425,000)	
Amortization of deferred payment on bond refunding	(13,929)	
Principal payments on long-term debt	725,297	
Principal payments on capital lease	<u>75,416</u>	
		361,784

In the governmental funds, the proceeds from the sale of capital assets is reported. However, the Statement of Activities reports the net gain (loss) of such sales.

Some items reported in the Statement of Activities do not require the use of current financial resources or may not be available as a current financial resource and therefore, are not reported as expenditures or resources in governmental funds.

Change in accrued interest payable	(7,012)	
Change in compensated absences	<u>3,650</u>	
		<u>(3,362)</u>

Change in net position of governmental activities **\$ 1,060,189**

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

COQUILLE SCHOOL DISTRICT NO. 8
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019

	Private Purpose Trust Fund	Alumni Agency Fund
ASSETS		
Cash and cash equivalents	\$ 116	\$ 5,461
LIABILITIES		
Due to others	-	\$ 5,461
NET POSITION		
Held in trust for scholarships - expendable	\$ 116	

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

COQUILLE SCHOOL DISTRICT NO. 8
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
For the Fiscal Year Ended June 30, 2019

	<u>Actual</u>
Additions:	
Interest	<u>\$ 3</u>
Change in net position held in trust for scholarships	3
Net position beginning of year	<u>113</u>
Net position end of year	<u><u>\$ 116</u></u>

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

COQUILLE SCHOOL DISTRICT NO. 8
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Coquille School District No. 8 (District), located in Coos County, Oregon, was organized under Oregon statutes pursuant to Oregon Revised Statutes (ORS) Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by an elected seven-member Board of Directors. The Superintendent is the District Clerk and is responsible to the Board of Directors.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. Based on the application of the criteria established by the Governmental Accounting Standards Board (GASB), there are no potential component units of the District.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements of Coquille School District No. 8 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

1. Basis of Presentation

District-wide Financial Statements. The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government. Fiduciary funds are not included in the District-wide financial statements.

Governmental activities – The District's programs are reported in this category, including Instruction, Supporting Services, Community Services, and Capital Acquisition/Construction. Property taxes and state and federal grants are the primary sources that finance these activities.

The District-wide statements are prepared using the economic resources measurement focus and are reported on the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the District-wide statements and the statements for governmental funds. Transactions between funds, such as transfers and loans, are eliminated in the District-wide statements.

The District-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses such as interest and depreciation are not allocated across functions, as they are not specifically associated with a particular service, program or department.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt or earlier if the susceptible to accrual criteria are met.

Fund Financial Statements. Fund financial statements report detailed information about the District. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Separate financial statements are provided for governmental funds. Major individual funds are reported as separate columns in the fund financial statements.

The financial statements for the governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

2. Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A minimum number of funds are maintained consistent with legal and managerial requirements.

Governmental funds are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, other taxes and charges for services are susceptible to accrual if received within 30 days of fiscal year end. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims of judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

The District reports the following major governmental funds:

General Fund - The General Fund is the District's primary operating fund. It accounts for and reports on all financial resources of the general government, except those required to be accounted for in another fund. Resources consist of property taxes, state school support and other various revenues sources.

Special Grant Fund - The Special Grant Fund accounts for and reports on revenue sources that are legally restricted to expenditure for specific purposes, as well as revenues received and expenditures made for athletics, professional growth, food service, scholarships and student activities. Federal grants, fees, charges for service and interest earnings are the major sources of revenue.

Capital Projects Fund - This fund accounts for and reports on the acquisition of capital assets or construction of major capital projects not being financed by the General Fund. The major sources of revenue are proceeds from the sale of capital assets, bond or loan proceeds, and interest earnings.

Additionally, the District reports the following fund types:

Debt Service Fund - This fund accounts for and reports on servicing of long-term debt. Resources are provided by property tax receipts and interest earnings.

Permanent Fund - This fund accounts for and reports on the contributions received from the Hanley Trust. This fund is legally restricted to the extent that only earnings, not principal, may be used to support any of the District's programs. Principal of \$45,472 was transferred to the Oregon Community Foundation in earlier years in order to increase earnings. Remaining funds in the account are earnings eligible for use by the District.

Fiduciary funds account for and report on assets held by the District in a trustee capacity or as an agent on behalf of others. Funds of this type are accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting.

The *Hupperich Trust*, a private purpose trust fund, accounts for and reports assets of which only the earnings may be spent on scholarships.

The *Agency Fund* accounts for assets held by the District in a purely custodial capacity.

C. Balance Sheet and Statement of Net Position Components

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments in the Oregon State Treasury Local Government Investment Pool (LGIP).

All cash and cash equivalents are carried at amortized cost, which approximates fair value. The District maintains merged bank accounts for its funds in a central pool of cash and cash equivalents.

The investment policy of the District is to invest in LGIP and interest-bearing demand deposits with local banks and to transfer resources to the general checking account as the need arises. This policy is in accordance with ORS 294.035, which specifies the types of investments authorized for municipal corporations. The District allocates interest to the General Fund, the Special Grant Fund, the Hanley Trust Fund and the Hupperich Trust Fund based on average monthly cash balances.

2. *Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. Other receivables including property taxes, accounts, entitlements, and shared revenues are reported in accordance with the policies enumerated in Paragraph B above.

3. *Inventories*

With the exception of food service inventories, physical inventories are taken for control purposes only with no dollar value assigned. Accordingly, with the exception of food service inventories, a value is not included on the balance sheet.

Food inventory of \$18,222 reflected in the Special Revenue Funds is reported at the lower of cost or market value as of June 30, 2019. This inventory consists of commodities received through the U.S.D.A. Food Distribution Program, as well as those purchased from local vendors. The cost of this inventory is recorded as an expenditure when consumed rather than when purchased. Food Service Fund inventories are displayed as nonspendable on the balance sheet, which indicates they do not constitute available spendable resources, even though they are a component of the ending fund balance.

4. *Capital Assets*

Capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the District-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. Capital assets are defined by the District as assets with an initial individual cost of \$5,000 or more and an initial useful life of more than a single reporting period. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	10 - 40 years
Buildings	20 - 100 years
Equipment	5 - 25 years
Vehicles	10 - 15 years

5. *Compensated Absences*

Vested or accumulated vacation leave is reported on the District-wide financial statements. No expenditure is reported for these amounts in the fund financial statements and they are reported as liabilities on the District-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as the result of employee resignations and retirements. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The governmental fund typically used in prior years to liquidate the liability for compensated absences has been the General Fund.

6. *Long-term Obligations*

The District reports long-term debt of governmental activities at face value in the District-wide Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources.

7. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has one type of item that qualifies for reporting in this category. It is the deferred charge on refunded bonds reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 only one type of deferred inflows, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes.

8. *Use of Estimates*

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

9. *Net Position*

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's financial statements.

Government-wide net position is divided into three components:

Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position – consists of assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted – all other net position is reported in this category.

10. Fund Balance

Fund balance classifications are comprised of a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

In the fund financial statements, fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the local, state or federal laws, or externally imposed conditions by grantors, creditors or enabling legislation.

Committed—Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

Assigned—Amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent must be expressed by the Board of Directors or their authorized designee. The Board of Directors has appointed the Business Manager as their designee.

Unassigned—All amounts not included in other classifications.

The amounts in the various categories of fund balance are included in the governmental funds balance sheet. As discussed in Note 1 B.2, restricted funds are used first as appropriate. Decreases to the remaining fund balance categories first reduce committed fund balance, followed by assigned fund balance, then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of those fund balance classifications could be used.

11. Newly Implemented Accounting Standards

GASB Statement No. 83 – "*Certain Asset Retirement Obligations*." This statement provides guidance to help local and state governments decide on the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to Asset Retirement Obligations (AROs) other than municipal solid waste plants and pollution remedies, which have already been covered in prior statements. This statement covers other legally enforceable liabilities such as retirements of nuclear plants, sewage treatment plants, x-ray machines, MRIs, etc. The statement is effective for reporting periods beginning after June 15, 2018. This statement does not currently have any effect on the District's financial statements.

12. New Accounting Pronouncements Upcoming

The District will implement new GASB pronouncements in the fiscal year no later than the required effective date. Management has not yet determined the effect on the financial statements from implementing any of the following pronouncements:

GASB Statement No. 84, "*Fiduciary Activities*." This statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement enhances consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported and (2) clarifying whether and how business-type activities should report their fiduciary activities. This statement is effective for reporting periods beginning after December 15, 2018 (FYE 6-30-20). Management has not yet determined the financial effect of this statement.

GASB Statement No. 87, "*Leases*." This statement establishes a single approach for reporting leases in which the lessee records an asset representing the right to use an asset for a period of time as well as a liability for lease payments. The lease asset is amortized over the shorter of the lease term or the useful life of the asset. This statement is effective for reporting periods beginning after December 15, 2019 (FYE 6-30-21). Management has not yet determined the financial effect of this statement.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year end.

Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget. The District begins its budgeting process by appointing budget committee members in early fall of each year. Recommendations are developed through early spring and the Budget Committee usually approves the budget in late spring. Public notices of the budget hearing are generally published in early June, and the public hearing is held in late June. The budget is adopted, appropriations are made and the tax rate is declared no later than June 30. The resolution authorizing appropriations for each fund, by function, sets the legal limit for expenditures.

The following functions, by fund, are the legal levels of budgetary control:

- Instruction
- Supporting services
- Community services
- Facilities acquisition and construction
- Interagency/Fund transactions
- Debt service
- Contingency

Management may reassign resources within functions without seeking approval of the District's Board of Directors. Original appropriations may be increased through resolutions by transferring amounts between appropriations in the same fund or by transferring from an appropriation in the General Fund to an appropriation category in another fund. A supplemental budget is needed to increase appropriations when appropriations transfers are unauthorized. Budget amounts are as originally adopted, or as amended by the District's Board of Directors.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits. The Governmental Accounting Standards Board 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, 2019. 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 the depository institution to participate in the Public Funds Collateralization Pool. The Public Funds Collateralization Pool is a multiple financial institution collateral pool administered by the Oregon State Treasurer's Office.

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. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments that are in the possession of an outside party.

For the fiscal year ended June 30, 2019, the carrying amount of the District's deposits in various financial institutions was \$596,213 and the bank balance was \$1,156,618. None of the bank balance was exposed to custodial credit risk.

The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third party custodian bank securities having a value of 10 percent, 25 percent, or 110 percent of public funds on deposit depending primarily on the capitalization level of the depository bank.

Investments. Coquille School District has invested funds in the State Treasurer's Oregon Short Term Fund Local Government Investment Pool. 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 unrated external investment pool managed by the State Treasurer's office, which allows 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.

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. Withdrawals in excess of \$25 million require 48 hours' notice.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 294.810. These funds are held in the District's name and are not subject to collateralization requirements of ORS 295.015. Investments are stated at cost, which approximates fair value. State statutes authorize the District to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, debt obligations of the State of Oregon and its political subdivisions, debt obligations of the States of California, Washington, and Idaho and their political subdivisions, time deposits of insured savings institutions, bankers' acceptances, certain corporate indebtedness, and repurchase agreements.

Credit Risk. Credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The State of Oregon LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer of the Pool and it is responsible for all funds in the Pool. These funds must be invested and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short Term Funds Board, which establish diversification percentages and specify the types and maturities of investments. 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 represent 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.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short Term Fund Board manages this risk by limiting the maturity of the investments held by the fund. 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, 2019, the District had the following investments:

<u>Investment Type</u>	<u>Maturity</u>	<u>Percentage of Portfolio</u>	<u>Fair Value</u>
Local Government Investment Pool	1 day	100%	<u>\$ 6,135,214</u>

A reconciliation of cash and cash equivalents as shown on the balance sheet follows:

Cash on hand	\$ 400
Carrying amounts of deposits	596,213
Carrying amounts of investments in LGIP	<u>6,135,214</u>
Total cash and cash equivalents	<u>\$ 6,731,827</u>
Cash and cash equivalents and restricted cash and cash equivalents by fund:	
General fund	\$ 2,345,839
Special revenue fund	689,345
Capital projects fund	3,528,721
Nonmajor funds	<u>162,345</u>
Total Governmental Funds	6,726,250
Fiduciary funds	<u>5,577</u>
Total cash and cash equivalents	<u>\$ 6,731,827</u>

B. Receivables

All non-current property taxes receivable are treated as deferred 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.

Property taxes are assessed and attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are payable on November 15. They may be paid in installments due November 15, February 15, and May 15. Taxes are billed and collected by the County of Coos and remittance to the District is made at periodic intervals. For fiscal year 2018-2019, the District imposed the taxes at a rate of \$4.2522 per \$1,000 of assessed value. After reduction for estimated shared offsets, truncation, and loss due to constitutional limits of \$27,606 this resulted in a net levy of \$2,255,445, and \$375,160 levied for payment of bonded debt.

C. Capital Assets

Capital asset activity of the District for the fiscal year ended June 30, 2019 was as follows:

Governmental Capital Assets	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
<i><u>Capital assets not being depreciated</u></i>				
Land	\$ 433,157	\$ 712,614	\$ -	\$ 1,145,771
Construction in progress	53,957	1,359,756	(36,940)	1,376,773
Total non-depreciable	487,114	2,072,370	(36,940)	2,522,544
<i><u>Capital assets being depreciated</u></i>				
Land improvements	1,154,209	69,817	-	1,224,026
Buildings	11,050,626	32,601	(143,678)	10,939,549
Equipment	484,302	83,722	-	568,024
Vehicles	1,775,731	171,814	(87,950)	1,859,595
Total capital assets being depreciated	14,464,868	357,954	(231,628)	14,591,194
<i><u>Less accumulated depreciation for:</u></i>				
Land improvements	(363,038)	(53,242)	479	(415,801)
Buildings	(4,663,737)	(230,062)	-	(4,893,799)
Equipment	(306,908)	(26,462)	-	(333,370)
Vehicles	(497,230)	(107,705)	87,950	(516,985)
Total accumulated depreciation	(5,830,913)	(417,471)	88,429	(6,159,955)
Total capital assets being depreciated (net)	8,633,955	(59,517)	(143,199)	8,431,239
Governmental activities capital assets (net)	\$ 9,121,069	\$ 2,012,853	\$ (180,139)	\$ 10,953,783

Depreciation expense is not allocated among functions.

D. Fund Balance

The District has adopted GASB Statement No. 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

	General Fund	Special Grant Fund	Capital Projects Fund	Nonmajor Funds	Total
Nonspendable:					
Food service	\$ -	\$ 18,222	\$ -	\$ -	\$ 18,222
Prepaid	33,101	-	-	-	33,101
Restricted:					
Debt service	-	-	-	164,515	164,515
Student transportation	-	334,593	-	-	334,593
Donations for specific purposes	-	151,612	-	2,206	153,818
Food service	-	53,572	-	-	53,572
Student body activities	-	194,373	-	-	194,373
Capital projects	-	-	3,477,875	-	3,477,875
Committed:					
Capital projects	-	-	40,861	-	40,861
Assigned:					
PERS rate changes	510,000	-	-	-	510,000
Project completion	235,000	-	-	-	235,000
Unassigned:	801,820	-	-	-	801,820
Total fund balance	<u>\$ 1,579,921</u>	<u>\$ 752,372</u>	<u>\$ 3,518,736</u>	<u>\$ 166,721</u>	<u>\$ 6,017,750</u>

E. Deferred Inflows/Outflows of Resources

Governmental funds Balance Sheet reports deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The Statement of Net Position reports deferred outflows of resources in connection with deferred amounts paid on bond refundings.

At June 30, 2019, the General Fund and Debt Service Fund reported deferred inflows of resources for property taxes on the Balance Sheet of \$194,385 and \$32,936 respectively. The Statement of Net Position reported deferred outflows of resources for bond refundings in the amount of \$36,372.

F. Interfund Transfers

The composition of interfund transfers in the fund financial statements as of June 30, 2019 is as follows:

Interfund Transfers:

Transfer out	
General Fund (net)	<u>\$ 113,177</u>
Transfer in	
Special Grant Fund (net)	<u>\$ 113,177</u>

The transfers from the General Fund to the Special Grant Fund are routine transfers to support activities related to Professional Growth, Food Service and Athletics.

G. Leases

Operating leases: The District leases a postage machine and a copier under non-cancelable operating leases. Total costs for the leases was \$3,255 for the fiscal year ended June 30, 2019. The future minimum payments for these leases are as follows:

<u>Fiscal Year</u>	<u>Payments</u>
2019-2020	\$ 3,253
2020-2021	1,941
	<u>\$ 5,194</u>

H. Long-Term Debt

Capital Leases (Direct Borrowing): At June 30, 2019, the District had various equipment and vehicles under lease purchase agreements. The balance of these agreements at June 30, 2019 was \$547,461. The items under lease at year-end had a cost of \$777,384, with accumulated depreciation of \$153,845 and a net book value of \$623,539. Capital lease payments are made out of the general fund.

The annual lease payments for these capital leases are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2019-20	\$ 77,328	\$ 12,434	\$ 89,762
2020-21	79,306	10,456	89,762
2021-22	80,483	8,421	88,904
2022-23	76,266	6,541	82,807
2023-24	76,401	4,945	81,346
Thereafter	157,677	5,014	162,691
Total	<u>\$ 547,461</u>	<u>\$ 47,811</u>	<u>\$ 595,272</u>

General Obligation Bonds: On March 13, 2001, the voters of the District approved a general obligation (GO) bond issue in the amount of \$3,545,000 to expand and improve the District's facilities. 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 for a period of 20 years. On October 6, 2005, a portion of the bonds maturing June 15 in the years 2006 through 2021 were refinanced (2005 Advanced Refunding of 2001 GO Bonds). The remaining bonds matured in 2011. The refinanced bonds bear interest rates of 3.0 percent to 4.0 percent. The purpose of the refunding was undertaken to reduce the total debt service payments over the next 15 years by \$108,874 and resulted in an economic gain of \$84,974.

The reacquisition price exceeded the net carrying amount of the refunded debt by \$204,463. This amount is reported as a deferred outflow of resources and is amortized over the life of the refunded debt, which is the same life as the debt issued. GO Bond payments are made out of the debt service fund.

The future debt maturity requirements are as follows at June 30, 2019:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019-2020	\$ 330,000	\$ 26,355	\$ 356,355
2020-2021	350,000	13,650	363,650
Total	<u>\$ 680,000</u>	<u>\$ 40,005</u>	<u>\$ 720,005</u>

Full Faith & Credit Bonds 2018: On June 19, 2018, the District approved the issuance of Full Faith & Credit Obligation Bonds with Banner Bank in the amount of \$4,800,000 to finance capital improvements to the District's facilities. Interest is payable semiannually, and ranges from 3 percent to 4 percent. Principal payments are due in June of each year. Payments are made from the General Fund. The bonds mature after a period of 20 years.

The future debt maturity requirements are as follows at June 30, 2019:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019-2020	\$ 20,000	\$ 168,913	\$ 188,913
2020-2021	25,000	168,312	193,312
2021-2022	25,000	167,563	192,563
2022-2023	30,000	166,812	196,812
2023-2024	30,000	165,912	195,912
Thereafter	4,640,000	1,660,863	6,300,863
Total	<u>\$ 4,770,000</u>	<u>\$ 2,498,375</u>	<u>\$ 7,268,375</u>

Certificates of Participation: On January 19, 2012, the District entered into an agreement to participate in the Oregon School Boards Association Flex Fund Program. The program issues tax-credit bonds, known as Qualified Zone Academy Bonds (QZAB). Bonds were issued in the amount of \$1,025,000 and mature in 2030. Proceeds were used to finance roof replacements, HVAC replacements, and various improvements at school facilities. The bonds bear interest at 4.625 percent, however, as part of the Taxpayer Relief Act of 1997 the institutions holding the bonds receive a tax credit in lieu of interest. Interest is payable semiannually, with principal payments due in June of each year. Payments are made from the General Fund.

The future debt maturity requirements are as follows at June 30, 2019:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019-2020	\$ 56,944	\$ 47,406	\$ 104,350
2020-2021	56,944	47,406	104,350
2021-2022	56,944	47,406	104,350
2022-2023	56,944	47,406	104,350
2023-2024	56,944	47,406	104,350
2024-2025	56,944	47,406	104,350
2025-2026	56,944	47,406	104,350
2026-2027	56,944	47,406	104,350
2027-2028	56,944	47,406	104,350
2028-2029	56,944	47,406	104,350
2029-2030	57,664	47,406	105,070
	<u>\$ 627,104</u>	<u>\$ 521,466</u>	<u>\$ 1,148,570</u>

Financing Agreement: On July 1, 2014, the District entered into an agreement with Capital One Public Funding, LLC, to issue tax-credit bonds, known as Qualified Zone Academy Bonds (QZAB). Bonds were issued in the amount of \$3,750,000 and mature in 2031. Proceeds are to be used to finance roof replacements, parking lot improvements, facility and equipment upgrades, furniture and deferred maintenance, and various improvements at school facilities. The bonds bear interest at 4.48 percent, however, as part of the Taxpayer Relief Act of 1997 the institutions holding the bonds receive a tax credit in lieu of interest of 3.33 percent. Interest at 1.15 percent is payable semiannually, with principal payments due in June of each year. Payments are made from the General Fund.

The future debt maturity requirements are as follows at June 30, 2019:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019-2020	\$ 215,000	\$ 31,280	\$ 246,280
2020-2021	215,000	28,807	243,807
2021-2022	215,000	26,335	241,335
2022-2023	220,000	23,863	243,863
2023-2024	220,000	21,332	241,332
2024-2025	225,000	18,803	243,803
2025-2026	230,000	16,215	246,215
2026-2031	1,180,000	40,998	1,220,998
Total	<u>\$ 2,720,000</u>	<u>\$ 207,633</u>	<u>\$ 2,927,633</u>

Financing Agreement: On July 8, 2016, the District entered into an agreement with Banner Bank, to issue tax-credit bonds, known as Qualified Zone Academy Bonds (QZAB). Bonds were issued in the amount of \$1,500,000 and mature in 2033. Proceeds are to be used primarily to finance general building repairs/remodels, technology upgrades and textbook upgrades. The bonds bear zero percent interest. Principal payments are made annually in the amount of about \$88,235. The first five years' payments will split these payments into a QZAB A portion and a QZAB B portion with payments of \$44,000 and \$44,235 respectively. Payments are made from the General Fund.

The future debt maturity requirements are as follows at June 30, 2019:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019-2020	\$ 88,235	\$ -	\$ 88,235
2020-2021	88,235	-	88,235
2021-2022	88,235	-	88,235
2022-2023	88,235	-	88,235
2023-2024	88,235	-	88,235
2024-2025	88,235	-	88,235
2025-2026	88,235	-	88,235
2026-2027	88,235	-	88,235
2027-2028	88,235	-	88,235
2028-2033	529,415	-	529,415
	<u>\$ 1,323,530</u>	<u>\$ -</u>	<u>\$ 1,323,530</u>

Financing Agreement: On December 19, 2017, the District entered into an agreement with Banner Bank, to issue tax-credit bonds, known as Qualified Zone Academy Bonds (QZAB). Bonds were issued in the amount of \$512,000 and mature in 2034. Proceeds are to be used primarily to purchase, acquire, and lease certain equipment and other property for the benefit of the District. The bonds bear zero percent interest. Principal payments are made annually in the amount of about \$30,118. Payments are made from the General Fund. The future debt maturity requirements are as follows at June 30, 2019:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019-2020	\$ 30,118	\$ -	\$ 30,118
2020-2021	30,118	-	30,118
2021-2022	30,118	-	30,118
2022-2023	30,118	-	30,118
2023-2024	30,118	-	30,118
2024-2025	30,118	-	30,118
2025-2035	301,174	-	301,174
Total	<u>\$ 481,882</u>	<u>\$ -</u>	<u>\$ 481,882</u>

Financing Agreement: On January 2, 2019, the District entered into an agreement with Banner Bank, to borrow \$425,000 to finance construction of the Winter Lakes School CTE Center. The loan is payable over a period of fifteen years, maturing in 2034. The bonds bear a 3.6 percent interest. Principal payments are made annually in the amount of about \$36,094. Payments are made from the General Fund. The future debt maturity requirements are as follows at June 30, 2019:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019-2020	\$ 21,464	\$ 14,629	\$ 36,093
2020-2021	21,521	14,572	36,093
2021-2022	22,355	13,738	36,093
2022-2023	23,178	12,915	36,093
2023-2024	24,032	12,061	36,093
Thereafter	312,450	66,536	378,986
Total	<u>\$ 425,000</u>	<u>\$ 134,451</u>	<u>\$ 559,451</u>

During the year ended June 30, 2019, the following changes occurred in long-term liabilities reported in the Statement of Net Position:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2018	Due Within One Year
2018 Bonds	\$ 4,800,000	\$ -	\$ (30,000)	\$ 4,770,000	\$ 20,000
2018 QZAB loan	512,000	-	(30,118)	481,882	30,118
2016 QZAB loan	1,411,765	-	(88,235)	1,323,530	88,235
2014 QZAB loan	2,930,000	-	(210,000)	2,720,000	215,000
2012 QZAB loan	684,048	-	(56,944)	627,104	56,944
2005 Refunding bonds	990,000	-	(310,000)	680,000	330,000
<i>Direct Borrowings:</i>					
Tax-exempt loan	-	425,000	-	425,000	21,464
Capital leases	622,877	-	(75,416)	547,461	77,328
Total	11,950,690	425,000	(800,713)	11,574,977	839,089
Less: deferred amounts on refunding	(50,301)	-	13,929	(36,372)	(13,929)
Total	<u>\$ 11,900,389</u>	<u>\$ 425,000</u>	<u>\$ (786,784)</u>	<u>\$ 11,538,605</u>	<u>\$ 825,160</u>

Additionally, the following changes occurred in compensated absences payable:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019	Due Within One Year
Compensated absences	\$ 47,416	\$ 30,371	\$ (34,021)	\$ 43,766	\$ 43,766

IV. OTHER INFORMATION

A. 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.

B. Commitments and Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

C. Construction in Progress

At June 30, 2019, the District is involved in an improvement project. The details of the project remaining amounts are shown below:

Fund	Description	Original Contract Amount	Outstanding Contract Amount	Percentage of Completion
Capital Projects	Winter Lakes Building	\$ 3,923,635	\$ 2,861,888	25%

D. Subsequent Events

In October 2019, the District entered into an agreement to purchase the United Valley Christian Academy. The purchase price was \$300,000 with a first down payment of \$60,000 in October 2019, and second payment of \$40,000 due in July 2020. The remaining \$200,000 is financed over 10 years at 3 percent interest. The District plans to remodel this building for use as the Winter Lakes Elementary School.

E. Pending Litigation

During the 18-19 year the Coquille School District received four tort claim notices from parents alleging sexual inappropriate conduct and failure to act by the District staff. These cases remain in the pre-filing stage. The District's attorneys anticipate the plaintiffs will either send a settlement demand or file complaints in the near future. At this point, the District's exposure is difficult to calculate. The attorney representing the District has made no evaluation as to the outcome of the case.

F. Employee Retirement Systems and Plans

Public Employees Retirement System

The District did not implement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*—an amendment of GASB Statement No. 68. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68.

Plan Description.

Coquille School District No. 8 contributes to the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Oregon Revised Statutes 238 assigns the authority to establish and amend benefit provisions to the PERS Board of Trustees.

All Oregon school districts are required by law to be part of a school district pool. Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contributions rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension cost of all the pooled participants.

Pension Plan CAFR:

Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board ("OPERB"). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the PERS web site at www.oregon.gov/PERS.

Plan Benefits.

Tier One/Tier Two Retirement Benefit (Chapter 238):

Pension Benefits - The PERS retirement allowance is payable monthly for life and may be selected from 13 retirement benefit options. These options include annuities, survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing prior to August 21, 1981) or a money match computation if it results in greater benefits.

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

Disability Benefits - This is available for qualifying employees for both duty and non-duty connected causes.

Benefit Changes After Retirement - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Also, monthly benefits are adjusted annually through cost-of-living changes.

Oregon Public Service Retirement Plan Pension Program (OPSRP) ORS Chapter 238A:

Pension Benefits - The Pension Program provides benefits to members hired on or after August 29, 2003. OPSRP provides a life pension funded by employer contributions. Benefits are based upon the number of years of service and the final average salary.

Death Benefits - Upon the death of a non-retired member, the beneficiary receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits - This is available for qualifying employees for both duty and non-duty connected causes.

Benefit Changes After Retirement - Monthly benefits are adjusted annually through cost-of-living changes.

OPSRP Individual Account Program (OPSRP IAP):

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

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

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

Recordkeeping - PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions:

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The District paid 27.20 percent for Tier I and Tier II employees and 21.87 percent for OPSRP members for the fiscal year.

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

The contribution requirements of plan members and Coquille School District No. 8 are established and may be amended by the PERS Board of Trustees. The District's contributions to PERS for the years ending June 30, 2019, 2018, and 2017, were \$1,798,601, \$1,596,135, and \$1,262,198, respectively, equal to the required contributions for each year. These added to the District's fiduciary net position.

The pension liability (asset) was determined in accordance with *Government Accounting Standards Board Statement No. 27*. Since all actuarially determined contributions have been paid, and the District has not implemented GASB Statement No. 68 or GASB Statement No. 75, the reported pension liability (asset) is zero.

G. Postemployment Healthcare Plan

The District does not have a formal postemployment benefits plan for any employee group, however the District is required by Oregon Revised Statutes 243.303 to provide retirees with the opportunity to purchase group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. 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 the retiree healthcare premiums represents an implicit employer contribution. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions* was effective for periods ending June 30, 2018. This standard requires the District to report on its financial statements an actuarially determined liability for the present value of the projected benefits for implicit employer contribution for retired and active employees on the financial statements along with related deferred inflows and deferred outflows.

GASB Statement No. 75 is applicable to the District due only to this implicit rate subsidy. The District chose to not implement this standard. The District did not determine the amount of their liability under GASB Statement No. 75, therefore the effect on the Statement of Net Position and the Statement of Activities cannot be determined.

**REQUIRED SUPPLEMENTARY
INFORMATION**

MAJOR FUNDS

General Fund – The General Fund is used to account for and report on resources and activities directly associated with carrying out those operations related to the District's educational objectives. Included are all resources and activities which are not accounted for in another fund. The major sources of revenues are property taxes and state school funds.

Special Grant Fund – The Special Grant Fund accounts for and reports on revenue sources that are restricted or committed to expenditure for specific purposes, as well as revenues received and expenditures made for athletics, professional growth, food service, scholarships and student activities. Federal grants, fees, charges for service, transfers and interest earnings are the major sources of revenue.

Capital Projects Fund – The Capital Projects Fund accounts for and reports on the acquisition of capital assets or construction of major capital projects not being financed by the General Fund. The major sources of revenue are bond and loan proceeds, proceeds from the sale of capital assets and interest earnings.

COQUILLE SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local sources	\$ 2,407,247	\$ 2,408,747	\$ 2,630,700	\$ 221,953
Intermediate sources	11,000	11,000	14,232	3,232
State sources	10,294,657	10,294,657	10,167,453	(127,204)
Federal sources	43,000	43,000	51,143	8,143
Total revenues	<u>12,755,904</u>	<u>12,757,404</u>	<u>12,863,528</u>	<u>106,124</u>
Expenditures:				
Current:				
Instruction	7,092,547	6,894,047	6,554,704	339,343
Supporting services	5,448,118	5,448,118	4,946,917	501,201
Facilities acquisition	-	110,000	104,137	5,863
Community services	185,438	185,438	183,387	2,051
Debt service	680,000	770,000	739,066	30,934
Contingency	100,000	100,000	-	100,000
Total expenditures	<u>13,506,103</u>	<u>13,507,603</u>	<u>12,528,211</u>	<u>979,392</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(750,199)</u>	<u>(750,199)</u>	<u>335,317</u>	<u>1,085,516</u>
Other financing sources (uses):				
Transfer in	130,000	130,000	110,377	(19,623)
Transfer out	<u>(348,000)</u>	<u>(348,000)</u>	<u>(223,554)</u>	<u>124,446</u>
Total other financing sources (uses)	<u>(218,000)</u>	<u>(218,000)</u>	<u>(113,177)</u>	<u>104,823</u>
Net change in fund balance	<u>(968,199)</u>	<u>(968,199)</u>	<u>222,140</u>	<u>1,190,339</u>
Fund balance, beginning of year	<u>968,199</u>	<u>968,199</u>	<u>1,357,781</u>	<u>389,582</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,579,921</u>	<u>\$ 1,579,921</u>

See auditor's report

COQUILLE SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL GRANT FUND
For the Fiscal Year Ended June 30, 2019

	Budget			
	Original	Final	Actual	Variance
Revenues:				
Local sources	\$ 466,789	\$ 476,995	\$ 386,017	\$ (90,978)
Intermediate sources	107,097	130,184	31,049	(99,135)
State sources	412,128	503,628	550,922	47,294
Federal sources	1,464,309	1,532,612	1,275,998	(256,614)
Total revenues	<u>2,450,323</u>	<u>2,643,419</u>	<u>2,243,986</u>	<u>(399,433)</u>
Expenditures:				
Current:				
Instruction	1,485,876	1,515,617	1,224,564	291,053
Supporting services	316,380	378,525	296,893	81,632
Community services	1,044,447	1,045,657	709,806	335,851
Facilities acquisition	-	100,000	56,784	43,216
Total expenditures	<u>2,846,703</u>	<u>3,039,799</u>	<u>2,288,047</u>	<u>751,752</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(396,380)</u>	<u>(396,380)</u>	<u>(44,061)</u>	<u>352,319</u>
Other financing sources (uses):				
Transfers out	(130,000)	(130,000)	(110,377)	19,623
Transfers in	<u>348,000</u>	<u>348,000</u>	<u>223,554</u>	<u>(124,446)</u>
Total other financing sources	<u>218,000</u>	<u>218,000</u>	<u>113,177</u>	<u>(104,823)</u>
Net change in fund balance	<u>(178,380)</u>	<u>(178,380)</u>	<u>69,116</u>	<u>247,496</u>
Fund balance, beginning of year	<u>227,380</u>	<u>227,380</u>	<u>683,256</u>	<u>455,876</u>
Fund balance, beginning of year restated	<u>227,380</u>	<u>227,380</u>	<u>683,256</u>	<u>455,876</u>
Fund balance, end of year	<u>\$ 49,000</u>	<u>\$ 49,000</u>	<u>\$ 752,372</u>	<u>\$ 703,372</u>

See auditor's report

SUPPLEMENTARY INFORMATION

COQUILLE SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Local sources	\$ -	\$ 28,255	\$ 33,255	\$ 5,000
Expenditures:				
Current:				
Instruction	217,500	117,500	75,475	42,025
Supporting services	1,770,500	570,500	106,582	463,918
Facilities acquisition and construction	3,800,000	5,128,255	1,711,915	3,416,340
Total expenditures	5,788,000	5,816,255	1,893,972	3,922,283
Excess (deficiency) of revenues over (under) expenditures	(5,788,000)	(5,788,000)	(1,860,717)	3,927,283
Other financing sources (uses):				
Issuance of debt	4,800,000	4,800,000	425,000	(4,375,000)
Net change in fund balance	(988,000)	(988,000)	(1,435,717)	(447,717)
Fund balance, beginning of year	988,000	988,000	4,954,453	3,966,453
Fund balance, end of year	\$ -	\$ -	\$ 3,518,736	\$ 3,518,736

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NONMAJOR FUNDS

Debt Service Fund – This fund accounts for and reports on the servicing of long-term debt. Major sources of revenues are property taxes and interest earnings.

Permanent Fund – This fund accounts for and reports on the contributions received from the Hanley Trust. This fund is legally restricted to the extent that only earnings, not principal, may be used to support any of the District's programs.

**COQUILLE SCHOOL DISTRICT NO. 8
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019**

	Debt Service Fund	Permanent Fund Hanley Trust	Total
ASSETS			
Cash and cash equivalents	\$ 160,139	\$ 2,206	\$ 162,345
Property taxes receivable - current	4,376	-	4,376
Property taxes receivable - noncurrent	32,936	-	32,936
Total assets	<u>\$ 197,451</u>	<u>\$ 2,206</u>	<u>\$ 199,657</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	<u>\$ 32,936</u>	<u>\$ -</u>	<u>\$ 32,936</u>
FUND BALANCES			
Restricted	164,515	2,206	166,721
Total fund balances	<u>164,515</u>	<u>2,206</u>	<u>166,721</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 197,451</u>	<u>\$ 2,206</u>	<u>\$ 199,657</u>

See auditor's report

COQUILLE SCHOOL DISTRICT NO. 8
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	Debt Service Fund	Permanent Fund Hanley Trust	Total
Revenues:			
Property taxes	\$ 370,780	\$ -	\$ 370,780
Earnings on investments	43	57	100
Total revenues	<u>370,823</u>	<u>57</u>	<u>370,880</u>
Expenditures:			
Debt service	<u>348,135</u>	<u>-</u>	<u>348,135</u>
Net change in fund balances	22,688	57	22,745
Fund balance, beginning of year	<u>141,827</u>	<u>2,149</u>	<u>143,976</u>
Fund balance, end of year	<u><u>\$ 164,515</u></u>	<u><u>\$ 2,206</u></u>	<u><u>\$ 166,721</u></u>

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COQUILLE SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local sources	<u>\$ 372,919</u>	<u>\$ 370,823</u>	<u>\$ (2,096)</u>
Expenditures:			
Debt service	<u>372,919</u>	<u>348,135</u>	<u>24,784</u>
Net change in fund balance	-	22,688	22,688
Fund balance, beginning of year	<u>-</u>	<u>141,827</u>	<u>141,827</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ 164,515</u></u>	<u><u>\$ 164,515</u></u>

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COQUILLE SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PERMANENT FUND - HANLEY TRUST
For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local sources	<u>\$ -</u>	<u>\$ 57</u>	<u>\$ 57</u>
Net change in fund balance	-	57	57
Fund balance, beginning of year	<u>-</u>	<u>2,149</u>	<u>2,149</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ 2,206</u></u>	<u><u>\$ 2,206</u></u>

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FIDUCIARY FUNDS

Private Purpose Trust Fund – This fund accounts for and reports on contributions received from the Hupperich Trust. This fund is legally restricted to the extent that only earnings, not principal, may be used for scholarships.

Alumni Agency Fund – This fund accounts for and reports assets held by the District in a purely custodial capacity.

COQUILLE SCHOOL DISTRICT NO. 8
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 PRIVATE PURPOSE TRUST FUND - HUPPERICH TRUST
For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local sources	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>
Expenditures:			
Current:			
Community services	<u>115</u>	<u>-</u>	<u>115</u>
Net change in fund balance	(115)	3	118
Fund balance, beginning of year	<u>115</u>	<u>113</u>	<u>(2)</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ 116</u></u>	<u><u>\$ 116</u></u>

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COQUILLE SCHOOL DISTRICT NO. 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ALUMNI AGENCY FUND
For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local sources	\$ -	\$ 140	\$ 140
Net change in fund balance	-	140	140
Fund balance, beginning of year	<u>5,200</u>	<u>5,321</u>	<u>121</u>
Fund balance, end of year	<u>\$ 5,200</u>	<u>\$ 5,461</u>	<u>\$ 261</u>

See auditor's report

COQUILLE SCHOOL DISTRICT NO. 8
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>2018-19 Federal Expenditures</u>
<u>U.S. Department of Education</u>		
Direct federal awards		
Indian Education Formula Grant	84.060	\$ 25,162
Passed through State of Oregon Department of Education:		
Title I-A Grants to Local Educational Agencies	84.010	294,523
Title V Rural Education Achievement Program	84.358	12,769
Title II A - Supporting Effective Instruction State Grants	84.367	36,597
Title IV A Student Support & Academic Enrichment Grants	84.424	20,225
Special Education Cluster (IDEA):		
IDEA Part B - Special Education Grants to States	84.027	206,141
IDEA Enhancement Grant	84.027	2,122
IDEA System Performance Review & Improvement	84.027	1,774
Post School Outcomes	84.027	240
Preschool Grants for Children with Disabilities	84.173	3,876
Total Special Education Cluster (IDEA)		214,153
Total State of Oregon Department of Education		578,267
Total U.S. Department of Education		603,429
<u>U.S. Department of Agriculture</u>		
Passed through State of Oregon Department of Education		
Child Nutrition Cluster:		
Summer Food Service Program	** 10.559	18,349
National School Lunch Program	** 10.555	273,008
National School Lunch Program - Commodities	** 10.555	29,343
National School Breakfast Program	** 10.553	120,539
Total Child Nutrition Cluster		441,239
National School Lunch Program - SAE Admin.	10.560	872
Child and Adult Care Food Program	** 10.558	230,698
Total State of Oregon Department of Education		672,809
Passed through Coos County:		
Schools and Roads - Grants to States	10.665	6,436
Total U.S. Department of Agriculture		679,245
Totals		\$ 1,282,674
Reconciliation to Federal Revenue Recognized		
Expenditures of Federal Awards reported on the SEFA		\$ 1,282,674
Federal interest subsidy not required to be included on the SEFA		44,467
Total Federal Revenue Recognized		\$ 1,327,141

** Major Program

COQUILLE SCHOOL DISTRICT NO. 8
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

Note 1. Purpose of the Schedule

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coquille School District No. 8 for the year ended June 30, 2019.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coquille School District No. 8 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Subrecipients

During the year ended June 30, 2019, the District did not provide any financial awards to subrecipients.

Note 4. De Minimis Cost Rate

The District did not elect to use the 10% de minimus indirect cost rate during the 2018-19 fiscal year.

Note 5. Interest Subsidy

Interest subsidies related to the Qualified School Construction Bonds are funded through the Hiring Incentives to Restore Employment Act (HIRE) and are now listed on the schedule. These amounts are disbursed directly to the lender and do not pass through the District.

OTHER INFORMATION

COQUILLE SCHOOL DISTRICT NO. 8
SUMMARY OF PRIOR AUDIT FINDINGS RELATED TO FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

Findings:

2018-001 CFDA 10.553/55/59 Child Nutrition Cluster
United States Department of Agriculture
Passed through the Oregon Department of Education
Program Income– Subrecipient Special Reporting – Claiming
Level of finding – Significant Deficiency

Corrective action was not successfully implemented.

Corrective action has now been implemented and management finds that a significant improvement has been made. There was a significant staffing problem in the area of Food Service support during the 2018/2019 school year. By July of 2019, two support position have been added to help the Food Service Director manage the clerical aspects of the program. The District is continuing to fine tune its processes and expects that future audits will not have a Significant Deficiency.

2018-002 CFDA 10.558 Child and Adult Care Food Program
United States Department of Agriculture
Passed through the Oregon Department of Education
Eligibility– Eligibility for Individuals
Level of finding – Material Weakness

Corrective action was not fully been implemented

Corrective action has now been implemented and management finds that a significant improvement has been made. There was a significant staffing problem in the area of Food Service support during the 2018/2019 school year. By July of 2019, two support position have been added to help the Food Service Director manage the clerical aspects of the program. The District is continuing to fine tune its processes and expects that future audits will not have a Material Weakness.

COQUILLE SCHOOL DISTRICT NO. 8
CORRECTIVE ACTION PLAN RELATED TO FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

2019-001 CFDA 10.555/10.553/10.559 Child Nutrition Cluster
United States Department of Agriculture
Passed through the Oregon Department of Education
Program Income – Meal Counts and Claiming
Level of finding – Material Weakness in Controls Over Compliance

Planned corrective action:

This is the same deficiency that was noted in the June 30, 2018 audit. At that time the corrective action plan was the same as below, however there were extenuating circumstances that caused the District to have the same error this year.

As stated in the previous corrective action plan, a support staff was hired in November 2018 who was not a good fit for the department due to a lack of skill. After considerable attempts at training that did not take, the employee resigned the end of March of 2019. During the first part of May 2019, interviews were held and a new staff person was hired, however they could not start until July 2019. This means that the dual counting that needed to take place did not start until September 2019.

Procedures have been put in place to dual count the tally sheets and assure that counts are transferred with accuracy. A Food Service secretary was hired in July 2019 to accommodate the additional review/entry process. The District also requested that the auditors test September 2019 to make sure that the inaccurate count problem has been taken care of. The September counts came out clean so it is clear that once the proper staffing was in place, the process is working.

In addition, in order to help streamline the food service processes, certain forms will be changed to make the recording and counting process more efficient and easier to read thus reducing the chances of a miscount. These changes are already in process and should be well on the way to completion within the next 30 days.

2019-002 CFDA 10.558 Child and Adult Care Food Program
United States Department of Agriculture
Passed through the Oregon Department of Education
Eligibility– Eligibility for Individuals
Level of finding – Material Weakness in Controls over Compliance

Planned corrective action:

When the material comment was received in December of 2018, the corrective process and training for the 18/19 year had already begun. By the December audit, the October 2018 OMER had already been submitted. When ODE came in to do the training and the extended verification process, they further worked with the Food Service Director and electronically verified data that they had available to them in their state databases and Coquille School District resubmitted a corrected 2018 OMER based on those verifications. When the corrected OMER was approved, the District's reimbursement rate was recalculated and is confirmed by the minimal amount of corrections in this audit finding.

With the subsequent training that happened with ODE and training videos, all parties responsible for collecting, processing and reporting information for the OMER thoroughly understand their responsibilities. In addition, future OMER's will be sent to the District's accounting office for review adding another layer of checking to the process.

SUPPLEMENTAL INFORMATION, 2018-2019

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, and water & sewage for these Functions & Objects.

	Objects 325 & 326	
Function 2540	\$	199,837
Function 2550	\$	14,008

B. Replacement of Equipment - General Fund:

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

\$ -

Exclude these functions:

Exclude these functions:

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

2018-19 DISTRICT AUDIT REVENUE SUMMARY
Coquille School District #8

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$2,226,978	\$0	\$370,780	\$0	\$0	\$0	\$0
1120 Local Option Ad Valorem Taxes Levied by District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1130 Construction Excise Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1190 Penalties and Interest on Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1200 Revenue from Local Governmental Units Other Than Districts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1311 Regular Day School Tuition - From Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1312 Regular Day School Tuition - Other Dist Within State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1313 Regular Day School Tuition - Other Districts Outside	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1320 Adult/Continuing Education Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1330 Summer School Tuition	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1411 Transportation Fees - From Individuals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1412 Transportation Fees - Other Dist Within State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1413 Transportation Fees - Other Districts Outside	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1414 Transportation Fees - Foster Children	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1420 Summer School Transportation Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1500 Earnings on Investments	\$222,497	\$2,940	\$43	\$0	\$0	\$0	\$200
1600 Food Service	\$0	\$5,022	\$0	\$0	\$0	\$0	\$0
1700 Extracurricular Activities	\$7,216	\$149,479	\$0	\$0	\$0	\$0	\$0
1800 Community Services Activities	\$113,241	\$0	\$0	\$0	\$0	\$0	\$0
1910 Rentals	\$12,000	\$0	\$0	\$0	\$0	\$0	\$0
1920 Contributions and Donations From Private Sources	\$0	\$157,246	\$0	\$5,000	\$0	\$0	\$0
1930 Rental or Lease Payments From Private Contractors	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1940 Services Provided Other Local Education Agencies	\$5,600	\$48,173	\$0	\$0	\$0	\$0	\$0
1950 Textbook Sales and Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1960 Recovery of Prior Years' Expenditure	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1970 Services Provided Other Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1980 Fees Charged to Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1990 Miscellaneous	\$43,168	\$23,159	\$0	\$28,255	\$0	\$0	\$0
Total Revenue from Local Sources	\$2,630,700	\$386,017	\$370,823	\$33,255	\$0	\$0	\$200
Revenue from Intermediate Sources							
2101 County School Funds	\$14,232	\$0	\$0	\$0	\$0	\$0	\$0
2102 General ESD Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2103 Excess ESD Local Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2105 Natural Gas, Oil, and Mineral Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2110 Intermediate "I" Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2199 Other Intermediate Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2200 Restricted Revenue	\$0	\$31,049	\$0	\$0	\$0	\$0	\$0
2800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from Intermediate Sources	\$14,232	\$31,049	\$0	\$0	\$0	\$0	\$0
Revenue from State Sources							
3101 State School Fund - General Support	\$9,932,109	\$129,284	\$0	\$0	\$0	\$0	\$0
3102 State School Fund - School Lunch Match	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3103 Common School Fund	\$106,459	\$0	\$0	\$0	\$0	\$0	\$0
3104 State Managed County Timber	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3106 State School Fund - Accrual	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3199 Other Unrestricted Grants-in-Aid	\$120,565	\$254	\$0	\$0	\$0	\$0	\$0
3204 Driver Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3222 State School Fund (SSF) Transportation Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3299 Other Restricted Grants-in-Aid	\$1,440	\$421,385	\$0	\$0	\$0	\$0	\$0
3800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3900 Revenue for/on Behalf of the District	\$6,881	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue from State Sources	\$10,167,453	\$550,923	\$0	\$0	\$0	\$0	\$0
Revenue from Federal Sources							
4100 Unrestricted Revenue Direct From the Federal Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4200 Unrestricted Revenue From the Federal Government Through the State	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4300 Restricted Revenue From the Federal Government	\$0	\$25,162	\$0	\$0	\$0	\$0	\$0
4500 Restricted Revenue From the Federal Government Through the State	\$240	\$1,221,493	\$0	\$0	\$0	\$0	\$0
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	\$6,436	\$0	\$0	\$0	\$0	\$0	\$0
4801 Federal Forest Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4802 Impact Aid to School Districts for Operation (PL 874)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4803 Coos Bay Wagon Road Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4899 Other Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4900 Revenue for/on Behalf of the District	\$44,467	\$29,343	\$0	\$0	\$0	\$0	\$0
Total Revenue from Federal Sources	\$51,143	\$1,275,998	\$0	\$0	\$0	\$0	\$0
Revenue from Other Sources							
5100 Long Term Debt Financing Sources	\$0	\$0	\$0	\$425,000	\$0	\$0	\$0
5200 Interfund Transfers	\$110,377	\$223,554	\$0	\$0	\$0	\$0	\$0
5300 Sale of or Compensation for Loss of Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 Resources - Beginning Fund Balance	\$1,357,781	\$683,256	\$141,827	\$4,954,454	\$0	\$0	\$7,584
Total Revenue from Other Sources	\$1,468,158	\$906,809	\$141,827	\$5,379,454	\$0	\$0	\$7,584
Grand Totals	\$14,331,686	\$3,150,796	\$512,650	\$5,412,709	\$0	\$0	\$7,784

2018-19 DISTRICT AUDIT EXPENDITURE SUMMARY
Coquille School District #8

Fund: 100 General Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$2,666,867	\$1,501,044	\$1,110,150	\$2,195	\$52,434	\$0	\$1,045	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$515,132	\$298,953	\$211,063	\$0	\$5,116	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$1,291,559	\$759,025	\$501,309	\$0	\$31,091	\$0	\$135	\$0
1132 High School Extracurricular	\$37,132	\$23,894	\$13,238	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$74,812	\$42,763	\$31,457	\$0	\$592	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$109,097	\$2,600	\$933	\$101,175	\$231	\$0	\$4,158	\$0
1220 Restrictive Programs for Students with Disabilities	\$768,317	\$405,456	\$351,737	\$2,685	\$8,439	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$231,272	\$131,875	\$93,412	\$412	\$5,573	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$768,335	\$450,977	\$280,737	\$26,900	\$7,468	\$0	\$2,253	\$0
1291 English Language Learner - Within ELL Programs	\$75,680	\$42,033	\$27,798	\$1,344	\$3,629	\$0	\$876	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1295 English Language Learner - Not Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$16,502	\$0	\$0	\$0	\$0	\$0	\$16,502	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$6,554,704	\$3,658,620	\$2,621,832	\$134,710	\$114,574	\$0	\$24,969	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$71,801	\$39,123	\$32,678	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$135,649	\$47,538	\$41,369	\$45,360	\$1,382	\$0	\$0	\$0
2130 Health Services	\$121,822	\$0	\$0	\$110,410	\$9,603	\$0	\$1,809	\$0
2140 Psychological Services	\$508	\$0	\$0	\$0	\$508	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$140,939	\$83,235	\$54,849	\$0	\$2,630	\$0	\$225	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$184,910	\$116,124	\$63,580	\$2,733	\$1,878	\$0	\$595	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$73,454	\$41,466	\$29,608	\$0	\$2,380	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$35,377	\$3,151	\$9,864	\$10,955	\$7,388	\$0	\$4,018	\$0
2310 Board of Education Services	\$98,277	\$4,457	\$1,428	\$69,631	\$4,030	\$636	\$28,095	\$0
2320 Executive Administration Services	\$305,098	\$149,242	\$100,063	\$26,503	\$26,479	\$0	\$2,811	\$0
2410 Office of the Principal Services	\$1,252,932	\$758,450	\$467,593	\$6,671	\$14,575	\$0	\$5,644	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$376,309	\$208,855	\$130,638	\$19,167	\$6,501	\$0	\$12,148	\$0
2540 Operation and Maintenance of Plant Services	\$966,582	\$285,224	\$211,456	\$330,884	\$77,618	\$0	\$61,401	\$0
2550 Student Transportation Services	\$757,549	\$276,582	\$175,317	\$29,522	\$75,594	\$171,814	\$28,719	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$408,450	\$140,760	\$82,211	\$20,256	\$164,529	\$0	\$694	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680 Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$17,261	\$0	\$0	\$17,190	\$0	\$0	\$71	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$4,946,916	\$2,154,206	\$1,400,654	\$679,283	\$394,095	\$172,450	\$146,229	\$0
Enterprise and Community Services Expenditures								
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$183,387	\$110,686	\$70,198	\$377	\$2,116	\$0	\$10	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$183,387	\$110,686	\$70,198	\$377	\$2,116	\$0	\$10	\$0
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement	\$104,137	\$0	\$0	\$0	\$0	\$104,137	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$104,137	\$0	\$0	\$0	\$0	\$104,137	\$0	\$0
Other Uses Expenditures								
5100 Debt Service	\$739,067	\$0	\$0	\$0	\$0	\$0	\$739,067	\$0
5200 Transfers of Funds	\$223,554	\$0	\$0	\$0	\$0	\$0	\$0	\$223,554
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$962,620	\$0	\$0	\$0	\$0	\$0	\$739,067	\$223,554
Grand Total	\$12,751,765	\$5,923,511	\$4,092,684	\$814,370	\$510,785	\$276,587	\$910,274	\$223,554

2018-19 DISTRICT AUDIT EXPENDITURE SUMMARY
Coquille School District #8

Fund: 200 Special Revenue Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$67,990	\$14,316	\$5,124	\$1,223	\$31,706	\$0	\$15,621	\$0
1113 Elementary Extracurricular	\$5,298	\$0	\$0	\$200	\$4,748	\$0	\$350	\$0
1121 Middle/Junior High Programs	\$4,129	\$3,046	\$1,083	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$52,349	\$28,207	\$6,625	\$1,094	\$10,503	\$0	\$5,919	\$0
1131 High School Programs	\$126,172	\$66,361	\$43,113	\$2,354	\$14,343	\$0	\$0	\$0
1132 High School Extracurricular	\$264,902	\$63,005	\$14,818	\$43,344	\$80,631	\$10,472	\$52,633	\$0
1140 Pre-Kindergarten Programs	\$3,876	\$2,384	\$1,492	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$20,225	\$0	\$0	\$0	\$0	\$20,225	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$206,141	\$116,854	\$89,106	\$181	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$293,922	\$165,579	\$110,746	\$15,381	\$2,215	\$0	\$0	\$0
1280 Alternative Education	\$154,399	\$43,388	\$28,971	\$0	\$8,756	\$73,284	\$0	\$0
1291 English Language Learner - Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1295 English Language Learner - Not Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$25,162	\$15,695	\$8,670	\$0	\$688	\$0	\$109	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$1,224,564	\$518,835	\$309,747	\$63,777	\$153,591	\$103,981	\$74,632	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$155,859	\$59,088	\$36,753	\$4,813	\$32,475	\$22,731	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$1,774	\$537	\$44	\$1,194	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$31,514	\$90	\$27,961	\$2,643	\$820	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$42,942	\$20,600	\$7,250	\$11,457	\$3,256	\$0	\$380	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$24,366	\$15,150	\$9,216	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$25,101	\$0	\$0	\$25,101	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$12,471	\$7,719	\$4,753	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$2,865	\$0	\$0	\$0	\$2,865	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680 Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$296,893	\$103,183	\$85,975	\$45,207	\$39,417	\$22,731	\$380	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$683,585	\$183,962	\$152,786	\$2,873	\$308,672	\$29,697	\$5,596	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$26,221	\$5,716	\$4,880	\$0	\$0	\$0	\$15,625	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$709,806	\$189,678	\$157,666	\$2,873	\$308,672	\$29,697	\$21,221	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$56,784	\$0	\$0	\$0	\$0	\$56,784	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$56,784	\$0	\$0	\$0	\$0	\$56,784	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$110,377	\$0	\$0	\$0	\$0	\$0	\$0	\$110,377
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$110,377	\$0	\$0	\$0	\$0	\$0	\$0	\$110,377
Grand Total	\$2,398,424	\$811,697	\$553,389	\$111,857	\$501,680	\$213,191	\$96,233	\$110,377

2018-19 DISTRICT AUDIT EXPENDITURE SUMMARY
Coquille School District #8

Fund: 300 Debt Service Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Language Learner - Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1295 English Language Learner - Not Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680 Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$348,135	\$0	\$0	\$0	\$0	\$0	\$348,135	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$348,135	\$0	\$0	\$0	\$0	\$0	\$348,135	\$0
Grand Total	\$348,135	\$0	\$0	\$0	\$0	\$0	\$348,135	\$0

2018-19 DISTRICT AUDIT EXPENDITURE SUMMARY
Coquille School District #8

Fund: 400 Capital Projects Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$51,168	\$0	\$0	\$415	\$50,753	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$1,280	\$0	\$0	\$1,280	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$21,197	\$0	\$0	\$0	\$4,306	\$16,891	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$1,830	\$0	\$0	\$100	\$102	\$1,629	\$0	\$0
1291 English Language Learner - Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1295 English Language Learner - Not Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$75,476	\$0	\$0	\$1,795	\$55,161	\$18,520	\$0	\$0
Support Services Expenditures	Totals							
2110 Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$96,859	\$0	\$0	\$31,103	\$12,289	\$53,468	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$9,724	\$0	\$0	\$0	\$9,724	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680 Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$106,583	\$0	\$0	\$31,103	\$22,013	\$53,468	\$0	\$0
Enterprise and Community Services Expenditures	Totals							
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals							
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$460,176	\$0	\$0	\$0	\$0	\$448,613	\$11,563	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$1,251,739	\$0	\$0	\$12,512	\$0	\$1,239,226	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$1,711,915	\$0	\$0	\$12,512	\$0	\$1,687,840	\$11,563	\$0
Other Uses Expenditures	Totals							
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$1,893,973	\$0	\$0	\$45,410	\$77,174	\$1,759,827	\$11,563	\$0

2018-19 DISTRICT AUDIT EXPENDITURE SUMMARY
Coquille School District #8

Fund: 700 Trust and Agency Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1131 High School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1132 High School Extracurricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1260 Treatment and Habilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1291 English Language Learner - Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1294 Youth Corrections Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1295 English Language Learner - Not Within ELL Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1299 Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2540 Operation and Maintenance of Plant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2550 Student Transportation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2630 Information Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2660 Technology Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2680 Interpretation and Translation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures								
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4180 Other Capital Items	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures								
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

AUDITOR'S REPORTS



**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**

December 18, 2019

To the Board of Directors of Coquille School District No. 8:

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Coquille School District No. 8 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Coquille School District No. 8's basic financial statements as listed in the table of contents and have issued our report thereon dated December 18, 2019.

The report was modified because the District has chosen to not adopt Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions*, which is required by accounting principles generally accepted in the United States of America. The District also has chosen to not adopt GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB No. 27*, which is also required by accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coquille School District No. 8'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 opinion 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items number 2019-001 and 2019-002, that we consider to be material weaknesses.

Compliance and Other Matters

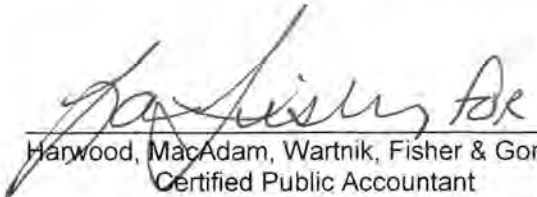
As part of obtaining reasonable assurance about whether Coquille School District No. 8's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002.

Coquille School District's Response

The Coquille School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Harwood, MacAdam, Wartnik, Fisher & Gorman, LLC
Certified Public Accountant



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

December 18, 2019

To the Board of Directors of Coquille School District No. 8:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coquille School District No. 8 (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2019.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 to 162-010-0330, as set forth below, 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.

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

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

In connection with our testing, nothing came to our attention that caused us to believe that the District was not in substantial compliance with certain provisions of laws, regulations, contracts and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State.

OAR 162-010-0230 Internal Control

Please see our 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*.

Purpose of this Report

This report is intended solely for the information and use of management, Coquille School District No. 8's Board of Directors, the Oregon Secretary of State Division of Audits, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Harwood, MacAdam, Wartnik, Fisher & Gorman, LLC
Certified Public Accountants



**Harwood, MacAdam, Wartnik,
Fisher & Gorman, LLC**

CERTIFIED PUBLIC ACCOUNTANTS

LOREN HARWOOD, CPA JEFF DILLON, CPA
SHIRLEY MACADAM, CPA KRISTINA GOCHNOUR, CPA
JAYSON WARTNIK, CPA SALLY JAEGGLI, CPA
LAURA FISHER, CPA
BOB GORMAN, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

December 18, 2019

To the Board of Directors of Coquille School District No. 8:

Report on Compliance for Each Major Federal Program

We have audited Coquille School District No. 8's (the District) compliance with the types of compliance requirements described in the *OMB 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, 2019. Coquille School District No. 8'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Coquille School District No. 8'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Coquille School District No. 8'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 qualified opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Coquille School District No. 8's compliance.

Basis for Qualified Opinion on the Child Nutrition Cluster and on the Child and Adult Care Food Program

As described in the accompanying schedule of findings and questioned costs, the Coquille School District did not comply with the requirements regarding the Child Nutrition Cluster and the Child and Adult Care Food Program for eligibility as described in finding number 2019-001 regarding program income and finding number 2019-002 regarding eligibility. Compliance with such requirements is necessary, in our opinion, for the Coquille School District to comply with the requirements applicable to each of its major federal programs.

Qualified Opinion on Child Nutrition Cluster and on the Child and Adult Care Food Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Coquille School District No. 8 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster and on the Child and Adult Care Food Program for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item number 2019-001 and 2019-002. Our opinion on each major federal program is not modified with respect to these matters.

Coquille School District No. 8's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Coquille School District No. 8's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Coquille School District No. 8 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 Coquille School District No. 8'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 internal control over compliance in accordance with Uniform Guidance, 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.

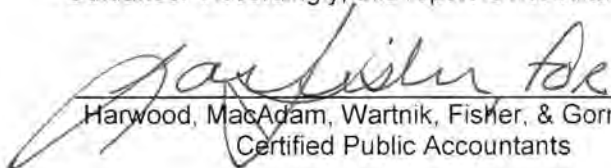
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material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

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.

We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as number 2019-001 and 2019-002 to be material weaknesses.

Coquille School District No. 8's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Coquille School District No. 8's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Harwood, MacAdam, Wartnik, Fisher, & Gorman, LLC
Certified Public Accountants

COQUILLE SCHOOL DISTRICT NO. 8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2019

SECTION I SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued	<u> X </u> Qualified	<u> </u> Unmodified
Internal control of financial reporting:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	<u> </u> Yes	<u> X </u> No
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards:

Internal control over major programs:		
Any material weaknesses identified?	<u> X </u> Yes	<u> </u> No
Any significant deficiencies identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported
Type of auditor's report issued on compliance for major programs	<u> X </u> Qualified	<u> </u> Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR section 200.516	<u> </u> Yes	<u> X </u> No

Identification of major programs:

Child Nutrition Cluster	CFDA#	10.553/55/59
Child and Adult Care Food Program	CFDA#	10.558
Dollar threshold used to distinguish between type A and type B programs		<u> \$ 750,000 </u>
Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> X </u> No

SECTION II FINDINGS - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2019-001 **CFDA 10.553/55/59 Child Nutrition Cluster**
United States Department of Agriculture
Passed through the Oregon Department of Education
Program Income – Meal Counts and Claiming
Level of finding – Material Weakness in Controls Over Compliance

Criteria: Federal regulations provide that all claims for reimbursement of meals served "must be supported by accurate meal counts by category and type take at the point of service."

Condition: Auditor selected three month's claims for testing. All months contained errors in math on the daily count sheets. One month contained an error in bringing amounts forward from the daily sheets to the monthly recap sheets. Because of the math errors, the meal counts claimed were inaccurate for all of the months tested. As a result, the District overclaimed reimbursement on this grant.

Cause: Insufficient of attention to detail by those preparing the documents and a lack of a second review to verify accuracy.

Effect: The Child Nutrition Cluster of programs was overclaimed by at least approximately \$1,604. This amount needs to be paid back to the Oregon Department of Education.

Perspective: The District submits several claims each month, for breakfast, lunch, and after-school snack and the Summer Food Program. Auditor tested one month of the Summer Food Program (1/3 of the number of claims) and two months of other food programs (1/5 of the number of claims). Numerous errors in counting were identified. The breakfast count for one month at Coquille Valley Elementary contained 42 errors out of 126 tallies. A total of \$1,534 was identified as over claimed on this one school for breakfast in one month. Other errors at other schools in other months resulted in a total overclaimed of \$1,604. Extrapolating that error to the entire year would result in potentially overclaiming over \$8,000. The entire year's grant was approximately \$441,000. Statistically valid sampling was not used.

Auditor Recommendation: Report the overclaim to the Oregon Department of Education. Ensure that all staff tallying meal count sheets understand the importance of accuracy. Assign an employee the responsibility of recalculating each of the count sheets, from the meal site count sheet to the summary form and then to the claiming form.

Grantee Response: The Coquille School District agrees with the finding. See the corrective action plan related to federal awards.

**2019-002 CFDA 10.558 Child and Adult Care Food Program
United States Department of Agriculture
Passed through the Oregon Department of Education
Eligibility– Eligibility for Individuals
Level of finding – Material Weakness in Controls over Compliance**

Criteria: Federal regulations require that all children enrolled in day care centers be included on the One Month Enrollment Roster (OMER), which is submitted in the Oregon Department of Education in October of each year. Families are requested to provide Confidential Income Statements (CIS) from which District staff determine the status of Free, Reduced or Above Scale. Families that do not submit a CIS must be determined as Above Scale status. The Coquille School District's unique reimbursement rate for providing meals to day care children is based on the information provided in this annual report.

Condition: The October 2018 OMER submitted by the District included students who were not enrolled in the DayCare Center. Also, District staff marked several enrollees as Free status when there was no CIS on file to support this. As a result the District's reimbursement rate was incorrect.

Cause: The Food Service Director was not properly trained on how to prepare the OMER. Food Service staff were not properly trained in how to use the Federal Income Guidelines in making status determinations.

Effect: Incorrect reporting of enrolled students will cause the reimbursement rate to be incorrect and the District will either overclaim or underclaim the Child and Adult Day Care Food Program. Failure to correct this problem could result in loss of funding from the Oregon Department of Education.

Perspective: The District had 137 children enrolled in day care during October and reported 139 children on the OMER, under reporting by 2 children. The District listed 14 children (10%) as Free or Reduced status, when there was no CIS or other approved documentation on file. The correction amounted to \$150 being overclaimed. Statistically valid sampling was not used.

Auditor Recommendation: The 2018-19 Food Service program was reviewed by the Department of Education and as a result the District is receiving guidance in properly completing the annual OMER. In addition, the Department of Education has numerous training and guidance materials on their website. The guidance has a list of common errors to avoid.

Grantee Response: The Coquille School District agrees with the finding. See the corrective action plan related to federal awards.