

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

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2018**



12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2018

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

BOARD OF DIRECTORS

BOARD OF DIRECTORS

TERM EXPIRES

Jami Egland, Chair

June 30, 2021

Tim Pfeiffer, Vice Chair

June 30, 2019

Jack Bibb

June 30, 2021

Susan FitzGerald

June 30, 2019

Ken Watson

June 30, 2021

All board members will receive mail at the following address:

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

ADMINISTRATION

Charan Cline, Superintendent  
Tami Zigler, Business Manager

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

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**PAULY, ROGERS, AND CO., P.C.**  
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December 20, 2018

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Yamhill Carlton School District No. 1  
Yamhill County, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yamhill Carlton School District No. 1 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Yamhill Carlton School District, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

The District adopted the provisions of GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions for the year ended June 30, 2018. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

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

#### *Other Information*

The listing of board members containing their term expiration dates, located before the table of contents, and other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Reports on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 20, 2018, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive, flowing style.

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



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

**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

As management of Yamhill–Carlton School District No. 1 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018.

**FINANCIAL HIGHLIGHTS**

- In the government-wide financial statements, the assets of the District exceeded its liabilities at June 30, 2018 by \$2.003 million.
- The District's total net position increased by \$3,256,102 for the year ended June 30, 2018.
- As of June 30, 2018, the District's governmental funds reported combined ending fund balances of \$7,016,147, a decrease of \$9,101,674 in comparison with the prior year, primarily due to the bond projects being completed. The ending fund balance includes \$6,021,426 which is non-spendable or reserved for specific programs. \$994,721 constitutes unassigned ending fund balance which is available for spending at the District's discretion subject to board policy.
- At June 30, 2018, the General Fund balance was \$994,721 or 9.76% of total General Fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

*Governmental activities.* The District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and

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**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

construction. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

The government-wide financial statements can be found on pages 4 and 5 of this report.

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

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

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

The basic governmental fund financial statements can be found on pages 6 - 8 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 12 - 36 of this report.

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

*Supplementary Information* presented on pages 41 - 43, includes budgetary comparison for nonmajor and other funds, and schedule of property tax transactions and balances. *Other information* includes

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**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

continuing disclosures information and other financial schedules. Other information can be found on pages 44 - 55d.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted previously, net position, over time, may serve as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$2,003,204 as of June 30, 2018.

<b>YAMHILL CARLTON SCHOOL DISTRICT NO. 1</b>			
<b>NET POSITION</b>			
	<u>Governmental Activities</u>		
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Increase (Decrease)</u>
<b>ASSETS</b>			
Current and Other Assets	\$ 9,565,660	\$ 17,730,219	\$ (8,164,559)
Capital Assets	<u>22,281,849</u>	<u>9,798,978</u>	<u>12,482,871</u>
Total Assets	<u>31,847,509</u>	<u>27,529,197</u>	<u>4,318,312</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension-Related Deferrals	1,688,505	2,286,624	(598,119)
<b>LIABILITIES</b>			
Current Liabilities	3,928,002	2,959,598	968,404
Long-Term Obligations	<u>27,224,758</u>	<u>27,906,799</u>	<u>(682,041)</u>
Total Liabilities	<u>31,152,760</u>	<u>30,866,397</u>	<u>286,363</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Net Pension-Related Deferrals	380,050	202,322	177,728
<b>NET POSITION</b>			
Net Investment in Capital Assets	9,032,170	(9,823,562)	18,855,732
Restricted	728,602	14,724,307	(13,995,705)
Unrestricted	<u>(7,757,568)</u>	<u>(6,153,643)</u>	<u>(1,603,925)</u>
Total Net Position	<u>\$ 2,003,204</u>	<u>\$ (1,252,898)</u>	<u>\$ 3,256,102</u>

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 70.0% of total assets. The remaining assets consist mainly of investments, cash, prepaid pension costs, and grants and property taxes receivable. The District's long-term liability, representing about 87.4% of the District's total liabilities, is for the repayment of general obligation and

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**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

limited tax pension obligation bonds. Current liabilities, which make up about 12.6% of the District's total liabilities, consist principally of payables on accounts, interest and salaries and benefits.

During the current year, the District's net position increased by \$3,256,102 as compared to previous year's net position prior to restatement, primarily due to the OSCIM matching grant received from the Oregon Department of Education, resulting in an increase of \$1,317,796 in cash and cash equivalents, offset by an increase payables and the District's proportionate share of net pension liability.

**Governmental activities.** The key elements of the change in the District's net position for the years ended June 30, 2018 and June 30, 2017 are as follows:

<b>YAMHILL CARLTON SCHOOL DISTRICT NO. 1</b> <b>CHANGES IN NET POSITION</b> <b>Year Ended June 30, 2018</b>			
	<b>Governmental Activities</b> <b>June 30, 2018</b> <b>June 30, 2017</b>		<b>Increase</b> <b>(Decrease)</b>
<b>REVENUES</b>			
Program Revenues			
Charges for Services	\$ 91,050	\$ 10,582	\$ 80,468
Operating Grants and Contributions	760,195	573,465	186,730
Capital Grants and Contributions	3,135,199	0	3,135,199
General Revenues			
Property Taxes Levied for:			
General Purposes	3,076,327	2,961,143	115,184
Debt Service	1,470,722	1,468,851	1,871
State Sources	6,616,692	7,937,497	(1,320,805)
Other Local Sources	624,535	1,700,367	(1,075,832)
Intermediate Sources	203,733	227,099	(23,366)
Federal, Unrestricted	0	0	0
Gain on Disposal	20,000	26,614	(6,614)
Earnings on Investments	255,396	30,435	224,961
Total Revenues	16,253,849	14,936,053	1,317,796
<b>EXPENSES</b>			
Instruction	6,420,156	6,960,532	(540,376)
Support services	4,042,656	4,675,004	(632,348)
Enterprise and community services	360,373	414,635	(54,262)
Interest on long-term debt	1,276,780	1,161,700	115,080
Total expenses	12,099,965	13,211,871	(1,111,906)
<b>Change in Net Position</b>	4,153,884	1,724,182	2,429,702
Net Position, Beginning as restated	(2,150,680)	(2,977,080)	826,400
Net Position, Ending	\$ 2,003,204	\$ (1,252,898)	\$ 3,256,102

**YAMHILL-CARLTON SCHOOL DISTRICT NO. 1**  
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**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

Revenues increased by \$1,317,796 in 2017-18 compared to the previous year, primarily due to an increase from the revenue of the OSCIM grant offset by a decrease in state and other local sources.

Expenditures decreased by \$1,111,906 overall, primarily due to an decrease of \$1,175,724 of Instruction and Support services, primarily in relation to the GASB 68 and GASB 75 adjustments for Other Post-Employment Benefits (OPEB). This is shown in the restated net position in the amount of \$(897,782) for 2016-17.

**FUND FINANCIAL ANALYSIS**

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

At June 30, 2018, the District's governmental funds reported combined ending fund balances of \$7,016,147. Of this amount, \$6,021,426 (85.82%) of the ending fund balances constitutes nonspendable or restricted ending fund balance, which are amounts that are either not expendable (such as inventory or prepaid expenses) or are legally restricted by outside parties for a specific purpose (such as bonded debt). The remaining \$994,721 (9.76%) of the ending fund balances is unassigned and available for spending at the District's discretion.

*General Fund.* The General Fund is the chief operating fund of the District. As of June 30, 2018 the unassigned fund balance was \$994,721. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The fund balance represents about 9.76% of total General Fund expenditures. The total fund balance decreased by \$145,491 as compared to prior year's fund balance prior to restatement primarily due to increased expenditures in instruction.

*Special Revenue.* The Special Revenue Fund accounts for revenue and expenditures of grants restricted for specific educational projects as well as internal funds segregated by the Board for the food service program, student activities, and other activities. Grant revenues are primarily from Federal sources. As of June 30, 2018 the restricted fund balance was \$354,778, an increase of \$1,661 from the prior year.

*Debt Service.* The Debt Service Fund has a total fund balance of \$630,811, all of which is restricted for the payment of debt service.

**YAMHILL-CARLTON SCHOOL DISTRICT NO. 1**  
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**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

**Capital Assets.** The District's investment in capital assets includes land, buildings and building improvements, vehicles and equipment. As of June 30, 2018 the District had invested \$22,281,849 in capital assets, net of depreciation. For more information on capital assets, see Note 4 on page 21 of this report.

<b>YAMHILL CARLTON SCHOOL DISTRICT NO. 1</b>			
<b>CAPITAL ASSETS</b>			
<b>(net of depreciation)</b>			
	<b>Governmental Activities</b>		
	<b>June 30,</b>	<b>June 30,</b>	<b>Increase</b>
	<b>2018</b>	<b>2017</b>	<b>(Decrease)</b>
Land	\$ 612,077	\$ 612,077	\$ 0
Construction in Progress	15,626,916	3,015,411	12,611,505
Building and Equipment, net of depreciation	6,042,856	6,171,490	(128,634)
Total Capital Assets, net of depreciation	<u>\$ 22,281,849</u>	<u>\$ 9,798,978</u>	<u>\$ 12,482,871</u>

**Long-Term Debt.** At the end of the current fiscal year, the District had \$22,592,073 in bonded debt outstanding. This is a decrease of \$1,361,580 from prior year, as the District continued to pay down outstanding general obligation and limited tax pension obligation bonds. Refer to Note 5 on page 22 of this report for detailed information.

**Economic factors and next year's budget**

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

Personnel expenses make up 70% of the program costs for the instruction, support and administrative functions. Negotiations led to a 3% salary increase for all staff in each of the fiscal years 2016, 2017 and 2018. This in turn increases the associated payroll costs. These escalating costs continue to be one of the most pressing concerns for the District in the attempt to balance student needs with the provision of a realistic compensation package for staff.

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

Another area that will require continued attention is the Public Employees Retirement System (PERS). For the current biennium, ending June 30, 2018, effective rates are 1.56% of salary covered under the

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**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

plan for Tier 1 and Tier 2 employees and 0.43% for employees covered under the Oregon Public Services Retirement Plan (OPSRP).

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

The District's Budget Committee and School Board have considered all these factors while preparing the 2018-19 budget.

**Requests for Information**

This financial report is designed to present the user (citizens, taxpayers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information, contact the Business Office, Yamhill-Carlton School District, 120 N. Larch Pl., Yamhill, Oregon 97148.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

BASIC FINANCIAL STATEMENTS



YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

STATEMENT OF NET POSITION  
June 30, 2018

ASSETS

Cash and Cash Equivalents	\$ 8,726,153
Property Taxes Receivable	357,149
Accounts Receivable	474,326
Supply Inventory	8,032
Capital Assets - Nondepreciable	16,238,993
Capital Assets - Depreciable, Net of Depreciation	<u>6,042,856</u>
Total Assets	<u>31,847,509</u>

DEFERRED OUTFLOWS OF RESOURCES

Net Pension-Related Deferrals	1,555,479
Total OPEB Related Deferred Outflows	<u>133,026</u>
Total deferred Outflows of Resources	1,688,505

LIABILITIES:

Accounts Payable	1,834,328
Interest Payable	372,908
Payroll Liabilities	372,590
Accrued Compensated Absences	3,479
Unearned Revenue	8,319
Noncurrent Liabilities	
Proportionate Share of Net Pension Liability	3,141,205
Total OPEB Liability	920,049
Due within one year	1,336,378
Due in more than one year	<u>23,163,504</u>
Total Liabilities	<u>31,152,760</u>

DEFERRED INFLOWS OF RESOURCES

Net Pension-Related Deferrals	345,925
Total OPEB Related Deferred Inflows	<u>34,125</u>
Total deferred Inflows	380,050

NET POSITION:

Net Investment in Capital Assets	9,032,170
Restricted for:	
Debt Service	630,811
Food Service	10,178
Unemployment Retiree Reserve	87,613
Unrestricted	<u>(7,757,568)</u>
Total Net Position	<u>\$ 2,003,204</u>

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2018

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Instruction	\$ 6,420,156	\$ 32,346	\$ 488,961	\$ 3,135,199	\$ (2,763,650)
Support Services	4,042,656	58,704	22,987	-	(3,960,965)
Community Services	360,373	-	248,247	-	(112,126)
Interest on Long-Term Debt	1,276,780	-	-	-	(1,276,780)
Total Governmental Activities	<u>\$ 12,099,965</u>	<u>\$ 91,050</u>	<u>\$ 760,195</u>	<u>\$ 3,135,199</u>	<u>(8,113,521)</u>

General Revenues

Taxes:

Property Taxes, Levied for General Purposes 3,076,327

Property Taxes, Levied for Debt Service 1,470,722

State Sources 6,616,692

Income Not Restricted to Specific Programs

Local Sources 624,535

Intermediate Sources 203,733

Miscellaneous 20,000

Interest and Investment Earnings 255,396

Total General Revenues 12,267,405

Changes in Net Position 4,153,884

Net Position - Beginning - Restated (2,150,680)

Net Position - Ending \$ 2,003,204

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
<b>ASSETS:</b>					
Cash and Investments	\$ 1,284,446	\$ 35,785	\$ 609,858	\$ 6,796,064	\$ 8,726,153
Property Taxes Receivable	259,776	-	97,373	-	357,149
Accounts Receivable	136,829	323,310	14,187	-	474,326
Inventory	-	8,032	-	-	8,032
Total Assets	<u>\$ 1,681,051</u>	<u>\$ 367,127</u>	<u>\$ 721,418</u>	<u>\$ 6,796,064</u>	<u>\$ 9,565,660</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>					
Liabilities:					
Accounts Payable	\$ 70,071	\$ 4,030	\$ -	\$ 1,760,227	\$ 1,834,328
Payroll Liabilities	372,590	-	-	-	372,590
Unearned Revenue	-	8,319	-	-	8,319
Total Liabilities	<u>442,661</u>	<u>12,349</u>	<u>-</u>	<u>1,760,227</u>	<u>2,215,237</u>
Deferred Inflows:					
Unavailable Property Taxes	<u>243,669</u>	<u>-</u>	<u>90,607</u>	<u>-</u>	<u>334,276</u>
Fund Balances:					
Non-spendable	-	8,032	-	-	8,032
Restricted for:					
Capital Projects	-	-	-	5,035,837	5,035,837
Debt Service	-	-	630,811	-	630,811
Food Service	-	10,178	-	-	10,178
Unemployment Retiree Reserve	-	87,613	-	-	87,613
Assigned to Student Body	-	252,640	-	-	252,640
Unassigned	<u>994,721</u>	<u>(3,685)</u>	<u>-</u>	<u>-</u>	<u>991,036</u>
Total Fund Balances	<u>994,721</u>	<u>354,778</u>	<u>630,811</u>	<u>5,035,837</u>	<u>7,016,147</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 1,681,051</u>	<u>\$ 367,127</u>	<u>\$ 721,418</u>	<u>\$ 6,796,064</u>	<u>\$ 9,565,660</u>

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2018

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Total Fund Balances - Governmental Funds	\$	7,016,147
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The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole.

Net Capital Assets		22,281,849
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Accrued interest payable is not included as a liability in the governmental funds.		(372,908)
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Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.

Long term Liabilities

General Obligation Bonds Payable	\$ (15,544,138)	
Limited Tax PERS Bond	(6,214,366)	
QZAB and Note	(833,569)	
Accrued Compensated Absences	<u>(3,479)</u>	(22,595,552)

The Net Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		(3,141,205)
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The Total OPEB Liability is liability related to the other post employment benefits for health insurance premiums.		(920,049)
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Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Pension deferred inflows		(345,925)
Pension deferred outflows		1,555,479
Total OPEB deferred inflows		(34,125)
Total OPEB deferred outflows		133,026

The unamortized portion of bond premium revenue is not available to pay for current period revenues, and therefore is not reported in the governmental funds.		(1,907,809)
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Unearned revenue related to property taxes		<u>334,276</u>
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Net Position	\$	<u><u>2,003,204</u></u>
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See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:					
Taxes	\$ 3,045,012	\$ -	\$ 1,470,722	\$ -	\$ 4,515,734
State and Local Sources	6,798,752	241,417	-	3,315,327	10,355,496
Federal Sources	-	504,573	-	-	504,573
Charges for Services	78,816	90,245	876,270	7,168	1,052,499
Interest	52,187	101	6,337	196,772	255,397
Contributions and Donations	867	22,121	-	-	22,988
Other	75,242	269,366	21,579	5,927	372,114
Total Revenues	10,050,876	1,127,823	2,374,908	3,525,194	17,078,801
EXPENDITURES:					
Instruction	5,803,941	708,267	-	-	6,512,208
Support Services	3,864,026	153,915	-	95,088	4,113,029
Community Services	-	365,540	-	-	365,540
Facilities Acquisition and Construction	-	-	-	105,939	105,939
Debt Service	95,409	-	2,502,836	-	2,598,245
Capital Outlay	-	-	-	12,505,515	12,505,515
Total Expenditures	9,763,376	1,227,721	2,502,836	12,706,542	26,200,475
Excess of Revenues Over, (Under) Expenditures	287,500	(99,898)	(127,928)	(9,181,348)	(9,121,674)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	-	-	-	20,000	20,000
Transfers In	-	101,559	331,432	-	432,991
Transfers Out	(432,991)	-	-	-	(432,991)
Total Other Financing Sources (Uses)	(432,991)	101,559	331,432	20,000	20,000
Net Change in Fund Balance	(145,491)	1,661	203,504	(9,161,348)	(9,101,674)
Beginning Fund Balance	1,140,212	353,117	427,307	14,197,185	16,117,821
Ending Fund Balance	\$ 994,721	\$ 354,778	\$ 630,811	\$ 5,035,837	\$ 7,016,147

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended June 30, 2018

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Total Net Changes in Fund Balances - Governmental Funds \$ (9,101,674)

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

GO Bonds	\$ 878,358	
Bond premium	12,235	
Limited Tax PERS Bonds	254,045	
Accrued Vacation Payable	(648)	
QZAB and Note Payments	<u>229,177</u>	
		1,373,167

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

Capital Asset Additions	12,742,338
Depreciation Expense	(259,467)

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

(40,115)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:

Unavailable property taxes recognized on a full accrual basis	31,315
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The Pension Expense represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.

(782,294)

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

190,614

Change in Net Position of Governmental Activities	<u>\$ 4,153,884</u>
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See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND  
June 30, 2018

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	LAUGHLIN SCHOLARSHIP FUND
ASSETS:	
Cash and Investments	<u>\$          45,092</u>
Total Assets	<u><u>          45,092</u></u>
NET POSITION:	
Restricted	<u>          45,092</u>
Total Liabilities and Fund Balances	<u><u>\$          45,092</u></u>

See accompanying notes to basic financial statements.

YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND  
For the Year Ended June 30, 2018

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	LAUGHLIN SCHOLARSHIP FUND
REVENUES:	
From Local Sources	\$ 1,320
Total Revenues	<u>1,320</u>
EXPENDITURES:	
Instruction	<u>2,000</u>
Total Expenditures	<u>2,000</u>
Excess of Revenues Over, (Under) Expenditures	(680)
Net Change in Net Position	(680)
Net Position - Beginning	<u>45,772</u>
Net Position - Ending	<u><u>\$ 45,092</u></u>

See accompanying notes to basic financial statements.



YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from general revenues. Program revenues include 1) charges to customers who purchase or use goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS) (CONTINUED)

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The following major governmental funds are reported:

GENERAL FUND

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

SPECIAL REVENUE FUND

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

DEBT SERVICE FUND

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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND TYPES (CONTINUED)

CAPITAL PROJECTS FUND

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

FIDUCIARY FUND – NON- MAJOR

LAUGHLIN SCHOLARSHIP FUND

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

BUDGETS

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

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

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

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

Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2018.

PROPERTY TAXES RECEIVABLE

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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

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

FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

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

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

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

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

ACCOUNTS AND OTHER RECEIVABLES

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

GRANTS

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUPPLY INVENTORIES

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

CAPITAL ASSETS

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

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

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

COMPENSATED ABSENCES

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

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

USE OF ESTIMATES

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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS

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

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

RETIREMENT PLANS

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

PERS

Substantially all employees participate in the Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged to expenditures as funded.

EARLY RETIREMENT

Certificated employees who have reached age 55 or have 20 years of full-time employment in Oregon's public schools, the last 10 years of which have been in the District, are eligible for early retirement benefits which are funded and charged to expenditures as payments become due to early retirees.

NET POSITION

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION (CONTINUED)

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

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

FUND BALANCE

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The District has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions are comprised of bank demand deposits. The total bank balance per the bank statements is \$560,222, of which \$365,059 is covered by federal depository insurance. The remainder is covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. State statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295.001 to 295.108. As long as the bank depository has entered into an agreement (ORS 295.008(2)(b)) and has deposited securities pursuant to state statutes (ORS 295.015(1)), there may be deposits at any one bank depository and its branches, a sum in excess of the amount insured by the Federal Deposit Insurance Corporation.

Cash and Investments at June 30, 2018, (recorded at fair value) consisted of:

Demand Deposits:

Checking	\$	491,883	Governmental Funds	\$	8,726,153
Savings		3,298	Fiduciary Funds		45,092
Certificate of Deposit		52,115			
Wells Fargo PERS		5,013			
LGIP		8,218,936			
		<hr/>			<hr/>
Total	\$	8,771,245	Total	\$	8,771,245
		<hr/>			<hr/>



YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

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

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

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

There were the following investments and maturities at June 30, 2018:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
Wells Fargo PERS	\$ 5,013	\$ 5,013		
State Treasurer's Investment Pool	8,218,936	8,218,936	\$ -	\$ -
Total	\$ 8,223,949	\$ 8,223,949	\$ -	\$ -
<u>Credit Risk – Deposits</u>				

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. The District does not have a deposit policy for custodial credit risk. As of June 30, 2018, none of the bank balance was exposed to custodial credit risk because it was fully insured.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond three months.

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

2. CASH AND INVESTMENTS (CONTINUED)

Credit Risk – Investments

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

Concentration of Credit Risk

At June 30, 2018, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

3. ACCOUNTS/GRANTS RECEIVABLE

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

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 612,077	\$ -	\$ -	\$ 612,077
Construction in Progress	3,015,411	12,611,505	-	15,626,916
Total capital assets not being depreciated	3,627,488	12,611,505	-	16,238,993
Capital assets being depreciated:				
Buildings and Improvements	11,219,236	41,274	-	11,260,510
Vehicles & Equipment	469,718	89,559	(16,727)	542,550
Total capital assets being depreciated	11,688,954	130,833	(16,727)	11,803,060
Less total accumulated depreciation for:				
Buildings and Improvements	(5,317,402)	(217,347)	-	(5,534,749)
Vehicles & Equipment	(200,062)	(42,120)	16,727	(225,455)
Total accumulated depreciation	(5,517,464)	(259,467)	16,727	(5,760,204)
Total capital assets being depreciated, net	6,171,490	(128,634)	-	6,042,856
Total Capital Assets, Net	<u>\$ 9,798,978</u>			<u>\$ 22,281,849</u>

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS (CONTINUED)

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

Depreciation for the year was charged to the following programs:

Instruction	\$ 153,738
Support Services	97,099
Enterprise and Community Services	8,630
	\$ 259,467

5. LONG-TERM OBLIGATIONS

A summary of debt transactions of the year ended June 30, 2018 is as follows:

Issue Date	Interest Rates	Issue Amount	Outstanding July 1, 2017	Issued	Matured and Redeemed	Outstanding June 30, 2018	Due Within One Year
2015 Refunding	1.97%	\$ 3,685,955	\$ 2,532,496	\$ -	\$ 588,358	\$ 1,944,138	\$ 617,409
2003 PERS UAL	1.50-5.68%	9,421,889	6,468,411	-	254,045	6,214,366	252,540
2007 QZAB	1.49%	1,000,000	470,000	-	65,000	405,000	65,000
2009 QZAB	0.00%	1,000,000	499,998	-	71,429	428,569	71,429
2016 GO Bond	2-4.25%	14,200,000	13,890,000	-	290,000	13,600,000	330,000
2013 Note	2.89%	225,000	92,748	-	92,748	-	-
Total Governmental Activities			\$ 23,953,653	\$ -	\$ 1,361,580	\$ 22,592,073	\$ 1,336,378
Bond Premium			\$ 1,920,044	\$ -	\$ 12,235	\$ 1,907,809	\$ -
Total with premium			\$ 25,873,697	\$ -	\$ 1,373,815	\$ 24,499,882	\$ 1,336,378

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

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5. LONG-TERM OBLIGATIONS (CONTINUED)

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

**Bonds**

<b>Fiscal Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018-19	\$ 1,199,949	\$ 1,252,882	\$ 2,452,831
2019-20	1,265,781	1,280,450	2,546,231
2020-21	1,335,951	1,312,855	2,648,806
2021-22	698,152	1,334,470	2,032,622
2022-23	738,671	1,373,452	2,112,123
2024-28	8,155,000	2,870,078	11,025,078
2029-33	4,665,000	1,338,200	6,003,200
2034-37	3,700,000	308,200	4,008,200
Total	<u>\$ 21,758,504</u>	<u>\$ 11,070,587</u>	<u>\$ 32,829,091</u>

**Notes Payable**

<b>Fiscal Year Ended</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018-19	\$ 136,429	\$ 6,034	\$ 142,463
2019-20	136,429	5,066	141,495
2020-21	136,429	4,098	140,527
2021-22	141,429	3,129	144,558
2022-23	141,429	2,088	143,517
2024-27	141,429	1,043	142,472
Total	<u>\$ 833,569</u>	<u>\$ 21,458</u>	<u>\$ 855,029</u>

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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6. PENSION PLAN

*Oregon Public Employees Retirement System (PERS)*

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

<http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i) **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated either by a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - ii) **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii) **Disability Benefits.** A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv) **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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6. PENSION PLAN (CONTINUED)

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

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, which became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2018 were \$44,344, excluding amounts to fund employer specific liabilities. In addition approximately \$292,197 in employee contributions were paid or picked up by the District in fiscal 2018. Approximately \$876,270 was charged for the year ended June 30, 2018 as PERS benefit expenditures to be used for bond payments as they became due. At June 30, 2018, the District reported a net pension liability of \$3,141,205 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2017, the District's proportion was .023 percent. Pension expense for the year ended June 30, 2018 was \$782,296.

The rate in effect for the year ended June 30, 2018 was:

- (1) Tier 1/Tier 2 – 1.56%

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

6. PENSION PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 151,910	\$ -
Changes in assumptions	572,586	-
Net difference between projected and actual earnings on pension plan investments	32,362	-
Net changes in proportionate share	754,277	2,779
Differences between District contributions and proportionate share of contributions	-	343,146
Subtotal - Amortized Deferrals (below)	1,511,135	345,925
District contributions subsequent to measuring date	44,344	-
Deferred outflow (inflow) of resources	<u>\$ 1,555,479</u>	<u>\$ 345,925</u>

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

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

<u>Year ending June 30,</u>	<u>Amount</u>
2019	\$ 274,728
2020	530,170
2021	405,953
2022	(45,128)
2023	(514)
Thereafter	-
Total	<u>\$ 1,165,210</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 16, 2018. Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf>

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

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

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

6. PENSION PLAN (CONTINUED)

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

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2015 rolled forward to June 30, 2017
Experience Study Report	2014, Published September 23, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.50 percent
Projected salary increase	3.5 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2015 Experience Study which is reviewed for the four-year period ending December 31, 2015.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

(Source: June 30, 2017 PERS CAFR; p. 92)



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

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6. PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

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

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

(Source: June 30, 2017 PERS CAFR; p. 69)

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

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6. PENSION PLAN (CONTINUED)

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 5,353,186	\$ 3,141,205	\$ 1,291,578

**Changes Subsequent to the Measurement Date**

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

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

**Deferred Compensation Plan**

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

NOTES TO BASIC FINANCIAL STATEMENTS

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6. PENSION PLAN (CONTINUED)

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

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

*Pension Benefits:*

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

*Death Benefits:*

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

*Contributions:*

Employees of the District pay six (6) percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2018.

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

*Plan Description:*

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

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

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6. PENSION PLAN (CONTINUED)

*Funding Policy:*

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

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.50% of annual covered OPERS payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2016, 2017 and 2018 were \$23,745, \$23,540 and \$22,564, respectively, which equaled the required contributions each year.

At June 30, 2018, the District's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

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

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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

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

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

Actuarial Methods and Assumptions: The District engaged an actuary to perform an evaluation as of June 30, 2018 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

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

Health Care Cost Trends:

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

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

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

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Disability rates were not used.

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

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

Changes in Medical Benefit OPEB Liability:

Changes in Medical Benefit OPEB Liability	
Balance at June 30, 2017	\$ 1,011,762
Changes for the Year:	
Service Cost	58,950
Interest	28,538
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions or Other Input	(39,457)
Benefit Payments	<u>(139,744)</u>
Net Changes for the Year	<u>(91,713)</u>
Total OPEB Liability at June 30, 2018	<u><u>\$ 920,049</u></u>

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates: The following presents the net other post-employment benefit liability (NOL), calculated using the discount rate of 3.75 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

June 30, 2018	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 974,477	\$ 920,049	\$ 868,566

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

June 30, 2018	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 860,895	\$ 920,049	\$ 988,678

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	(34,125)	-
Benefit Payments	-	133,026
Deferred outflow (inflow) of resources	<u>\$ (34,125)</u>	<u>\$ 133,026</u>

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

<u>Year ending June 30</u>	<u>Amount</u>
2019	\$ (5,332)
2020	(5,332)
2021	(5,332)
2022	(5,332)
2023	(5,332)
Thereafter	(7,465)
Total	<u>\$ (34,125)</u>

8. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any to be immaterial. A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate, there can be increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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9. RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District has joined with other school districts in the state, which are participating members of United Schools Insurance Program of Oregon, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The District has an annually renewable contract to pay United Schools Insurance Program of Oregon an annual premium for its general liability, property liability, automobile liability, boiler and machinery, comprehensive crime, and umbrella insurance coverage.

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

10. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2018 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 432,991
Special Revenue Funds	101,559	-
Debt Service Fund	331,432	-
	<u>\$ 432,991</u>	<u>\$ 432,991</u>

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

11. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school government operations. School operations included community colleges, local school districts, and education service districts. The limitation provided that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. The limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.



YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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12. RESTATEMENT OF NET POSITION

The District implemented GASB #75, Formerly GASB #45, for Other Post-Employment Benefits (OPEB) which resulted in a restatement of beginning net position for 2017-2018 in the amount of (897,782).

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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

REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2018

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

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

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

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

**SCHEDULE OF CONTRIBUTIONS**

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

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

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

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

SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY  
For the fiscal year ended June 30, 2018

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Total OPEB Liability at June 30, 2017	\$	1,011,762
Changes for the year:		
Service Cost	\$	58,950
Interest		28,538
Changes of Benefit Terms		-
Differences Between Expected and Actual Experience		-
Changes of Assumptions or Other Input		(39,457)
Benefit Payments		<u>(139,744)</u>
Net Changes for the Year		<u>(91,713)</u>
<b>Total OPEB Liability at June 30, 2018</b>	<b>\$</b>	<b><u>920,049</u></b>
Covered Payroll		4,860,496
Net Single Employer Pension Plan as a Percentage of Covered Payroll		18.93%

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

YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 2,967,986	\$ 3,068,984	\$ 3,252,124	\$ 183,140
Other local Revenue	122,902	105,140	-	(105,140)
Intermediate Sources	187,369	187,369	203,733	16,364
State Sources	6,444,787	6,686,927	6,595,019	(91,908)
Total Revenues	9,723,044	10,048,420	10,050,876	2,456
EXPENDITURES:				
Instruction	5,645,964	5,947,218 (1)	5,803,941	143,277
Support Services	4,009,500	4,064,285 (1)	3,864,026	200,259
Debt Service	48,423	96,846 (1)	95,409	1,437
Contingencies	321,670	400,000 (1)	-	400,000
Total Expenditures	10,025,557	10,508,349	9,763,376	744,973
Excess of Revenues Over (Under) Expenditures	(302,513)	(459,929)	287,500	747,429
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Transfers Out	(447,487)	(447,487) (1)	(432,991)	14,496
Total Other Financing Sources (Uses)	(447,487)	(447,487)	(432,991)	14,496
Net Change in Fund Balance	(750,000)	(907,416)	(145,491)	761,925
Beginning Fund Balance	750,000	907,416	1,140,212	232,796
Ending Fund Balance	\$ -	\$ -	\$ 994,721	\$ 994,721

(1) Appropriation Level

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

<u>SPECIAL REVENUE FUNDS</u>				
REVENUES:	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Local Sources	\$ 626,958	\$ 626,958	\$ 381,833	\$ (245,125)
Intermediate Sources	-	-	2,714	2,714
State Sources	197,964	212,772	238,703	25,931
Federal Sources	<u>603,580</u>	<u>603,580</u>	<u>504,573</u>	<u>(99,007)</u>
Total Revenues	<u>1,428,502</u>	<u>1,443,310</u>	<u>1,127,824</u>	<u>(315,487)</u>
EXPENDITURES:				
Instruction	1,067,603	1,082,411 (1)	708,267	374,144
Support Services	226,921	226,921 (1)	153,915	73,006
Community & Enterprise	<u>438,243</u>	<u>438,243 (1)</u>	<u>365,540</u>	<u>72,703</u>
Total Expenditures	<u>1,732,767</u>	<u>1,747,575</u>	<u>1,227,721</u>	<u>519,854</u>
Excess of Revenues Over (Under) Expenditures	(304,265)	(304,265)	(99,898)	204,367
Other Financing Sources, (Uses)				
Transfers In	<u>116,055</u>	<u>116,055</u>	<u>101,559</u>	<u>(14,496)</u>
Total Other Financing Sources	<u>116,055</u>	<u>116,055</u>	<u>101,559</u>	<u>(14,496)</u>
Net Change in Fund Balance	(188,210)	(188,210)	1,661	189,871
Beginning Fund Balance	<u>188,210</u>	<u>188,210</u>	<u>353,117</u>	<u>164,907</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 354,778</u>	<u>\$ 354,778</u>

(1) Appropriation Level

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 2,400,806	\$ 2,400,806	\$ 2,356,952	\$ (43,854)
State Sources	12,000	12,000	17,956	5,956
Total Revenues	2,412,806	2,412,806	2,374,908	(37,898)
EXPENDITURES:				
Debt Service	2,949,038	2,949,038 (1)	2,502,836	446,202
Total Expenditures	2,949,038	2,949,038	2,502,836	446,202
Excess of Revenues Over (Under) Expenditures	(536,232)	(536,232)	(127,928)	408,304
Other Financing Sources, (Uses) Transfers In	331,432	331,432	331,432	-
Total Other Financing Sources	331,432	331,432	331,432	-
Net Change in Fund Balance	(204,800)	(204,800)	203,504	408,304
Beginning Fund Balance	204,800	204,800	427,307	222,507
Ending Fund Balance	\$ -	\$ -	\$ 630,811	\$ 630,811

(1) Appropriation Level

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

<u>CAPITAL PROJECTS FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Local Sources	\$ 50,000	\$ 50,000	\$ 389,995	\$ 339,995
State Sources	<u>3,000,000</u>	<u>3,135,200</u>	<u>3,135,199</u>	<u>(1)</u>
Total Revenues	<u>3,050,000</u>	<u>3,185,200</u>	<u>3,525,194</u>	<u>339,994</u>
EXPENDITURES:				
Support Services	175,000	175,000 (1)	95,088	79,912
Facilities Acquisition & Construction	<u>18,050,000</u>	<u>17,005,034 (1)</u>	<u>12,611,453</u>	<u>4,393,581</u>
Total Expenditures	<u>18,225,000</u>	<u>17,180,034</u>	<u>12,706,542</u>	<u>4,473,492</u>
Excess of Revenues Over (Under) Expenditures	(15,175,000)	(13,994,834)	(9,181,347)	(4,133,498)
Other Financing Sources, (Uses)				
Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total Other Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Net Change in Fund Balance	(15,175,000)	(13,994,834)	(9,161,347)	(4,113,498)
Beginning Fund Balance	<u>15,175,000</u>	<u>13,994,834</u>	<u>14,197,185</u>	<u>202,351</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,035,837</u>	<u>\$ 5,035,837</u>

(1) Appropriation Level



YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2018

LAUGHLIN SCHOLARSHIP FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 2,000	\$ 2,000	\$ 1,320	\$ (680)
Total Revenues	2,000	2,000	1,320	(680)
EXPENDITURES:				
Instruction	2,000	2,000	(1) 2,000	-
Total Expenditures	2,000	2,000	2,000	-
Net Change in Fund Balance	-	-	(680)	(680)
Beginning Fund Balance	40,000	40,000	45,772	5,772
Ending Fund Balance	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 45,092</u>	<u>\$ 5,092</u>

(1) Appropriation Level

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

OTHER INFORMATION

## YAMHILL-CARLTON SCHOOL DISTRICT NO. 1

SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES  
For the Year Ended June 30, 2018

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DATE OF ISSUE	BONDS & COUPONS MATURING DURING THE YEAR	BONDS REDEEMED AND COUPONS PAID DURING THE YEAR
April 21, 2003	\$ 254,045	\$ 254,045
June 12, 2007	65,000	65,000
July 1, 2009	71,429	71,429
July 1, 2013	92,748	92,748
March 17, 2015	588,358	588,358
July 19, 2016	<u>290,000</u>	<u>290,000</u>
 Total	 <u>\$ 1,361,580</u>	 <u>\$ 1,361,580</u>

YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT  
For the Year Ended June 30, 2018

	YEAR	PRINCIPAL	INTEREST	INTEREST RATES
		Due 6/15	Due 12/15 & 6/15	
On March 17, 2015, \$3,685,955 of General Obligation Refunding Bonds were issued.	2018-19	\$ 617,409	\$ 38,300	1.97%
	2019-20	645,172	26,137	1.97%
	2020-21	681,557	13,427	1.97%
		<u>\$ 1,944,138</u>	<u>\$ 77,864</u>	
		Due 6/30	Due 12/30 & 6/30	
Oregon School Boards Association Limited Tax Pension Obligation Bonds Series 2003, Wells Fargo Bank Northwest, NA, Trustee - Original Balance \$9,421,889	2018-19	\$ 252,540	\$ 693,832	6.08%
	2019-20	250,609	740,763	6.15%
	2020-21	249,394	791,978	6.22%
	2021-22	248,152	843,220	6.26%
	2022-23	248,670	897,702	6.27%
	2023-24	920,000	281,372	6.27%
	2024-25	1,025,000	229,756	5.68%
	2025-26	1,145,000	171,536	5.68%
	2026-27	1,270,000	106,500	5.68%
	2027-28	605,000	34,365	5.68%
		<u>\$ 6,214,366</u>	<u>\$ 4,791,024</u>	

YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT  
For the Year Ended June 30, 2018

	YEAR	PRINCIPAL	INTEREST	INTEREST RATES
<hr/>				
General Obligation Bond				
July 19, 2016				
Original issue: \$14,200,000	2018-19	\$ 330,000	\$ 520,750	
Premium: \$1,923,680	2019-20	370,000	513,550	
	2020-21	405,000	507,450	
	2021-22	450,000	491,250	
	2023-27	2,935,000	2,163,950	
	2028-32	4,340,000	1,499,125	
	2033-37	4,770,000	505,625	
		<u>\$ 13,600,000</u>	<u>\$ 6,201,700</u>	
		<u>Due 7/10</u>	<u>Due 7/10</u>	
Qualified Zone Academy Bond (QZAB)				
held by LaSalle Bank N.A.				
- Original Balance \$1,000,000				
	2018-19	\$ 65,000	\$ 6,034	1.49%
	2019-20	65,000	5,066	1.49%
	2020-21	65,000	4,098	1.49%
	2021-22	70,000	3,129	1.49%
	2022-23	70,000	2,088	1.49%
	2023-24	70,000	1,043	1.49%
		<u>\$ 405,000</u>	<u>\$ 21,458</u>	
		<u>Due 7/1</u>	<u>Due 7/1</u>	
Qualified Zone Academy Bond (QZAB)				
held by All Points Capital Corporation				
- Original Balance \$1,000,000				
	2018-19	\$ 71,429	\$ -	0.00%
	2019-20	71,429	-	0.00%
	2020-21	71,429	-	0.00%
	2021-22	71,429	-	0.00%
	2022-23	71,429	-	0.00%
	2023-24	71,429	-	0.00%
		<u>\$ 428,569</u>	<u>\$ -</u>	

**Yamhill-Carlton School District**

Yamhill County, Oregon

**REVENUE SUMMARY - ALL FUNDS  
YEAR ENDED JUNE 30, 2018**

<b>Revenue from Local Sources</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 700</b>	<b>TOTAL</b>
1110 Ad Valorem Taxes Levied by District	\$ 3,050,678	\$ -	\$ 1,470,722	\$ -	\$ -	\$ 4,521,400
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	180,128	-	180,128
1190 Penalties and interest on taxes	17,396	-	3,623	-	-	21,019
1311 Tuition from other districts within the state	-	-	-	-	-	-
1312 Tuition from regional districts	24,070	-	-	-	-	24,070
1313 Tuition from districts out of state	-	-	-	-	-	-
1314 Tuition from IN/ST Out/Regional	-	-	-	-	-	-
1330 Summer school tuition	2,120	-	-	-	-	2,120
1411 Transportation fees	1,090	-	-	-	-	1,090
1500 Earnings on investments	52,187	101	6,337	196,772	-	255,397
1600 Food Service	-	90,858	-	-	-	90,858
1700 Extracurricular Activities	43,963	262,050	-	-	-	306,013
1800 Community Services Activities	-	-	-	-	-	-
1910 Rentals	7,573	-	-	7,168	-	14,741
1920 Contributions and donations from private sources	866	27,121	-	-	1,320	29,307
1940 Services provided other district within the state	-	-	-	-	-	-
1950 Textbook sales and rentals	-	-	-	-	-	-
1960 Recovery of prior year expenditures	6,228	198	-	-	-	6,426
1970 Services provided other funds	-	-	876,270	-	-	876,270
1990 Miscellaneous	45,951	1,506	-	5,928	-	53,385
<b>Total Revenue from Local Sources</b>	<b>3,252,122</b>	<b>381,834</b>	<b>2,356,952</b>	<b>389,996</b>	<b>1,320</b>	<b>6,382,224</b>
<b>Revenue from Intermediate Sources</b>						
2101 County school funds	3,667	-	-	-	-	3,667
2102 General ESD Funds	200,067	-	-	-	-	200,067
2200 Restricted Revenue	-	2,714	-	-	-	2,714
2800 Revenue in lieu of taxes	-	-	-	-	-	-
<b>Total Revenue from Intermediate Sources</b>	<b>203,734</b>	<b>2,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206,448</b>
<b>Revenue from State Sources</b>						
3101 State School Support	6,486,466	-	-	-	-	6,486,466
3102 SSF - School Lunch Match	-	3,717	-	-	-	3,717
3103 Common school fund	108,553	-	-	-	-	108,553
3199 Other unrestricted sources	-	-	-	-	-	-
3200 Restricted Grants-In-Aid	-	40,618	-	-	-	40,618
3299 Other restricted grants-in-aid	-	194,369	-	3,135,199	-	3,329,568
3900 Other state sources	-	-	17,956	-	-	17,956
<b>Total Revenue from State Sources</b>	<b>6,595,019</b>	<b>238,704</b>	<b>17,956</b>	<b>3,135,199</b>	<b>-</b>	<b>9,986,878</b>
<b>Revenue from Federal Sources</b>						
4500 Restricted Rev Fed Gov through State	-	469,761	-	-	-	469,761
4700 Grants-in-aid from the federal government through other intermediate agencies	-	4,263	-	-	-	4,263
4900 USDA Donated Commodities	-	30,550	-	-	-	30,550
<b>Total Revenue from Federal Sources</b>	<b>-</b>	<b>504,574</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>504,574</b>
<b>Revenue from Other Sources</b>						
5100 Long Term Debt Financing Sources	-	-	-	-	-	-
5200 Interfund Transfers	-	101,559	331,432	-	-	432,991
5300 Sale/compensation fixed assets	-	-	-	20,000	-	20,000
5400 Resources - Beginning Fund Balance	1,140,213	353,118	427,307	14,197,185	45,772	16,163,595
<b>Total Revenue from Other Sources</b>	<b>1,140,213</b>	<b>454,677</b>	<b>758,739</b>	<b>14,217,185</b>	<b>45,772</b>	<b>16,616,586</b>
<b>Total</b>	<b>\$ 11,191,088</b>	<b>\$ 1,582,503</b>	<b>\$ 3,133,647</b>	<b>\$ 17,742,380</b>	<b>\$ 47,092</b>	<b>\$ 33,696,710</b>

**Yamhill-Carlton School District**

Yamhill County, Oregon

**GENERAL FUND  
EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2018**

<b>Fund: 100 General Funds</b>								
<b>Instruction Expenditures</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>TOTAL</b>
1111 Primary, K-3	\$ 828,018	\$ 338,135	\$ 50,442	\$ 32,849	\$ -	\$ -	\$ -	\$ 1,249,444
1121 Middle/Junior high school programs	764,367	409,106	62,246	34,754	-	-	-	1,270,473
1122 Middle/Junior high school extracurricular	1,982	521	-	-	-	-	-	2,503
1131 High school programs	780,356	412,504	58,876	48,646	-	-	-	1,300,382
1132 High school extracurricular	174,246	42,931	32,354	14,329	-	6,482	-	270,342
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1220 Restrictive programs for student with disabilities	366,078	287,547	136,074	259	-	-	-	789,958
1250 Less restrictive programs for student with disabilities	250,977	168,681	35,500	4,344	-	-	-	459,502
1280 Alternative education	234,527	78,128	65,069	37,229	-	-	-	414,953
1291 English second language programs	37,754	3,046	1,772	-	-	-	-	42,572
1400 Summer school programs	3,000	810	-	-	-	-	-	3,810
<b>Total Instruction Expenditures</b>	<b>3,441,305</b>	<b>1,741,409</b>	<b>442,333</b>	<b>172,410</b>	<b>-</b>	<b>6,482</b>	<b>-</b>	<b>5,803,939</b>
<b>Support Services Expenditures</b>								
2110 Attendance and social work	19,553	16,809	-	-	-	595	-	36,957
2120 Guidance services	68,102	30,197	88,158	1,310	-	-	-	187,767
2130 Health services	-	-	-	717	-	-	-	717
2140 Psychological services	-	-	5,000	-	-	-	-	5,000
2190 Service direction, student support services	45,781	18,503	96	-	-	-	-	64,380
2210 Improvement of instruction services	-	-	3,263	251	-	-	-	3,514
2220 Educational media services	50,163	44,608	-	5,042	-	-	-	99,813
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of education services	-	-	48,360	1,667	-	28,680	-	78,707
2320 Executive administration services	152,045	69,776	4,077	537	-	595	-	227,030
2410 Office of the principal services	595,996	293,283	8,512	13,458	119	2,480	-	913,848
2520 Fiscal services	122,739	30,359	17,586	33,693	-	4,085	-	208,462
2540 Operation and maintenance of plant services	303,400	164,908	392,194	49,833	-	101,695	-	1,012,030
2550 Student transportation services	-	-	735,823	-	-	-	-	735,823
2640 Staff services	31,207	18,962	8,254	345	-	1,678	-	60,446
2660 Technology services	29,280	10,148	144,979	34,410	-	10,714	-	229,531
<b>Total Support Services Expenditures</b>	<b>1,418,266</b>	<b>697,553</b>	<b>1,456,302</b>	<b>141,263</b>	<b>119</b>	<b>150,522</b>	<b>-</b>	<b>3,864,025</b>
<b>Other Uses Expenditures</b>								
5100 Debt service	-	-	-	-	-	95,409	-	95,409
5200 Transfers of Funds	-	-	-	-	-	-	432,991	432,991
<b>Total Other Uses Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,409</b>	<b>432,991</b>	<b>528,400</b>
<b>Total 100 General Funds</b>	<b>\$ 4,859,571</b>	<b>\$ 2,438,962</b>	<b>\$ 1,898,635</b>	<b>\$ 313,673</b>	<b>\$ 119</b>	<b>\$ 252,413</b>	<b>\$ 432,991</b>	<b>\$ 10,196,364</b>

**Yamhill County, Oregon**

Yamhill County, Oregon

**SPECIAL REVENUE FUND  
EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2018****Fund: 200 Special Revenue Funds**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
<b>Instruction Expenditures</b>								
1111 Primary, K-3	\$ 14	\$ 4	\$ 533	\$ 14,070	\$ -	\$ -	\$ -	\$ 14,621
1113 Elementary extracurricular	-	-	-	29,602	-	-	-	29,602
1121 Middle/Junior High Programs	490	130	19,730	12,620	-	-	-	32,970
1122 Middle/Junior high school extracurricular	3,223	866	-	56,878	-	-	-	60,967
1131 High school programs	67,277	46,444	2,608	17,593	15,174	-	-	149,096
1132 High school extracurricular	-	-	-	169,527	-	-	-	169,527
1220 Restrictive programs for student with disabilities	2,869	790	-	-	-	-	-	3,659
1250 Less restrictive programs for student with disabilities	95,130	42,476	3,045	248	-	-	-	140,899
1272 Title I	42,526	25,951	4,557	-	-	-	-	73,034
1291 English Language Learner	10,323	4,171	1,835	17,565	-	-	-	33,894
<b>Total Instruction Expenditures</b>	<b>221,852</b>	<b>120,832</b>	<b>32,308</b>	<b>318,103</b>	<b>15,174</b>	<b>-</b>	<b>-</b>	<b>708,269</b>
<b>Support Services Expenditures</b>								
2120 Guidance Services	1,667	133	-	-	-	-	-	1,800
2210 Improve instruction services	21,125	7,573	13,973	-	-	-	-	42,671
2212 Other improvement of instruction services	-	-	-	-	-	-	-	-
2230 Assessment and testing	3,942	1,039	-	85	-	-	-	5,066
2240 Instructional staff development	-	-	11,890	-	-	-	-	11,890
2410 Office of principal services	-	-	-	-	-	-	-	-
2490 Other support services - school administration	-	-	-	-	-	-	-	-
2520 Fiscal services	-	4,417	-	-	-	-	-	4,417
2529 Other fiscal services	-	-	-	-	-	-	-	-
2540 Operation and maintenance of plant services	-	-	-	-	-	-	-	-
2558 Special education transportation services	-	-	-	-	-	-	-	-
2579 Other internal services	-	-	-	-	-	-	-	-
2620 Plan, research and development	-	-	-	-	-	-	-	-
2640 Staff services	-	25,328	-	-	-	-	-	25,328
2660 Technology services	-	-	-	-	-	-	-	-
2700 Supplemental retirement program	13,500	49,242	-	-	-	-	-	62,742
<b>Total Support Services Expenditures</b>	<b>40,234</b>	<b>87,732</b>	<b>25,863</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153,914</b>
<b>Enterprise and Community Services</b>								
3100 Food services	125,029	67,907	2,527	157,713	5,723	6,640	-	365,539
<b>Total Enterprise and Community Services</b>	<b>125,029</b>	<b>67,907</b>	<b>2,527</b>	<b>157,713</b>	<b>5,723</b>	<b>6,640</b>	<b>-</b>	<b>365,539</b>
<b>Total 200 Special Revenue Funds</b>	<b>\$ 387,115</b>	<b>\$ 276,471</b>	<b>\$ 60,698</b>	<b>\$ 475,901</b>	<b>\$ 20,897</b>	<b>\$ 6,640</b>	<b>\$ -</b>	<b>\$ 1,227,722</b>



**Yamhill-Carlton School District**

Yamhill County, Oregon

**DEBT SERVICE FUND  
EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2018**

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<b>Fund: 300 Debt Service</b>									
		<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>	<b>TOTAL</b>
<b>Support Services Expenditures</b>									
2520 Fiscal services	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Total Support Services Expenditures</b>		-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>									
5100 Debt Service		-	-	-	-	-	2,502,835	-	2,502,835
<b>Total Other Uses Expenditures</b>		-	-	-	-	-	2,502,835	-	2,502,835
<b>Total 500 Enterprise Funds</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,502,835</b>	<b>\$ -</b>	<b>2,502,835</b>

**Yamhill-Carlton School District**

Yamhill County, Oregon

**CAPITAL PROJECTS FUND  
EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2018**

**Fund: 400 Capital Projects Funds**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	TOTAL
<b>Support Services Expenditures</b>								
2310 Board of Education Services	\$ -	\$ -	\$ 1,723	\$ -	\$ -	\$ -	\$ -	1,723
2520 Fiscal Services	-	-	-	-	-	6,505	-	6,505
2540 Operation and Maintenance of Plant Services	-	-	6,709	18,397	61,754	-	-	86,860
<b>Total Support Services Expenditures</b>	-	-	8,432	18,397	61,754	6,505	-	95,088
<b>Facilities Acquisition and Construction</b>								
4150 Building Acquisition, Construction, and Impr	-	-	188,709	-	12,422,744	-	-	12,611,453
<b>Total Other Uses Expenditures</b>	-	-	188,709	-	12,422,744	-	-	12,611,453
<b>Total 400 Capital Projects Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 197,141</b>	<b>\$ 18,397</b>	<b>\$ 12,484,498</b>	<b>\$ 6,505</b>	<b>\$ -</b>	<b>\$ 12,706,541</b>

**Yamhill-Carlton School District**

Yamhill County, Oregon

**FIDUCIARY FUND  
EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2018**

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**Fund: 700 Fiduciary Fund**

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

**Yamhill-Carlton School District**

Yamhill County, Oregon

**SUPPLEMENTAL INFORMATION  
As Required by The Department of Education  
For the Year Ended June 30, 2018**

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

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

Function 2540  
Function 2550

**Objects 325 & 326**

\$	203,870
	-

**Amount**

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

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

\$	-
----	---

Exclude these functions:

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

**YAMHILL-CARLTON SCHOOL DISTRICT  
YAMHILL COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2018

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Number</b>	<b>Grant Period</b>	<b>Grant Amount</b>	<b>2017/18 Revenue and Expenditures</b>
<b>U.S. Department of Education</b>					
Passed through Oregon Department of Education:					
Title I, Part A Cluster:					
Grants to Local Educational Agencies	84.010	45726	7/1/2017 - 9/30/2018	\$ 82,872	\$ 73,033
Total, Title I, Part A Cluster				82,872	73,033
Special Education Cluster (IDEA):					
Special Education Grants to States 16-17	84.027	41646	7/1/2016 - 12/31/2017	58,047	58,047
Special Education Grants to States 17-18	84.027	45282	7/1/2017 - 12/31/2018	106,953	79,559
SPR&I 2017-18	84.027	44531	7/1/2017 - 9/30/2018	2,000	568
IDEA Enhancement 17-18	84.027	46574	7/1/2016 - 9/30/2018	2,122	2,122
Total, Special Education Cluster (IDEA)				169,122	140,297
Student Support and Academic Enrichment 17-19	84.424	47855	7/1/2017 - 6/30/2018	10,000	10,000
				10,000	10,000
Title IIA - Improving Teacher Quality State Grants	84.367	41445	7/1/2016 - 9/30/2017	9,410	9,410
Title IIA - Improving Teacher Quality State Grants	84.367	45941	7/1/2017 - 9/30/2018	19,125	19,125
				28,535	28,535
Total, Passed through Oregon Department of Education				290,529	251,865
<b>Total, U.S. Department of Education</b>				290,529	251,865
IDEA Extended Assessment	84.027		7/1/2017 - 6/30/2018	603	603
IDEA Regional Services	84.027		7/1/2017 - 6/30/2018	3,660	3,660
<b>Total, Passed through Willamette ESD</b>				4,263	4,263
<b>U.S. Department of Agriculture</b>					
Passed through Oregon Department of Education:					
Child Nutrition Cluster:					
Commodities	10.555	N/A	7/1/2017 - 6/30/2018	30,550	30,550
School Breakfast Program	10.553	N/A	7/1/2017 - 6/30/2018	50,526	50,526
State Administrative Expenses for Child Nutrition	10.560	N/A	7/1/2017 - 6/30/2018	901	901
Summer Food Service Program	10.559	N/A	7/1/2017 - 6/30/2018	8,156	8,156
National School Lunch Program	10.555	N/A	7/1/2017 - 6/30/2018	158,319	158,319
Total, Child Nutrition Cluster				248,451	248,451
<b>Total, U.S. Department of Agriculture</b>				248,451	248,451
<b>Total, Federal Awards</b>				<b>\$ 543,243</b>	<b>\$ 504,579</b>

<b>Representative Levy Rate</b> <b>(Rates per \$1,000 of Assessed Value)</b> <b>2018</b>			
	<b>Operating Rate</b>	<b>Bond Levy Rate</b>	<b>Consolidated Rate</b>
<b>General Government</b>			
Yamhill County	\$ 2.5775	-	\$ 2.5775
Yamhill County Extension Service	0.0449	-	0.0449
Yamhill County Soil & Water	0.0354	-	0.0354
Chemekata Library	0.0818	-	0.0818
City of Carlton	4.9602	0.3677	5.3279
Carlton Fire	<u>1.0500</u>	<u>0.3865</u>	<u>1.4365</u>
Total General Government	<u>8.7498</u>	<u>0.7542</u>	<u>9.5040</u>
<b>Education</b>			
Yamhill-Carlton SD	4.7818	2.3550	7.1368
Willamette Regional ESD	0.2967	-	0.2967
Chemekata Community College	<u>0.6259</u>	<u>0.2759</u>	<u>0.9018</u>
Total Education	<u>5.7044</u>	<u>2.6309</u>	<u>8.3353</u>
Total Tax Rate	<u>\$ 14.4542</u>	<u>\$ 3.3851</u>	<u>\$ 17.8393</u>
<i>Source: Yamhill County Assessor's Office, Tax Code 11</i>			

### Taxable Property Values

Fiscal Year	M5 Real Market Value	Total Assessed Value	Urban Renewal Excess	Net Assessed Value
2018	<b>\$ 1,437,878,982</b>	<b>\$ 667,298,085</b>	<b>\$ 8,039,947</b>	<b>\$ 675,338,032</b>
2017	923,637,986	643,686,198	6,961,018	650,647,216
2016	815,265,599	612,467,346	6,431,725	618,899,071
2015	784,024,262	585,124,515	4,446,352	589,570,867
2014	801,527,897	565,421,402	3,610,473	569,031,875
2013	740,047,841	543,068,722	3,075,193	546,143,915
2012	770,715,619	522,553,070	2,583,923	525,136,993

**Major Taxpayers - Fiscal Year 2018**

**Yamhill-Carlton School District**

<b>Taxpayer</b>	<b>Business/Service</b>	<b>Tax</b>	<b>Assessed Value</b>	<b>Percent of Value</b>
Portland General Electric Co	Electrical/Utility	\$ 61,760	\$ 14,735,000	2.21%
Weyerhaeuser Company by Merger to	Wood Products	44,669	9,341,410	1.40%
Jackson Family Investments	Investment	20,772	4,955,880	0.74%
Jackson Family Investments III LLC	Investment	17,125	3,864,808	0.58%
Bailey Nurseries Inc	Agriculture	17,059	3,604,728	0.54%
Doran Living Trust	Trust	15,104	3,158,649	0.47%
Comcast Corporation	Utility	14,542	3,195,300	0.48%
Trappist Abby of Our Lady of Guadalupe	Monastery	13,654	3,099,793	0.46%
Carlton Packing Co Inc	Farm	13,551	3,220,355	0.48%
Campbell Vineyard Properties LLC	Winery	13,358	3,135,336	0.47%
Subtotal - ten of District's largest taxpayers			52,311,259	7.84%
All other District's taxpayers			614,986,826	92.16%
Total District			\$ 667,298,085	100.00%



**Representative Levy Rate**

<b>Fiscal Year</b>		<b>Permanent Rate</b>	<b>Bond Levy</b>	<b>Total</b>
2018	\$	4.7818	\$ 2.3550	\$ 7.1368
2017		4.7818	2.3550	7.1368
2016		4.7818	0.9371	5.7189
2015		4.7818	1.2178	5.9996
2014		4.7818	1.0985	5.8803
2013		4.7818	1.1171	5.8989
2012		4.7818	1.2178	5.9996
2011		4.7818	1.2149	5.9967

YAMHILL CARLTON SCHOOL DISTRICT NO. 1  
YAMHILL COUNTY, OREGON

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS



**PAULY, ROGERS, AND CO., P.C.**  
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December 20, 2018

### **Independent Auditor's Report Required by Oregon State Regulations**

We have audited the basic financial statements of the Yamhill Carlton School District as of and for the year ended June 30, 2018, and have issued our report thereon dated December 20, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### **Compliance**

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

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

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

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

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

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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

A handwritten signature in cursive script that reads "Tara M. Kamp, CPA".

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