

**ONTARIO SCHOOL DISTRICT
MALHEUR COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019



12700 SW 72nd Ave.
Tigard, OR 97223

ONTARIO SCHOOL DISTRICT NO.8C

**INDEPENDENT AUDITOR'S REPORT,
BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
SINGLE AUDIT**

For the Year Ended June 30, 2019

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

June 30, 2019

CONTENTS

PAGE

INTRODUCTORY SECTION

Board of Directors and Officials	i
--	---

FINANCIAL SECTION

<i>Independent Auditor's Report</i>	1-3
<i>Management's Discussion and Analysis</i>	4-13
<i>Basic Financial Statements</i>	
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Governmental Fund Financial Statements	
Balance Sheet-Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to the	
Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in	
Fund Balances – Governmental Funds	18
Reconciliation of Statement of Revenues, Expenditures and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	19
Proprietary Fund Financial Statements	
Statement of Fund Net Position	20
Statement of Revenues, Expenses and Changes	
in Fund Net Position	21
Statement of Cash Flows – Proprietary Funds	22
Notes to the Basic Financial Statements	23-47
<i>Required Supplementary Information</i>	
Schedules of Revenues, Expenditures and Changes in	
Fund Balance – Budget to Actual (Budgetary Basis)	
General Fund	48
Federal Programs Fund	49
Schedules of Oregon PERS	50
Schedule of Early Retirement Incentive Plan and Health Insurance (GASB 75)	51
Notes to the Required Supplementary Information	52
<i>Other Supplementary Information</i>	
Combining Balance Sheet – Nonmajor Governmental Funds	53
Combining Schedule of Revenues, Expenditures and Changes in Fund	
Balances – Nonmajor Governmental Fund	54
Schedules of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual (Budgetary Basis)	
Pension Bond Debt Service	55
Response to Invention	56
Activities Fund	57
Outdoor School Grant	58
HB 3499 English Language Learners Grant	59
Malheur Promise Grant	60
Smile Grant	61
ASPIRE Grant	62

FINANCIAL SECTION (CONTINUED)

Other Supplementary Information

Measure 98 Grant	63
Goldman Sachs Philanthropic	64
NW Health Foundation Grant	65
Maybelle Clark McDonald Grant.....	66
OSBA Promise Scholarship	67
CTE Pathways Grant.....	68
Family Services Grant.....	69
Aiken PBIS Grant	70
Medicaid Reimbursement	71
Student Body	72
Food Services	73
Equipment Replacement	74
Technology.....	75
Chromebook Reserve	76
Building Improvement	77
<i>Major Debt Service Fund</i>	
Bond Debt Service	78
<i>Proprietary Funds</i>	
OHS Tiger Shoppe & O+	79
OHS Teen Parent Program.....	80
OHS Concessions.....	81
<i>Internal Service Fund</i>	
Unemployment Fund.....	82

Other Financial Schedules

Schedules of Cash, Cash Items, Investments and Collateral Security	83-84
Combining Schedule of Federal Programs Sub-Funds	85
Continuing Disclosures Required for Bonded Debt.....	86-87
Schedule of District Revenues	88
<i>Schedules of Expenditures by Object</i>	
General Fund	89
Special Revenue Funds.....	90
Debt Service Funds.....	91
Capital Projects Funds	92
Proprietary Funds	93
Internal Services Funds	94
Oregon Department of Education Required Information.....	95

REPORT REQUIRED BY THE OREGON STATE REGULATORS

Report Required by the State of Oregon Regulations	96-97
--	-------

SINGLE AUDIT

Single Audit	98-104
--------------------	--------

INTRODUCTORY SECTION

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
BOARD OF DIRECTORS AND OFFICIALS
June 30, 2019

BOARD OF DIRECTORS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Renae Corn Ontario, OR	Director	June 30, 2021
Eric Evans Ontario, OR	Chairperson	June 30, 2023
Mike Blackaby Ontario, OR	Director	June 30, 2023
Derrick Draper Ontario, OR	Vice-Chairperson	June 30, 2021
Blanca Rodriguez Ontario, OR	Director	June 30, 2021

OFFICIALS

Nicole Albisu	Superintendent
Mary Jo Evers	Director of Finance

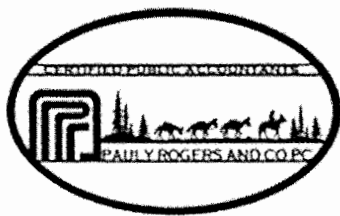
DISTRICT ADDRESS

195 SW Third Avenue
Ontario, OR 97914

This Page Intentionally Left Blank

FINANCIAL SECTION

This Page Intentionally Left Blank



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 19, 2019

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ontario School District No. 8C
Malheur County, Oregon

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic 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 basic 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 basic 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ontario School District No. 8C, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows 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. 83 *Certain Asset Retirement Obligations* and GASB Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to these matters.

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 supplementary 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 Schedules of changes in total pension liability and related ratios for post-employment health benefits and stipends or the Schedules of net pension liability or contributions for PERS or management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

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 as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The supplementary information 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.

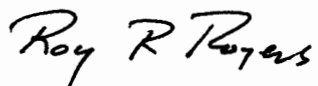
Other Information

The introductory section and other financial schedules 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 Government Auditing Standards, we have also issued our reports dated December 19, 2019 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 19, 2019, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive, flowing style.

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT 8C

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2019

This section of Ontario School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2019. Please read it in conjunction with the District's financial reports, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's government-wide financial statements reflect assets of \$49.2MM, deferred outflows of \$8.7MM, liabilities of \$51.1MM and deferred inflows of \$2.4MM. Of the \$4.32MM in net position, \$7.58MM is invested in capital assets, \$9.06MM is restricted for debt service, \$2.66MM is restricted for special programs and (\$14.98MM) is unrestricted and available to meet the District's ongoing obligations.
- The District's Net Position increased by \$590K during the fiscal year mostly due to the change in the net position of the governmental funds.
- The District had \$38.3MM in expenses; \$9.4MM of these expenses were offset by program specific charges for services, grants or contributions. The remaining resources of \$42.6MM is made up of beginning balances, and General revenues which consist primarily of taxes, state school support and earnings on investments.
- The District's governmental funds report combined ending fund balance of \$19.1MM. This is a \$2.4MM increase compared to the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements to provide more detailed data. These statements are organized so the reader can understand the District as a financial whole, or as an entire operating entity.

The statement of net position and the statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements also look at the District's most significant funds with all other non-major funds presented in total in a single column. The table below summarizes the main features of the District's financial statements.

Features of Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements-Governmental Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary
Required Financial Statements	Statement of Net Position (page 14) Statement of Activities (page 15)	Balance Sheet (page 16) Statement of Revenues, Expenditures, and Changes in Fund Balances (page 18)
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due at year end, or soon thereafter, no capital assets included
Type of Inflow/Outflow Information	All revenues and expense during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon after

Information is included to support and explain the data in the basic financial statements. Schedules include: Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the General Fund and

ONTARIO SCHOOL DISTRICT 8C

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2019

Major Fund – Federal Programs (pages 48-49), Combining Balance Sheet – Nonmajor Governmental Funds, and Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance-Non Major Funds.

Modified Accrual Accounting vs. Full Accrual Accounting

The following table shows the difference in modified accrual accounting, as done on past financial statements and full accrual accounting, as required by GASB 34.

	Modified Accrual	Full Accrual
Revenue	<ul style="list-style-type: none"> • Available and measurable • Available within 60 days of year end • Record revenue if payment is received during year or soon after (within 60 days) and is used to pay current year liabilities 	<ul style="list-style-type: none"> • Earned and measurable • Earned is 'reasonably certain to be collected'
Expense	<ul style="list-style-type: none"> • Recognize in the accounting period in which the fund liability is incurred and measurable. • Record expenditures: <ul style="list-style-type: none"> ○ Outflow of cash, or promise to pay for goods and services that have been received. 	<ul style="list-style-type: none"> • Recognize in the accounting period in which the liability is incurred and measurable. • Records expenses: <ul style="list-style-type: none"> ○ Decreases in net position resulting from the using up of outflow of assets in the course of operating a district and providing goods and services

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The statement of net position and the statement of activities are designed to give the readers a broad overview of the District's finances. These statements include all assets and liabilities using the full accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These statements report the District's net position and changes in assets. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, such as the District's property tax base, reduction in state school funds, facility conditions, and maintenance of effort requirements, school district enrollment, and other factors.

In the statement of net position and the statement of activities, all District activities are classified as "Governmental Activities" or "Business-type Activities."

**ONTARIO SCHOOL DISTRICT 8C
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2019**

MAJOR FUND REPORTING

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds for fiscal year 2018-19 were the General Fund, Federal Programs Fund, and the Bond Debt Service Fund. All other funds are combined into a single, aggregated presentation.

Governmental Funds

All of the District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal yearend for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the governmental funds balance sheet and statement of activities is reconciled in the financial statements.

ONTARIO SCHOOL DISTRICT 8C

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The district's net position increased \$576K for the period ending June 30, 2019 to \$4.3MM. This increase was attributed to the change in the net fund balances within the governmental funds used for operations, required debt reserve deposits and changes in the net pension liability.

The District's assets and deferred outflows totaled \$57.9MM. Deferred outflows of \$8.7MM related to pensions and other post-employment benefits represent 15% of total assets and deferred outflows. Capital assets net of accumulated depreciation, which consist of the District's land, buildings, building improvements, vehicles, and equipment, total \$26.1MM and comprise 45% of total assets. The remaining assets consist mainly of investments, cash, and receivables.

The District's total liabilities and deferred inflows totaled \$53.5MM. The largest liability besides the net pension liability of \$20.0MM, is for the repayment of the Qualified School Construction bond. Current liabilities of \$3.4MM represent 6.4% of the district total liabilities. Current liabilities consist of payables on account, salaries and benefits, and the current portion of long-term debt and early retirement obligations.

A large portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, vehicles and equipment). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

ONTARIO SCHOOL DISTRICT NO. 8C NET POSITION AS OF JUNE 30, 2019 and 2018						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current Assets	\$ 23,080,751	\$ 20,456,834	\$ 13,759	\$ 33,705	\$ 23,094,510	\$ 20,490,539
Capital Assets, net of accumulated depreciation	26,087,651	26,430,573	-	-	26,087,651	26,430,573
Total Assets	<u>49,168,402</u>	<u>46,887,407</u>	<u>13,759</u>	<u>33,705</u>	<u>49,182,161</u>	<u>46,921,112</u>
Deferred Outflows						
Deferred outflows related to pensions	8,476,662	7,690,678	-	-	8,476,662	7,690,678
Deferred outflows related to OPEB	127,096	235,353	-	-	127,096	235,353
Deferred outflows related to Stipends	81,114	-	-	-	81,114	-
Total Deferred Outflows	<u>8,684,872</u>	<u>7,926,031</u>	<u>-</u>	<u>-</u>	<u>8,684,872</u>	<u>7,926,031</u>
Current Liabilities	3,368,107	3,103,237	3,813	9,902	3,371,920	3,113,139
Long-Term Debt	47,742,180	47,071,302	-	-	47,742,180	47,071,302
Total Liabilities	<u>51,110,287</u>	<u>50,174,539</u>	<u>3,813</u>	<u>9,902</u>	<u>51,114,100</u>	<u>50,184,441</u>
Deferred Inflows						
Deferred inflows related to pensions	2,273,544	777,182	-	-	2,273,544	777,182
Deferred inflows related to OPEB	88,349	128,397	-	-	88,349	128,397
Deferred inflows related to stipends	57,670	-	-	-	57,670	-
Total Deferred Inflows	<u>2,419,563</u>	<u>905,579</u>	<u>-</u>	<u>-</u>	<u>2,419,563</u>	<u>905,579</u>
Net Position:						
Net investment in capital assets	7,587,651	7,930,573	-	-	7,587,651	7,930,573
Restricted for debt service	9,056,670	7,779,973	-	-	9,056,670	7,779,973
Restricted for special programs	2,658,476	2,434,945	-	-	2,658,476	2,434,945
Unrestricted	(14,979,373)	(14,412,171)	9,946	23,803	(14,969,427)	(14,388,368)
Total Net Position	<u>\$ 4,323,424</u>	<u>\$ 3,733,320</u>	<u>\$ 9,946</u>	<u>\$ 23,803</u>	<u>\$ 4,333,370</u>	<u>\$ 3,757,123</u>

ONTARIO SCHOOL DISTRICT 8C
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2019

REVENUES AND EXPENSES

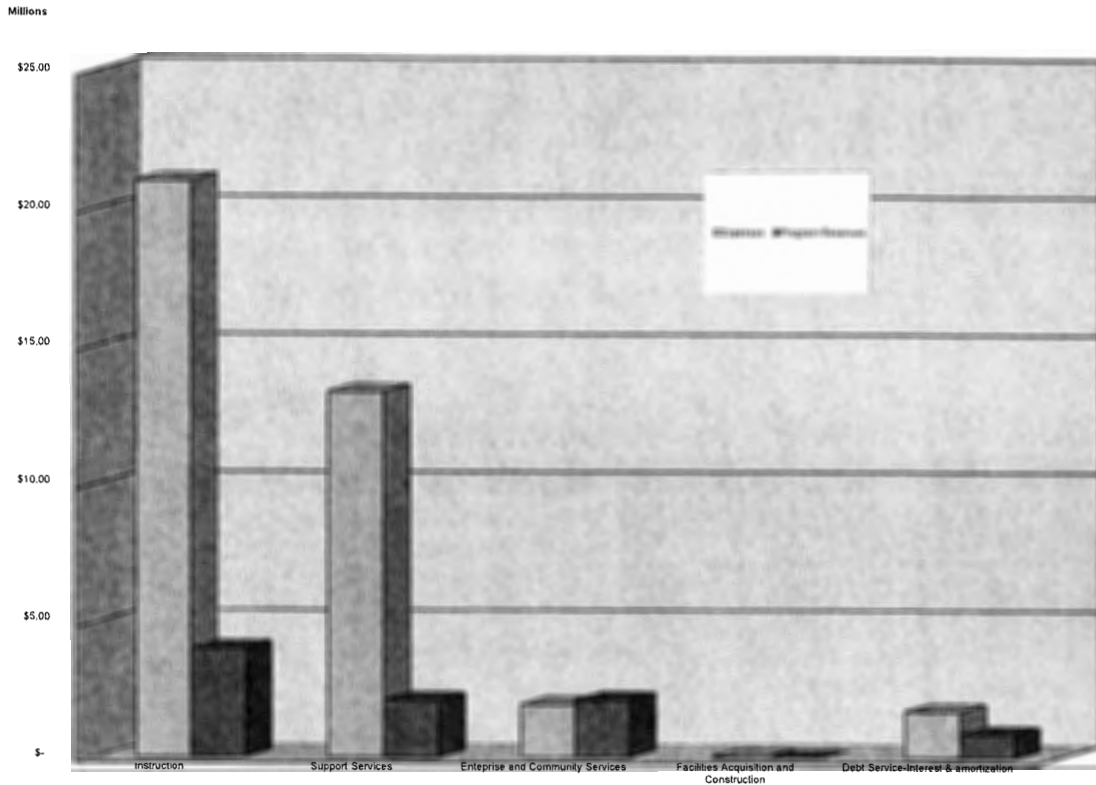
Key components of governmental revenues and expenses for the year ending June 30, 2019 are as follows:

- Revenue from the State School Fund comprises the largest portion of the District's revenue. Unrestricted revenue from the State School Fund was \$23.0MM in 2018-19 compared to \$22.3MM in fiscal year 2017-18.
- Operating grants increased by \$1.1MM as a result of some increased grant allocations and new grant opportunities.
- Expenses for government activities increased by \$2.8MM or 7.9% over the prior year, due in mostly to the change in net pension liability and negotiated salary increases.

Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	\$ 1,380,083	\$ 1,334,670	\$ 15,913	\$ 7,502	\$ 1,395,996	\$ 1,342,172
Operating grants and contributions	7,945,426	6,865,781	14,086	17,488	7,959,512	6,883,269
Capital grants and contributions	-	-	-	-	-	-
General Revenues						
Property Taxes	5,367,220	5,366,608	-	-	5,367,220	5,366,608
State School Fund - General Support	22,959,173	22,261,345	-	-	22,959,173	22,261,345
State School Fund - Restricted	16,899	16,309	-	-	16,899	16,309
Other state and local sources	121,644	235,584	-	-	121,644	235,584
Earnings on Investments	534,148	331,839	-	-	534,148	331,839
Other	484,589	564,126	-	-	484,589	564,126
Total Revenues	<u>38,809,182</u>	<u>36,976,262</u>	<u>29,999</u>	<u>24,990</u>	<u>38,839,181</u>	<u>37,001,252</u>
Expenses:						
Instruction (Regular, Special, Adult, Summer)	21,046,816	19,712,291	-	-	21,046,816	19,712,291
Support services	13,363,885	12,236,073	-	-	13,363,885	12,236,073
Enterprise and community services	2,006,238	1,749,706	-	-	2,006,238	1,749,706
Facilities acquisition and construction	49,437	28,335	-	-	49,437	28,335
Interest on long-term debt	1,756,167	1,713,964	-	-	1,756,167	1,713,964
Teen parent	-	-	29,071	42,577	29,071	42,577
OHS Concessions	-	-	7,769	-	7,769	-
Tiger Shoppe & O+ Store	-	-	7,016	-	7,016	-
Total Expenses	<u>38,222,543</u>	<u>35,440,369</u>	<u>43,856</u>	<u>42,577</u>	<u>38,266,399</u>	<u>35,482,946</u>
Gain (loss on sale of capital assets)	3,465	1,705	-	-	3,465	1,705
Transfers	-	(25,000)	-	25,000	-	-
Change in net position	590,104	1,512,598	(13,857)	7,413	576,247	1,520,011
Net Position - July 1, before restatement	3,733,320	2,450,798	23,803	16,390	3,757,123	2,467,188
Restatements for see Notes for details	-	(230,076)	-	-	-	(230,076)
Net Position - July 1, after restatement	3,733,320	2,220,722	23,803	16,390	3,757,123	2,237,112
Net Position - June 30	<u>\$ 4,323,424</u>	<u>\$ 3,733,320</u>	<u>\$ 9,946</u>	<u>\$ 23,803</u>	<u>\$ 4,333,370</u>	<u>\$ 3,757,123</u>

ONTARIO SCHOOL DISTRICT 8C **MANAGEMENT'S DISCUSSION AND ANALYSIS** **For the Fiscal Year Ended June 30, 2019**

Expenses and Program Revenues - Governmental Activities



Revenue by Source - Governmental Activities

Charges for services	\$	1,380,083	3.6%
Earnings on Investments		534,148	1.4%
Operating grants and contributions		7,945,426	20.5%
Other		484,589	1.2%
Other state and local sources		121,644	0.3%
Property Taxes		5,367,220	13.8%
State School Fund		22,976,072	59.2%
	<u>\$</u>	<u>38,809,182</u>	

**ONTARIO SCHOOL DISTRICT 8C
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2019**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At June 30, 2019, the District's governmental funds reported combined ending fund balance of \$19.1MM, an increase of \$2.4MM in comparison with the prior year. The increase is due to the required reserve in the Bond Debt Service fund and increase state school fund support.

General Fund. The General Fund is the chief operating fund of the district. As of June 30, 2019, unassigned fund balance was \$5.7MM. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 20.7% of total General Fund expenditures, including transfers out and debt service. This fund balance percentage changed from 18% in 2017-18, 18% in 2016-17 and 16% in 2015-16.

The fund balance increased by \$707K during the current fiscal year. This was due to an increase in the State School funds received during the fiscal year and budgetary variances in payroll.

Federal Programs. The Federal Programs Fund is operated on a reimbursing basis. Revenues are considered earned when allowable expenditures are made. Any ending cash balance in this fund is considered deferred revenue. Any negative cash balances are considered an account receivable. For this reason, the Federal Programs Fund should never have ending fund balance. At June 30, 2019, the fund had accounts receivable of \$527K and no deferred revenues.

Other Governmental Funds. Food Services, State and Local Grants, Equipment Replacement, Technology, and Debt Service are all funds that are contained in the Other Governmental Funds category. The ending fund balance in Other Governmental Funds increased by \$419K.

ONTARIO SCHOOL DISTRICT 8C MANAGEMENT'S DISCUSSION AND ANALYSIS For the Fiscal Year Ended June 30, 2019

GENERAL FUND BUDGETARY HIGHLIGHTS

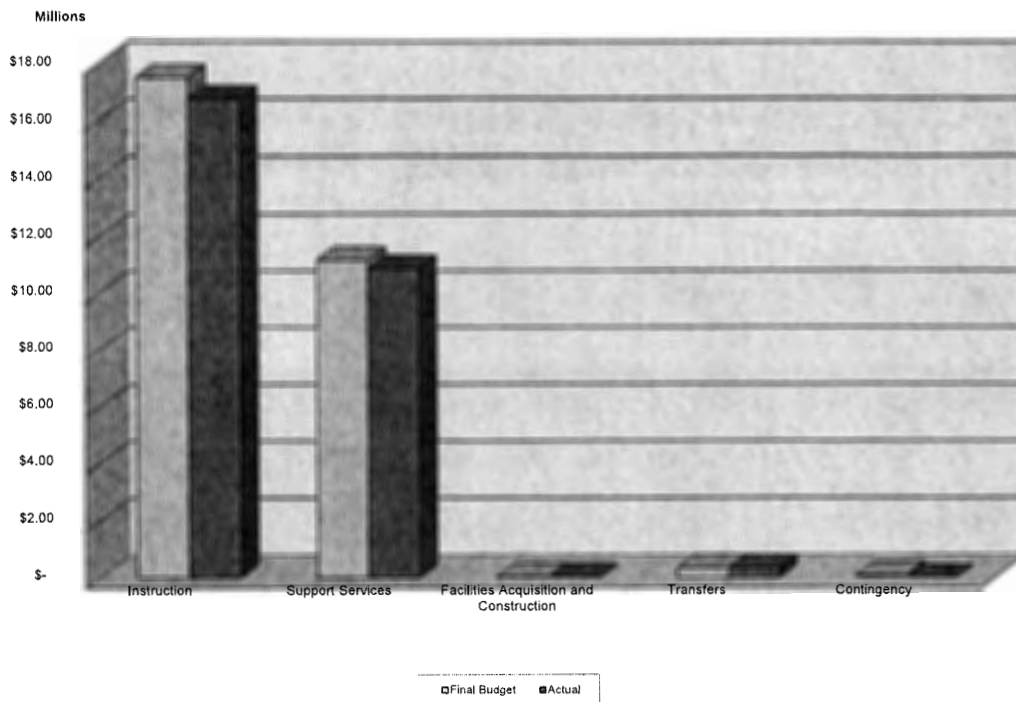
The District's budget is prepared according to Oregon law and is based on accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the 2018-19 fiscal year, the Board adopted resolutions that affected the general fund budget.

For the General Fund, the final budgeted revenue was \$27,488,513. The actual amount of revenue received was \$28,763,506.

During the year, as shown in the chart below, General Fund expenditures were within budget.

Actual Expenditures vs. Final Budget - General Fund



**ONTARIO SCHOOL DISTRICT 8C
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvement, and vehicles and equipment. As of June 30, 2019 the District had invested approximately \$26.1MM in capital assets, net of depreciation, as shown in the following table.

ONTARIO SCHOOL DISTRICT NO. 8C			
Capital Assets			
(net of depreciation)			
	Governmental Activities		Increase
	2019	2018	(Decrease) from
			Fiscal 2018
Land	\$ 563,110	\$ 563,110	\$ -
Construction in progress	-	361,947	(361,947)
Buildings & building improvements	35,637,215	34,887,142	750,073
Vehicles and equipment	6,005,615	5,807,003	198,612
Accumulated depreciation	(16,118,289)	(15,188,628)	(929,661)
TOTAL	\$ 26,087,651	\$ 26,430,574	\$ (342,923)

Debt administration. At the end of the current fiscal year, the District had total bonded debt outstanding of \$25.8MM, consisting of pension obligation bonds issued in October of 2002 to pay the unfunded actuarial liability to the Oregon Public Employees Retirement System, a partial redemption of the 2002 PERS Series B obligation bond referred to as the 2011 PERS Series B and Qualified School Construction Bonds issued in July 2010 to pay for school construction and renovations.

During the current fiscal year, the bonded debt decreased by \$201K. The decrease was due to the payment made on the 2002 PERS Series B Obligation.

CURRENT FINANCIAL ISSUES AND CONCERNS

The most significant economic factor for the District remains the State of Oregon's State School fund. For the year ended June 30, 2019, the State School Fund – General Support, provided 59% of the District's program resources. In addition, PERS contribution rates continue to be a concern for the district. The rate beginning July 1, 2019 the rate of contribution that the district pays did increase substantially and the increases will continue through the next two biennia. Further, the rate will remain at this higher rate or even higher until the new OPSRP members replace retiring Tier 1/Tier 2 members. The state of Oregon has allowed districts to make deposits into PERS side accounts in an attempt to get the unfunded actuarial liability reduced. The district will explore this option and the benefits that may be gained by participation.

A reduction in federal funding levels due to restructuring at the federal level is a concern for the District. The IRS interest subsidy on the QSCB bond has been reduced because of federal budgets, which is passed on to the taxpayers of the district because the interest is still due whether or not the IRS pays it. The district may find reductions in federal grants as the federal budget excluded many programs. Facility needs of the district will need to be addressed within the next few years as the district has reached capacity at our elementary schools. The district will need to explore options to gain funds for facilities as the bond initiative pursued in the last few years have both fallen short of passing.

**ONTARIO SCHOOL DISTRICT 8C
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2019**

In conclusion, the Ontario School District has committed itself to financial excellence, not only in past, but future years. The District's system of financial planning, budgeting and internal financial controls are firmly in place and the District plans to continue its sound fiscal management to meet the challenges of the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances and demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's Director of Finance at 195 SW 3rd Ave, Ontario, OR.

BASIC FINANCIAL STATEMENTS

This Page Intentionally Left Blank

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and investments	\$ 12,000,573	\$ 13,759	\$12,014,333
Receivables			
Taxes	340,896	-	340,896
Accounts	1,457,901	-	1,457,901
Prepaid expenses	143,309		143,309
Restricted cash	9,056,670	-	9,056,670
Long-term assets			
Inventory	81,402	-	81,402
Capital assets			
Non-depreciable assets			
Land	563,110	-	563,110
Construction in progress	-	-	-
Depreciable assets			
Buildings and building improvements	35,637,215	-	35,637,215
Equipment and vehicles	6,005,615	-	6,005,615
Accumulated depreciation	(16,118,289)	-	(16,118,289)
Total assets	<u>49,168,402</u>	<u>13,759</u>	<u>49,182,163</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals - PERS	8,476,662	-	8,476,662
OPEB related deferrals - Health insurance	127,096	-	127,096
Pension related deferrals - Stipends	81,114	-	81,114
Total deferred outflows	<u>8,684,872</u>	<u>-</u>	<u>8,684,872</u>
LIABILITIES			
Current liabilities			
Accounts payable	269,565	-	269,565
Accrued liabilities			
Payroll, payroll taxes, insurance	2,896,184	3,813	2,899,996
Bonds payable - due within one year	202,358	-	202,358
Long-term liabilities			
Pension liability - Stipends	531,906	-	531,906
OPEB Liability - Health insurance	1,578,615	-	1,578,615
Due in more than one year	25,610,001	-	25,610,001
Net pension liability-PERS	20,021,658	-	20,021,658
Total liabilities	<u>51,110,287</u>	<u>3,813</u>	<u>51,114,099</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferrals - PERS	2,273,544	-	2,273,544
OPEB related deferrals - Health insurance	88,349	-	88,349
Pension related deferrals - Stipends	57,670	-	57,670
Total deferred inflows	<u>2,419,563</u>	<u>-</u>	<u>2,419,563</u>
NET POSITION			
Invested in capital assets, net of related debt	7,587,651	-	7,587,651
Restricted for debt service (expendable)	9,056,670	-	9,056,670
Restricted for special programs (expendable)	2,658,476	-	2,658,476
Unrestricted	(14,979,373)	9,946	(14,969,427)
Total net position	<u>\$ 4,323,424</u>	<u>\$ 9,946</u>	<u>\$ 4,333,370</u>

See notes to the basic financial statements.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended
June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses)	Business-Type Activities	Total
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Revenues and Changes in Net Position		
GOVERNMENTAL ACTIVITIES							
Regular programs	\$ 11,566,874	\$ 47,518	\$ -	\$ 287,893	\$ (11,231,463)	\$ -	\$ (11,231,463)
Special programs	9,027,646	272,304	-	3,033,149	(5,722,193)	-	(5,722,193)
Summer school programs	452,296	-	-	433,544	(18,752)	-	(18,752)
Students	1,707,745	-	-	478,052	(1,229,692)	-	(1,229,692)
Instructional staff	1,071,313	-	-	279,159	(792,154)	-	(792,154)
General administration	437,276	-	-	-	(437,276)	-	(437,276)
School administration	2,834,694	-	-	155	(2,834,539)	-	(2,834,539)
Business services	4,428,478	32,176	-	163,690	(4,232,612)	-	(4,232,612)
Central activities	2,824,148	1,011,451	-	197,263	(1,615,433)	-	(1,615,433)
Supplemental retirement program	60,231	-	-	-	(60,231)	-	(60,231)
Enterprise & community services	2,006,238	16,634	-	2,158,018	168,414	-	168,414
Facilities acquisition & construction	49,437	-	-	-	(49,437)	-	(49,437)
Debt service-interest & amortization	1,756,167	-	-	914,503	(841,664)	-	(841,664)
Total governmental activities	38,222,543	1,380,083	-	7,945,426	(28,897,034)	-	(28,897,034)
BUSINESS-TYPE ACTIVITIES							
Teen parent program	29,071	-	-	14,086	-	(14,985)	(14,985)
OHS Concessions	7,769	7,769	-	-	-	-	-
Tiger Shoppe & O+ Store	7,016	8,144	-	-	-	1,128	1,128
Total business-type activities	43,856	15,913	-	14,086	(13,857)	(13,857)	(13,857)
	\$ 38,266,398	\$ 1,395,996	\$ -	\$ 7,959,512	(28,897,034)	(13,857)	(28,910,891)
GENERAL REVENUES							
Property taxes for general purposes					4,195,364	-	4,195,364
Property taxes for debt service					1,171,856	-	1,171,856
State school fund-general support					22,959,173	-	22,959,173
State school fund-restricted					16,899	-	16,899
County school fund					849	-	849
Common school fund					120,795	-	120,795
Earnings on investments					534,148	-	534,148
Miscellaneous					484,589	-	484,589
Total general revenues					29,483,673	-	29,483,674
Gain (loss) on sale of capital assets					3,465	-	3,465
Transfers in (out)					-	-	-
Change in net position					590,104	(13,857)	576,249
Net position - June 30, 2018					3,733,320	23,803	3,757,122
Total net position - June 30, 2019					\$ 4,323,424	\$ 9,946	\$ 4,333,370

GOVERNMENTAL FUND
FINANCIAL STATEMENTS

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General	Federal Programs	Bond Debt Service	Nonmajor Governmental Funds	Total
ASSETS AND DEFERRED OUTFLOWS					
Cash and investments	\$ 7,200,596	\$ 68,038	\$ -	\$ 4,316,578	\$ 11,585,212
Receivables					
Property tax	265,949	-	74,947	-	340,896
Grants	-	527,066	-	-	527,066
Other	497,409	-	-	433,426	930,835
Interfund loan receivable	574,825	-	-	-	574,825
Prepaid expenses	143,309	-	-	-	143,309
Restricted assets					
Cash	-	-	9,056,670	-	9,056,670
Total assets	<u>8,682,088</u>	<u>595,104</u>	<u>9,131,617</u>	<u>4,750,004</u>	<u>23,158,814</u>
Deferred outflows	-	-	-	-	-
Total assets and deferred outflows	<u>\$ 8,682,088</u>	<u>\$ 595,104</u>	<u>\$ 9,131,617</u>	<u>\$ 4,750,004</u>	<u>\$ 23,158,814</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 156,211	\$ 53,697	\$ -	\$ 59,657	\$ 269,565
Accrued liabilities	2,506,210	253,660	-	136,314	2,896,184
Interfund loan payable	-	287,747	-	287,078	574,825
Total liabilities	<u>2,662,421</u>	<u>595,104</u>	<u>-</u>	<u>483,049</u>	<u>3,740,574</u>
Deferred inflows					
Unavailable property taxes	<u>213,455</u>	<u>-</u>	<u>59,572</u>	<u>-</u>	<u>273,027</u>
Total deferred inflows	<u>213,455</u>	<u>-</u>	<u>59,572</u>	<u>-</u>	<u>273,027</u>
Fund balances					
Nonspendable	143,309	-	-	-	143,309
Spendable					
Restricted	-	-	9,072,045	2,658,476	11,730,521
Committed	-	-	-	1,592,279	1,592,279
Assigned	-	-	-	16,200	16,200
Unassigned	<u>5,662,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,662,903</u>
Total fund balances	<u>5,806,212</u>	<u>-</u>	<u>9,072,045</u>	<u>4,266,955</u>	<u>19,145,212</u>
Total liabilities and fund balances	<u>\$ 8,682,088</u>	<u>\$ 595,104</u>	<u>\$ 9,131,617</u>	<u>\$ 4,750,004</u>	<u>\$ 23,158,814</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2019

Total fund balances		\$ 19,145,212
---------------------	--	---------------

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

Cost	\$ 42,205,941	
Accumulated depreciation	<u>(16,118,289)</u>	26,087,651

Certain delinquent property taxes not collected for several months after year end is not considered available revenue and is deferred in the governmental funds.	273,027
--	---------

Internal service fund	415,361
-----------------------	---------

Inventory not consumed within sixty days is not included in the fund financial statements.	81,402
--	--------

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

Bonds payable	(25,812,359)	
Pension liability - Stipends	(531,906)	
Net pension liability - PERS	(20,021,658)	
OPEB Liability - Health insurance	<u>(1,578,615)</u>	(47,944,538)

The district's changes in pension, other pension, and other post-employment benefits related deferred outflows will be amortized over the next five years.	8,684,872
--	-----------

The district's changes in pension, other pension, and other post-employment benefits related deferred inflows will be amortized over the next five years.	<u>(2,419,564)</u>
---	--------------------

Total net position	<u>\$ 4,323,424</u>
--------------------	---------------------

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended
June 30, 2019

	General	Federal Programs	Bond Debt Service	Nonmajor Governmental Funds	Total
Revenues					
Taxes	\$ 4,203,996	\$ -	\$ 1,175,430	\$ -	\$ 5,379,426
Local sources	466,838	-	220,278	1,509,835	2,196,951
Intermediate sources	699,664	-	-	12,113	711,777
State sources	23,091,424	-	-	868,800	23,960,224
Federal sources	240	3,350,900	914,503	2,006,173	6,271,816
Total revenues	28,462,162	3,350,900	2,310,211	4,396,921	38,520,194
Expenditures					
Instruction					
Regular programs	10,611,994	3,506	-	285,927	10,901,427
Special programs	6,179,139	2,065,428	-	488,361	8,732,928
Summer school programs	-	433,544	-	-	433,544
Support services					
Students	1,135,222	443,450	-	34,602	1,613,274
Improvement of instruction	737,778	238,888	-	40,271	1,016,937
General administration	411,639	-	-	-	411,639
School administration	2,651,541	155	-	3,900	2,655,596
Business services	4,468,296	155	-	231,140	4,699,591
Central activities	1,413,244	18,763	-	251,830	1,683,837
Supplemental retirement program	60,231	-	-	-	60,231
Food services	-	-	-	1,945,577	1,945,577
Community services	-	147,011	-	-	147,011
Facilities acquisition and construction	44,877	-	-	118,284	163,161
Debt service					
Principal	-	-	-	200,945	200,945
Interest	-	-	1,033,040	723,127	1,756,167
Total expenditures	27,713,961	3,350,900	1,033,040	4,323,964	36,421,865
Excess of revenues over (under) expenditures	748,201	-	1,277,171	72,957	2,098,329
Other financing sources (uses)					
Grant indirect charges	301,194	-	-	-	301,194
Sale of assets	150	-	-	3,315	3,465
Transfers in (out)	(342,460)	-	-	342,460	-
Total other financing sources (uses)	(41,116)	-	-	345,775	304,659
Net change in fund balances	707,085	-	1,277,171	418,732	2,402,988
Available fund balances, July 1	5,099,127	-	7,794,874	3,848,223	16,742,224
Available fund balances, June 30	\$ 5,806,212	\$ -	\$ 9,072,045	\$ 4,266,955	\$ 19,145,212

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended
June 30, 2019

Net change in fund balance	\$ 2,402,988
----------------------------	--------------

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

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

Expenditures for capital assets	\$ 742,290	
Less current year depreciation	<u>(1,085,213)</u>	(342,923)

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

Debt principal repaid	200,945
-----------------------	---------

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

(12,205)

Inventory not consumed within sixty days is not included in the fund financial statements.

(23,822)

Internal service funds are used by the district to charge the costs of unemployment insurance to individual funds. The net activity of the internal service funds is not reported with governmental activities.

Internal service fund expense	<u>(6,500)</u>	(6,500)
-------------------------------	----------------	---------

Changes in total pension liability and other post-employment benefits, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in governmental funds.

(1,628,380)

CHANGE IN NET POSITION

\$ 590,104

PROPRIETARY FUND
FINANCIAL STATEMENTS

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF FUND NET POSITION
Proprietary Funds
June 30, 2019

	OHS Tiger Shoppe & O+ Fund	OHS Teen Parent Program	OHS Concessions	Totals June 30, 2019	Internal Service Funds
ASSETS					
Current assets					
Cash and investments	\$ 1,824	\$ 11,908	\$ 27	\$ 13,759	\$ 415,361
Receivables					
Accounts	-	-	-	-	-
Total assets	<u>1,824</u>	<u>11,908</u>	<u>27</u>	<u>13,759</u>	<u>415,361</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Current liabilities					
Accounts payable	-	-	-	-	-
Accrued liabilities					
Payroll, payroll taxes, insurance	<u>-</u>	<u>3,786</u>	<u>27</u>	<u>3,813</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>3,786</u>	<u>27</u>	<u>3,813</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Unrestricted	1,824	8,122	-	9,946	415,361
Total net position	<u>\$ 1,824</u>	<u>\$ 8,122</u>	<u>\$ -</u>	<u>\$ 9,946</u>	<u>\$ 415,361</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
Proprietary Funds
For the Year Ended
June 30, 2019

	OHS Tiger Shoppe & O+ Fund	OHS Teen Parent Program	OHS Concessions	Totals June 30, 2019	Internal Service Funds
Operating revenue					
Charges for services	\$ 8,144	\$ -	\$ 7,769	\$ 15,913	\$ -
Operating grants	-	14,086	-	14,086	-
Total operating revenue	<u>8,144</u>	<u>14,086</u>	<u>7,769</u>	<u>29,999</u>	<u>-</u>
Operating expenses					
Salaries and benefits	-	28,629	490	29,119	6,500
Supplies	7,016	442	7,279	14,737	-
Total operating expenses	<u>7,016</u>	<u>29,071</u>	<u>7,769</u>	<u>43,856</u>	<u>6,500</u>
Operating income	1,128	(14,985)	-	(13,857)	(6,500)
Nonoperating income					
Transfers in	-	-	-	-	-
Total nonoperating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	1,128	(14,985)	-	(13,857)	(6,500)
Total net position - beginning	696	23,107	-	23,803	421,861
Total net position - ending	<u>\$ 1,824</u>	<u>\$ 8,122</u>	<u>\$ -</u>	<u>\$ 9,946</u>	<u>\$ 415,361</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended June 30, 2019

	OHS Tiger Shoppe & O+ Fund	OHS Teen Parent Program	OHS Concessions	June 30, 2019	Internal Service Funds
Cash flows from operating activities					
Receipts from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts for services	8,144	13,665	7,769	29,578	-
Payments for employee salaries and benefits	-	(28,629)	(463)	(29,092)	(6,885)
Payments for supplies	(12,711)	(442)	(7,279)	(20,432)	-
Net cash provided/(used) by operating activities	<u>(4,567)</u>	<u>(15,406)</u>	<u>27</u>	<u>(19,946)</u>	<u>(6,885)</u>
Cash flows from noncapital financing activities					
Transfer in to pay employee benefits	-	-	-	-	-
Net increase in cash and cash equivalents	<u>(4,567)</u>	<u>(15,406)</u>	<u>27</u>	<u>(19,946)</u>	<u>(6,885)</u>
Cash and cash equivalents - beginning	<u>6,391</u>	<u>27,314</u>	<u>-</u>	<u>33,705</u>	<u>422,246</u>
Cash and cash equivalents - ending	<u>\$ 1,824</u>	<u>\$ 11,908</u>	<u>\$ 27</u>	<u>\$ 13,759</u>	<u>\$ 415,361</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 1,128	\$ (14,985)	\$ -	\$ (13,857)	\$ (6,500)
(Increase) decrease in accounts receivable	-	-	-	-	-
Increase (decrease) in accounts payable	(5,695)	(421)	27	(6,089)	(385)
Net cash provided/(used) by operating activities	<u>\$ (4,567)</u>	<u>\$ (15,406)</u>	<u>\$ 27</u>	<u>\$ (19,946)</u>	<u>\$ (6,885)</u>

This Page Intentionally Left Blank

NOTES TO THE BASIC
FINANCIAL STATEMENTS

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Note 1. Summary of Significant Accounting Policies

The administration of Ontario School District No. 8C is vested in a five member board of directors, a district superintendent and a director of finance.

The following is a summary of significant accounting policies utilized by the district in the preparation of the accompanying financial statements.

A. Reporting Entity

A five member board of directors exercises governance responsibilities over all entities related to public elementary and secondary school education within the jurisdiction of Ontario School District No. 8C as set by the state of Oregon. The board receives funding from local, state and federal sources. However, Ontario School District No. 8C is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

Accounting principles generally accepted in the United States of America require that these basic financial statements present Ontario School District No. 8C (the primary government) and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the district's reporting because of the significance of their operational or financial relationships with the district. No other entities met requirements for inclusion in Ontario School District No. 8C.

B. Basis of Presentation

Government-Wide Financial Statements

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

The Statement of Net Position present the district's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1)

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

charges to students or others for tuition, fees, rentals, materials, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

Fund Financial Statements

The fund financial statements provide information about the district's funds including those of a fiduciary nature. Separate statements for each fund category-(governmental and proprietary) are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

The district reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the district. It is used to account for all financial resources except those required to be accounted for in another fund.

Federal Programs Fund – Federal Programs Fund are special revenue funds used to account for the proceeds of specific federal revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Bond Debt Service Fund – The Bond Debt Service Fund accounts for the property taxes levied for school improvement projects. These funds are legally restricted to the repayment of the school improvement bonds.

Additionally, the district reports the following fund types:

Debt Service Fund - The debt service fund account for the payment of principal and interest on the district's bonds used for financing of unfunded actuarial liability pension debt. The principal source of revenue is general fund transfers.

Special Revenue Funds - Special revenue funds account for revenue sources that are legally restricted to expenditures for specified purposes (other than major capital projects).

Capital Projects Funds – Capital projects funds account for revenue and expenditures related to major repairs, renovations, and construction of the district buildings.

The district reports the following proprietary funds:

OHS Tiger Shoppe & O+ Fund—This proprietary fund accounts for the activities of the student run bistro, swag shop and district licensed gear.

OHS Teen Parent Program—This accounts for activities relating to providing daycare for teen parents.

OHS Concessions – This accounts for activities related to the concession stand at Ontario High School.
Internal Service Fund – The internal service fund accounts for the district's self-insured unemployment fund. Principal revenues are payments from the general fund and special revenue funds. Principal expenses are reimbursement of unemployment claims to the Oregon Employment Department.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. A six month availability period is used for revenue recognition for all reimbursable grants. The district considers property taxes and other revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district's proprietary funds are charges for services, operating grants and other miscellaneous revenues. Operating expenses for the proprietary funds include personnel and materials and supplies. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

A budget is prepared for each district fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total instruction, support services, community services, interagency/fund transactions, contingencies and debt service by fund are the levels of control. The detail budget document, however, is required to

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

contain more specific, detailed information for the above mentioned expenditure categories. Appropriations lapse at June 30.

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

The budget for the General Fund and special revenue funds includes capital outlay expenditures in each program for capital outlay applicable to that program. Expenditures of the various funds were within authorized appropriations, except for the Federal Programs Fund – Community services which was over-expended by \$27,198, and the State and Local Grant Programs Fund – Instruction was over-expended by \$5,548.

E. Property Taxes Receivable

Property taxes assessed in prior years, but not yet collected or accrued, are reported on the balance sheet, but are offset by deferred revenue accounts. The district levies taxes on a fiscal year from July 1 to June 30. The current levy becomes a lien on July 1. Taxes are due November 15, and become delinquent May 15. Foreclosure is started three years after taxes become delinquent. The district turns all tax collection duties over to Malheur County, Oregon.

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collected or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the district.

The government reports deferred revenues on its governmental fund balance sheet. Deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the district before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the district has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

F. Capital Assets

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

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

G. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The district’s policy is that all accrued vacation lapses if not taken by June 30 of each year. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16,

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Unpaid sick pay lapses upon termination of employment.

H. Cash, Cash Equivalents and Investments

Ontario School District No. 8C's cash and cash equivalents are consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less. Short-term investments are stated at cost, which approximates fair value. Investments in the State of Oregon Treasurer's Local Government Investment Pool (LGIP) are stated at cost which approximates fair value. Fair value of the LGIP is the same as the value in pool shares.

I. 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 upon 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 highs 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 market 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.

J. Encumbrances

The district does not use encumbrance accounting.

K. Inventories and Prepaid Items

The costs of inventories that are not consumed within sixty days in governmental fund types are recorded as expenditures when purchased and as inventory in the government-wide statements. Inventories are valued at cost using the first in first out method. The value of inventories at June 30, 2019 is \$81,402.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items both in the government-wide and fund financial statements.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

L. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables between funds are eliminated in the Statement of Net Position.

M. Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

N. Deferred Outflows of Resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The district has items that qualify for reporting in this category. It is the deferred amounts relating to pensions, other pensions and other post-employment benefits. This amount of \$8,684,872 is deferred and recognized as an outflow of resources in the period when the district recognizes pension expense/expenditures. Deferred outflows are reported in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position will a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet in the amount of \$273,027. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The district also reports deferred amounts related to pensions and other post-employment benefits. These amounts are deferred and recognized as an inflow of resources in the period when the district recognizes pension income or grant income. Deferred inflows are reported in the government-wide Statement of Net Position. The district had \$2,419,563 of PERS, other post-employment benefits and other pension related deferred inflows at June 30, 2019.

O. Statements of Cash Flows

For purposes of the Statement of Cash Flows, the district considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments of the proprietary fund types are pooled with the district's pooled cash and investments.

P. Use of Estimates

The basic financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Actual results could differ from those estimates.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Q. Pensions

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

R. Fund Balances

GASB Statement No. 54 requires analysis and presentation of fund balances in five categories; the fund balance categories are:

- *Nonspendable*—Includes items not immediately converted to cash, such as prepaid items, interfund receivables and inventory.
- *Restricted*—Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- *Committed*—Includes items committed by the district's board of directors, by formal board resolution.
- *Assigned*—Includes items assigned for specific uses, authorized by the district's superintendent and/or Director of Finance.
- *Unassigned*—This is the residual classification used for those balances not assigned to another category.

The board authorized the Superintendent and the Director of Finance to make assignments of ending fund balance. Assignments of fund balances can be done at any time, including after fiscal year end date.

Finally, GASB 54 requires a spending policy, as it relates to ending fund balance. The spending policy states in what order fund balance categories are spent. The board approved the following fund balance order of spending policy:

1. Restricted Fund Balance
2. Committed Fund Balance
3. Assigned Fund Balance
4. Unassigned Fund Balance

Note 2. Deposits and Investments

Cash and Investments

The district maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net assets as cash and investments.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Cash and investments are comprised of the following at June 30, 2019:

Deposits with banks	\$ 1,394,183
Investments	19,675,650
Cash on hand	1,170
	<u>\$ 21,071,003</u>

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

Statement of Net Position	
Cash and investments	\$ 12,014,333
Restricted cash	9,056,670
	<u>\$ 21,071,003</u>

As of June 30, 2018, the district held the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)	
		Less than 3	More than 3
Local Government Investment Pool	\$ 19,675,650	\$ 19,675,650	\$ -
Total	<u>\$ 19,675,650</u>	<u>\$ 19,675,650</u>	<u>\$ -</u>

Deposits

The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial risk assumed by the district at June 30, 2019. If bank deposits at year end are not entirely insured or collateralized with securities held by the district or by its agent in the district's name, the district must disclose the custodial credit risk (below) that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require depository institutions to be in compliance with ORS 295.

At June 30, 2019 the carrying amount of the district's deposits (cash and certificates of deposit) in various financial institutions was \$1,394,183 and the bank balances were \$1,708,105. Of these deposits, not all were covered by federal depository insurance. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Federal depository insurance (FDIC) of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295.018 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the Oregon state treasurer's website. Qualifying depository banks must pledge securities with a particular value based on the banks level of capitalization. At June 30, 2019 and for the year then ended, the district's deposits were in compliance with the requirements of ORS 295.018.

Custodial credit risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The district mitigates custodial credit risk for deposits by investing only in fully collateralized items.

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

Investments

At June 30, 2019, the district held \$19,675,650 of investments, which is all classified as cash and investments on the Statement of Net Position. The district has no policy for managing interest rate risk or credit risk.

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

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

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 specific 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 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.

Interest Rate Risk – Oregon Revised Statutes require investments not to exceed a maturity of 18 months, except when the local government has adopted a written policy that was submitted to and reviewed by the OSTFB. The district has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Credit Risk – Oregon Revised Statutes authorize investing in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation of P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the district will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The district minimizes custodial credit risk by limiting investments to the types of securities allowed by law.

Concentration of Credit Risk – Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies. At June 30, 2019, 100% of total investments were in the State Treasurer's Investment Pool.

Note 3. Accounts Receivable

Accounts receivable are comprised of the following at June 30, 2019:

Fund	Revenue Source	Amount
General Fund	Malheur ESD Pass-through	\$ 336,767
General Fund	Common school fund	120,795
General Fund	Miscellaneous	39,847
Federal Programs	Federal grants	527,066
Non major funds	Grants	433,426
Total Accounts Receivable		<u>\$ 1,457,901</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Note 4. Interfund Transfers

The following table represents the district's transfers to and from various funds during the fiscal year.

From	To	Amount	Reason
General fund	Nonmajor fund	\$ 2,000	To pay for the district's share of SMILE expenses
General fund	Nonmajor fund	73,105	To fund future equipment needs
General fund	Nonmajor fund	63,000	To fund future technological needs
General fund	Nonmajor fund	204,355	To fund future building improvements
Total		<u>\$ 342,460</u>	

Interfund loan receivables and payables consist of the following at June 30, 2019:

Receivable Fund	Payable Fund	Amount
General Fund	Federal Programs Fund	\$ 287,747
General Fund	Nonmajor Funds	287,078
Total		<u>\$ 574,825</u>

Note 5. Capital Assets

Capital assets activity for the year was as follows:

Governmental Activities

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets not being depreciated				
Land	\$ 563,110	\$ -	\$ -	\$ 563,110
Construction in progress	361,947	-	(361,947)	-
Total capital assets not being depreciated	<u>925,057</u>	<u>-</u>	<u>(361,947)</u>	<u>563,110</u>
Capital assets being depreciated				
Buildings and improvements	34,887,142	750,073	-	35,637,215
Equipment	2,769,994	68,530	-	2,838,524
Vehicles	3,037,009	285,634	(155,552)	3,167,091
Total capital assets being depreciated	<u>40,694,145</u>	<u>1,104,237</u>	<u>(155,552)</u>	<u>41,642,830</u>
Less accumulated depreciation	(15,188,628)	(1,085,213)	155,552	(16,118,289)
Total capital assets being depreciated, net	<u>25,505,517</u>	<u>19,024</u>	<u>-</u>	<u>25,524,541</u>
Total capital assets, net	<u>\$ 26,430,574</u>	<u>\$ 19,024</u>	<u>\$ (361,947)</u>	<u>\$ 26,087,651</u>

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

Central activities \$1,085,213

Note 6. PERS UAL Bonds Payable

On October 9, 2002, the district issued \$9,513,783 in limited tax pension bonds to finance the unfunded pension liability to the Oregon Public Employees Retirement System. These bonds have interest rates that range from 2.06 to 6.10 percent. Interest payments are to be made semiannually on June 30 and December 30. Principal payments are to be made on June 30 of each year. Debt service is financed by a self-imposed pension expense based on a percentage of payroll costs.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

	PERS UAL
	Bonds
	Payable
Balance 7/1/18	\$ 6,848,302
Additions	-
Payments & deletions	(200,945)
Balance 6/30/19	<u>\$ 6,647,356</u>

Current portion \$ 202,357

The debt service requirements to maturity on June 30, 2028 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Interest Rate
2020	\$ 202,357	\$ 774,275	6.10%
2021	-	391,633	5.50%
2022	720,000	356,708	5.82%
2023	810,000	317,252	5.49%
2024	910,000	272,783	5.55%
2025-2028	4,005,000	523,365	5.55%
Total	<u>\$ 6,647,357</u>	<u>\$ 2,636,014</u>	

Interest expense for the year ended June 30, 2019 was \$730,688.

On August 11, 2011 the district participated in a partial redemption of the 2002 PERS Series B obligation bond. The district's portion of the bond refinance was \$655,000 and was refinanced over a ten year period beginning in the 2011-2012 fiscal year. The refinanced bond is referred to as the 2011 PERS Series B. The agreement will reduce the PERS debt by \$48,719 over the duration of the bonds. The debt service requirements to maturity on June 30, 2021 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Interest Rate
2020	\$ -	\$ 27,365	4.12%
2021	665,000	27,365	4.12%
Total	<u>\$ 665,000</u>	<u>\$ 54,730</u>	

Note 7. Qualified School Construction Bond

On May 18, 2010 the voters in the district approved a \$18,500,000 bond for new construction and capital improvements. The general obligation bonds were sold on July 21, 2010 using the Qualified School Construction Bond (QSCB) program. The bonds have a fixed interest rate of 5.584%, but the federal government will pay 5.27% of the interest cost on the bonds. Interest is due and payable on December 15th and June 15th of each year. Principal is due at maturity on June 15, 2027, funds are to be set aside in a dedicated account for this future principal payment. Future set aside amounts as of June 30, 2019 are as follows:

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Fiscal Year Ending June 30,	Deposit Requirement	Interest	Federal Subsidy for Interest	Principal Due	Total
2020	\$ 1,120,000	\$ 1,033,040	\$ (974,950)	\$ -	\$ 1,178,090
2021	1,150,000	1,033,040	(974,950)	-	1,208,090
2022	1,180,000	1,033,040	(974,950)	-	1,238,090
2023	1,210,000	1,033,040	(974,950)	-	1,268,090
2024	1,240,000	1,033,040	(974,950)	-	1,298,090
2025-2027	3,925,000	3,099,120	(2,924,850)	18,500,000	4,099,270
Total	<u>\$ 9,825,000</u>	<u>\$ 8,264,320</u>	<u>\$ (7,799,600)</u>	<u>\$ 18,500,000</u>	<u>\$ 10,289,720</u>

Interest expense for the year ended June 30, 2019 was \$1,033,040.

At June 30, 2019, the Local Government Investment Pool account dedicated for the deposit of the set aside requirements had a balance of \$9,056,670. The required balance to be reserved was \$8,675,000.

If an Event of Default occurs and is continuing, the Series 2011 Trustee may exercise any remedy available at law or in equity; however, the Pension Bond Payments will not be subject to acceleration, and each Series 2011 Issuer is responsible solely for its Pension Bond Payments and any fee and other charges of the Series 2011 Trustee ("Additional Charges") reasonably allocated to it.

Note 8. Retirement Plan - Public Employees Retirement System (PERS)

PERS

General Information about the Pension Plan

Plan Description

Employees of the District are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Benefits Provided

1. Tier One/Tier Two Retirement Benefit ORS Chapter 238

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

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

Death Benefits

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

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

Disability Benefits

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

Benefit Changes

After retirement, members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. 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:

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2019 were \$3,096,863, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2019 were 17.98 percent for Tier One/Tier Two General Service Member, 12.65 percent for OPSRP Pension Program General Service Members, and 6 percent for OPSRP Individual Account Program.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the District reported a liability of \$20,021,658 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to June 30, 2018. 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 entities, actuarially determined. At June 30, 2018, the District's proportion was 0.1322 percent, which was decreased from its proportion of 0.1419 percent measured as of June 30, 2017.

For the year ended June 30, 2019, the District's recognized pension expense (income) of \$1,606,406. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 681,077	\$ -
Changes of assumptions	4,654,998	
Net difference between projected and actual earnings on investments	-	889,075
Changes in proportion	6,561	1,241,182
Differences between employer contribution and proportionate share of contributions	37,163	143,287
Total (prior to post-MD contributions)	5,379,799	2,273,544
Contributions subsequent to the MD	3,096,863	
Total	<u>\$ 8,476,662</u>	<u>\$ 2,273,544</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, 2020.

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

Year ending June 30,	
2020	\$ 2,135,600
2021	1,363,708
2022	(503,785)
2023	32,319
2024	78,413
Total	<u>\$ 3,106,255</u>

Actuarial Assumptions

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

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Valuation Date	December 31, 2016 rolled forward to June 30, 2018
Measurement Date	June 30, 2018
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA
Mortality	Health retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational per Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active Members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale.

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

Assumed Asset Allocation:

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

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

Long-term Expected Rate of Return

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

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REIT S)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Assumed Inflation - Mean		2.50%

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

Discount Rate

The discount rate used to measure the total pension liability, as of the measurement dates June 30, 2018 and 2017 was 7.20 and 7.50 percent respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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 7.2 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 (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
District's proportionate share of the net pension liability (asset)	\$ 33,459,973	\$ 20,021,658	\$ 8,929,429

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 collective Net Pension Liability, along with an estimate of the resulting change, if available.

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

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Note 9. Other Post-Employment Benefit Plan - (RHIA)

Plan Description:

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

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare 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 employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the district currently contributes 0.53% of annual covered OPERF payroll and 0.45% 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.

At June 30, 2019, the district's net OPEB liability/(asset) and deferred inflows and outflows were not considered to be material to the financial statements by management and were not accrued on the government wide statements. The district's contributions to RHIA for the year ended June 30, 2019 were considered by management to be immaterial to the basic financial statements.

Note 10. Retirement Plan – Early Retirement Incentive Plan

General Information about the Pension Plan

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

The district has established an early retirement incentive plan. The plan is a single employer defined benefit pension plan available to teachers and administrators.

Eligibility:

Retirees must meet the following criteria:

- Retiring as an administrator employee with at least seven consecutive years of continuous, full-time service with the district or
- Retiring as a certified employee having completed at least twenty years of teaching, of which twelve years of service must be with the district and
- Retired from active service while eligible to receive a pension benefit from Oregon PERS.

Employees Covered

There are 22 inactive employees currently receiving early retiree stipend benefits. Currently, 141 teachers and 15 administrators are eligible to be covered by this early retirement stipend plan.

Contributions

The district has chosen not to fund the net pension obligation, but rather will continue to pay retirees their benefits as the benefits become due. Contributions for the fiscal year ended June 30, 2019 were \$60,231.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2019, the district reported a liability of \$531,906 for the Early Retirement Incentive Plan. The net pension liability was measured as of June 30, 2018, which was determined by an actuarial valuation as of July 1, 2017.

	Fiscal Year ended June 30, 2019	Fiscal Year ended June 30, 2018
Increase / (Decrease) in Total Pension Liability		
Balance at Beginning of Year	\$ 553,173	\$ 645,824
Service Cost	30,534	29,269
Interest on Total Pension Liability	19,797	18,183
Effect of economic/demographic gains or losses	-	(40,428)
Effect of assumption changes or inputs	(9,621)	(24,951)
Benefit payments	(61,977)	(74,724)
Total	<u>\$ 531,906</u>	<u>\$ 553,173</u>

Total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward/backward to the measurement date. There are no assets accumulated in a trust that meets the criteria in GASB 73 paragraph 4.

For the year ended June 30, 2019, the district's recognized pension expense of \$45,464. At June 30, 2019, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (30,446)	\$ -
Changes of assumptions or inputs	(27,224)	25,472
Benefit payments	-	55,642
Total	<u>\$ (57,670)</u>	<u>\$ 81,114</u>

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

Year ending June 30,	
2020	\$ (4,867)
2021	(4,867)
2022	(4,867)
2023	(4,867)
2024	(4,867)
Thereafter	(7,863)
Total	<u>\$ (32,198)</u>

Total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	July 1, 2018
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Discount Rate	3.87 percent
Projected Salary Increases	3.50 percent
Demographic Assumptions	Based on Oregon PERS valuation assumptions as of December 31, 2016

Discount Rate

The discount rate used to measure the total pension liability was 3.87 percent for the Defined Benefit Pension Plan. Under GASB 73 unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The assumptions reflect the Bond Buyer 20-Year General Obligation Index.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the district's net pension liability calculated using the discount rate of 3.87 percent, as well as what the district's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	<u>1% Decrease (2.87%)</u>	<u>Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
District's proportionate share of the net pension liability (asset)	\$ 565,048	\$ 531,906	\$ 500,774

Changes in Plan Provisions During the Measurement Period

There were no changes during the June 30, 2018 measurement date.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes during the June 30, 2018 measurement date.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Note 11. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The District, as a result of collective bargaining agreements, offers post-employment health care benefits under a single-employer, defined benefit plan for all employees who have completed a specified number of years of continuous service, are eligible for full OPERS benefits and elect early retirement.

For eligible licensed employees the District will provide medical coverage for the lesser of seven years or until eligible for Medicare (age 65). For administrators, managers, supervisor and confidential employees, coverage is until Medicare eligibility date regardless of retirement age, assuming full OPERS coverage. For eligible classified employees coverage is provided up to the lesser of five years or until eligible for Medicare (age 65).

The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. The plan is currently unfunded in accordance with GASB statement 75. In accordance with the terms of the plan, benefit payments are recognized when due and payable in the governmental statements. The activities of the plan are reported in the General Fund.

The District implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for the fiscal year ended June 30, 2018. This implementation allows the district to report its liability for other post-employment benefits consistent with newly established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements. The District maintains single employer post-employment benefit programs (commonly referred to as early retirement). These programs cover licensed and administrative personnel of the District, individual employees, and certain retired employees.

In implementing GASB Statement No. 75, the following changes since the prior valuation were implemented; (a) the actuarial cost method was changed from Projected Unit Credit to Entry Age Normal, (b) the interest rate for discounting future liabilities was lowered to match municipal bond rates, (c) premium increase rates were modified to reflect anticipated experience, (d) the percentage of future retirees covering a spouse on the plan was decreased to reflect the anticipated experience, (e) demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS, and (d) an implicit rate subsidy is now being valued for participants in the health plans. In prior valuations, the District's participation in the health plans was determined to be a community rated arrangement.

Annual OPEB Cost and Total OPEB Liability – The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 51.

Actuarial Methods and Assumptions – The Total OPEB Liability for the current year was determined as part of the July 1, 2017 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 3% compounded annually; (b) no future increase in benefit payable from this program; (c) a general inflation rate of 2.5% per year, and (d) no post-retirement benefit increases and a payroll increase of 3.5%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year. The present value of benefits accrued as of the valuation date is called the accrued liability.

Funding Status and Funding Progress – As of July 1, 2017, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,578,615, and the actuarial value of assets was \$0. Estimated covered payroll was not applicable as contributions are not made according to payroll.

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or beneficiaries currently receiving benefits	314
Active employees	34
	<u>348</u>

Total OPEB Liability

The District's total OPEB liability of \$1,578,615 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions and Other Inputs

The District's total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Assumptions

Valuation Date	July 1, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Method
Actuarial Assumptions:	
Plan Participation	55% assumed will elect coverage at retirement if eligible for district paid insurance
Medical Premium Annual Trend Rate	5.50% increase in October 2017, 6.75% increase in October 2018, 5.00% increase annually from October 2020 through 2030 with annual increases annually each year thereafter from 5.25% to 6.25%
Dental Premium Annual Trend Rate	4.00 percent
Inflation Rate	2.50 percent
Discount Rate	3.87 percent
Projected Salary Increases	3.50 percent
Demographic Assumptions	Based on Oregon PERS valuation assumptions as of December 31, 2016

Changes in Total OPEB Liability

	Fiscal Year ended June 30, 2019	Fiscal Year ended June 30, 2018
Increase / (Decrease) in Total Pension Liability		
Balance at Beginning of Year	\$ 1,580,141	\$ 1,637,701
Service Cost	116,855	123,395
Interest on Total Pension Liability	58,206	48,115
Effect of economic/demographic gains or losses	-	-
Effect of assumption changes or inputs	(33,075)	(82,373)
Benefit payments	(143,512)	(146,697)
Total	<u>\$ 1,578,615</u>	<u>\$ 1,580,141</u>

Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the district, as well as what the district's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	\$ 1,692,378	\$ 1,578,615	\$ 1,473,109

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the district, as well as what the district's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend Rates	1% Increase
Total OPEB Liability	\$ 1,435,140	\$ 1,578,615	\$ 1,747,463

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2019, the district recognized OPEB expense of \$159,246 in the government wide Statement of Activities. At June 30, 2019, the district reported deferred inflows and outflows of resources related to the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or inputs	(88,349)	-
Benefit payments	-	127,096
Total	<u>\$ (88,349)</u>	<u>\$ 127,096</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2020	\$ (15,815)
2021	(15,815)
2022	(15,815)
2023	(15,815)
2014	(15,815)
Thereafter	(9,274)
Total	<u>\$ (88,349)</u>

Note 12. Risk Management

Ontario School District No. 8C is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The district assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13. Operating Lease

The district leases certain property and equipment from others. Operating lease payments are recorded as expenditures when paid. For the year ended June 30, 2019, the district recognized lease expenditures of \$71,924.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Operating leases include:

<u>Equipment leased</u>	<u>Length of lease</u>	<u>Payment</u>	<u>Date ending</u>
Pitney Bowes postage machine	60 months	849.17	May, 2023
26 Copiers	36 months	5144.49	October, 2022

Future minimum leases payments are as follows:

<u>Fiscal Year</u>	<u>Total Future</u>
<u>Ending June 30,</u>	<u>Minimum Lease</u>
	<u>Payments</u>
2020	\$ 71,924
2021	30,768
2022	10,190
2023	9,341
Total	<u>\$ 122,223</u>

Note 14. Tax Abatements

As of June 30, 2019, the district had tax abatements through two programs: Enterprise Zone and Food Processor that impacted their levied taxes and require disclosure under GASB 77.

Enterprise Zone (ORS 285C.175):

The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

Food Processor (ORS 307.455)

ORS 307.455 allows a property tax exemption for food processors' qualified real and personal property machinery and equipment (M&E) that is certified by the Oregon Department of Agriculture (ODA). The exemption begins the first tax year following certification and filing of the claim for exemption and continues for the next four succeeding tax years if, as of January 1 of each year, the certified M&E remains qualified.

<u>Tax Abatement Program</u>	<u>Amount of</u>
	<u>Taxes Abated</u>
	<u>during the Fiscal</u>
	<u>Year</u>
Food Processor	\$ 216,252
Enterprise Zone	134,814
	<u>\$ 351,066</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Note 15. Fund Balance Classifications

Below is a schedule of ending fund balances, based on GASB Statement No. 54 Requirements:

Fund Balances	General Fund	Bond Debt Service	Nonmajor Funds	Total
<u>Nonspendable</u>				
Prepaid expenses	\$ 143,309	\$ -	\$ -	\$ 143,309
	<u>143,309</u>	<u>-</u>	<u>-</u>	<u>143,309</u>
<u>Restricted</u>				
Education - Grants	-	-	177,392	177,392
Debt Service	-	9,072,045	568,692	9,640,737
Food Service	-	-	1,912,392	1,912,392
	<u>-</u>	<u>9,072,045</u>	<u>2,658,476</u>	<u>11,730,521</u>
<u>Committed to:</u>				
Building repairs and maint.	-	-	1,277,302	1,277,302
Equipment reserve	-	-	64,664	64,664
Technological equipment	-	-	14,264	14,264
Student body use	-	-	236,049	236,049
	<u>-</u>	<u>-</u>	<u>1,592,279</u>	<u>1,592,279</u>
<u>Assigned to:</u>				
Program training and expenses	-	-	16,200	16,200
	<u>-</u>	<u>-</u>	<u>16,200</u>	<u>16,200</u>
<u>Unassigned</u>	<u>5,662,903</u>	<u>-</u>		<u>5,662,903</u>
TOTAL FUND BALANCES	\$ 5,806,212	\$ 9,072,045	\$ 4,266,955	\$ 19,145,212

GASB 54 implementation required Board approved action to authorize commitments of fund balances. These commitments, outlined in the table above, were approved by the board of directors on June 24, 2019. Commitments of fund balances must be made prior to the end of the fiscal year.

This Page Intentionally Left Blank

REQUIRED SUPPLEMENTARY
INFORMATION

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (BUDGET BASIS)**

For the Year Ended

June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Taxes	\$ 4,010,000	\$ 4,010,000	\$ 4,203,996	\$ 193,996
Local sources	293,100	293,100	466,838	173,738
Intermediate sources	725,000	725,000	699,664	(25,336)
State sources	22,284,413	22,284,413	23,091,424	807,011
Federal sources	-	-	240	240
Total revenues	27,312,513	27,312,513	28,462,162	1,149,649
Expenditures				
Instruction				
Regular programs	10,770,185	10,770,185	10,611,994	158,192
Special programs	6,762,478	6,762,478	6,179,139	583,339
Adult and continuing education programs	-	-	-	-
Summer school programs	-	-	-	-
Support services				
Students	1,253,661	1,253,661	1,135,222	118,439
Improvement of instruction	717,223	717,223	737,778	(20,555)
General administration	508,302	508,302	411,639	96,663
School administration	2,679,258	2,679,258	2,651,541	27,718
Business services	4,597,734	4,564,629	4,468,296	96,334
Central activities	1,392,405	1,392,405	1,413,244	(20,839)
Supplemental retirement program	59,382	59,382	60,231	(850)
Food services	-	-	-	-
Community services	-	-	-	-
Facilities acquisition and construction	60,000	45,645	44,877	768
Contingency	80,000	80,000	-	80,000
Total expenditures	28,880,629	28,833,169	27,713,961	1,119,209
Excess of revenues over (under) expenditures	(1,568,116)	(1,520,656)	748,201	2,268,858
Other financing sources (uses)				
Grant indirect charges	175,000	175,000	301,194	126,194
Sale of assets	1,000	1,000	150	(850)
Transfers in (out)	(295,000)	(342,460)	(342,460)	-
Total other financing sources (uses)	(119,000)	(166,460)	(41,116)	125,344
Net change in fund balance	(1,687,116)	(1,687,116)	707,085	2,394,202
Available fund balance, July 1	4,850,000	4,850,000	5,099,127	249,127
Available fund balance, June 30	\$ 3,162,884	\$ 3,162,884	\$ 5,806,212	\$ 2,643,329

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FEDERAL PROGRAMS (BUDGET BASIS)
For the Year Ended
June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Federal sources	\$ 3,894,867	\$ 3,894,867	\$ 3,350,900	\$ (543,967)
Total revenues	<u>3,894,867</u>	<u>3,894,867</u>	<u>3,350,900</u>	<u>(543,967)</u>
Expenditures				
Instruction				
Regular programs	6,266	6,266	3,506	2,760
Special programs	2,625,055	2,625,055	2,065,428	559,628
Summer school programs	232,500	232,500	433,544	(201,044)
Support services				
Students	577,692	577,692	443,450	134,242
Improvement of instruction	272,689	272,689	238,888	33,801
School administration	-	-	155	(155)
Business services	2,000	2,000	155	1,845
Central activities	58,852	58,852	18,763	40,088
Supplemental retirement program	-	-	-	-
Food services	-	-	-	-
Community services	119,813	119,813	147,011	(27,198)
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>3,894,867</u>	<u>3,894,867</u>	<u>3,350,900</u>	<u>543,967</u>
Net change in fund balance	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Multnomah County, Oregon
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC RETIREMENT SYSTEM
 For the Last Six Years*

Year Ended June 30,	(a) District's proportion of the net pension liability (asset)	(b) District's proportionate share of the net pension liability (asset)	(c) District's covered payroll	(b/c) District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.13216765%	\$ 20,021,658	\$ 15,187,443	131.83%	82.10%
2018	0.14188113%	19,125,630	14,597,750	131.02%	83.10%
2017	0.14361273%	21,559,605	13,498,920	159.71%	80.50%
2016	0.15571267%	8,940,183	12,565,430	71.15%	91.90%
2015	0.15451174%	(3,502,340)	12,337,039	-28.39%	103.60%
2014	0.15571267%	2,367,774	12,036,139	19.67%	91.97%

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) District's covered payroll	(b/c) Contributions as a percent of covered payroll
2019	\$ 3,096,863	\$ 3,096,863	\$ -	\$ 16,051,696	19.29%
2018	2,988,956	2,988,956	-	15,187,443	19.68%
2017	1,246,367	1,246,367	-	14,597,750	15.16%
2016	1,364,191	1,364,191	-	13,498,920	10.11%
2015	1,786,148	1,786,148	-	12,565,430	14.21%
2014	1,737,762	1,737,762	-	12,337,039	14.09%

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

*This schedule is 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.

ONTARIO SCHOOL DISTRICT NO. 86
Ontario, Malheur County, Oregon
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
EARLY RETIREMENT INCENTIVE PLAN (GASB 73) AND HEALTH INSURANCE (GASB 75)
For the Last Fiscal Years*

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS - EARLY RETIREMENT INCENTIVE

	Fiscal Year Ending June 30,		
	2017	2018	2019
Total Pension Liability			
Service Cost	\$ 24,817	\$ 29,269	\$ 30,534
Interest on Total Pension Liability	23,982	18,183	19,797
Effect of changes to benefit term	-	-	-
Effect of economic/demographic gains or (losses)	-	(40,428)	-
Effect of assumption changes or inputs	38,648	(24,951)	(9,621)
Benefit payments	(78,712)	(74,724)	(61,977)
Net change in Total Pension Liability	8,735	(92,651)	(21,267)
Total Pension Liability, beginning	637,089	645,824	553,173
Total Pension Liability, ending	<u>\$ 645,824</u>	<u>\$ 553,173</u>	<u>\$ 531,906</u>

Covered payroll **

Total Pension Liability as a % of covered payroll

The amounts presented for each fiscal year were actuarial determined at July 1, 2017 and rolled forward to the measurement date.

There are no assets accumulated in a trust that meets the criteria in GASB 73 paragraph 4.

*This schedule is 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.

** Contributions are not made according to payroll, therefore, there is no covered payroll.

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS - HEALTH INSURANCE (GASB 75)

	Fiscal Year Ending June 30,	Fiscal Year Ending June 30,
	2018	2019
Total Pension Liability		
Service Cost	\$ 123,395	\$ 116,855
Interest on Total OPEB Liability	48,115	58,206
Effect of changes to benefit term	-	-
Effect of economic/demographic gains or (losses)	-	-
Effect of assumption changes or inputs	(82,373)	(33,075)
Benefit payments	(146,697)	(143,512)
Net change in Total Pension Liability	(57,560)	(1,526)
Total Pension Liability, beginning	1,637,701	1,580,141
Total Pension Liability, ending	<u>\$ 1,580,141</u>	<u>\$ 1,578,615</u>

Covered payroll **

Total Pension Liability as a % of covered payroll

The amounts presented for each fiscal year were actuarial determined at July 1, 2017 and rolled forward to the measurement date.

*This schedule is 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.

** Contributions are not made according to payroll, therefore, there is no covered payroll.

ONTARIO SCHOOL DISTRICT No. 8C
Ontario, Malheur County, Oregon
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

In accordance with the State of Oregon, the Board of Education annually adopts a budget following required public notice and hearing for all funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The district's budget is prepared on the modified accrual basis. Encumbrances are not recognized on the modified accrual basis budget and appropriates lapse at year end. This method of accounting contains all information needed for GAAP presentation and no additional reconciliation is required.

Formal and legal budgetary control for the certified budget is based upon major classes of expenditures known as functions within fund. These functions include expenditures for instructions, support services, community services, capital acquisitions and other uses. Although the budget document presents function expenditures or expense by line item within fund, the legal level of control is at the aggregated fund and functional level.

This Page Intentionally Left Blank

SUPPLEMENTARY INFORMATION

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Debt	Special Revenue			
	Service	Response	Activities	Outdoor School	HB 3499 English
	Pension	to	Fund	Grant	Language Learners
	Bond	Intervention		Fund	Grant
	Debt Service				
ASSETS					
Cash	\$ 568,692	\$ -	\$ 3,835	\$ -	\$ -
Receivables					
Other	-	40,271	-	90,147	180,924
Total assets	<u>\$ 568,692</u>	<u>\$ 40,271</u>	<u>\$ 3,835</u>	<u>\$ 90,147</u>	<u>\$ 180,924</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	2,799	-	17	6,761
Interfund payable	-	21,272	-	90,130	174,163
Total liabilities	<u>-</u>	<u>24,071</u>	<u>-</u>	<u>90,147</u>	<u>180,924</u>
Fund balances					
Nonspendable	-	-	-	-	-
Spendable					
Restricted	568,692	-	3,835	-	-
Committed	-	-	-	-	-
Assigned	-	16,200	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>568,692</u>	<u>16,200</u>	<u>3,835</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 568,692</u>	<u>\$ 40,271</u>	<u>\$ 3,835</u>	<u>\$ 90,147</u>	<u>\$ 180,924</u>

Special Revenue		
Malheur Promise Grant	Smile Grant	ASPIRE Grant
\$ -	\$ 5,274	\$ 8,417
-	3,996	-
<u>\$ -</u>	<u>\$ 9,270</u>	<u>\$ 8,417</u>
\$ -	\$ -	\$ -
-	7,478	-
-	-	-
-	7,478	-
-	-	-
-	1,792	8,417
-	-	-
-	-	-
-	-	-
-	1,792	8,417
<u>\$ -</u>	<u>\$ 9,270</u>	<u>\$ 8,417</u>

Measure 98 Grant	Special Revenue	
	Goldman Sachs Philanthropic Fund	NW Health Foundation Grant Fund
\$ -	\$ 150	\$ 3,053
-	-	-
<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 3,053</u>
\$ -	\$ -	\$ -
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
-	150	3,053
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>150</u>	<u>3,053</u>
<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 3,053</u>

Special Revenue		
Maybelle Clark McDonald Grant Fund	OSBA Scholarship Fund	CTE Pathways Grant Fund
\$ 1,912	\$ 7,500	\$ -
-	-	4,968
<u>\$ 1,912</u>	<u>\$ 7,500</u>	<u>\$ 4,968</u>
\$ -	\$ 5,000	\$ 1,620
-	-	-
-	-	1,513
-	5,000	3,133
-	-	-
1,912	2,500	1,835
-	-	-
-	-	-
-	-	-
<u>1,912</u>	<u>2,500</u>	<u>1,835</u>
<u>\$ 1,912</u>	<u>\$ 7,500</u>	<u>\$ 4,968</u>

Family Services Grant Fund	Special Revenue	
	Aiken PBIS Fund	Medicaid Reimbursement Fund
\$ 1,876	\$ 45	\$ 115,459
-	-	64,951
<u>\$ 1,876</u>	<u>\$ 45</u>	<u>\$ 180,410</u>
\$ 122	\$ 45	\$ 27,850
-	-	416
-	-	-
<u>122</u>	<u>45</u>	<u>28,266</u>
-	-	-
1,754	-	152,144
-	-	-
-	-	-
-	-	-
<u>1,754</u>	<u>-</u>	<u>152,144</u>
<u>\$ 1,876</u>	<u>\$ 45</u>	<u>\$ 180,410</u>

Special Revenue		Capital Projects				Totals
Student Body	Food Services	Equipment Replacement	Technology	Chromebook Reserve	Building Improvement	June 30, 2019
\$ 236,049	\$ 2,008,086	\$ 64,664	\$ 4,875	\$ 9,389	\$ 1,277,302	\$ 4,316,578
-	48,169	-	-	-	-	433,426
<u>\$ 236,049</u>	<u>\$ 2,056,255</u>	<u>\$ 64,664</u>	<u>\$ 4,875</u>	<u>\$ 9,389</u>	<u>\$ 1,277,302</u>	<u>\$ 4,750,004</u>
\$ -	\$ 25,020	\$ -	\$ -	\$ -	\$ -	\$ 59,657
-	118,843	-	-	-	-	136,314
-	-	-	-	-	-	287,078
-	143,863	-	-	-	-	483,049
-	-	-	-	-	-	-
-	1,912,392	-	-	-	-	2,658,476
236,049	-	64,664	4,875	9,389	1,277,302	1,592,279
-	-	-	-	-	-	16,200
-	-	-	-	-	-	-
<u>236,049</u>	<u>1,912,392</u>	<u>64,664</u>	<u>4,875</u>	<u>9,389</u>	<u>1,277,302</u>	<u>4,266,955</u>
<u>\$ 236,049</u>	<u>\$ 2,056,255</u>	<u>\$ 64,664</u>	<u>\$ 4,875</u>	<u>\$ 9,389</u>	<u>\$ 1,277,302</u>	<u>\$ 4,750,004</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR FUNDS
For the Year Ended
June 30, 2019

	Debt Service		Special Revenue		
	Pension Bond	Response to	Activities	Outdoor School	HB 3499 English
	Debt Service	Intervention	Fund	Grant Fund	Language Learners Grant
Revenues					
Local sources	\$ 1,023,869	\$ 40,271	\$ 6	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	90,147	207,571
Federal sources	-	-	-	-	-
Total revenues	1,023,869	40,271	6	90,147	207,571
Expenditures					
Instruction					
Regular programs	-	-	-	90,147	-
Special programs	-	-	-	-	207,571
Support services					
Students	-	-	-	-	-
Improvement of instruction	-	40,271	-	-	-
School administration	-	-	-	-	-
Business services	-	-	-	-	-
Central activities	42	-	-	-	-
Food services	-	-	-	-	-
Facilities acquisition and constru	-	-	-	-	-
Debt service					
Principal	200,945	-	-	-	-
Interest	723,127	-	-	-	-
Total expenditures	924,114	40,271	-	90,147	207,571
Excess of revenues over (under) ex	99,755	-	6	-	-
Other financing sources (uses)					
Sale of assets	-	-	-	-	-
Transfers in (out)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	99,755	-	6	-	-
Available fund balances, July 1	468,937	16,200	3,829	-	-
Available fund balance, June 30	\$ 568,692	\$ 16,200	\$ 3,835	\$ -	\$ -

Special Revenue		
Malheur Promise Grant	Smile Grant	ASPIRE Grant
\$ -	\$ -	\$ -
12,113	-	-
-	9,355	-
-	-	-
12,113	9,355	-
12,113	-	-
-	11,538	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
12,113	11,538	-
-	(2,183)	-
-	-	-
-	2,000	-
-	2,000	-
-	(183)	-
-	1,975	8,417
\$ -	\$ 1,792	\$ 8,417

Measure 98 Grant	Special Revenue	
	Goldman Sachs Philanthropic Fund	NW Health Foundation Grant Fund
\$ -	\$ -	\$ 1,500
-	-	-
491,675	-	-
-	-	-
491,675	-	1,500
130,841	-	-
-	-	-
18,800	-	-
-	-	-
-	-	277
163,535	-	2,095
178,499	-	-
-	-	-
-	-	-
-	-	-
-	-	-
491,675	-	2,372
-	-	(872)
-	-	-
-	-	-
-	-	-
-	-	(872)
-	150	3,925
\$ -	\$ 150	\$ 3,053

Special Revenue		
Maybelle Clark McDonald Grant Fund	OSBA Scholarship Fund	CTE Pathways Grant Fund
\$ -	\$ 2,500	\$ -
-	-	-
-	-	48,319
-	-	-
-	2,500	48,319
-	5,000	47,358
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	5,000	47,358
-	(2,500)	961
-	-	-
-	-	-
-	-	-
-	(2,500)	961
1,912	5,000	874
\$ 1,912	\$ 2,500	\$ 1,835

Special Revenue		
Family Services Grant Fund	Aiken PBIS Fund	Medicaid Reimbursement Fund
\$ 2,140	\$ 4,091	\$ 52,463
-	-	-
-	-	-
-	-	-
2,140	4,091	52,463
-	468	-
-	-	9,757
-	-	15,802
-	-	-
-	3,623	-
-	-	-
1,725	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,725	4,091	25,559
415	-	26,904
-	-	-
-	-	-
-	-	-
415	-	26,904
1,339	-	125,240
\$ 1,754	\$ -	\$ 152,144

Special Revenue		Capital Projects				Totals
Student Body	Food Service	Equipment Replacement	Technology	Chromebook Reserve	Building Improvement	June 30, 2019
\$ 272,303	\$ 16,716	\$ -	\$ -	\$ 10,655	\$ 83,321	\$ 1,509,835
-	-	-	-	-	-	12,113
-	21,733	-	-	-	-	868,800
-	2,006,173	-	-	-	-	2,006,173
272,303	2,044,622	-	-	10,655	83,321	4,396,921
-	-	-	-	-	-	285,927
259,495	-	-	-	-	-	488,361
-	-	-	-	-	-	34,602
-	-	-	-	-	-	40,271
-	-	-	-	-	-	3,900
-	-	65,510	-	-	-	231,140
-	-	-	70,298	1,266	-	251,830
-	1,945,577	-	-	-	-	1,945,577
-	-	-	-	-	118,284	118,284
-	-	-	-	-	-	200,945
-	-	-	-	-	-	723,127
259,495	1,945,577	65,510	70,298	1,266	118,284	4,323,964
12,808	99,045	(65,510)	(70,298)	9,389	(34,963)	72,957
-	-	3,315	-	-	-	3,315
-	-	73,105	63,000	-	204,355	342,460
-	-	76,420	63,000	-	204,355	345,775
12,808	99,045	10,910	(7,298)	9,389	169,392	418,732
223,241	1,813,347	53,754	12,173	-	1,107,910	3,848,223
\$ 236,049	\$ 1,912,392	\$ 64,664	\$ 4,875	\$ 9,389	\$ 1,277,302	\$ 4,266,955

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PENSION BOND DEBT SERVICE (BUDGET BASIS)

For the Year Ended
June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 959,275	\$ 959,275	\$ 1,023,869	\$ 64,594
Total revenues	959,275	959,275	1,023,869	64,594
Expenditures				
Support services				
Central activities	275	275	42	233
Debt service				
Principal	200,945	200,945	200,945	-
Interest	758,055	758,055	723,127	34,928
Total expenditures	959,275	959,275	924,114	35,160
Excess of revenues over (under) expenditures	-	-	99,755	99,755
Other financing sources (uses)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	99,755	99,754
Available fund balance, July 1	-	-	468,937	468,937
Available fund balance, June 30	\$ -	\$ -	\$ 568,692	\$ 568,692

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - RESPONSE TO INTERVENTION (BUDGET BASIS)

For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 57,580	\$ 57,580	\$ 40,271	\$ (17,310)
Total revenues	<u>57,580</u>	<u>57,580</u>	<u>40,271</u>	<u>(17,310)</u>
Expenditures				
Support services				
Improvement of instruction	<u>57,580</u>	<u>57,580</u>	<u>40,271</u>	<u>17,310</u>
Total expenditures	<u>57,580</u>	<u>57,580</u>	<u>40,271</u>	<u>17,310</u>
Net change in fund balance	-	-	-	-
Available fund balance, July 1	<u>-</u>	<u>-</u>	<u>16,200</u>	<u>16,200</u>
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,200</u>	<u>\$ 16,200</u>

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ACTIVITIES FUND (BUDGET BASIS)

For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 10,000	\$ 10,000	\$ 6	\$ (9,994)
Total revenues	10,000	10,000	6	(9,994)
Expenditures				
Instruction				
Regular programs	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Net change in fund balance	-	-	6	6
Available fund balance, July 1	-	-	3,829	3,829
Available fund balance, June 30	\$ -	\$ -	\$ 3,835	\$ 3,835

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OUTDOOR SCHOOL GRANT FUND (BUDGET BASIS)

For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
State sources	\$ -	\$ 118,820	\$ 90,147	\$ (28,673)
Total revenues	-	118,820	90,147	(28,673)
Expenditures				
Instruction				
Regular programs	-	118,820	90,147	28,673
Total expenditures	-	118,820	90,147	28,673
Net change in fund balance	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HB 3499 ENGLISH LANGUAGE LEARNERS GRANT FUND (BUDGET BASIS)

For the Year Ended

June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
State sources	\$ 189,362	\$ 189,362	\$ 207,571	\$ 18,209
Total revenues	189,362	189,362	207,571	18,209
Expenditures				
Instruction				
Special programs	146,782	146,782	207,571	(60,789)
Supporting services				
Improvement of instruction	17,580	17,580	-	17,580
Central activities	25,000	25,000	-	25,000
Total expenditures	189,362	189,362	207,571	(18,209)
Net change in fund balance	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MALHEUR PROMISE GRANT FUND (BUDGET BASIS)

For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Intermediate sources	\$ -	\$ -	\$ 12,113	\$ 12,113
Total revenues	-	-	12,113	12,113
Expenditures				
Instruction				
Regular programs	-	-	12,113	(12,113)
Total expenditures	-	-	12,113	(12,113)
Net change in fund balance	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SMILE GRANT FUND (BUDGET BASIS)
For the Year Ended
June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
State sources	\$ 6,766	\$ 6,766	\$ 9,355	\$ 2,589
Total revenues	6,766	6,766	9,355	2,589
Expenditures				
Instruction				
Special programs	11,766	11,766	11,538	228
Total expenditures	11,766	11,766	11,538	228
Excess of revenues over (under) expenditures	(5,000)	(5,000)	(2,183)	2,817
Other financing sources (uses)				
Transfers in (out)	2,000	2,000	2,000	-
Total other financing sources (uses)	2,000	2,000	2,000	-
Net change in fund balance	(3,000)	(3,000)	(183)	2,817
Available fund balance, July 1	3,000	3,000	1,975	(1,025)
Available fund balance, June 30	\$ -	\$ -	\$ 1,792	\$ 1,792

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ASPIRE GRANT (BUDGET BASIS)

For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Instruction				
Regular programs	8,417	8,417	-	8,417
Support services				
Students	-	-	-	-
Total expenditures	8,417	8,417	-	8,417
Net change in fund balance	(8,417)	(8,417)	-	8,417
Available fund balance, July 1	8,417	8,417	8,417	-
Available fund balance, June 30	\$ -	\$ -	\$ 8,417	\$ 8,417

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MEASURE 98 GRANT FUND (BUDGET BASIS)**

For the Year Ended

June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
State sources	\$ 525,000	\$ 525,000	\$ 491,675	\$ (33,325)
Total revenues	525,000	525,000	491,675	(33,325)
Expenditures				
Instruction				
Regular programs	161,552	161,552	130,841	30,711
Support services				
Students	25,000	25,000	18,800	6,200
Improvement of instruction	18,448	18,448	-	18,448
Business services	120,000	120,000	163,535	(43,535)
Central activities	200,000	200,000	178,499	21,501
Total expenditures	525,000	525,000	491,675	33,325
Net change in fund balance	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GOLDMAN SACHS PHILANTHROPIC FUND (BUDGET BASIS)**

For the Year Ended

June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Instruction				
Regular programs	150	150	-	150
Total expenditures	150	150	-	150
Net change in fund balance	-	-	-	150
Available fund balance, July 1	150	150	150	-
Available fund balance, June 30	\$ -	\$ -	\$ 150	\$ 150

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - NW HEALTH FOUNDATION GRANT FUND (BUDGET BASIS)**

For the Year Ended

June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Total revenues	1,500	1,500	1,500	-
Expenditures				
Support services				
School administration	4,500	4,500	277	4,223
Business services	-	-	2,095	(2,095)
Total expenditures	4,500	4,500	2,372	2,128
Net change in fund balance	-	-	(872)	2,128
Available fund balance, July 1	3,000	3,000	3,925	925
Available fund balance, June 30	\$ -	\$ -	\$ 3,053	\$ 3,053

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MAYBELLE CLARK MCDONALD GRANT FUND (BUDGET BASIS)**

For the Year Ended

June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Instruction				
Special programs	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Available fund balance, July 1	-	-	1,912	1,912
Available fund balance, June 30	\$ -	\$ -	\$ 1,912	\$ 1,912

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OSBA PROMISE SCHOLARSHIP FUND (BUDGET BASIS)

For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 5,000	\$ 5,000	\$ 2,500	\$ (2,500)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>2,500</u>	<u>(2,500)</u>
Expenditures				
Instruction				
Regular programs	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	-	-	(2,500)	(2,500)
Available fund balance, July 1	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ (2,500)</u>

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CTE PATHWAYS GRANT FUND (BUDGET BASIS)

For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
State sources	\$ 35,000	\$ 35,000	\$ 48,319	\$ 13,319
Total revenues	35,000	35,000	48,319	13,319
Expenditures				
Instruction				
Regular programs	35,000	35,000	47,358	(12,358)
Total expenditures	35,000	35,000	47,358	(12,358)
Net change in fund balance	-	-	961	961
Available fund balance, July 1	-	-	874	874
Available fund balance, June 30	\$ -	\$ -	\$ 1,835	\$ 1,835

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - FAMILY SERVICES GRANT FUND (BUDGET BASIS)

For the Year Ended

June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ -	\$ 2,140	\$ (2,140)
Total revenues	-	-	2,140	(2,140)
Expenditures				
Support services				
Central activities	-	-	1,725	(1,725)
Total expenditures	-	-	1,725	(1,725)
Net change in fund balance	-	-	415	415
Available fund balance, July 1	-	-	1,339	1,339
Available fund balance, June 30	\$ -	\$ -	\$ 1,754	\$ 1,754

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AIKEN PBIS INCENTIVE FUND (BUDGET BASIS)

For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 3,000	\$ 3,000	\$ 4,091	\$ 1,091
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>4,091</u>	<u>1,091</u>
Expenditures				
Instruction				
Regular programs	2,000	2,000	468	1,532
Support services				
School administration	<u>4,000</u>	<u>4,000</u>	<u>3,623</u>	<u>377</u>
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>4,091</u>	<u>1,909</u>
Net change in fund balance	-	-	-	3,000
Available fund balance, July 1	<u>3,000</u>	<u>3,000</u>	-	(3,000)
Available fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MEDICAID REIMBURSEMENT FUND (BUDGET BASIS)**

For the Year Ended

June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 100,000	\$ 100,000	\$ 52,463	\$ (47,537)
Total revenues	100,000	100,000	52,463	(47,537)
Expenditures				
Instruction				
Special programs	24,040	24,040	9,757	14,283
Support services				
Students	90,960	90,960	15,802	75,158
Improvement of instruction	60,000	60,000	-	60,000
Total expenditures	175,000	175,000	25,559	149,441
Net change in fund balance	-	-	26,904	101,904
Available fund balance, July 1	75,000	75,000	125,240	50,240
Available fund balance, June 30	\$ -	\$ -	\$ 152,144	\$ 152,144

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - STUDENT BODY FUND (BUDGET BASIS)

For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 435,765	\$ 435,765	\$ 272,303	\$ (163,462)
Total revenues	<u>435,765</u>	<u>435,765</u>	<u>272,303</u>	<u>(163,462)</u>
Expenditures				
Instruction				
Special programs	<u>435,765</u>	<u>435,765</u>	<u>259,495</u>	<u>176,270</u>
Total expenditures	<u>435,765</u>	<u>435,765</u>	<u>259,495</u>	<u>176,270</u>
Net change in fund balance	-	-	12,808	12,808
Available fund balance, July 1	<u>140,000</u>	<u>140,000</u>	<u>223,241</u>	<u>83,241</u>
Available fund balance, June 30	<u>\$ 140,000</u>	<u>\$ 140,000</u>	<u>\$ 236,049</u>	<u>\$ 96,048</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FOOD SERVICE FUND (BUDGET BASIS)

For the Year Ended
June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 170,000	\$ 170,000	\$ 16,716	\$ (153,284)
State sources	22,000	22,000	21,733	(267)
Federal sources	1,875,000	1,875,000	2,006,173	131,173
Total revenues	<u>2,067,000</u>	<u>2,067,000</u>	<u>2,044,622</u>	<u>(22,378)</u>
Expenditures				
Food services	<u>2,767,000</u>	<u>2,767,000</u>	<u>1,945,577</u>	<u>821,423</u>
Total expenditures	<u>2,767,000</u>	<u>2,767,000</u>	<u>1,945,577</u>	<u>821,423</u>
Excess of revenues over (under) expend	<u>(700,000)</u>	<u>(700,000)</u>	<u>99,045</u>	<u>799,045</u>
Net change in fund balance	(700,000)	(700,000)	99,045	799,045
Available fund balance, July 1	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,813,347</u>	<u>813,347</u>
Available fund balance, June 30	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 1,912,392</u>	<u>\$ 1,612,392</u>

(1) Included in this fund is the required match of \$16,899 the district must provide for National School Lunch support, in order to meet the general cash assistance match requirements.

ONTARIO SCHOOL DISTRICT NO. 8C

Ontario, Malheur County, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - EQUIPMENT REPLACEMENT FUND (BUDGET BASIS)**

For the Year Ended

June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Total revenues	1,000	1,000	-	(1,000)
Expenditures				
Support services				
Business services	195,000	195,000	65,510	129,490
Total expenditures	195,000	195,000	65,510	129,490
Excess of revenues over (under) expenditures	(194,000)	(194,000)	(65,510)	128,490
Other financing sources (uses)				
Sale of assets	-	-	3,315	3,315
Transfers in (out)	40,000	40,000	73,105	33,105
Total other financing sources (uses)	40,000	40,000	76,420	36,420
Net change in fund balance	(154,000)	(154,000)	10,910	164,910
Available fund balance, July 1	154,000	154,000	53,754	(100,246)
Available fund balance, June 30	\$ -	\$ -	\$ 64,664	\$ 64,664

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TECHNOLOGY FUND (BUDGET BASIS)
For the Year Ended
June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Supporting services				
Central activities	139,000	139,000	70,298	68,702
Total expenditures	139,000	139,000	70,298	68,702
Excess of revenues over (under) expenditures	(139,000)	(139,000)	(70,298)	68,702
Other financing sources (uses)				
Transfers in (out)	63,000	63,000	63,000	-
Total other financing sources (uses)	63,000	63,000	63,000	-
Net change in fund balance	(76,000)	(76,000)	(7,298)	68,702
Available fund balance, July 1	76,000	76,000	12,173	(63,827)
Available fund balance, June 30	\$ -	\$ -	\$ 4,875	\$ 4,875

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHROMEBOOK RESERVE FUND (BUDGET BASIS)
 For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ 10,000	\$ 10,655	\$ 655
Total revenues	-	10,000	10,655	655
Expenditures				
Supporting services				
Central activities	-	10,000	1,266	8,734
Total expenditures	-	10,000	1,266	8,734
Excess of revenues over (under) expenditures	-	-	9,389	9,389
Other financing sources (uses)				
Transfers in (out)				-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	9,389	9,389
Available fund balance, July 1				-
Available fund balance, June 30	\$ -	\$ -	\$ 9,389	\$ 9,389

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUILDING IMPROVEMENT (BUDGET BASIS)
For the Year Ended
June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 8,000	\$ 8,000	\$ 83,321	\$ 75,321
Total revenues	8,000	8,000	83,321	75,321
Expenditures				
Facilities acquisition and construction	1,832,500	1,832,500	118,284	1,714,216
Total expenditures	1,832,500	1,832,500	118,284	1,714,216
Excess of revenues over (under) expenditures	(1,824,500)	(1,824,500)	(34,963)	1,789,537
Other financing sources (uses)				
Transfers in (out)	190,000	190,000	204,355	14,355
Total other financing sources (uses)	190,000	190,000	204,355	14,355
Net change in fund balance	(1,634,500)	(1,634,500)	169,392	1,803,892
Available fund balance, July 1	1,634,500	1,634,500	1,107,910	(526,590)
Available fund balance, June 30	\$ -	\$ -	\$ 1,277,302	\$ 1,277,302

This Page Intentionally Left Blank

MAJOR DEBT SERVICE FUND

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BOND DEBT SERVICE (BUDGET BASIS)

For the Year Ended

June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,155,190	\$ 1,155,190	\$ 1,175,430	\$ 20,240
Local sources	60,000	60,000	220,278	160,278
Federal sources	908,000	908,000	914,503	6,503
Total revenues	<u>2,123,190</u>	<u>2,123,190</u>	<u>2,310,211</u>	<u>187,022</u>
Expenditures				
Support services				
Business services	150	150	-	150
Debt service				
Interest	<u>1,033,040</u>	<u>1,033,040</u>	<u>1,033,040</u>	<u>-</u>
Total expenditures	<u>1,033,190</u>	<u>1,033,190</u>	<u>1,033,040</u>	<u>150</u>
Net change in fund balance	1,090,000	1,090,000	1,277,171	187,171
Available fund balance, July 1	<u>7,585,000</u>	<u>7,585,000</u>	<u>7,794,874</u>	<u>209,874</u>
Available fund balance, June 30	<u>\$ 8,675,000</u>	<u>\$ 8,675,000</u>	<u>\$ 9,072,045</u>	<u>\$ 397,045</u>

This Page Intentionally Left Blank

PROPRIETARY FUNDS

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OHS TIGER SHOPPE & O+ FUND (BUDGET BASIS)

For the Year Ended
June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 15,000	\$ 15,000	\$ 8,144	\$ (6,856)
Total revenues	15,000	15,000	8,144	(6,856)
Expenditures				
Support services				
School administration	-	-	24	(24)
Central activities	25,000	25,000	6,992	18,008
Total expenditures	25,000	25,000	7,016	17,984
Net change in fund balance	(10,000)	(10,000)	1,128	11,128
Available fund balance, July 1	10,000	10,000	696	(9,304)
Available fund balance, June 30	\$ -	\$ -	\$ 1,824	\$ 1,824

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OHS TEEN PARENT PROGRAM (BUDGET BASIS)

For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 10,000	\$ 10,000	\$ 7,652	\$ (2,348)
State sources	-	-	4,101	4,101
Federal sources	15,000	15,000	2,333	(12,667)
Total revenues	25,000	25,000	14,086	(10,914)
Expenditures				
Instruction				
Special programs	38,000	38,000	28,955	9,045
Support services				
Students	2,000	2,000	116	1,884
Total expenditures	40,000	40,000	29,071	10,929
Net change in fund balance	(15,000)	(15,000)	(14,985)	15
Available fund balance, July 1	15,000	15,000	23,107	8,107
Available fund balance, June 30	\$ -	\$ -	\$ 8,122	\$ 8,122

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OHS CONCESSIONS (BUDGET BASIS)
For the Year Ended
June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ -	\$ 15,000	\$ 7,769	\$ (7,231)
Total revenues	-	15,000	7,769	(7,231)
Expenditures				
Community services	-	15,000	7,769	7,231
Total expenditures	-	15,000	7,769	7,231
Net change in fund balance	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

This Page Intentionally Left Blank

INTERNAL SERVICE FUND

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - UNEMPLOYMENT FUND (BUDGET BASIS)

For the Year Ended
 June 30, 2019

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues				
Local sources	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>
Expenditures				
Support services	<u>429,000</u>	<u>429,000</u>	<u>6,500</u>	<u>422,500</u>
Total expenditures	<u>429,000</u>	<u>429,000</u>	<u>6,500</u>	<u>422,500</u>
Net change in fund balance	(425,000)	(425,000)	(6,500)	418,500
Available fund balance, July 1	<u>425,000</u>	<u>425,000</u>	<u>421,861</u>	<u>(3,139)</u>
Available fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 415,361</u></u>	<u><u>\$ 415,361</u></u>

This Page Intentionally Left Blank

OTHER FINANCIAL SCHEDULES

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF CASH, CASH ITEMS, INVESTMENTS, AND COLLATERAL SECURITY
 June 30, 2019

	All Funds	Total
Cash and cash items		
Umpqua Bank		
Demand accounts	\$ 1,311,591	
Total Umpqua Bank		\$ 1,311,591
Bank of the West		
Demand accounts	2,000	
Total Bank of the West		2,000
Washington Federal		
Demand accounts	42,134	
Total Washington Federal		42,134
JP Morgan Chase Bank		
Demand accounts	28,789	
Total JP Morgan Chase Bank		28,789
U.S. Bank, N.A.		
Demand accounts	9,669	
Total U.S. Bank, N.A.		9,669
Total cash with banks		1,394,183
Cash-on-hand		1,170
Total cash and cash items		1,395,353
Investments		
Oregon State Treasury Local Government Investment Pool***		19,675,650
Total net investments		19,675,650
Total cash, cash items and investments		\$ 21,071,003

(Continued on next page)

This Page Intentionally Left Blank

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
SCHEDULE OF CASH, CASH ITEMS, INVESTMENTS, AND COLLATERAL SECURITY
 June 30, 2019

Collateral security			
*	Umpqua Bank - FDIC	** \$	250,000
*	Bank of the West - FDIC		250,000
*	Washington Federal - FDIC		250,000
	JP Morgan Chase Bank - FDIC		250,000
*	U. S. Bank, N.A. - FDIC		250,000
	Total collateral security	<u>\$</u>	<u>1,250,000</u>

** All demand accounts within a single financial institution are federally secured up to \$250,000, and all non-demand accounts per institution are secured up to \$250,000.

*Qualified depository per Oregon State Treasurer

***Oregon LGIP is fully collateralized.

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FEDERAL PROGRAMS
For the Year Ended
June 30, 2019

	Migrant Title IC	Migrant Summer School	Migrant Preschool Program	Title IA Grant	Title III
Revenues					
Federal sources	\$ 510,543	\$ 231,156	\$ 38,128	\$ 1,790,295	\$ 27,789
Other sources					
Total revenues	<u>510,543</u>	<u>231,156</u>	<u>38,128</u>	<u>1,790,295</u>	<u>27,789</u>
Expenditures					
Instruction					
Regular programs	-	-	-	-	-
Special programs	91,441	-	24,102	1,491,233	20,401
Adult / continuing ed programs	-	-	-	-	-
Summer school programs	1,428	231,156	223	193,349	7,388
Support services					
Students	294,192	-	-	55,810	-
Improvement of instruction	21,453	-	-	-	-
General administration	155	-	-	-	-
School administration	-	-	-	-	-
Business services	-	-	-	155	-
Central activities	-	-	-	18,763	-
Supplemental retirement program	-	-	-	-	-
Food services	-	-	-	-	-
Community services	101,874	-	13,803	30,985	-
Facilities acquisition and construction	-	-	-	-	-
Total expenditures	<u>510,543</u>	<u>231,156</u>	<u>38,128</u>	<u>1,790,295</u>	<u>27,789</u>
Net change in fund balances	-	-	-	-	-
Available fund balances, July 1	-	-	-	-	-
Available fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IDEA	Effective Behavioral & Instructional Support Systems	Title VI (B) Innovative Rural Ed	Title II A	Student Support & Academic Enrichment Grant	Totals
\$ 442,899	\$ 34,340	\$ 34,650	\$ 153,787	\$ 87,313	\$ 3,350,900
<u>442,899</u>	<u>34,340</u>	<u>34,650</u>	<u>153,787</u>	<u>87,313</u>	<u>3,350,900</u>
859	-	-	-	2,647	3,506
438,251	-	-	-	-	2,065,428
-	-	-	-	-	-
-	-	-	-	-	433,544
-	-	-	-	-	-
3,240	-	20,783	-	69,424	443,450
549	34,340	13,867	153,437	15,242	238,888
-	-	-	-	-	155
-	-	-	-	-	-
-	-	-	-	-	155
-	-	-	-	-	18,763
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	350	-	147,011
-	-	-	-	-	-
<u>442,899</u>	<u>34,340</u>	<u>34,650</u>	<u>153,787</u>	<u>87,313</u>	<u>3,350,900</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
For the year Ended
June 30, 2019

2018-19	Assessed valuation of taxable property	\$ 1,142,891,781
	Tax rate (dollars per \$1,000 assessed value)	\$ 3.9293

Ratio of annual debt service requirements for bonded debt to total General Fund expenditures and transfers:

	Principal	Interest	Total Bonded Debt Services	General Fund Expenditures and Transfers	Ratio of Debt Service to General Fund Expenditures and transfers
2018-19	\$ 200,945	\$ 1,756,167	\$ 1,957,112	\$ 28,056,421	6.98%

Ratio of net bonded debt to assessed value:

	Assessed Valuation	Net Bonded Debt (1)	Ratio of Net Bonded Debt to Assessed Value
2018-19	\$ 1,142,891,781	\$ 16,755,689	1.47%

(1) Computed as gross bonded debt less amount available for retirement of debt in Debt Service Fund

Principal taxpayers in Ontario School District 8C

	Assessed Valuation	Percent of Total County Value
Private enterprises		
H J Heinz Company, LP	\$ 97,720,601	8.55%
Fry Foods Inc.	24,012,936	2.10%
Walmart Real Est Busuness Trs	12,946,720	1.13%
Americold Realty Inc	11,777,910	1.03%
CenturyLink	10,357,998	0.91%
Murakami Farms Inc	9,781,764	0.86%
HD Development of Maryland Inc	7,525,728	0.66%
HIE Ontario LLC	6,347,850	0.56%
Public utilities		
Idaho Power Co.	45,491,989	3.98%
Union Pacific Railroad Co.	7,814,005	0.68%
All other taxpayers	909,114,280	79.55%
Total assessed value	<u><u>\$ 1,142,891,781</u></u>	100.00%

ONTARIO SCHOOL DISTRICT NO. 8C
 Ontario, Malheur County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
 For the year Ended
 June 30, 2019

Summary of General Fund Oregon State Revenue:

	State Sources	State Sources as % of Total Revenues	Total Revenues
2018-19	\$ 23,091,424	81.13%	\$ 28,462,162

Computation of legal debt margin:

Real market value	\$ 1,505,773,970
Allowable portion	<u>0.0795</u>
Debt limit: 7.95% of real market value (1)	<u>119,709,031</u>
Amount of debt applicable to debt limit:	
Bonded debt	25,812,359
Less amount available in debt service funds	<u>(9,056,670)</u>
Amount of debt applicable to debt limit	<u>16,755,689</u>
Legal debt margin	102,953,342

(1) ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the district based on the following:

- A. For each grade from kindergarten to eighth for which the district operates schools, fifty-five one hundredths of one percent of the real market value.
- B. For each grade from ninth to twelfth for which the district operates schools, seventy-five one hundredths of one percent of the real market value.

Allowable percentage of real market value:

A. Kindergarten through eighth grade, $9 \times .0055$	4.95%
B. Ninth through twelfth, $4 \times .0075$	<u>3.00%</u>
Allowable percentage	<u>7.95%</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
DISTRICT AUDIT REVENUE SUMMARY
For the Year Ended
June 30, 2019

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600
Revenue from Local Sources						
1110 Ad Valorem Taxes	\$ 4,202,378	\$ -	\$ 1,174,979	\$ -	\$ -	\$ -
1120 Local Option Taxes	-	-	-	-	-	-
1190 Penalties and Interest	1,618	-	451	-	-	-
1200 Revenue from Local Government Other Than District	-	-	-	-	-	-
1310 Regular Tuition	-	-	-	-	-	-
1320 Adult/Continuing Ed Tuition	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-
1400 Transportation Fees	-	-	-	-	-	-
1500 Earnings on Investments	301,447	6	232,696	-	-	-
1600 Food Services	-	16,634	-	-	-	-
1700 Extracurricular Activities	47,518	272,304	-	-	7,769	-
1800 Community Services Activities	-	-	-	-	-	-
1910 Rentals	9,005	-	-	-	-	-
1920 Contributions and Donations	-	3,640	-	-	-	-
1930 Rental or Lease Payments from Private Contractors	-	-	-	-	-	-
1940 Services Provided Other LEAs	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditures	-	-	-	-	-	-
1970 Services Provided Other Funds	32,176	-	1,011,451	-	-	-
1980 Fees Charged to Grants	301,194	-	-	-	-	-
1990 Miscellaneous	76,692	99,406	-	93,976	15,796	-
Total Revenue from Local Sources	4,972,028	391,990	2,419,577	93,976	23,565	-
Revenue from Intermediate Sources						
2101 County School Funds	849	-	-	-	-	-
2102 ESD Apportionment	-	-	-	-	-	-
2105 Natural Gas, Oil and Mineral Receipts	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-
2200 Restricted Revenue Intermediate Sources	698,815	12,113	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-
2900 Revenue for/on Behalf of District	-	-	-	-	-	-
Total Revenue from Intermediate Sources	699,664	12,113	-	-	-	-
Revenue from State Sources						
3101 State School Fund - General Support	22,959,173	-	-	-	-	-
3102 State School Fund - Lunch Match	-	16,899	-	-	-	-
3103 Common School Fund	120,795	-	-	-	-	-
3104 State Managed Timber	-	-	-	-	-	-
3199 Other Unrestricted Grants - State	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-
3222 SSSF Transportation	-	-	-	-	-	-
3299 Other Restricted Grants - State	11,456	851,901	-	-	4,101	-
3800 State Revenue in Lieu of Taxes	-	-	-	-	-	-
3900 State Revenue for/on Behalf of District	-	-	-	-	-	-
Total Revenue from State Sources	23,091,424	868,800	-	-	4,101	-
Revenue from Federal Sources						
4300 Restricted Revenue Direct from Federal Government	-	-	-	-	-	-
4500 Restricted Revenue from Federal Government Through the State	240	5,227,296	914,503	-	2,333	-
4900 Revenue for/on Behalf of the District	-	129,777	-	-	-	-
Total Revenue from Federal Sources	240	5,357,073	914,503	-	2,333	-
Revenue from Other Sources						
5100 Long-term Debt Financing	-	-	-	-	-	-
5200 Interfund Transfers	-	2,000	-	340,460	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	150	-	-	3,315	-	-
5400 Beginning Fund Balance	5,099,127	2,205,449	8,263,811	1,173,837	23,803	421,861
Total Revenue from Other Sources	5,099,277	2,207,449	8,263,811	1,517,612	23,803	421,861
Grand Totals	\$ 33,862,633	\$ 8,837,425	\$ 11,597,891	\$ 1,611,588	\$ 53,802	\$ 421,861

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
GENERAL FUND
For the Year Ended
June 30, 2019

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	700 Transfers	Total
1000 Instruction								
1111 Elementary	\$ 3,369,505	\$ 1,792,551	\$ 30,426	\$ 149,145	\$ -	\$ -	\$ -	\$ 5,341,627
1113 Elementary extracurricular	10,063	3,060	740	435	-	-	-	14,298
1121 Middle and junior high programs	1,024,691	549,494	10,299	61,498	-	-	-	1,645,982
1122 Middle and junior high school extracurricular	84,710	28,392	6,395	21,678	-	-	-	141,175
1131 High school programs	1,800,589	933,169	22,660	129,841	-	2,124	-	2,888,383
1132 High school extracurricular	301,958	89,857	75,631	86,342	-	26,741	-	580,529
1210 Programs for talented and gifted	5,879	890	445	1,840	-	-	-	9,054
1226 Home instruction	1,308	332	-	-	-	-	-	1,640
1250 Resource rooms	1,415,116	794,559	311,465	43,338	-	-	-	2,564,478
1283 Alternative programs	103,501	64,026	-	4,526	-	-	-	172,053
1284 District alternative programs	-	-	-	-	-	-	-	-
1288 Charter School	-	-	2,818,212	-	-	-	-	2,818,212
1291 English second language programs	309,482	186,011	12,430	10,152	-	-	-	518,075
1292 Teen parent programs	67,133	28,494	-	-	-	-	-	95,627
Total 1000 instruction	8,493,936	4,470,833	3,288,703	508,796	-	28,865	-	16,791,133
2000 Support services								
2115 Student safety	-	-	118,074	-	-	-	-	118,074
2119 Other attendance services	35,501	24,085	-	-	-	-	-	59,586
2122 Counseling services	363,469	204,586	113	3,802	-	143	-	572,113
2134 Nurse services	-	-	42,641	-	-	-	-	42,641
2139 Other health services	-	-	-	1,179	-	-	-	1,179
2190 Student direction support	199,586	101,476	24,526	16,041	-	-	-	341,629
2213 Curriculum development	16,508	7,141	1,882	-	-	-	-	25,531
2222 Library media center	122,595	109,374	-	13,882	-	-	-	245,851
2230 Assessment and testing	144,296	84,833	22,912	76	-	-	-	252,116
2240 Instructional staff development	113,177	36,071	55,052	9,981	-	-	-	214,280
2310 Board of education	-	-	52,242	16,777	-	11,241	-	80,261
2321 Office of the superintendent services	217,881	107,387	1,778	4,213	-	120	-	331,378
2410 Office of the principal	1,350,514	751,975	48,635	121,408	-	11,032	-	2,283,564
2490 Other support services-school administration	238,642	129,334	-	-	-	-	-	367,977
2521 Fiscal services	112,448	49,798	66,542	5,936	-	3,032	-	237,756
2524 Payroll services	55,578	33,166	-	-	-	-	-	88,744
2525 Financial accounting services	35,834	21,061	-	-	-	-	-	56,895
2541 Operation and maintenance of plant services	86,764	50,274	-	-	-	-	-	137,038
2542 Care and upkeep of building services	756,160	503,817	668,230	167,851	2,171	183,434	-	2,281,663
2543 Care and upkeep of grounds	102,237	62,048	13,605	31,961	-	208	-	210,059
2551 Student transportation services	103,050	62,085	-	-	-	-	-	165,135
2552 Vehicle operation services	455,411	300,710	22,178	145,445	286,570	36,454	-	1,246,768
2559 Other student transportation services	-	-	4,493	-	-	-	-	4,493
2573 Warehouse and distribution	23,951	15,794	-	-	-	-	-	39,745
2630 Information services	83,560	74,668	12,161	950	-	-	-	171,339
2633 Public information services	31,684	12,494	5,719	4,872	-	-	-	54,769
2640 Staff services	-	-	1,100	-	-	-	-	1,100
2641 Staff services-service area direction	162,290	77,469	3,650	1,539	-	2,636	-	247,584
2660 Technology services	319,057	188,054	29,387	344,818	53,703	300	-	935,319
2680 Other support services	2,383	750	-	-	-	-	-	3,133
2700 Supplemental retirement program	58,850	1,381	-	-	-	-	-	60,231
Total 2000 support services	5,191,425	3,009,832	1,194,919	890,731	342,444	248,600	-	10,877,951
3000 Enterprise and community services								
3300 Community services	-	-	-	-	-	-	-	-
Total 3000 enterprise and community	-	-	-	-	-	-	-	-
4000 Facilities acquisition and construction								
4150 Building acquisition, construction and improvement services	-	-	35,577	9,300	-	-	-	44,877
Total 4000 facilities acquisition and construction	-	-	35,577	9,300	-	-	-	44,877
5000 Other uses								
5110 Long-term debt service	-	-	-	-	-	-	-	-
5120 Short-term debt retirement	-	-	-	-	-	-	-	-
5200 Transfer of funds	-	-	-	-	-	-	342,460	342,460
Total 5000 other uses	-	-	-	-	-	-	342,460	342,460
6000 Contingencies								
6110 Operating contingency	-	-	-	-	-	-	-	-
Total 6000 contingencies	-	-	-	-	-	-	-	-
Total expenditures	\$ 13,685,361	\$ 7,480,665	\$ 4,519,198	\$ 1,408,826	\$ 342,444	\$ 277,465	\$ 342,460	\$ 28,056,421

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
SPECIAL REVENUE FUNDS
For the Year Ended
June 30, 2019

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	700 Transfers	Total
1000 Instruction								
1111 Elementary	\$ 17,690	\$ 5,509	\$ 61,417	\$ 6,767	\$ -	\$ 91	\$ -	\$ 91,474
1131 High school programs	-	-	148,473	47,993	-	1,493	-	197,959
1250 Resource rooms	234,768	180,886	-	6,498	-	25,856	-	448,008
1272 Title I	766,245	441,618	35,336	56,962	-	105,787	-	1,405,948
1288 Charter school	-	-	85,283	-	-	-	-	85,283
1291 English second language programs	61,648	36,294	101,885	20,560	-	7,585	-	227,972
1293 Migrant	31,302	10,519	24,997	16,670	-	32,055	-	115,543
1299 Other programs	8,601	2,810	-	259,623	-	-	-	271,035
1400 Summer school	226,583	64,336	65,144	63,807	-	13,674	-	433,544
Total 1000 instruction	1,346,837	741,972	522,535	478,880	-	186,541	-	3,276,766
2000 Support services								
2110 Social services	23,819	19,042	2,768	10,761	-	-	-	56,390
2112 Attendance service	-	-	18,800	-	-	-	-	18,800
2117 Identification and recruitment	91,686	55,315	3,081	-	-	-	-	150,081
2120 Guidance services	-	-	-	-	-	-	-	-
2121 Service area direction	-	-	-	-	-	-	-	-
2122 Counseling services	93,582	62,736	-	-	-	-	-	156,318
2130 Health services	-	-	-	-	-	-	-	-
2190 Student direction support	52,489	25,191	13,580	5,012	-	191	-	96,463
2213 Curriculum development	-	-	-	-	-	-	-	-
2219 Improvement of instruction services	96,002	53,607	6,384	-	-	2,380	-	158,373
2230 Assessment and testing	446	63	-	-	-	40	-	549
2240 Instructional staff development	37,098	17,488	51,373	-	-	14,278	-	120,237
2410 Office of the principal	372	129	-	3,399	-	-	-	3,900
2490 Other support services - school administration	-	-	155	-	-	-	-	155
2542 Care and upkeep of building services	-	-	155	2,096	163,534	-	-	165,785
2550 Student transportation services	-	-	-	-	-	-	-	-
2630 Parent center coordinator	11,993	4,898	598	2,999	-	-	-	20,489
2640 Staff services	-	-	-	178,498	-	-	-	178,498
2660 Technology services	-	-	-	-	-	-	-	-
Total 2000 support services	407,488	238,470	96,892	202,765	163,534	16,889	-	1,126,038
3000 Enterprise and community services								
3110 Food services director	94,251	56,815	5,735	-	-	245	-	157,046
3120 Food preparation	386,085	264,077	29,366	759,878	157,296	97,764	-	1,694,466
3130 Food delivery	45,781	35,990	5,668	125	6,500	-	-	94,065
3300 Community services	75,718	30,522	24,413	16,358	-	-	-	147,011
Total 3000 enterprise and community	601,836	387,404	65,182	776,361	163,796	98,009	-	2,092,588
Total expenditures	\$ 2,356,161	\$ 1,367,846	\$ 684,609	\$ 1,458,007	\$ 327,330	\$ 301,439	\$ -	\$ 6,495,392

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
DEBT SERVICE FUNDS
For the Year Ended
June 30, 2019

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	700 Transfers	Total
2000 Support services								
2521 Fiscal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2649 Other staff services	-	-	42	-	-	-	-	42
Total 2000 support services	-	-	42	-	-	-	-	42
5000 Other uses								
5110 Long-term debt service	-	-	-	-	-	1,957,112	-	1,957,112
Total 5000 other uses	-	-	-	-	-	1,957,112	-	1,957,112
Total expenditures	\$ -	\$ -	\$ 42	\$ -	\$ -	\$ 1,957,112	\$ -	\$ 1,957,154

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
CAPITAL PROJECTS FUNDS
For the Year Ended
June 30, 2019

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	Total
2000 Support services							
2542 Care and upkeep of building services	\$ -	\$ -	\$ -	\$ -	\$ 65,509	\$ -	\$ 65,509
2660 Technology services	-	-	-	1,266	70,298	-	71,564
Total 2000 support services	-	-	-	1,266	135,807	-	137,073
4000 Facilities acquisition and construction							
4150 Building acquisition, construction and improvement services	-	-	22,425	-	95,860	-	118,285
Total 4000 facilities acquisition and construction	-	-	22,425	-	95,860	-	118,285
Total expenditures	\$ -	\$ -	\$ 22,425	\$ 1,266	\$ 231,667	\$ -	\$ 255,358

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
PROPRIETARY FUND
For the Year Ended
June 30, 2019

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	Total
1000 Instruction							
1292 Teen parent programs	\$ 21,526	\$ 6,862	\$ -	\$ 442		\$ 125	\$ 28,955
Total 1000 instruction	<u>21,526</u>	<u>6,862</u>	<u>-</u>	<u>442</u>	<u>-</u>	<u>125</u>	<u>28,955</u>
2000 Support services							
2190 Student direction support	87	29	-	-	-	-	116
2410 Office of the principal	-	-	-	24	-	-	24
2633 Public information services	-	-	-	6,992	-	-	6,992
Total 2000 support services	<u>87</u>	<u>29</u>	<u>-</u>	<u>7,016</u>	<u>-</u>	<u>-</u>	<u>7,132</u>
3000 Enterprise and community services							
3190 Other Food Service	380	111	-	7,279	-	-	7,769
Total 3000 enterprise and community	<u>380</u>	<u>111</u>	<u>-</u>	<u>7,279</u>	<u>-</u>	<u>-</u>	<u>7,769</u>
Total expenditures	<u>\$ 21,992</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 7,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,856</u>

ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES (BUDGET BASIS)
INTERNAL SERVICE FUND
For the Year Ended
June 30, 2019

Function	100 Salaries	200 Associated Payroll Costs	300 Purchased Services	400 Supplies & Materials	500 Capital Outlay	600 Other Objects	Total
2000 Support services							
2649 Other Staff Services	\$ -	\$ 6,500	\$ -	\$ -	\$ -	\$ -	\$ 6,500
Total 2000 support services	-	6,500	-	-	-	-	6,500
Total expenditures	\$ -	\$ 6,500	\$ -	\$ -	\$ -	\$ -	\$ 6,500

Ontario School District No. 8C
 Ontario, Malheur County, Oregon
OREGON DEPARTMENT OF EDUCATION REQUIRED INFORMATION
FORM 581-3211 – SUPPLEMENTAL INFORMATION
 For the Year Ended
 June 30, 2019

SUPPLEMENTAL INFORMATION, 2018-2019

- A. Energy Bill for Heating - **All Funds**:
 Please enter your expenditures for electricity,
 heating fuel, and water & sewage for these
 Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$454,248
Function 2550	\$5,440

- B. Replacement of Equipment – **General Fund**:
 Include all General Fund expenditures in object 542, except for the following exclusions:
 Exclude these functions:

\$55,874

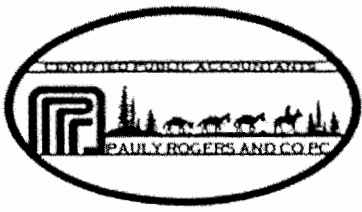
1113, 1122 & 1132	Co-curricular Activities	4150	Construction
1140	Pre-Kindergarten	2550	Pupil Transportation
1300	Continuing Education	3100	Food Service
1400	Summer School	3300	Community Services

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

This Page Intentionally Left Blank

REPORTS REQUIRED BY OREGON
STATE REGULATIONS

This Page Intentionally Left Blank



PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcpcas.com

December 19, 2019

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Ontario School District No. 8C as of and for the year ended June 30, 2019, and have issued our report thereon dated December 19, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

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 the basic 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.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with our testing nothing came to our attention that caused us to believe the Ontario School District No. 8C was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. Expenditures were within authorized appropriations except as noted on p.26 of the report.

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 basic 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 black ink that reads "Roy R Rogers". The signature is written in a cursive style with a large, stylized 'R'.

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

ONTARIO SCHOOL DISTRICT NO. 8C

SINGLE AUDIT

For the Year Ended June 30, 2019

This Page Intentionally Left Blank

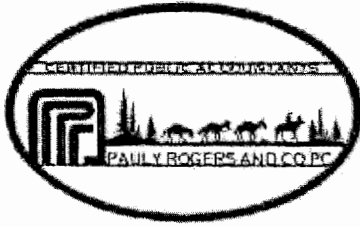
ONTARIO SCHOOL DISTRICT NO. 8C
Ontario, Malheur County, Oregon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2019

Federal Grantor/Pass-through Grantor/ Program Title	CFDA Number	Subgrant Number	Receipts				Expenditures
			Reverse PY Accrual / Deferral	CY Collections	CY Accrual / Deferral	Net	
U.S. Department of Agriculture							
Passed through Oregon Department of Education							
National School Lunch Program, School Breakfast	10.553	N/A	-	512,688	-	512,688	512,688
National School Lunch Program, Sec 4 and 11	10.555	N/A	-	1,207,274	-	1,207,274	1,207,274
Child Nutrition Programs-Commodity Distribution	10.555	N/A	-	129,542	-	129,542	129,542
Summer Food Service Program	10.559	N/A	(34,823)	68,210	45,037	78,424	78,424
Child Nutrition Programs-Commodity Distribution	10.559	N/A	-	235	-	235	235
<i>Total Child Nutrition Cluster</i>			(34,823)	1,917,949	45,037	1,928,163	1,928,163
Fresh Fruit and Vegetable Program	10.582	N/A	-	77,015	-	77,015	77,015
State Administrative Expenses for Child Nutrition	10.560	N/A	-	613	382	996	996
Total Department of Agriculture			(34,823)	1,995,577	45,420	2,006,174	2,006,174
U.S. Department of Education							
Passed through Oregon Department of Education							
Elementary and Secondary Education Act - Title IA	84.010	45660	(1,192,651)	1,414,515	30,355	252,220	252,220
Elementary and Secondary Education Act - Title IA	84.010	41125	(21,702)	272,657	-	250,955	250,955
Elementary and Secondary Education Act - Title IA	84.010	50453	-	1,005,100	282,020	1,287,120	1,287,120
Elementary and Secondary Education Act - Title IA	84.010		(1,214,353)	2,692,272	312,375	1,790,295	1,790,295
Elementary and Secondary Education Act - Migrant Education	84.011	48634	(7,390)	221,214	-	213,824	213,824
Elementary and Secondary Education Act - Migrant Education	84.011	52525	-	-	17,332	17,332	17,332
Elementary and Secondary Education Act - Migrant Education	84.011	49217	-	334,383	61,899	396,282	396,282
Elementary and Secondary Education Act - Migrant Education	84.011	44990	(335,358)	447,680	1,939	114,261	114,261
Elementary and Secondary Education Act - Migrant Education	84.011	48598	(18,649)	18,649	-	-	-
Elementary and Secondary Education Act - Migrant Education	84.011	44907	(12,053)	33,445	-	21,392	21,392
Elementary and Secondary Education Act - Migrant Education	84.011	49236	-	15,073	1,664	16,736	16,736
Elementary and Secondary Education Act - Migrant Education	84.011		(373,450)	1,070,444	82,833	779,826	779,826
Individuals with Disabilities Education Act, Part B	84.027	48469	-	-	240	240	240
Individuals with Disabilities Education Act, Part B	84.027	41593	(198,249)	198,249	-	-	-
Individuals with Disabilities Education Act, Part B	84.027	45232	(175,234)	509,845	-	334,611	334,611
Individuals with Disabilities Education Act, Part B	84.027	49930	-	93,711	9,252	102,963	102,963
Individuals with Disabilities Education Act, Part B	84.027	46506	(2,055)	2,652	-	597	597
Individuals with Disabilities Education Act, Part B	84.027	51333	-	1,446	1,197	2,643	2,643
Individuals with Disabilities Education Act, Part B	84.027	49171	-	549	-	549	549
Individuals with Disabilities Education Act, Part B	84.027	45067	(549)	549	-	-	-
Individuals with Disabilities Education Act, Part B	84.027		(376,087)	807,001	10,688	441,603	441,603
Individuals with Disabilities Education Act, Part B, Section 619	84.173	40658	748	-	-	748	748
Individuals with Disabilities Education Act, Part B, Section 619	84.173	45476	0	0	788	788	788
Individuals with Disabilities Education Act, Part B, Section 619	84.173		748	-	788	1,536	1,536
State Personnel Development Grant	84.323	47589	(3,701)	34,575	3,466	34,340	34,340
State Personnel Development Grant	84.323		(3,701)	34,575	3,466	34,340	34,340
Elementary and Secondary Education Act-Title VI, Part B, Rural Education Act	84.358	47630	(39,424)	-	39,424	-	-
Elementary and Secondary Education Act-Title VI, Part B, Rural Education Act	84.358	42560	-	25,704	8,946	34,650	34,650
Elementary and Secondary Education Act-Title VI, Part B, Rural Education Act	84.358		(39,424)	25,704	48,370	34,650	34,650
Elementary and Secondary Education Act-Title III-English Acquisition Grant	84.365	41787	(7,496)	7,496	-	-	-
Elementary and Secondary Education Act-Title III-English Acquisition Grant	84.365	44242	(7,537)	34,237	1,089	27,789	27,789
Elementary and Secondary Education Act-Title III-English Acquisition Grant	84.365		(15,033)	41,733	1,089	27,789	27,789
Elementary and Secondary Education Act-Title IIA, Improving Teacher Quality	84.367	41380	-	-	-	-	-
Elementary and Secondary Education Act-Title IIA, Improving Teacher Quality	84.367	36238	-	111,308	33,589	144,897	144,897
Elementary and Secondary Education Act-Title IIA, Improving Teacher Quality	84.367	45876	(143,582)	152,473	-	8,891	8,891
Elementary and Secondary Education Act-Title IIA, Improving Teacher Quality	84.367		(143,582)	263,781	33,589	153,787	153,787
Student Support and Academic Enrichment Program	84.424		(17,913)	23,241	-	5,328	5,328
Student Support and Academic Enrichment Program	84.424		-	9,901	72,085	81,986	81,986
Student Support and Academic Enrichment Program	84.424		(17,913)	33,142	72,085	87,314	87,314
Child Care and Development Block Grant	93.575		-	2,333	-	2,333	2,333
Child Care and Development Block Grant	93.575		-	2,333	-	2,333	2,333
Total Department of Education			(2,182,795)	4,970,984	565,283	3,353,473	3,353,473
Total federal assistance			\$ (2,217,618)	\$ 6,966,562	\$ 610,703	\$ 5,359,647	\$ 5,359,647

Reconciliation to Federal Revenue:		
Total Federal Awards Expended, Above	\$	5,359,647
Accruals/Deferrals		912,169
Total Federal Revenue Recognized	\$	6,271,816

See accompanying notes to schedule of expenditures of federal awards.

This Page Intentionally Left Blank



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 19, 2019

To the Board of Directors
Ontario School District No. 8C
Malheur County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ontario School District No. 8C as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 19, 2019.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the basic financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

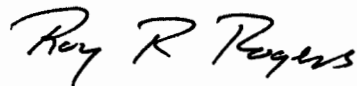
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive, flowing style.

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 19, 2019

To the Board of Directors
Ontario School District No. 8C
Malheur County, Oregon

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

Report on Compliance for Each Major Federal Program

We have audited Ontario School District No. 8C's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2019. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Ontario School District No. 8C, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

ONTARIO SCHOOL DISTRICT NO. 8C
ONTARIO, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses?

☐ yes

☒ none reported

Noncompliance material to financial statements noted?

☐ yes

☒ no

Any GAGAS audit findings disclosed that are required to be reported in
accordance with section 515(d)(2) of the Uniform Guidance?

☐ yes

☒ no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses?

☐ yes

☒ none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance
with section 200.516(a) of the Uniform Guidance?

☐ yes

☒ no

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
10.553,10.555,10.559	CHILD NUTRITION CLUSTER

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

☒ yes

☐ no

ONTARIO SCHOOL DISTRICT NO. 8C
ONTARIO, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has not elected to use the ten percent de minimis indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus are not allowed to use the de minimis rate.