

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017



**12700 SW 72nd Ave.
Tigard, OR 97223**

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

FINANCIAL REPORT

For the Year Ended June 30, 2017

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

2016-2017
FINANCIAL REPORT

BOARD OF EDUCATION

TERM EXPIRES

Nancy Burnett

June 30, 2019

Tim Warden

June 30, 2019

Tony Stroda

June 30, 2017

Robert Warden

June 30, 2017

Jennifer Gamache

June 30, 2017

ADMINISTRATION

Bill Crowson, Superintendent
Christine Manley, Administrative Assistant/Deputy Clerk
Jennifer Ryun, Business Manager

MAILING ADDRESS

365 North 5th Street
Monroe, OR 97456
Phone (541) 847-6292 * Fax (541) 847-6290

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BENTON COUNTY, OREGON

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November 30, 2017

To the Board of Directors
Monroe School District No. 1J
Benton County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Monroe School District as of and for the year ended June 30, 2017, 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

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Monroe School District, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the 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 Management's Discussion and Analysis as listed in the table of contents, 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 Management's Discussion and Analysis, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The pension schedule and 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 Monroe School District's financial statements. The supplementary and other information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates 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, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The listing of board members containing their term expiration dates, located before the table of contents, and the Oregon Department of Education schedules presented as other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 30, 2017, 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 dark ink, appearing to read "Kenny Allen", is enclosed within a thin black rectangular border.

Kenny Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

Monroe School District 1J

MONROE, OREGON

MANAGEMENT DISCUSSION & ANALYSIS

As management of Monroe School District 1J, Benton County, Oregon, we offer readers this narrative overview and analysis of the financial activities of the district for the fiscal year ended June 30, 2017. It should be read in conjunction with the district's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

On June 30, 2017, the total net position of Monroe School District 1J amounted to \$(2,076,784).

Of this amount, \$730,502 was invested in capital assets, net of related debt. The remaining balance included \$8,278 restricted for various purposes and \$(2,815,564) in unrestricted net position.

On June 30, 2017, the District's governmental funds reported combined ending fund balances of \$6,659,776.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Monroe School District 1J's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

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

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Monroe School District 1J can be classified as governmental funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, and PERS UAL Fund, all of which are considered to be major governmental funds. Data from the non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Monroe School District 1J adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 6 through 9 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 10 through 28 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes schedules of funding progress and employer contributions, as well as budgetary comparison information for the General Fund. This required supplementary information can be found on pages 29 through 31 of this report.

The combining statements referred to earlier, in connection with non-major governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 32 through 42 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may, over time, serve as a useful indicator of the district's financial position. At June 30, 2017, Monroe School District 1J had assets of \$8,441,857 and deferred outflows of resources of \$1,972,901, liabilities of \$12,212,739 and deferred inflows of \$278,803 resulting in a net position of \$(2,076,784).

A large portion of the district's net position reflects its investment in capital assets (e.g. land, buildings and improvements, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The district uses these capital assets for classrooms and supporting services for providing kindergarten through twelfth-grade education; consequently, these assets are not available for future spending. Although the district's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

District's Net Position

The District's net position decreased by \$681,280 during the current fiscal year. The condensed state of net position is shown below.

Condensed Statement of Net Position

	Governmental Activities	
	2017	2016
ASSETS:		
Current Assets:		
Cash and Investments	\$ 6,797,198	\$ 793,109
Accounts Receivable	206,310	165,443
Noncurrent Assets:		
Capital Assets, Net of Accumulated Depreciation	1,438,349	1,217,783
Note Receivable		139,500
TOTAL ASSETS	8,441,857	2,315,835
DEFERRED OUTFLOWS:		
Pension Items	1,972,901	358,122
LIABILITIES:		
Current Liabilities:		
Accounts Payable	63,663	20,453
Payroll Liabilities	198,939	204,062
Bonds and notes due in one year	130,899	57,228
Long Term Liabilities:		
Bonds and notes due in more than one year	7,946,078	1,635,875
Proportionate Share of Net Pension Liability	3,873,160	1,712,224
TOTAL LIABILITIES	12,212,739	3,629,842
DEFERRED INFLOWS:		
Pension Items	278,803	439,619
NET POSITION:		
Net Investment in Capital Assets	730,502	955,883
Restricted	8,278	977
Unrestricted	(2,815,564)	(2,352,364)
TOTAL NET POSITION	\$ (2,076,784)	\$ (1,395,504)

Condensed Statement of Changes of Net Position

		Governmental Activities		
	<u>2017</u>	<u>2016</u>	<u>Change</u>	
Program Revenues				
Charges for Services	\$ 188,759	\$ 183,548	\$ 5,211	
Operating Grants and Contributions	437,497	401,987	35,510	
Capital Grants & Contributions	<u>25,784</u>	<u>-</u>	<u>25,784</u>	
Total program revenues	\$ <u>652,040</u>	\$ <u>585,535</u>	\$ <u>66,505</u>	
General Revenues				
Taxes	\$ 1,111,734	1,040,875	\$ 70,859	
State school fund	3,769,606	3,515,324	254,282	
Local sources	74,626	65,039	9,587	
Intermediate sources	22,812	6,523	16,289	
Other state sources	-	101,579	(101,579)	
Investment earnings	<u>36,174</u>	<u>10,988</u>	<u>25,186</u>	
Total general revenues	\$ <u>5,014,952</u>	\$ <u>4,740,328</u>	\$ <u>274,624</u>	
Total revenues	\$ <u>5,666,992</u>	\$ <u>5,325,863</u>	\$ <u>341,129</u>	
Program Expenses				
Instruction	\$ 3,284,492	\$ 3,726,724	\$ (442,232)	
Support services	2,659,755	2,703,188	(43,433)	
Enterprise and community services	275,699	338,545	(62,846)	
Interest on long-term debt	<u>128,326</u>	<u>120,771</u>	<u>7,555</u>	
Total program expenses	\$ <u>6,348,272</u>	\$ <u>6,889,228</u>	\$ <u>(540,956)</u>	
Change in net position	(681,280)	(1,563,365)	882,085	
Net position - beginning of year	(1,395,504)	167,861	(1,563,365)	
Net position - end of year	\$ <u><u>(2,076,784)</u></u>	\$ <u><u>(1,395,504)</u></u>	\$ <u><u>(681,280)</u></u>	

Revenues

Since the District's mission is to provide a free and appropriate public education for kindergarten through twelfth-grade students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide 88.4% of the funding required for governmental programs. Property taxes and state school funding combined for 97.3% of general revenues and 86.1% of total revenues.

Charges for services make-up 3.3% of total revenues and are composed of the following items for which it is appropriate that the District charge tuition of fees:

• Food services charges for lunch and breakfast	\$ 44,770
• Various student extracurricular activities	<u>143,989</u>
Total charge for services	<u>\$ 188,759</u>

Operating grants and contributions represent 7.7% of total revenues. Included in this category is \$104,050 for federal reimbursement under the school nutrition program and \$156,473 in REAP Flex funding. In addition, another \$176,974 in various state, intermediate and federal grants for designated programs.

Capital grants and contributions represent 0.4% of total revenues. This contains the District's reimbursement, \$25,784, under the state seismic rehabilitation grant.

Expenses

Expenses related to governmental activities are presented in five broad functional categories: instruction, support services, enterprise and community services, and interest on long-term debt. Costs of direct classroom instruction activities account for 51.7% of the total expenses of \$6,348,272.

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.

Governmental Funds

The focus of the district's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the district's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the district's net resources available for spending at the end of the fiscal year.

On June 30, 2017, the district's governmental funds reported combined ending fund balances of \$6,659,776. Of this amount, \$351,253 constitutes unassigned fund balance, which is available

for spending at the District's discretion. This unassigned fund balance was 6.9% of total General Fund expenditures.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund was \$351,253, all of which was unassigned.

BUDGETARY HIGHLIGHTS

Budget amounts shown in the financial statements reflect the original budget amounts and one approved appropriation change.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2017, amounted to \$1,438,349, net of accumulated depreciation. This investment in capital assets includes land, buildings, machinery, and equipment. The total depreciation related to the District's investment in capital assets for the current fiscal year was \$115,248.

Additional information on the District's capital assets can be found on page 20 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total debt outstanding of \$8,076,977. This amount is comprised of general obligation bonds, and limited pension bonds, and a small scale energy loan. The District's total debt outstanding increased by \$6,383,874 during the current fiscal year.

Additional information on the District's long-term debt can be found on page 27 of this report.

ECONOMIC FACTORS AND THE 2017-18 BUDGET

The budget for 2017-18 at the time these financial statements were prepared and audited, the District anticipated total appropriations of \$13,988,515. Operating resources and uses are anticipated to be similar to the current fiscal year. The District's funding resources are significantly impacted by economic conditions in the State of Oregon and the State's General Fund Budget. At the time of this discussion and analysis, the State's General Fund Budget has been released for the next biennium, and public education is anticipated to receive \$8.2 billion dollars. However, the District must remain diligent and continue to keep a watchful eye on the constantly changing economic climate to ensure continued support of our core educational programs and the students that we serve.

REQUESTS FOR INFORMATION

Our financial report is designed to provide our stakeholders a general overview of Monroe School District 1J's finances. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the Business Manager, Monroe School District 1J, 365 N 5th St, Monroe, Oregon 97456.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2017

	<u>Governmental Activities</u>
ASSETS:	
Current Assets:	
Cash and Investments	\$ 6,797,198
Accounts Receivable	206,310
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	<u>1,438,349</u>
TOTAL ASSETS	<u>8,441,857</u>
DEFERRED OUTFLOWS:	
Pension Items	<u>1,972,901</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	63,663
Payroll Liabilities	198,939
Bonds and notes due in one year	130,899
Long Term Liabilities:	
Bonds and notes due in more than one year	7,946,078
Proportionate Share of Net Pension Liability	<u>3,873,160</u>
TOTAL LIABILITIES	<u>12,212,739</u>
DEFERRED INFLOWS:	
Pension Items	<u>278,803</u>
NET POSITION:	
Net Investment in Capital Assets	730,502
Restricted	8,278
Unrestricted	<u>(2,815,564)</u>
TOTAL NET POSITION	<u>\$ (2,076,784)</u>

See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 3,284,492	\$ 143,989	\$ 237,654	\$ 25,784	\$ (2,877,065)
Support services	2,659,755	-	95,415	-	(2,564,340)
Enterprise and community services:	275,699	44,770	104,428	-	(126,501)
Interest on long-term debt	128,326	-	-	-	(128,326)
Total governmental activities	<u>\$ 6,348,272</u>	<u>\$ 188,759</u>	<u>\$ 437,497</u>	<u>\$ 25,784</u>	<u>(5,696,232)</u>
General revenues:					
Property taxes levied for general purposes					1,111,734
State school fund - general support					3,769,606
Local sources					74,626
Intermediate sources					22,812
Earnings on investments					<u>36,174</u>
Total general revenues					<u>5,014,952</u>
CHANGE IN NET POSITION					(681,280)
Beginning net position					<u>(1,395,504)</u>
Ending net position					<u>\$ (2,076,784)</u>

See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2017

	GENERAL	PERS UAL	SPECIAL REVENUE	CAPITAL PROJECTS SEISMIC UPGRADE
ASSETS				
Cash and Investments	\$ 480,762	\$ 269,927	\$ -	\$ -
Due from Other Funds	53,757	-	-	-
Receivables:				
Taxes	81,130	-	-	-
Accounts	44,607	-	45,906	25,784
	<u>660,256</u>	<u>269,927</u>	<u>45,906</u>	<u>25,784</u>
Total Assets	<u>\$ 660,256</u>	<u>\$ 269,927</u>	<u>\$ 45,906</u>	<u>\$ 25,784</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities:				
Accounts Payable	\$ 28,934	\$ -	\$ 1,380	\$ 16,746
Due to Other Funds	-	-	37,521	9,038
Payroll Liabilities	198,939	-	-	-
	<u>227,873</u>	<u>-</u>	<u>38,901</u>	<u>25,784</u>
Total Liabilities	<u>227,873</u>	<u>-</u>	<u>38,901</u>	<u>25,784</u>
Deferred Inflows:				
Unavailable Revenue				
Property Taxes	81,130	-	-	-
	<u>81,130</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows	<u>81,130</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Restricted for:				
Food Service	-	-	-	-
Capital Projects	-	-	-	-
Grants	-	-	7,005	-
Committed for:				
PERS Debt Service	-	269,927	-	-
Public Purpose Charges	-	-	-	-
Student Activities	-	-	-	-
Athletics	-	-	-	-
Unassigned	351,253	-	-	-
	<u>351,253</u>	<u>269,927</u>	<u>7,005</u>	<u>-</u>
Total Fund Balance	<u>351,253</u>	<u>269,927</u>	<u>7,005</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 660,256</u>	<u>\$ 269,927</u>	<u>\$ 45,906</u>	<u>\$ 25,784</u>

See accompanying notes to basic financial statements.

<u>CAPITAL PROJECTS MODULARS</u>	<u>CAPITAL PROJECTS 2017 GO BONDS</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
\$ -	\$ 5,990,981	\$ 55,528	\$ 6,797,198
-	-	-	53,757
-	-	-	81,130
-	-	8,883	125,180
<u>\$</u>	<u>\$ 5,990,981</u>	<u>\$ 64,411</u>	<u>\$ 7,057,265</u>
\$ -	\$ 16,411	\$ 192	\$ 63,663
-	-	7,198	53,757
-	-	-	198,939
-	16,411	7,390	316,359
-	-	-	81,130
-	-	-	81,130
-	-	1,273	1,273
-	5,974,570	-	5,974,570
-	-	-	7,005
-	-	-	269,927
-	-	1,135	1,135
-	-	53,575	53,575
-	-	1,038	1,038
-	-	-	351,253
<u>\$</u>	<u>5,974,570</u>	<u>57,021</u>	<u>6,659,776</u>
<u>\$</u>	<u>\$ 5,990,981</u>	<u>\$ 64,411</u>	<u>\$ 7,057,265</u>

See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2017

TOTAL FUND BALANCES		\$	6,659,776
Capital assets are not financial resources and therefore are not reported in the governmental funds:			
Cost	\$	4,645,737	
Accumulated depreciation		<u>(3,207,388)</u>	1,438,349
The Statement of Net Position reports an actuarially determined asset or liability which represents the funding status of the District's defined benefit pension plan			(3,873,160)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. These assets consist of:			
Property Taxes Receivable			81,130
Deferred Outflows/(Inflows) related to pensions arise from current year contributions that the District made to the pension system, as well as changes in the return on pension system investments that were not included in the original actuarial calculations			1,694,098
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. These liabilities consist of:			
Loans payable	\$	(241,315)	
Bonds payable		<u>(7,835,662)</u>	<u>(8,076,977)</u>
TOTAL NET POSITION			<u>\$ (2,076,784)</u>

See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	GENERAL	PERS UAL	SPECIAL REVENUE	CAPITAL PROJECTS SEISMIC UPGRADE
REVENUES:				
1000 Local Sources	\$ 1,167,886	\$ 152,317	\$ 14,600	\$ -
2000 Intermediate Sources	29,123	-	19,962	-
3000 State Sources	3,797,562	-	6,225	25,784
4000 Federal Sources	83,269	-	162,808	-
	<u>5,077,840</u>	<u>152,317</u>	<u>203,595</u>	<u>25,784</u>
Total Revenues	<u>5,077,840</u>	<u>152,317</u>	<u>203,595</u>	<u>25,784</u>
EXPENDITURES:				
1000 Instruction	2,661,038	-	185,220	-
2000 Support Services	2,391,043	-	14,700	-
3000 Enterprise and Community Services	-	-	1,523	-
4000 Facilities Acquisition and Construction	-	-	-	25,784
5000 Debt Service	-	156,082	-	-
Capital Outlay	5,096	-	-	-
	<u>5,057,177</u>	<u>156,082</u>	<u>201,443</u>	<u>25,784</u>
Total Expenditures	<u>5,057,177</u>	<u>156,082</u>	<u>201,443</u>	<u>25,784</u>
Excess of Revenues Over, -Under Expenditures	20,663	(3,765)	2,152	-
Other Financing Sources, -Uses:				
Sale of Assets	156,432	-	-	-
Bond Proceeds	-	-	-	-
Bond Issue Costs	-	-	-	-
Transfers In	-	-	5,602	-
Transfers Out	(166,635)	-	-	-
	<u>(10,203)</u>	<u>-</u>	<u>5,602</u>	<u>-</u>
Total Other Financing Sources, -Uses	<u>(10,203)</u>	<u>-</u>	<u>5,602</u>	<u>-</u>
Net Change in Fund Balance	10,460	(3,765)	7,754	-
Beginning Fund Balance	340,793	273,692	(749)	-
Ending Fund Balance	<u>\$ 351,253</u>	<u>\$ 269,927</u>	<u>\$ 7,005</u>	<u>\$ -</u>

See accompanying notes to basic financial statements.

CAPITAL PROJECTS MODULARS	CAPITAL PROJECTS 2017 GO BONDS	OTHER GOVERNMENTAL	TOTAL
\$ -	\$ -	\$ 205,256	\$ 1,540,059
-	-	-	49,085
-	-	378	3,829,949
-	-	130,588	376,665
-	-	336,222	5,795,758
-	-	181,542	3,027,800
-	-	-	2,405,743
-	-	260,051	261,574
212,112	71,506	25,594	334,996
-	-	29,472	185,554
2,500	-	47,523	55,119
214,612	71,506	544,182	6,270,786
(214,612)	(71,506)	(207,960)	(475,028)
-	-	-	156,432
-	6,441,102	-	6,441,102
-	(122,257)	-	(122,257)
214,612	-	234,190	454,404
-	(272,769)	(15,000)	(454,404)
214,612	6,046,076	219,190	6,475,277
-	5,974,570	11,230	6,000,249
-	-	45,791	659,527
\$ -	\$ 5,974,570	\$ 57,021	\$ 6,659,776

See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

NET CHANGE IN FUND BALANCE	\$	6,000,249
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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	\$ 335,814		
Less current year depreciation	<u>(115,248)</u>		220,566

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

Debt proceeds	\$ (6,441,102)		
Debt principal repaid	<u>57,228</u>		(6,383,874)

The current year net change in pension related assets, deferred outflows, liabilities and deferred inflows affects total income on the statement of activities		(385,341)
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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.		6,620
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Payments received for the District's outstanding note receivable are recognized as revenue in the governmental funds. In the government wide statements, however, these payments simply reduce the balance of the note.		<u>(139,500)</u>
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CHANGE IN NET POSITION	\$	<u><u>(681,280)</u></u>
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See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The District was organized under provisions of Oregon Statutes Chapter 332 for the purpose of operating elementary and secondary schools. The Monroe School District is a municipal corporation governed by an elected five member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The District does not have any component units.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions".

Program Revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest of general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Fund Financial Statements

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

Governmental Fund Types

Governmental funds are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property tax revenue and proceeds from sale of property are not considered available and, therefore, are not recognized until received. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

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

The District reports the following major governmental funds:

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

PERS UAL – The PERS UAL Fund accounts for the reduction in required unfunded actuarial liability (UAL) due to Oregon Public Employees Retirement System related to the purchase of a bond. The reduction in UAL is treated as revenue. Principal and interest payments are expenditures in the fund.

Special Revenue Funds – These funds account for the revenues and expenditures for specific purposes. Principal revenues are federal, state, and local grants.

Capital Projects Fund – Seismic Upgrade – This fund, financed by grant revenue and debt proceeds, accounts for expenditures resulting from capital construction projects that improve the seismic durability of District buildings.

Capital Projects Fund – Modularity – This fund, financed by interfund transfers, accounts for the District's capital expenditures resulting from the purchase of new modular buildings.

Capital Projects Fund – GO Bonds – This fund accounts for the proceeds and capital expenditures of the 2017 GO Bonds issued by the District for the purpose of modernizing facilities.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements 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 position available to finance the program. It is the policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. All revenues reported in the governmental funds are considered to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Cash, Cash Equivalents and Investments

Cash and cash equivalents

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

Fair Value Inputs and Methodologies and Hierarchy

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

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

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

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

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Cash, Cash Equivalents and Investments (Continued)

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

Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are recorded on the statement of net assets. Uncollected taxes are deemed to be substantially collectible 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.

Interfund Receivables and Payables and Transfers

The receipt and payment of monies through one central checking account, as well as transfers between funds, result in inter-fund payables and receivables until cash is transferred from one fund to the other. These amounts represent current assets and liabilities and are reported as due to or due from other funds.

Grants

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

Supply Inventories

The District elects to not report supply inventories based on their lack of significant value.

Accounts and Other Receivables

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

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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. Capital assets are defined as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	20-50 years
Office, athletic, maintenance, tools, machinery and other equipment	10 years
Kitchen Service Equipment	15 years
Playground Equipment	20 years
Vehicles	20 years

Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

Compensated Absences

The District has a policy which permits employees to accumulate unused sick leave at the rate of one day per month of service over their working careers. The District does not compensate employees for unused accumulations upon termination of employment. Only Administrators accrue unused vacation time and the District does not report these liabilities due to lack of significance. Compensated absences are generally liquidated by the general fund, special revenue fund, food service fund and athletic fund.

Long-term Debt

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

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

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Fund Balance

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

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

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

Net Position

Net Position is comprised of the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

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

Restricted Net Position – consists of external constraints placed on the net position used by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – consists of all other items that are not included in the above categories.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Budget

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is substantially the same as accounting principles generally accepted in the United States of America basis, except capital outlay expenditures are expensed when purchased, debt is recorded as an expense when paid, tax revenue is recorded when received, inventories are budgeted as expenditures when purchased, and depreciation is not recorded. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

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

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

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2017 except for Facilities Acquisition in the Capital Projects – Modularity fund which was overspent by \$1,281 and transfers out in the 2017 GO Bonds fund which was overspent by \$272,769.

Use of Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Statement of Net Position reports deferred outflows related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report deferred inflows for unavailable property tax revenues. The Statement of Net Position reports deferred inflows related to pensions.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS

Investments

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

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury.

These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2017. 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. As of June 30, 2017, the fair value of the position in the LGIP is 100.57% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONT.)

Cash and Investments at June 30, 2017 (recorded at fair value) consisted of:

Demand Deposits:

Checking	\$	357,981
Petty Cash		800
Investments		<u>6,438,417</u>
Total	\$	<u><u>6,797,198</u></u>

There are the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)	
		Less than 3	More than 3
Local Government Investment Pool	\$ 6,438,417	\$ 6,438,417	\$ -
Total	\$ 6,438,417	\$ 6,438,417	\$ -

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit/Deposit Risk

At June 30, 2017, 100% was invested in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in either of these instruments. Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution.

Deposits with financial institutions are comprised of bank demand deposits. The total bank balance per the bank statements was \$415,243. Of this amount, \$250,000 was insured by the FDIC and the remainder was collateralized by the State of Oregon.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. RECEIVABLES

Receivables at June 30, 2017 consist of the following:

Property Taxes Receivable - represent delinquent amounts due to the District for property taxes levied by the District in current and prior years.

Grants Receivable - represent amounts due for claims for reimbursement of costs under various Federal grant programs.

State and Local Revenue Receivable – represents earned but not yet received revenue from State and Local sources.

District management believes that all receivables are collectible, and thus, no allowance for doubtful accounts is considered necessary.

4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund activity during the year ended June 30, 2017 is as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ -	\$ 166,635
Special Revenue	5,602	-
Capital Projects - Modulares	214,612	-
Capital Projects - GO Bonds	-	272,769
Non-Major Funds	<u>234,190</u>	<u>15,000</u>
Total	<u>\$ 454,404</u>	<u>\$ 454,404</u>

\$53,757 was reported as due to the General Fund. Of that amount, \$37,521 was from the Special Revenue Fund, \$9,038 was from the Capital Projects – Seismic Upgrade Fund and \$7,198 was from the Other Non-Major Governmental Funds.

Transfers and Due To/From items are used to fund operations between funds.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2017 are as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Land	\$ 50	\$ -	\$ -	\$ 50
CIP	-	97,290	-	97,290
Total Non-Depreciable	<u>50</u>	<u>97,290</u>	<u>-</u>	<u>97,340</u>
Buildings & Improvements	3,792,483	238,524	-	4,031,007
Equipment	<u>517,390</u>	<u>-</u>	<u>-</u>	<u>517,390</u>
Total Depreciable	<u>4,309,873</u>	<u>238,524</u>	<u>-</u>	<u>4,548,397</u>
Accumulated Depreciation:				
Buildings & Improvements	2,883,742	72,806	-	2,956,548
Equipment	<u>208,398</u>	<u>42,442</u>	<u>-</u>	<u>250,840</u>
Total Accumulated Depreciation	<u>3,092,140</u>	<u>115,248</u>	<u>-</u>	<u>3,207,388</u>
Net Capital Assets	<u>\$ 1,217,783</u>			<u>\$ 1,438,349</u>

Depreciation was allocated to the functions as follows:

Instruction	\$ 61,271
Support Services	48,683
Community Services	<u>5,294</u>
Total Depreciation	<u>\$ 115,248</u>

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

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

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

- a) **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i) **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated either by a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
 - ii) **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii) **Disability Benefits.** A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv) **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i) **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) – (CONT.)

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

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

- ii) Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2014 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2017 were approximately \$246,261, excluding amounts to fund employer specific liabilities. In addition, approximately \$150,466 of employee contributions were paid or picked up by the school in fiscal 2017.

At June 30, 2017, the District reported a liability of \$3,873,160 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 school districts, actuarially determined. At December 31, 2014, the School's proportion was .03 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 128,141	\$ -
Changes in assumptions	826,052	-
Net difference between projected and actual earnings on pension plan investments	765,174	-
Changes in proportionate share	-	271,642
Differences between employer contributions and employer's proportionate share of system contributions	7,273	7,161
Contributions made after measurement date	246,261	-
Total	<u>\$ 1,972,901</u>	<u>\$ 278,803</u>

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) – (CONT.)

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

<u>Year ending June 30,</u>	<u>Amount</u>
2017	\$ 242,338
2018	242,338
2019	524,640
2020	390,852
2021	47,669
Thereafter	-
Total	<u>\$ 1,447,837</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated December 1, 2016. Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/pers/EMP/Documents/GASB/2016/Oregon-PERS-GASB-68-Report.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2014 rolled forward to June 30, 2016 measurement date
Experience Study Report	2014, Published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.5 percent (reduced from 2.75 percent)
Investment rate of return	7.5 percent (reduced from 7.75 percent)

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) – (CONT.)

Projected salary increase	3.5 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service (reduced from 3.5 percent)
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) – (CONT.)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	7.71%	6.07%
<i>Assumed Inflation</i>		2.75%

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) – (CONT.)

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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$ 6,253,861	\$ 3,873,160	\$ 1,883,309

Changes Subsequent to the Measurement Date

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

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

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

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan that is invested in the IAP.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT

Long Term Debt Consists of the following items:

Oregon Limited Pension Bond Series 2002 – On October 31, 2002 the District issued \$1,738,361 of Limited Tax Pension Bonds, Series 2002. The proceeds were used to pay off the outstanding PERS debt. Interest is payable at various times with interest rates ranging from 2.06% to 6.10%. Principal is due on June 30th of each year.

Small Scale Local Energy (SELP) Loan – On March 15, 2012 the District acquired a loan for the purpose of meeting debt service costs of an HVAC project, which will replace the boiler at Monroe High School. Revenues collected from Pacific Power and Light Company as a result of Senate Bill 1149 legislation are used to meet the debt service cost. Principal and interest is due monthly and the interest rate is 3.5%.

General Obligation Bonds, Series 2017 – On April 3, 2017 the District issued \$5,970,000 of GO Bonds to finance major capital improvements. Principal payments are due annually and interest payments are due bi-annually. The bonds bear interest at between 2%-4%.

Changes in long-term debt were as follows:

	Oustanding July 1, 2016	Additions	Deductions	Oustanding June 30, 2017	Balance Due Within One Year
Oregon Limited Pension Bond, Series 2002	\$ 1,431,203	\$ -	\$ (36,643)	\$ 1,394,560	\$ 36,027
SELP Loan	261,900	-	(20,585)	241,315	21,317
GO Bonds, Series 2017	-	5,970,000	-	5,970,000	50,000
Bond Issue Premium (2017)	-	471,102	-	471,102	23,555
Total Long-Term Debt	<u>\$ 1,693,103</u>	<u>\$ 6,441,102</u>	<u>\$ (57,228)</u>	<u>\$ 8,076,977</u>	<u>\$ 130,899</u>

	SELP Loan		Oregon Limited Pension Bond Series 2002		Government Obligation Bonds Series 2017		Totals	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017-18	21,317	8,155	36,027	125,055	50,000	287,454	107,344	420,664
2018-19	22,076	7,396	37,212	133,870	125,000	222,025	184,288	363,291
2019-20	22,842	6,630	36,321	139,761	145,000	219,525	204,163	365,916
2020-21	23,673	5,799	115,000	71,082	160,000	216,625	298,673	293,506
2021-22	24,515	4,957	130,000	64,757	175,000	211,825	329,515	281,539
2022-2027	126,892	19,100	930,000	196,939	1,150,000	962,575	2,206,892	1,178,614
2027-2032	-	-	110,000	6,105	1,710,000	696,925	1,820,000	703,030
2032-2037	-	-	-	-	2,455,000	308,200	2,455,000	308,200
Totals	<u>\$ 241,315</u>	<u>\$ 52,037</u>	<u>\$ 1,394,560</u>	<u>\$ 737,569</u>	<u>\$ 5,970,000</u>	<u>\$ 3,125,154</u>	<u>\$ 7,605,875</u>	<u>\$ 3,914,760</u>

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage.

9. PROPERTY TAX LIMITATION

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$4.8880 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

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

10. COMMITMENTS AND CONTINGENCIES

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

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the operations cannot be determined.

The District has been approved for a capital grant through the State of Oregon in the amount of \$1,490,200. The grant will be combined with proceeds from the 2017 bonds to make seismic improvements to District facilities. Gerding Construction is under contract to manage the project.

11. RELATED PARTY TRANSACTIONS

The District contracted with Crowson Bus Company for transportation services, an entity owned by parties related to the District's Superintendent. The District was invoiced for \$538,935 for transportation services during 2016-2017.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

MONORE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2017

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.03 %	\$ 3,873,160	\$ 2,386,242	162.3 %	80.5 %
2016	0.03	1,712,224	2,219,419	77.1	91.9
2015	0.03	(770,138)	2,222,446	(34.7)	103.6
2014	0.03	1,733,842	2,206,309	78.6	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2017	\$ 246,261	\$ 246,261	\$ -	\$ 2,311,881	10.7 %
2016	265,790	265,790	-	2,386,242	11.1
2015	331,315	331,315	-	2,219,419	14.9
2014	335,445	335,445	-	2,222,446	15.1

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

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

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2017

<u>GENERAL FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
1000 Local Sources	\$ 1,098,405	\$ 1,098,405	\$ 1,167,886	\$ 69,481
2000 Intermediate Sources	10,300	10,300	29,123	18,823
3000 State Sources	3,730,208	3,730,208	3,797,562	67,354
4000 Federal Sources	76,500	76,500	83,269	6,769
Total Revenues	4,915,413	4,915,413	5,077,840	162,427
EXPENDITURES:				
1000 Instruction	2,739,647	2,739,647 (1)	2,661,038	78,609
2000 Support Services	2,257,128	2,449,128 (1)	2,396,139	52,989
3000 Enterprise and Community Services	4,400	4,400 (1)	-	4,400
6000 Contingency	64,793	- (1)	-	-
Total Expenditures	5,065,968	5,193,175	5,057,177	135,998
Excess of Revenues Over (Under) Expenditures	(150,555)	(277,762)	20,663	298,425
OTHER FINANCING SOURCES (USES)				
5200 Transfers Out	(307,000)	(179,793) (1)	(166,635)	13,158
5300 Sale of Capital Assets	7,555	7,555	156,432	148,877
Total Other Financing Sources (Uses)	(299,445)	(172,238)	(10,203)	162,035
Net Change in Fund Balance	(450,000)	(450,000)	10,460	460,460
Beginning Fund Balance	450,000	450,000	340,793	(109,207)
Ending Fund Balance	\$ -	\$ -	\$ 351,253	\$ 351,253

(1) Appropriation level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2017

<u>SPECIAL REVENUE FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
1000 Local Sources	\$ 13,702	\$ 13,702	\$ 14,600	\$ 898
2000 Intermediate Sources	4,300	4,300	19,962	15,662
3000 State Sources	5,200	97,200	6,225	(90,975)
4000 Federal Sources	201,072	201,072	162,808	(38,264)
Total Revenues	224,274	316,274	203,595	(112,679)
EXPENDITURES:				
1000 Instruction	203,646	290,413 (1)	185,220	105,193
2000 Support Services	25,650	28,083 (1)	14,700	13,383
3000 Enterprise and Community Services	-	2,800 (1)	1,523	1,277
Total Expenditures	229,296	321,296	201,443	119,853
Excess of Revenues Over, -Under Expenditures	(5,022)	(5,022)	2,152	7,174
Other Financing Sources, - Uses:				
Transfers In	-	-	5,602	5,602
Total Other Financing Sources, -Uses	-	-	5,602	5,602
Net Change in Fund Balance	(5,022)	(5,022)	7,754	12,776
Beginning Fund Balance	5,022	5,022	(749)	(5,771)
Ending Fund Balance	\$ -	\$ -	\$ 7,005	\$ 7,005

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SUPPLEMENTARY INFORMATION

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2017

PERS UAL FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
1000 Local Sources	\$ 149,082	\$ 149,082	\$ 152,317	\$ 3,235
Total Revenues	<u>149,082</u>	<u>149,082</u>	<u>152,317</u>	<u>3,235</u>
EXPENDITURES:				
5000 Debt Service	<u>156,082</u>	<u>156,082 (1)</u>	<u>156,082</u>	<u>-</u>
Total Expenditures	<u>156,082</u>	<u>156,082</u>	<u>156,082</u>	<u>-</u>
Net Change in Fund Balance	(7,000)	(7,000)	(3,765)	3,235
Beginning Fund Balance	<u>275,000</u>	<u>275,000</u>	<u>273,692</u>	<u>(1,308)</u>
Ending Fund Balance	<u><u>\$ 268,000</u></u>	<u><u>\$ 268,000</u></u>	<u><u>\$ 269,927</u></u>	<u><u>\$ 1,927</u></u>

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2017

CAPITAL PROJECTS - SEISMIC UPGRADE

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
3000 State Sources	\$ 1,490,200	\$ 1,490,200	\$ 25,784	\$ (1,464,416)
Total Revenues	1,490,200	1,490,200	25,784	(1,464,416)
EXPENDITURES:				
4000 Facilities Acquisition and Construction	1,490,200	1,490,200 (1)	25,784	1,464,416
Total Expenditures	1,490,200	1,490,200	25,784	1,464,416
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2017

CAPITAL PROJECTS FUND - MODULARS

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
3000 State Sources	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES:				
2000 Support Services	-	-	-	-
4000 Facilities Acquisition and Construction	153,000	213,331 (1)	214,612	(1,281)
Total Expenditures	153,000	213,331	214,612	(1,281)
Excess of Revenues Over (Under) Expenditures	(153,000)	(213,331)	(214,612)	(1,281)
OTHER FINANCING SOURCES (USES)				
5200 Transfers In	153,000	213,331	214,612	1,281
Total Other Financing Sources (Uses)	153,000	213,331	214,612	1,281
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2017

CAPITAL PROJECTS FUND - 2017 GO BONDS

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
3000 State Sources	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES:				
4000 Facilities Acquisition and Construction	-	6,345,845 (1)	71,506	6,274,339
Total Expenditures	-	6,345,845	71,506	6,274,339
Excess of Revenues Over (Under) Expenditures	-	(6,345,845)	(71,506)	6,274,339
OTHER FINANCING SOURCES (USES)				
5100 Bond Proceeds	-	6,345,845	6,345,845	-
5100 Bond Issue Costs	-	-	(27,000)	(27,000)
5200 Transfers Out	-	- (1)	(272,769)	(272,769)
Total Other Financing Sources (Uses)	-	6,345,845	6,046,076	(299,769)
Net Change in Fund Balance	-	-	5,974,570	5,974,570
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ 5,974,570	\$ 5,974,570

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	FOOD SERVICE FUND	PUBLIC PURPOSE CHARGES FUND	STUDENT ACTIVITY FUND	ATHLETIC FUND	SELP DEBT SERVICE FUND
ASSETS:					
Cash and Investments	\$ -	\$ 208	\$ 53,575	\$ 818	\$ -
Accounts Receivable	4,741	927	-	220	-
Total Assets	<u>\$ 4,741</u>	<u>1,135</u>	<u>\$ 53,575</u>	<u>\$ 1,038</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts Payable	\$ 192	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	3,276	-	-	-	-
Total Liabilities	<u>3,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:					
Restricted	1,273	-	-	-	-
Committed	-	1,135	53,575	1,038	-
Total Fund Balances	<u>1,273</u>	<u>1,135</u>	<u>53,575</u>	<u>1,038</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 4,741</u>	<u>\$ 1,135</u>	<u>\$ 53,575</u>	<u>\$ 1,038</u>	<u>\$ -</u>

CONSTRUCTION EXCISE TAX FUND	TOTAL
\$ 927	\$ 55,528
<u>2,995</u>	<u>8,883</u>
<u>\$ 3,922</u>	<u>\$ 64,411</u>

\$ -	\$ 192
<u>3,922</u>	<u>7,198</u>
<u>3,922</u>	<u>7,390</u>

-	1,273
<u>-</u>	<u>55,748</u>
<u>-</u>	<u>57,021</u>

<u>\$ 3,922</u>	<u>\$ 64,411</u>
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MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	FOOD SERVICE FUND	PUBLIC PURPOSE CHARGES FUND	STUDENT ACTIVITY FUND	ATHLETIC FUND	SELP DEBT SERVICE FUND
REVENUES:					
1000 Local Sources	\$ 45,064	\$ 12,514	\$ 103,955	\$ 30,702	\$ -
3000 State Sources	378	-	-	-	-
4000 Federal Sources	130,588	-	-	-	-
Total Revenues	176,030	12,514	103,955	30,702	-
EXPENDITURES:					
1000 Instruction	-	-	89,168	92,374	-
Community Services	260,051	-	-	-	-
4000 Facilities Acquisition and Construction	-	-	-	-	-
5000 Debt Service	-	-	-	-	29,472
Total Expenditures	260,051	-	89,168	92,374	29,472
Excess of Revenues Over, Under Expenditures	(84,021)	12,514	14,787	(61,672)	(29,472)
Other Financing Sources, -Uses:					
Transfers In	84,316	-	-	62,376	29,341
Transfers Out	-	(15,000)	-	-	-
Total Other Sources, -Uses	84,316	(15,000)	-	62,376	29,341
Net Change in Fund Balance	295	(2,486)	14,787	704	(131)
Beginning Fund Balances	978	3,621	38,788	334	131
Ending Fund Balances	\$ 1,273	\$ 1,135	\$ 53,575	\$ 1,038	\$ -

CONSTRUCTION	
EXCISE TAX	
FUND	TOTAL
\$ 13,021	\$ 205,256
-	378
-	130,588
13,021	336,222
-	181,542
-	260,051
73,117	73,117
-	29,472
73,117	544,182
(60,096)	(207,960)
58,157	234,190
-	(15,000)
58,157	219,190
(1,939)	11,230
1,939	45,791
\$ -	\$ 57,021

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2017

	FOOD SERVICE FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
1000 Local Sources	\$ 48,350	\$ 48,350	\$ 45,064	\$ (3,286)
3000 State Sources	400	400	378	(22)
4000 Federal Sources	165,000	165,000	130,588	(34,412)
Total Revenues	213,750	213,750	176,030	(37,720)
EXPENDITURES:				
3000 Community Services	281,750	281,750 (1)	260,051	21,699
Total Expenditures	281,750	281,750	260,051	21,699
Excess of Revenues Over, -Under Expenditures	(68,000)	(68,000)	(84,021)	(16,021)
Other Financing Sources, -Uses:				
5000 Transfers In	67,000	67,000	84,316	17,316
Total Other Sources, -Uses	67,000	67,000	84,316	17,316
Net Change in Fund Balance	(1,000)	(1,000)	295	1,295
Beginning Fund Balance	1,000	1,000	978	(22)
Ending Fund Balance	\$ -	\$ -	\$ 1,273	\$ 1,273

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2017

	<u>PUBLIC PURPOSE CHARGES FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
1000 Local Sources	\$ 13,500	\$ 13,500	\$ 12,514	\$ (986)
Total Revenues	<u>13,500</u>	<u>13,500</u>	<u>12,514</u>	<u>(986)</u>
EXPENDITURES:				
Contingency	<u>1,500</u>	<u>1,500</u> (1)	<u>-</u>	<u>1,500</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Excess of Revenues Over, -Under Expenditures	12,000	12,000	12,514	514
Other Financing Sources, -Uses:				
5000 Transfers Out	<u>(15,000)</u>	<u>(15,000)</u> (1)	<u>(15,000)</u>	<u>-</u>
Total Other Sources, -Uses	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net Change in Fund Balance	(3,000)	(3,000)	(2,486)	514
Beginning Fund Balance	<u>3,000</u>	<u>3,000</u>	<u>3,621</u>	<u>621</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,135</u>	<u>\$ 1,135</u>

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2017

STUDENT ACTIVITY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
1000 Local Sources:				
1700 Extracurricular Activities	\$ 145,000	\$ 145,000	\$ 103,955	\$ (41,045)
Total Revenues	145,000	145,000	103,955	(41,045)
EXPENDITURES:				
1000 Instruction	150,000	150,000 (1)	89,168	60,832
Total Expenditures	150,000	150,000	89,168	60,832
Net Change in Fund Balance	(5,000)	(5,000)	14,787	19,787
Beginning Fund Balance	5,000	5,000	38,788	33,788
Ending Fund Balance	\$ -	\$ -	\$ 53,575	\$ 53,575

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2017

ATHLETIC FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
1000 Local Sources	\$ 111,400	\$ 111,400	\$ 30,702	\$ (80,698)
Total Revenues	111,400	111,400	30,702	(80,698)
EXPENDITURES:				
1000 Instruction	111,400	111,400 (1)	92,374	19,026
Total Expenditures	111,400	111,400	92,374	19,026
Excess of Revenues Over, -Under Expenditures	-	-	(61,672)	(61,672)
Other Financing Sources, -Uses:				
5000 Transfers In	-	-	62,376	62,376
Total Other Sources, -Uses	-	-	62,376	62,376
Net Change in Fund Balance	-	-	704	704
Beginning Fund Balance	-	-	334	334
Ending Fund Balance	\$ -	\$ -	\$ 1,038	\$ 1,038

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2017

SELP DEBT SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
1000 Local Sources	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES:				
5000 Debt Service	29,635	29,635 (1)	29,472	163
Total Expenditures	29,635	29,635	29,472	163
OTHER FINANCING SOURCES (USES)				
5200 Transfers In	29,000	29,000	29,341	341
Total Other Financing Sources (Uses)	29,000	29,000	29,341	341
Net Change in Fund Balance	(635)	(635)	(131)	178
Beginning Fund Balance	635	635	131	(504)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2017

CONSTRUCTION EXCISE TAX FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
1000 Local Sources	\$ 20,000	\$ 20,000	\$ 13,021	\$ (6,979)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>13,021</u>	<u>(6,979)</u>
EXPENDITURES:				
4000 Facilities Acquisition and Construction	<u>51,000</u>	<u>121,168 (1)</u>	<u>73,117</u>	<u>48,051</u>
Total Expenditures	<u>51,000</u>	<u>121,168</u>	<u>73,117</u>	<u>48,051</u>
Excess of Revenues Over (Under) Expenditures	(31,000)	(101,168)	(60,096)	41,072
OTHER FINANCING SOURCES (USES)				
5200 Transfers In	-	70,168	58,157	(12,011)
5200 Transfers Out	<u>(4,000)</u>	<u>(4,000) (1)</u>	<u>-</u>	<u>4,000</u>
Total Other Financing Sources (Uses)	<u>(4,000)</u>	<u>66,168</u>	<u>58,157</u>	<u>(8,011)</u>
Net Change in Fund Balance	(35,000)	(35,000)	(1,939)	33,061
Beginning Fund Balance	<u>35,000</u>	<u>35,000</u>	<u>1,939</u>	<u>(33,061)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2017

BENTON COUNTY

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2016	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/2017
<u>GENERAL FUND:</u>						
Current:						
2016-17	\$ 1,052,671	\$ -	\$ (478)	\$ 478	\$ 1,029,454	\$ 23,217
Prior Years:						
2015-16	27,150	-	(998)	734	9,625	17,261
2014-15	17,963	-	(826)	682	3,280	14,539
2013-14	12,605	-	(794)	652	1,962	10,501
2012-13	6,596	-	(565)	444	1,027	5,448
2011-12 & Prior	5,775	-	(207)	115	267	5,416
Total Prior	70,089	-	(3,390)	2,627	16,161	53,165
Total General Fund	<u>\$ 1,122,760</u>	<u>\$ -</u>	<u>\$ (3,868)</u>	<u>\$ 3,105</u>	<u>\$ 1,045,615</u>	<u>\$ 76,382</u>

LANE COUNTY

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2016	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/2017
<u>GENERAL FUND:</u>						
Current:						
2016-17	\$ 58,474	\$ 1,518	\$ (177)	\$ 22	\$ 55,294	\$ 1,507
Prior Years:						
2015-16	1,510	(4)	(97)	45	539	923
2014-15	935	-	(81)	49	251	652
2013-14	602	-	(73)	49	156	422
2012-13	385	-	(37)	29	80	297
2011-12 & Prior	989	-	(32)	21	31	947
Total Prior	4,421	(4)	(320)	193	1,057	3,241
Total General Fund	<u>\$ 62,895</u>	<u>\$ 1,514</u>	<u>\$ (497)</u>	<u>\$ 215</u>	<u>\$ 56,351</u>	<u>\$ 4,748</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer and Interest Above	\$ 1,105,286
Other Taxes in Lieu of Property Taxes	(172)
Total Revenue	<u>\$ 1,105,114</u>

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

OTHER INFORMATION

MONROE SCHOOL DISTRICT NO. 1J
2016-17 REVENUE SUMMARY BY FUNCTION

Revenue from Local Sources	General	PERS UAL	Special Revenue	Food Service	Public Purpose
1111 Current Taxes	\$1,084,107	-	-	-	-
1112 Prior Taxes	21,007	-	-	-	-
1113 Tax Foreclosed Properties	32	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-
1200 Elec Co-ops, etc.	25	-	-	-	-
1311 Tuition from Individuals	-	-	-	-	-
1510 Earnings on Investments	36,174	-	-	-	-
1530 Contract Income, Interest Payments	6,946	-	-	-	-
1610 Daily Sales - Reimbursable	-	-	-	40,781	-
1620 Daily Sales - Non-reimbursable	-	-	-	3,989	-
1710 Admissions	-	-	-	-	-
1740 Fees	9,266	-	7,532	-	-
1790 Other Curricular Activity	770	-	-	-	-
1800 Community Service Activity	-	-	-	-	-
1910 Building Rentals	-	-	-	-	-
1920 Contributions/Donations	-	-	-	-	-
1960 Recovery of Prior Year Expenditures	-	-	-	-	-
1970 Services Provided Other Funds	-	152,317	-	-	-
1990 Miscellaneous	9,559	-	7,068	294	12,514
Total Revenue from Local Sources	\$1,167,886	\$152,317	\$14,600	\$45,064	\$12,514

Revenue from Intermediate Sources	General	PERS UAL	Special Revenue	Food Service	Public Purpose
2101 County School Funds	22,812	-	-	-	-
2200 Grants and Reimbursements	-	-	19,757	-	-
2250 Severe Disability Allocation	\$6,311	-	205	-	-
Total Revenue from Intermediate Sources	\$29,123	\$0	\$19,962	\$0	\$0

Revenue from State Sources	General	PERS UAL	Special Revenue	Food Service	Public Purpose
3101 State School Fund - General Support	\$3,689,273	-	-	-	-
3103 Common School Fund	80,333	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	-	-	-	-
3201 STAC Grant	-	-	-	-	-
3202 Secondary Career Pathways	-	-	2,000	-	-
3294 Farm to School Grant	-	-	-	-	-
3296 Professional Development Grant	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	\$27,956	-	4,225	378	-
Total Revenue from State Sources	\$3,797,562	\$0	\$6,225	\$378	\$0

Revenue from Federal Sources	General	PERS UAL	Special Revenue	Food Service	Public Purpose
4201 Medicaid Survey Reimbursement	\$6,276	-	-	-	-
4305 Rural Ed to Title 1A	-	-	\$33,315	-	-
4500 Restricted Revenue From the Federal Government Through the State	\$76,993	-	\$125,047	\$130,588	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	\$0	-	\$4,446	-	-
4801 Federal Forest Fees	-	-	-	-	-
4899 Wildlife Refuge	-	-	-	-	-
Total Revenue from Federal Sources	\$83,269	\$0	\$162,808	\$130,588	\$0

Revenue from Other Sources	General	PERS UAL	Special Revenue	Food Service	Public Purpose
5100 Loan Receipts	\$ -	\$ -	\$ -	\$ -	-
5200 Interfund Transfers	-	-	5,602	84,316	-
5300 Sale of Fixed Assets	156,432	-	-	-	-
5400 Resources - Beginning Fund Balance	\$340,793	\$273,692	-\$749	\$978	3,621
Total Revenue from Other Sources	\$497,225	\$273,692	\$4,853	\$85,294	\$3,621

Grand Totals	\$5,575,065	\$426,009	\$208,448	\$261,324	\$16,135
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**MONROE SCHOOL DISTRICT NO. 1J
2016-17 REVENUE SUMMARY BY FUNCTION**

Student Activity	Athletics	SELP DSF	Construction ET	Seismic	Modulars	Bond
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	13,021	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	13,218	-	-	-	-	-
-	16,780	-	-	-	-	-
103,955	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	704	-	-	-	-	-
\$103,955	\$30,702		\$13,021	\$0	\$0	\$0

Student Activity	Athletics	SELP DSF	Construction ET	Seismic	Modulars	Bond
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$0	\$0		\$0	\$0	\$0	\$0

Student Activity	Athletics	SELP DSF	Construction ET	Seismic	Modulars	Bond
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	25,784	-	-
\$0	\$0		\$0	\$25,784	\$0	\$0

Student Activity	Athletics	SELP DSF	Construction ET	Seismic	Modulars	Bond
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$0	\$0		\$0	\$0	\$0	\$0

Student Activity	Athletics	SELP DSF	Construction ET	Seismic	Modulars	Bond
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,345,845
-	62,376	29,341	58,157	-	214,613	-
-	-	-	-	-	-	-
\$38,788	\$334	131	\$1,939	\$0	\$0	\$0
\$38,788	\$62,710	\$29,472	\$60,096	\$0	\$214,613	\$6,345,845

\$142,743	\$93,412	\$29,472	\$73,117	\$25,784	\$214,613	\$6,345,845
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MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

General Fund

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	885,229	570,746	301,907	4,581	7,995	-	-	-
1121 Middle/Junior High Programs	281,881	178,839	97,569	2,255	3,218	-	-	-
1122 Middle/Junior High School Extracurricular	2,332	1,800	532	-	-	-	-	-
1131 High School Programs	785,467	454,485	266,523	18,990	44,313	-	1,156	-
1132 High School Extracurricular	8,534	6,950	1,584	-	-	-	-	-
1220 Special Ed Programs	632,653	329,908	188,967	93,423	20,355	-	-	-
1271 Summer School Programs	1,776	1,323	453	-	-	-	-	-
1280 Alternative Education	2,520	-	-	2,054	466	-	-	-
1285 Credit Recovery	-	-	-	-	-	-	-	-
1291 English Second Language Programs	60,646	35,830	24,576	110	130	-	-	-
Total Instruction Expenditures	\$ 2,661,038	\$ 1,579,881	\$ 882,111	\$ 121,413	\$ 76,477	\$ -	\$ 1,156	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	55	-	-	55	-	-	-	-
2120 Guidance Services	56,258	38,202	17,293	39	314	-	410	-
2130 Health Services	13,839	8,792	3,847	1,200	-	-	-	-
2150 Speech Pathology and Audiology Services	71,504	47,451	22,396	653	494	-	510	-
2190 Service Area Direction	4,832	3,600	1,232	-	-	-	-	-
2211 Improvement of Instruction Services	151	-	-	70	81	-	-	-
2213 Curriculum Development	39,372	25,604	13,768	-	-	-	-	-
2222 Education Media Service	47,856	26,206	18,269	-	3,381	-	-	-
2230 Assessment & Testing	3,469	-	-	3,469	-	-	-	-
2310 Board of Education Services	67,561	-	860	49,598	1,169	-	15,934	-
2320 Executive Administration Services	325,896	201,962	108,293	12,716	2,031	-	894	-
2410 Office of the Principal Services	383,946	240,571	139,370	291	1,430	-	2,284	-
2520 Fiscal Services	148,216	81,560	47,293	7,466	1,365	-	10,532	-
2542 Operation and Maintenance of Plant Services	412,845	99,363	49,861	206,552	24,256	10	32,803	-
2544 Care and Upkeep of Grounds	187,814	60,018	28,883	88,507	9,829	-	577	-
2546 Security Service	4,038	-	-	-	4,038	-	-	-
2550 Pupil Transportation	523,923	-	-	523,923	-	-	-	-
2570 Warehouse	15,087	-	-	5,112	9,878	-	97	-
2660 Technology Services	89,477	29,889	15,049	18,696	20,757	5,086	-	-
Total Support Services Expenditures	\$ 2,396,139	\$ 863,218	\$ 466,414	\$ 918,347	\$ 79,023	\$ 5,096	\$ 64,041	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3300 Community Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Facilities Acquisition and Construction

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4150 Building Acquisition, Construction, Improvement Serv.	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	166,635	-	-	-	-	-	-	166,635
Total Other Uses Expenditures	\$ 166,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,635

Grand Total

\$ 5,223,812	\$ 2,443,099	\$ 1,348,525	\$ 1,039,760	\$ 155,500	\$ 5,096	\$ 65,197	\$ 166,635
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MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

Special Revenue Fund

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	17,328	12,835	3,797	-	696	-	-	-
1112 Intermediate Programs	-	-	-	-	-	-	-	-
1113 Elementary Extra Curricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	2,778	-	-	-	653	-	2,125	-
1131 High School Programs	9,503	-	-	91	9,412	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1210 Talented and Gifted	-	-	-	-	-	-	-	-
1220 Special Ed Programs	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1272 Title I	153,258	86,164	54,087	-	13,007	-	-	-
1291 English Second Language Programs	2,277	702	57	1,518	-	-	-	-
1292 Severe Disability	76	69	7	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ 185,220	\$ 99,770	\$ 57,948	\$ 1,609	\$ 23,768	\$ -	\$ 2,125	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2130 Health Services	6,176	5,713	463	-	-	-	-	-
2190 Service Area Direction	593	544	49	-	-	-	-	-
2213 Curriculum Development	104	-	-	-	104	-	-	-
2240 Instructional Staff Development	7,827	4,608	823	1,833	205	-	358	-
2542 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 14,700	\$ 10,865	\$ 1,335	\$ 1,833	\$ 309	\$ -	\$ 358	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	1,523	-	-	307	1,216	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-

Total Enterprise and Community Services

Expenditures \$ 1,523 \$ - \$ - \$ 307 \$ 1,216 \$ - \$ - \$ -

Facilities Acquisition and Construction

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4150 Building Acquisition, Construction, Improvement Serv.	-	-	-	-	-	-	-	-

Total Facilities Acquisition and Construction

Expenditures \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-

Total Other Uses Expenditures

\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Grand Total

\$ 201,443 \$ 110,635 \$ 59,283 \$ 3,749 \$ 25,293 \$ - \$ 2,483 \$ -

MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

Food Service Fund

		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Enterprise and Community Services Expenditures		260,051	90,127	53,606	4,517	110,317	-	1,484	-
3100 Food Services									
Total Enterprise and Community Services Expenditures		\$ 260,051	\$ 90,127	\$ 53,606	\$ 4,517	\$ 110,317	\$ -	\$ 1,484	\$ -
Grand Total		\$ 260,051	\$ 90,127	\$ 53,606	\$ 4,517	\$ 110,317	\$ -	\$ 1,484	\$ -

MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

Public Purpose Charges

Other Uses Expenditures

5200 Transfers of Funds

Total Other Uses Expenditures

Grand Total

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
15,000	-	-	-	-	-	-	15,000
\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000

MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

Student Activity Fund

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1113 Elementary Extra Curricular	7,807			1,705	6,102			
1122 Middle/Junior High School Extracurricular	29,552	-	-	10,111	19,441	-	-	-
1132 High School Extracurricular	46,196	-	-	13,799	32,397	-	-	-
1133 High School Extracurricular	5,613	-	-	3,150	2,463	-	-	-
Total Instruction Expenditures	\$ 89,168	\$ -	\$ -	\$ 28,765	\$ 60,403	\$ -	\$ -	\$ -

Grand Total

\$ 89,168	\$ -	\$ -	\$ 28,765	\$ 60,403	\$ -	\$ -	\$ -
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MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

Athletic Fund

Instruction Expenditures									
	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
1122 Middle/Junior High School Extracurricular	7,711	2,000	591	3,019	2,063	-	38	-	
1132 High School Extracurricular	84,663	35,900	10,147	36,368	1,848	-	400	-	
Total Instruction Expenditures	\$ 92,374	\$ 37,900	\$ 10,738	\$ 39,387	\$ 3,911	\$ -	\$ 438	\$ -	
 Grand Total	 \$ 92,374	 \$ 37,900	 \$ 10,738	 \$ 39,387	 \$ 3,911	 \$ -	 \$ 438	 \$ -	

MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

PERS UAL Fund

Other Uses Expenditures

5100 Debt Service

Total Other Uses Expenditures

Grand Total

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
156,082	-	-	-	-	-	156,082	-
\$ 156,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,082	\$ -
\$ 156,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,082	\$ -

MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

SELP Debt Service Fund

Other Uses Expenditures

5100 Debt Service

Total Other Uses Expenditures

Grand Total

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
29,472	-	-	-	-	-	29,472	-
\$ 29,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,472	\$ -
\$ 29,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,472	\$ -

MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

Construction Excise Tax Fund

Facilities Acquisition and Construction
2544 Professional and Technical Services
4150 Building Acquisition, Construction,
Improvement Serv.

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
-	-	-	-	-	-	-	-
73,117	-	-	25,594	-	47,523	-	-

**Total Facilities Acquisition and Construction
Expenditures**

\$ 73,117	\$ -	\$ -	\$ 25,594	\$ -	\$ 47,523	\$ -	\$ -
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Other Uses Expenditures
5200 Transfers of Funds

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
-	-	-	-	-	-	-	-

Total Other Uses Expenditures

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
------	------	------	------	------	------	------	------

Grand Total

\$ 73,117	\$ -	\$ -	\$ 25,594	\$ -	\$ 47,523	\$ -	\$ -
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MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

Seismic Upgrade Fund

Facilities Acquisition and Construction

4150 Building Acquisition, Construction, Improvement Serv.

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
25,784	-	-	23,135	-	-	2,649	-

Total Facilities Acquisition and Construction Expenditures

\$ 25,784	\$ -	\$ -	\$ 23,135	\$ -	\$ -	\$ 2,649	\$ -
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Other Uses Expenditures

5100 Debt Service

5200 Transfers of Funds

5300 Apportionment of Funds by ESD

5400 PERS UAL Bond Lump Sum

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Total Other Uses Expenditures

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
------	------	------	------	------	------	------	------

Grand Total

\$ 25,784	\$ -	\$ -	\$ 23,135	\$ -	\$ -	\$ 2,649	\$ -
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MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

Capital Projects - Modularity Fund

Facilities Acquisition and Construction
2544 Professional and Technical Services
4150 Building Acquisition, Construction,
Improvement Serv.

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
-	-	-	-	-	-	-	-
214,612	-	-	200,547	7,576	2,500	3,989	-

**Total Facilities Acquisition and Construction
Expenditures**

\$ 214,612	\$ -	\$ -	\$ 200,547	\$ 7,576	\$ 2,500	\$ 3,989	\$ -
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Other Uses Expenditures
5200 Transfers of Funds

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
-	-	-	-	-	-	-	-

Total Other Uses Expenditures

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
------	------	------	------	------	------	------	------

Grand Total

\$ 214,612	\$ -	\$ -	\$ 200,547	\$ -	\$ 2,500	\$ -	\$ -
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MONROE SCHOOL DISTRICT NO. 1J
2016-17 EXPENDITURES BY FUNCTION/OBJECT

Capital Projects - 2017 GO Bonds Fund

Facilities Acquisition and Construction

2544 Professional and Technical Services

4110

4150 Building Acquisition, Construction,
Improvement Serv.

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
-	-	-	-	-	-	-	-
455			455				
71,051	-	-	27,551	-	43,500	-	-

Total Facilities Acquisition and Construction

Expenditures \$ 71,506 \$ - \$ - \$ 28,006 \$ - \$ 43,500 \$ - \$ -

Other Uses Expenditures

5100 Debt Service

5200 Transfers of Funds

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
27,000	-	-	-	-	-	27,000	-
272,769							272,769

Total Other Uses Expenditures \$ 299,769 \$ - \$ - \$ - \$ - \$ - \$ 27,000 \$ 272,769

Grand Total

\$ 371,275	\$ -	\$ -	\$ 28,006	\$ -	\$ 43,500	\$ 27,000	\$ 272,769
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MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS



PAULY, ROGERS AND Co., P.C.
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November 30, 2017

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Monroe School District as of and for the year ended June 30, 2017, and have issued our report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

1. There were two instances where the District overspent appropriations, as noted on page 16.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal controls 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 dark ink, appearing to read "Ken Allen", with a stylized, cursive script.

Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.