

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

FINANCIAL REPORT

For the Year Ended June 30, 2015

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MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

2014-2015
FINANCIAL REPORT

BOARD OF EDUCATION

TERM EXPIRES

Nancy Burnett

June 30, 2015

Mylrea Estell

June 30, 2015

Tony Stroda

June 30, 2017

Robert Warden

June 30, 2017

Jennifer Gamache

June 30, 2017

ADMINISTRATION

Russell Pickett, Superintendent
Christine Manley, Administrative Assistant/Deputy Clerk
Corinne Klein, Business Manager

MAILING ADDRESS

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BENTON COUNTY, OREGON

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BENTON COUNTY, OREGON

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November 20, 2015

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, 2015, 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, 2015, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* during the year ended June 30, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and 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 20, 2015, 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 "Ken Allen", is positioned above the printed name.

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

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Monroe School District 1J
MONROE, OREGON
MANAGEMENT DISCUSSION & ANALYSIS
June 30, 2015

The business manager of Monroe School District 1J (the District) has prepared this summary and analysis of the financial activities of the District for the fiscal year July 1, 2014, through June 30, 2015. It was prepared in response to the requirements outlined in U.S. Governmental Accounting Standards Board Statement 34.

FINANCIAL HIGHLIGHTS

The following chart compares the District's Net Position, Ending Fund Balances (EFB,) and Debt as of June 30, 2015, and as of the prior fiscal year end, June 30, 2014:

<u>Description</u>	<u>As of 06-30-14</u>	<u>As of 06-30-15</u>	<u>Increase/(Decrease)</u>
Net Position	\$1,707,515		
"	(1,005,699) Restated	167,861	1,173,560
EFB:Governmental	\$ 664,831	888,950	224,119
EFB:General Fund	\$ 285,963	492,225	206,262
Total Debt	\$1,802,245	1,747,886	(54,359)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's Annual Financial Report. It consists of the following components:

- 1) Government-wide financial statements
- 2) Fund financial statements, and
- 3) Notes to the financial statements.

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

1) Government-wide Financial Statements

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

A. Statement of Net Position compares the District's assets, deferred outflows, liabilities and deferred inflows. Net position is the net amount remaining subtracting liabilities and deferred inflows from the combination of assets and deferred outflows. Comparing year-to-year increases or decreases in net position may indicate trends in the District's financial condition. In the 2014-15 fiscal year, the beginning net position was adjusted and restated to reflect judicially imposed changes to the Oregon Public Employees Retirement System (PERS). These changes require that the District's portion of the state-wide pension obligation be reflected in the financial statements.

B. Statement of Activities shows how the net assets of the District changes from year to year by tracking revenue, expense, and other transactions that affect net position.

In the government-wide financial statements, the District's activities are shown in one category as governmental activities. All of the District's basic functions are shown here such as regular and special instruction, food service, maintenance, administration and other support functions. These activities are primarily financed through the Oregon State School Fund, property taxes, and other intergovernmental revenues.

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

2) Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific purposes. The District, like other state and local governments, uses fund accounting to comply with legal financial requirements.

The District's financial budget structure is based on the Chart of Accounts developed by the Oregon Department of Education as outlined in the "Program Budgeting and Accounting Manual." This manual may be viewed at the District business office or on-line at

<http://www.ode.state.or.us/services/ssf/finance/budgetacctg/2012-pbam-manual.pdf>

The District operated in nine funds during the 2014/15 fiscal year, as listed below:

100 General Fund	Instruction and Support
200 Special Revenue Fund	Federal, State & local grants, restricted revenue programs
205 Food Service Fund	National School Lunch, Breakfast and Summer Food programs
225 SB1149 Public Purpose	Energy efficiency projects using SB1149 funds
270 Student Activity Fund	Building-based student activity accounts
275 Athletic Fund	District athletic program
301 PERS UAL Fund	Debt service to reduce Unfunded Pension Actuarial Liability
302 SELP Loan Debt Service	Principal and Interest Payments, Small Scale Energy Loan Program
401 Construction Excise Tax (CET) Fund	Capital Improvements projects supported by CET

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 business. These statements include:

Statement of Net Position. As of June 30, 2015, the District's assets exceeded its liabilities and deferred inflows by \$167,861. At the end of the previous fiscal year, June 30, 2014, the District's assets exceeded its liabilities by \$1,707,515. The beginning net position was restated from \$1,707,515 to (1,005,699). This represents a decrease in beginning net position of (\$2,713,214) from the prior year, primarily the result of judicially defined changes in the manner in which PERS bond debt is reflected in the fiscal report. Please refer to note 13 to the financial statements for more information.

The Pension Asset represents 23.6% of total assets. Capital assets, which consist of the District's land, buildings, improvements, site improvements, vehicles and equipment, represent 36.0% of total assets. The remaining assets consist mainly of one note receivable, investments, cash, supply inventory and property taxes receivable.

The District's largest liability category is for repayment of long-term debt in the form of an Oregon Limited Pension Bond, Series 2002. Additionally, the District carries a Small-scale Energy Loan Program (SELP) loan. These represent 90.2% of total liabilities. Current liabilities consist of accounts payable and payroll benefits. These represent 9.8% of total liabilities.

Deferred Inflows related to the District's pension plan in the amount of \$1,156,963 effectively reduce the District's total net position. Please refer to note 12 to the financial statements for more information.

The District uses its capital assets to provide services to students and other District residents, consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes) since the capital assets themselves cannot be used to liquidate these liabilities.

Current year and prior year comparative amounts for the School's Government-Wide financial statements are as follows:

Net Position			
Governmental Activities			
Assets	<u>2015</u>	<u>2014</u>	<u>Increase/ (Decrease)</u>
Current Assets:			
Cash and Investments	\$966,988	\$ 751,449	\$215,539
Accounts Receivable	175,897	126,455	49,442
Supply Inventory	28,554	28,554	0
Noncurrent Assets:			
Capital Assets, net	1,174,545	1,299,581	(125,036)
Note Receivable	146,711	153,492	(6,781)
Prepaid Pension Asset	0	1,314,817	(1,314,817)
Net Pension Asset	<u>770,138</u>	<u>0</u>	<u>770,138</u>
Total Assets	\$3,262,833	\$3,674,348	(411,515)
Liabilities			
Current liabilities:			
Accounts Payable	\$ 16,611	\$ 5,564	\$ 11,047
Payroll Liabilities	173,512	159,024	14,488
Long Term Liabilities:			
Due within one year	54,783	54,359	424
Due in more than one year	<u>1,693,103</u>	<u>1,747,886</u>	<u>(54,783)</u>
Total liabilities	1,938,009	\$1,966,833	(\$28,824)
Deferred Inflows			
Pension Items	1,156,963	0	\$1,156,963
Net Position			
Net investment, capital assets	892,793	1,299,581	(\$ 406,788)
Restricted	15,745	13,467	2,278
Unrestricted	<u>(740,677)</u>	<u>394,467</u>	<u>(1,135,144)</u>
Total net position	167,861	\$1,707,515	(1,539,654)

The Prepaid Pension Asset was eliminated as it was considered as part of the actuarial estimates that created the Net Pension Asset.

Statement of Activities

		<u>2015</u>	<u>2014</u>	Increase/ (Decrease)
General Revenues				
Property Taxes	\$	1,042,501	\$ 945,039	\$ 97,462
State school fund		3,574,420	3,184,991	389,429
Local sources		65,629	123,436	(57,807)
Intermediate sources		6,120	6,375	(255)
Other state sources		23,624	61,334	(37,710)
Federal sources		-	1,710	(1,710)
Earnings on investment		7,374	7,804	(430)
		<hr/>	<hr/>	
Total general revenues		4,719,668	4,330,689	388,979
		<hr/>	<hr/>	
Expenses				
Instruction		2,142,318	2,729,675	(587,357)
Support Services		1,663,523	2,051,209	(387,686)
Enterprise & Community Svc.		253,262	271,682	(18,420)
Interest on long term debt		116,196	110,554	5,642
		<hr/>	<hr/>	
Total expenses		4,175,299	5,163,120	(987,821)
		<hr/>	<hr/>	
Revenues over/(Under) Expenses		544,369	(832,431)	1,376,800
		<hr/>	<hr/>	
Program revenues				
Charges for services		162,170	162,479	(309)
Operating grants and contributions		467,021	398,774	68,247
Capital grants and contributions		-	-	-
		<hr/>	<hr/>	
Total program revenues		629,191	561,253	67,938
		<hr/>	<hr/>	
Change in net position		1,173,560	(271,178)	1,444,738
		<hr/>	<hr/>	
Beginning net position		(1,005,699)	1,978,693	(2,984,392)
		<hr/>	<hr/>	
Ending net position	\$	167,861	\$ 1,707,515	\$ (1,539,654)
		<hr/>	<hr/>	

Revenues as a whole remained steady while expenditures dropped significantly. This was mainly due to the change in the District's pension obligations as recorded under the requirements of GASB Statement Number 68, a new accounting standard.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to insure and demonstrate compliance with legal financial requirements.

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

As of June 30, 2014, the District's major and non-major governmental funds reported combined ending fund balances (EFB) of \$664,831. As of June 30, 2015, those funds had a combined ending fund balance of \$888,950, an increase of \$224, 119. This increase is primarily due to the following:

- Flat expenditures of instructional staff salaries due to retirement of long-term employees and hiring of replacements with less experience.
- Decreased fuel expenditures related to mild winter weather
- Increased enrollment resulting in additional state school fund support

General Fund 100

Fund 100 is the District's major operating fund.

Beginning fund balance:	\$ 285,963
Revenue:	\$ 4,781,437
Expenditures:	(\$ 4,433,718)
Sale of Assets	\$ 6,782
Transfers to other funds:	(\$ 148,239)
Ending fund balance:	\$ 492,225

Special Revenue Fund 200

Fund 200 accounts for federal grants and other projects supported by restricted revenue.

Beginning fund balance:	\$ 13,467
Revenue:	\$ 156,480
Expenditures:	(\$ 159,379)
Transfers In	\$ 0
Ending fund balance:	\$ 10,568

Food Service Fund 205

Fund 205 accounts for food services provided at the District's two campus cafeterias. Each participates in the National School Lunch and Breakfast Programs. A summer food program is operated at the Monroe Grade School site offering no-cost meals to children.

Beginning fund balance:	\$ 867
Revenue:	\$ 257,797
Transfer from General Fund	\$ 66,039
Expenditures:	(\$ 316,526)
Ending fund balance:	\$ 5,177

SB1149 Fund
225

Fund 225 accounts for revenues generated by Oregon Senate Bill 1149, which was passed In 1999 and became law on March 1, 2002, under the Energy Efficient Schools Program. This program requires General Electric and Pacific Power to collect a 3% "Public Purpose charge be distributed to schools within their service areas for the purpose of implementing energy efficiency measures. In 2014/15 most of the District's SB1149 funds were transferred to Fund 302, SELP Loan Fund.

Beginning fund balance:	\$	3,822
Revenue:	\$	12,202
Expenditures:	(\$	0)
Transfers to other Funds:	(\$	(9,468)
Ending fund balance:	\$	6,556

Student Activity Fund
270

Fund 270 records activities in building-based, discretionary accounts for student groups such as classes, clubs and teams.

Beginning balance:	\$	42,155
Revenue:	\$	80,534
Expenditures:	(\$	74,149)
Ending balance:	\$	48,540

Athletic Fund
275

Fund 275 accounts for expenditures supporting the District's athletic programs.

Beginning balance:	\$	1,649
Revenue:	\$	28,721
Transfer in from General Fund	\$	66,000
Expenditures:	(\$	(94,875)
Ending balance:	\$	1,495

PERS UAL Fund
301

Fund 301 was created in the 2002/03 fiscal year to account for the payment of bonded debt issued to reduce the District's unfunded retirement actuarial liability to the Oregon Public Employees Retirement System (PERS.) "Revenue" is generated by savings gained from the resulting reduced rate of pension benefit payments.

Beginning fund balance:	\$	264,153
Revenues:	\$	142,890
Debt Service:	(\$	141,082)
Ending fund balance:	\$	265,961

Small-Scale Energy
Loan Program (SELP)
Debt Service Fund
302

Fund 302 was created in May of 2012. It provides for the payment of principal and interest on a SELP loan which supports the replacement of the Monroe High School diesel-fired boiler with ductless heat systems in MHS classrooms and hallways, and a propane-fired furnace for what is known as the "old gym" located in the MHS main building. Revenue is generated via transfers from SB1149 Fund 225, Construction Excise Tax Fund 401, and General Fund if necessary.

Beginning Fund Balance:	\$	707
Revenues:	\$	0
Transfers In:	\$	29,368
Expenditures	(\$	29,472)
Ending fund balance:	\$	603

Construction Excise
Tax (CET) Fund
401

Fund 401 accounts for Construction Excise Tax revenue generated under an Inter-Governmental Agreement (IGA) between Benton County and the District. This revenue is to be expended on capital improvement projects as allowed under Oregon Senate Bill 1036 which was passed in 2007.

Beginning Fund Balance	\$ 52,048
Revenues	\$ 20,105
Expenditures	(\$ 10,628)
Transfers Out	(\$ 3,700)
Ending fund balance:	\$ 57,825

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The District's investment in capital assets includes land, buildings and improvements, site improvements, vehicles, and equipment.

As of June 30, 2014, the District had \$1,299,581 invested in capital assets, net of depreciation.

As of June 30, 2015, the District had \$1,174,545 invested in capital assets, net of depreciation.

Long Term Debt:

As of June 30, 2014, the District had a total bonded principal debt outstanding of \$1,802,245, consisting of Small-scale Energy Loan Program (SELP) debt, and pension bond debt.

As of June 30, 2015, the District had a total bonded principal debt outstanding of \$1,747,886, consisting of Small-scale Energy Loan Program (SELP) debt, and pension bond debt

Additional details of the District's obligations may be found in the Notes to the Basic Financial Statements, Note 7.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual expenditures in the General Fund were under the amounts appropriated in all categories. Please refer to the General Fund budgetary schedule in the financial statements for details on individual line items.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's most significant economic factor is the State of Oregon's State School Fund (SSF) formula. It consists of a General Purpose grant, a Transportation Grant, and certain special grants.

For the year ended June 30, 2014, the SSF provided \$3,184,991, or 72.2% of the District's total General Fund revenues. For the year ended June 30, 2015, the SSF provided \$3,509,526, or 73.3% of the District's total General Fund revenues. This represents an actual increase of \$324,535 in revenue.

The District's Budget Committee and Board of Directors considered all of these factors, to the extent they were available, while preparing the District's 2015/16 budget.

REQUESTS FOR INFORMATION

This report is intended to provide patrons of the District (taxpayers, students, parents, creditors, and other interested parties) with a general overview of the District's financial activity and position. If there are any questions about this report, please contact the business manager of Monroe School District 1J at the district office which is located at 365 N. 5th Street, Monroe, OR 97456. Telephone (541) 847-6292 Fax (541) 847-6290 or by e-mail at corinne.klein@monroe.k12.or.us

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, 2015

	Governmental Activities
ASSETS:	
Current Assets:	
Cash and Investments	\$ 966,988
Accounts Receivable	175,897
Supply Inventory	28,554
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation	1,174,545
Note Receivable	146,711
Net Pension Asset	770,138
TOTAL ASSETS	3,262,833
LIABILITIES, DEFERRED INFLOWS AND NET POSITION:	
Current Liabilities:	
Accounts Payable	16,611
Payroll Liabilities	173,512
Long Term Liabilities:	
Due within one year	54,783
Due in more than one year	1,693,103
TOTAL LIABILITIES	1,938,009
Deferred Inflows:	
Pension Items	1,156,963
NET POSITION:	
Net Investment in Capital Assets	892,793
Restricted	15,745
Unrestricted	(740,677)
TOTAL NET POSITION	\$ 167,861

See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

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
Governmental activities:					
Instruction	\$ 2,142,318	\$ 117,552	\$ 148,398	\$ -	\$ (1,876,368)
Support services	1,663,523	-	94,125	-	(1,569,398)
Enterprise and community services:	253,262	44,618	224,498	-	15,854
Interest on long-term debt	116,196	-	-	-	(116,196)
Total governmental activities	<u>\$ 4,175,299</u>	<u>\$ 162,170</u>	<u>\$ 467,021</u>	<u>\$ -</u>	<u>(3,546,108)</u>
General revenues:					
Property taxes levied for general purposes					1,042,501
State school fund - general support					3,574,420
Local sources					65,629
Intermediate sources					6,120
Other state sources					23,624
Earnings on investments					<u>7,374</u>
Total general revenues					<u>4,719,668</u>
CHANGE IN NET POSITION					1,173,560
Beginning net position (Restated)					<u>(1,005,699)</u>
Ending net position					<u>\$ 167,861</u>

See accompanying notes to basic financial statements.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	GENERAL	PERS UAL	SPECIAL REVENUE
ASSETS			
Cash and Investments	\$ 591,872	\$ 265,961	\$ -
Due from Other Funds	24,847	-	-
Receivables:			
Taxes	92,366	-	-
Accounts	37,075	-	35,415
Note	146,711	-	-
Inventory	28,554	-	-
Total Assets	<u>\$ 921,425</u>	<u>\$ 265,961</u>	<u>\$ 35,415</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 16,611	\$ -	\$ -
Due to Other Funds	-	-	24,847
Payroll Liabilities	173,512	-	-
Total Liabilities	<u>190,123</u>	<u>-</u>	<u>24,847</u>
Deferred Inflows:			
Unavailable Revenue			
Property Taxes	92,366	-	-
Notes	146,711	-	-
Total Deferred Inflows	<u>239,077</u>	<u>-</u>	<u>-</u>
Fund Balance			
Non-Spendable:			
Inventory	28,554	-	-
Restricted for:			
Grants	-	-	10,568
Food Service	-	-	-
Committed for:			
PERS Debt Service	-	265,961	-
Public Purpose Charges	-	-	-
Student Activities	-	-	-
Facilities and Improvements	-	-	-
Athletics	-	-	-
SELP Debt Service	-	-	-
Unassigned	463,671	-	-
Total Fund Balance	<u>492,225</u>	<u>265,961</u>	<u>10,568</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 921,425</u>	<u>\$ 265,961</u>	<u>\$ 35,415</u>

See accompanying notes to basic financial statements.

OTHER GOVERNMENTAL	TOTAL
\$ 109,155	\$ 966,988
-	24,847
-	92,366
11,041	83,531
-	146,711
-	28,554
<u>\$ 120,196</u>	<u>\$ 1,342,997</u>

\$ -	\$ 16,611
-	24,847
-	173,512
<u>-</u>	<u>214,970</u>

-	92,366
-	146,711
<u>-</u>	<u>239,077</u>

-	28,554
-	10,568
5,177	5,177
-	265,961
6,556	6,556
48,540	48,540
57,825	57,825
1,495	1,495
603	603
-	463,671
<u>120,196</u>	<u>888,950</u>
<u>\$ 120,196</u>	<u>\$ 1,342,997</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, 2015

TOTAL FUND BALANCES		\$	888,950
Capital assets are not financial resources and therefore are not reported in the governmental funds:			
Cost	\$	4,155,229	
Accumulated depreciation		<u>(2,980,684)</u>	1,174,545
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			
			770,138
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	\$	92,366	
Note Receivable		<u>146,711</u>	239,077
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			
			(1,156,963)
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	\$	(281,752)	
Bonds payable		<u>(1,466,134)</u>	<u>(1,747,886)</u>
TOTAL NET POSITION			<u>\$ 167,861</u>

See accompanying notes to basic financial statements.

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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, 2015

	GENERAL	PERS UAL	SPECIAL REVENUE
REVENUES:			
1000 Local Sources	\$ 1,076,861	\$ 142,890	\$ 14,369
2000 Intermediate Sources	21,879	-	4,032
3000 State Sources	3,607,109	-	4,500
4000 Federal Sources	75,588	-	133,579
Total Revenues	4,781,437	142,890	156,480
EXPENDITURES:			
1000 Instruction	2,355,403	-	146,415
2000 Support Services	2,076,035	-	12,964
3000 Enterprise and Community Services	2,280	-	-
4000 Facilities Acquisition and Construction	-	-	-
5000 Debt Service	-	141,082	-
Total Expenditures	4,433,718	141,082	159,379
Excess of Revenues Over, -Under Expenditures	347,719	1,808	(2,899)
Other Financing Sources, -Uses:			
Sale of Assets	6,782	-	-
Transfers In	-	-	-
Transfers Out	(148,239)	-	-
Total Other Financing Sources, -Uses	(141,457)	-	-
Net Change in Fund Balance	206,262	1,808	(2,899)
Beginning Fund Balance	285,963	264,153	13,467
Ending Fund Balance	\$ 492,225	\$ 265,961	\$ 10,568

See accompanying notes to basic financial statements.

OTHER		
<u>GOVERNMENTAL</u>		<u>TOTAL</u>
\$ 186,230	\$	1,420,350
-		25,911
-		3,611,609
<u>210,129</u>		<u>419,296</u>
<u>396,359</u>		<u>5,477,166</u>
169,024		2,670,842
-		2,088,999
316,526		318,806
10,628		10,628
<u>29,472</u>		<u>170,554</u>
<u>525,650</u>		<u>5,259,829</u>
(129,291)		217,337
-		6,782
161,407		161,407
<u>(13,168)</u>		<u>(161,407)</u>
<u>148,239</u>		<u>6,782</u>
18,948		224,119
<u>101,248</u>		<u>664,831</u>
<u>\$ 120,196</u>	<u>\$</u>	<u>888,950</u>

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, 2015

NET CHANGE IN FUND BALANCE	\$	224,119
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
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.		
Loss on disposal of capital assets	\$	(15,458)
Less current year depreciation	<u>(109,578)</u>	(125,036)
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 principal repaid		54,359
Amortization of bond issue costs is not recognized in the governmental funds		
The current year net change in pension related assets, deferred outflows, liabilities and deferred inflows affects total income on the statement of activities		
		1,011,572
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.		
		14,576
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.		
		(6,781)
Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditures when earned.		
		<u>751</u>
CHANGE IN NET POSITION	<u>\$</u>	<u>1,173,560</u>

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.

Non-Major Special Revenue Funds – These Funds include Food Service, Public Purpose Charges, Student Activities, and Athletics. Revenues are received and expended for specific purposes.

Capital Projects Fund – This fund accounts for collection of construction excise tax revenue, and other appropriate revenues if they become available, for the purpose of capital improvements to District facilities.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Additionally, the District reports the following fund type:

Debt Service Fund – This fund accounts for principal and interest payments toward a loan to finance the replacement of the boiler at Monroe High School.

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

The cash and cash equivalents consist of cash on hand, demand deposits, saving deposits and investments in the State of Oregon Treasurer's Local Government Investment Pool (LGIP).

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

Purchased inventories are stated at cost using first-in, first-out (FIFO) method. Any donated inventories are stated at their estimated fair market value. The cost of inventory items are recognized as an expenditure when purchased (purchase method).

A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded as expenditures when consumed and are stated at their fair market value based on guidelines provided by the USDA. Commodities on hand at year end are recorded as deferred revenue. As a result, fund balance on the balance sheet has not been reserved for inventories of donated commodities.

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. All vacation pay is accrued in the government-wide statements. 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. The nonspendable fund balance represents inventories.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. 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, 2015 except for the following overexpenditures: \$10,710 of Instruction in the Special Revenue Fund, \$445 of Instruction in the Athletic Fund and \$50,458 of Community Services in the Food Service Fund.

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 District does not have an item that qualifies for reporting in this category.

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 and a long term note receivable. 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.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The fair value of the District's position in the State Treasurer's Local Government Investment Pool was equal to 100.71% of the value of the pool shares at June 30, 2015. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Cash and Investments at June 30, 2015 (recorded at fair value) consisted of:

Demand Deposits:

Checking	\$	86,945
Petty Cash		800
Investments		<u>879,243</u>
Total	\$	<u><u>966,988</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	\$ 879,243	\$ 879,243	\$ -
Total	\$ 879,243	\$ 879,243	\$ -

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.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

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, 2015, 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 \$186,818. All of these deposits were covered by federal depository insurance.

3. RECEIVABLES

Receivables at June 30, 2015 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.

Note Receivable – represents the balance of an installment note received as a result of the sale of the Alpine School. The note for the amount of \$185,000 was dated September 22, 2008 requiring monthly payments of \$1,380 with the balance due on September 25, 2023. Interest is charged at a rate of 6.5% per annum.

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

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund activity during the year ended June 30, 2015 is as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ -	\$ 148,239
Non-Major Funds	<u>161,407</u>	<u>13,168</u>
Total	<u>\$ 161,407</u>	<u>\$ 161,407</u>

\$24,847 was reported as due from the Special Revenue Fund to the General Fund on the Governmental Funds Balance Sheet.

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

5. CAPITAL ASSETS

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

	<u>Balance June 30, 2014</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Land	\$ 50	\$ -	\$ -	\$ -	\$ 50
Total Non-Depreciable	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>
Buildings & Improvements	3,672,795	(8,553)	-	-	3,664,242
Equipment	<u>530,948</u>	<u>(40,011)</u>	<u>-</u>	<u>-</u>	<u>490,937</u>
Total Depreciable	<u>4,203,743</u>	<u>(48,564)</u>	<u>-</u>	<u>-</u>	<u>4,155,179</u>
Accumulated Depreciation:					
Buildings & Improvements	2,729,985	19,011	67,095	-	2,816,091
Equipment	<u>174,227</u>	<u>(52,117)</u>	<u>42,483</u>	<u>-</u>	<u>164,593</u>
Total Accumulated Depreciation	<u>2,904,212</u>	<u>(33,106)</u>	<u>109,578</u>	<u>-</u>	<u>2,980,684</u>
Net Capital Assets	<u>\$ 1,299,581</u>				<u>\$ 1,174,545</u>

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (CONTINUED)

Depreciation was allocated to the functions as follows:

Instruction	\$ 57,593
Support Services	45,046
Community Services	<u>6,939</u>
 Total Depreciation	 <u>\$ 109,578</u>

6. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employee 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/section/financial_reports/financials.aspx.

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either 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 disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- 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.
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, 2011 actuarial valuation, which became effective July 1, 2013. 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, 2015 were \$331,315, excluding amounts to fund employer specific liabilities. In addition approximately \$133,418 in employee contributions were paid or picked up by the District in fiscal 2015.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2015, the District reported a net pension asset of \$770,138 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, 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 employers, actuarially determined. At December 31, 2012, the District's proportion was .034 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,486,054
Changes in proportion and differences between District contributions and proportionate share of contributions	-	2,224
District contributions subsequent to measurement date	331,315	-
Net deferred outflow (inflow) of resources		<u>\$ (1,156,963)</u>

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

<u>Year ending June 30,</u>	<u>Amount</u>
2016	\$ (371,996)
2017	(371,996)
2018	(371,996)
2019	(371,996)
2020	(294)
Total	<u>\$ (1,488,278)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated July 29, 2015. Oregon PERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx.

Actuarial Valuations – The employer contribution rates effective July 1, 2013 through June 30, 2015, 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.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, Published September 18, 2013
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	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 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
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct 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 2012 Experience Study which is reviewed for the four-year period ending December 31, 2012.

Discount Rate – The discount rate used to measure the total pension liability was 7.75 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

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	Decrease (6.75%)	Rate (7.75%)	Increase (8.75%)
District's proportionate share of the net pension liability	\$ 1,630,873	\$ (770,138)	\$ (2,800,830)

Changes in Plan Provisions Subsequent to Measurement Date: The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. Oregon Public Employees Retirement System Notes to the Schedules of Employer Allocations and Pension Amounts by Employer As of and for the Fiscal Year Ended June 30, 2014. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates have been rounded to the nearest \$10 million.

	June 30, 2014 Measurement Date	
	Before Moro Decision	Estimate After Moro Decision
Net pension liability		
Total pension liability	\$ 63,135	\$ 68,050
Fiduciary net position	65,402	65,400
Net pension liability (asset)	-2,267	2,650

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

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

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%.

Changes in long-term debt were as follows:

	Oustanding July 1, 2014	Additions	Deductions	Oustanding June 30, 2015	Balance Due Within One Year
Oregon Limited Pension Bond, Series 2002	\$ 1,501,297	\$ -	\$ (35,163)	\$ 1,466,134	\$ 34,931
SELP Loan	300,948	-	(19,196)	281,752	19,852
Total Long-Term Debt	<u>\$ 1,802,245</u>	<u>\$ -</u>	<u>\$ (54,359)</u>	<u>\$ 1,747,886</u>	<u>\$ 54,783</u>

Future maturities of Flexfund Certificates and Bonds Payable as of June 30, 2015 are as follows:

Year	SELP Loan		Oregon Limited Pension Bond Series 2002		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2015-16	\$ 19,852	\$ 9,620	\$ 34,931	\$ 111,152	\$ 54,783	\$ 120,772
2016-17	20,585	8,887	36,643	119,439	57,228	128,326
2017-18	21,317	8,155	36,027	125,055	57,344	133,210
2018-19	22,076	7,396	37,212	133,870	59,288	141,266
2019-20	22,842	6,630	36,321	139,761	59,163	146,391
2020-2024	127,081	20,279	740,000	283,660	867,081	303,939
2024-2029	47,999	9,577	545,000	55,223	592,999	64,800
Totals	<u>\$ 281,752</u>	<u>\$ 70,544</u>	<u>\$ 1,466,134</u>	<u>\$ 968,160</u>	<u>\$ 1,747,886</u>	<u>\$ 1,038,704</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.

11. RELATED PARTY TRANSACTIONS

The District contracted with Crowson Bus Company for transportation services, an entity owned by the estate of the late Chester Crowson, father of former Superintendent Randy Crowson. The District was invoiced \$454,983 for transportation expenses to Crowson Bus Company during the year ended June 30, 2015.

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

12. DEFERRED INFLOWS OF RESOURCES

The Statement of Net Position reports Deferred Inflows related to the District's pension plan in the amount of \$1,156,963. This amount represents new information about the overall plan's funding level that became available after the initial actuarial calculations had been completed. The amount is equal to the \$1,486,054 difference between the plan's actual investment earnings and the initially projected earnings, plus a \$2,224 adjustment in the District's proportionate share of plan contributions, less \$331,315 of actual contributions made by the District to the plan during 2014-2015.

The Governmental Funds Balance Sheet reports deferred inflows in the amount of \$92,366 and \$146,711 for unavailable property taxes receivable and long term notes receivable respectively. These items are considered unavailable because they are not collected by the District within 60 days of fiscal year end.

13. RESTATEMENT OF BEGINNING NET POSITION

Net Position as of June 30, 2014 has been restated from \$1,707,515 to (\$1,005,699), a reduction of \$2,713,214. This restatement was the result of the District's adoption of GASB 68, which requires the recognition of pension related assets, deferred outflows, liabilities and deferred inflows on the Statement of Net Position. The breakdown of the individual items making up the total reduction amount are as follows:

Pension Liability at Prior Measurement Date	\$ (1,733,842)
Write off of Prepaid Pension Asset	(1,314,817)
Prior Year Employer Contributions to PERS	<u>335,445</u>
Total	<u><u>\$ (2,713,214)</u></u>

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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MONORE SCHOOL DISTRICT
BENTON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

For the fiscal year ended June 30, 2015

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
2015	0.03 %	\$ (770,138)	\$ 2,219,419	(34.7) %	103.6 %
2014	0.03	1,733,842	2,222,446	78.0	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
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, 2015

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
1000 Local Sources	\$ 974,100	\$ 974,100	\$ 1,076,861	\$ 102,761
2000 Intermediate Sources	16,400	16,400	21,879	5,479
3000 State Sources	3,439,744	3,447,808	3,607,109	159,301
4000 Federal Sources	79,800	79,800	75,588	(4,212)
Total Revenues	4,510,044	4,518,108	4,781,437	263,329
EXPENDITURES:				
1000 Instruction	2,454,344	2,460,202 (1)	2,355,403	104,799
2000 Support Services	2,042,796	2,145,002 (1)	2,076,035	68,967
3000 Enterprise and Community Services	4,400	4,400 (1)	2,280	2,120
6000 Contingency	106,000	6,000 (1)	-	6,000
Total Expenditures	4,607,540	4,615,604	4,433,718	181,886
Excess of Revenues Over (Under) Expenditures	(97,496)	(97,496)	347,719	445,215
OTHER FINANCING SOURCES (USES)				
5200 Transfers Out	(161,000)	(161,000) (1)	(148,239)	12,761
5300 Sale of Capital Assets	16,561	16,561	6,782	(9,779)
Total Other Financing Sources (Uses)	(144,439)	(144,439)	(141,457)	2,982
Net Change in Fund Balance	(241,935)	(241,935)	206,262	448,197
Beginning Fund Balance	250,000	250,000	285,963	35,963
Ending Fund Balance	\$ 8,065	\$ 8,065	\$ 492,225	\$ 484,160

(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, 2015

	SPECIAL REVENUE FUND			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
1000 Local Sources	\$ 8,000	\$ 17,130	\$ 14,369	\$ (2,761)
2000 Intermediate Sources	-	-	4,032	4,032
3000 State Sources	3,000	3,000	4,500	1,500
4000 Federal Sources	122,569	122,569	133,579	11,010
Total Revenues	133,569	142,699	156,480	13,781
EXPENDITURES:				
1000 Instruction	129,375	135,705 (1)	146,415	(10,710)
2000 Support Services	13,600	16,400 (1)	12,964	3,436
Total Expenditures	142,975	152,105	159,379	(7,274)
Net Change in Fund Balance	(9,406)	(9,406)	(2,899)	6,507
Beginning Fund Balance	9,406	9,406	13,467	4,061
Ending Fund Balance	\$ -	\$ -	\$ 10,568	\$ 10,568

(1) Appropriation Level

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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, 2015

<u>PERS UAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
1000 Local Sources	\$ 150,000	\$ 150,000	\$ 142,890	\$ (7,110)
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>142,890</u>	<u>(7,110)</u>
EXPENDITURES:				
5000 Debt Service	<u>141,082</u>	<u>141,082 (1)</u>	<u>141,082</u>	<u>-</u>
Total Expenditures	<u>141,082</u>	<u>141,082</u>	<u>141,082</u>	<u>-</u>
Net Change in Fund Balance	8,918	8,918	1,808	(7,110)
Beginning Fund Balance	<u>250,000</u>	<u>250,000</u>	<u>264,153</u>	<u>14,153</u>
Ending Fund Balance	<u>\$ 258,918</u>	<u>\$ 258,918</u>	<u>\$ 265,961</u>	<u>\$ 7,043</u>

(1) Appropriation Level

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	FOOD SERVICE FUND	PUBLIC PURPOSE CHARGES FUND	STUDENT ACTIVITY FUND	ATHLETIC FUND	SELP DEBT SERVICE FUND
ASSETS:					
Cash and Investments	\$ 2,062	\$ 5,629	\$ 48,540	\$ 1,495	\$ 603
Accounts Receivable	3,115	927	-		-
Total Assets	<u>\$ 5,177</u>	<u>6,556</u>	<u>\$ 48,540</u>	<u>\$ 1,495</u>	<u>\$ 603</u>
FUND BALANCES:					
Restricted	\$ 5,177	\$ -	\$ -	\$ -	\$ -
Committed	-	6,556	48,540	1,495	603
Total Fund Balances	<u>5,177</u>	<u>6,556</u>	<u>48,540</u>	<u>1,495</u>	<u>603</u>
Total Liabilities and Fund Balances	<u>\$ 5,177</u>	<u>\$ 6,556</u>	<u>\$ 48,540</u>	<u>\$ 1,495</u>	<u>\$ 603</u>

CONSTRUCTION EXCISE TAX FUND	TOTAL
\$ 50,826	\$ 109,155
6,999	11,041
<u>\$ 57,825</u>	<u>\$ 120,196</u>
\$ -	\$ 5,177
57,825	115,019
<u>57,825</u>	<u>120,196</u>
<u>\$ 57,825</u>	<u>\$ 120,196</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, 2015

	FOOD SERVICE FUND	PUBLIC PURPOSE CHARGES FUND	STUDENT ACTIVITY FUND	ATHLETIC FUND	SELP DEBT SERVICE FUND
REVENUES:					
1000 Local Sources	\$ 44,668	\$ 12,202	\$ 80,534	\$ 28,721	\$ -
4000 Federal Sources	210,129	-	-	-	-
Total Revenues	254,797	12,202	80,534	28,721	-
EXPENDITURES:					
1000 Instruction	-	-	74,149	94,875	-
3000 Enterprise and Community Services	316,526	-	-	-	-
4000 Facilities Acquisition and Construction	-	-	-	-	-
5000 Debt Service	-	-	-	-	29,472
Total Expenditures	316,526	-	74,149	94,875	29,472
Excess of Revenues Over, Under Expenditures	(61,729)	12,202	6,385	(66,154)	(29,472)
Other Financing Sources, -Uses:					
Transfers In	66,039	-	-	66,000	29,368
Transfers Out	-	(9,468)	-	-	-
Total Other Sources, -Uses	66,039	(9,468)	-	66,000	29,368
Net Change in Fund Balance	4,310	2,734	6,385	(154)	(104)
Beginning Fund Balances	867	3,822	42,155	1,649	707
Ending Fund Balances	\$ 5,177	\$ 6,556	\$ 48,540	\$ 1,495	\$ 603

CONSTRUCTION	
EXCISE TAX	
FUND	TOTAL
\$ 20,105	\$ 186,230
-	210,129
20,105	396,359
-	169,024
-	316,526
10,628	10,628
-	29,472
10,628	525,650
9,477	(129,291)
-	161,407
(3,700)	(13,168)
(3,700)	148,239
5,777	18,948
52,048	101,248
\$ 57,825	\$ 120,196

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, 2015

	FOOD SERVICE FUND			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
1000 Local Sources	\$ 49,298	\$ 49,298	\$ 44,668	\$ (4,630)
4000 Federal Sources	139,000	139,000	210,129	71,129
Total Revenues	188,298	188,298	254,797	66,499
EXPENDITURES:				
3000 Community Services	269,068	269,068 (1)	316,526	(47,458)
Total Expenditures	269,068	269,068	316,526	(47,458)
Excess of Revenues Over, -Under Expenditures	(80,770)	(80,770)	(61,729)	19,041
Other Financing Sources, -Uses:				
5000 Transfers In	80,770	80,770	66,039	(14,731)
Total Other Sources, -Uses	80,770	80,770	66,039	(14,731)
Net Change in Fund Balance	-	-	4,310	4,310
Beginning Fund Balance	-	-	867	867
Ending Fund Balance	\$ -	\$ -	\$ 5,177	\$ 5,177

(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, 2015

	<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	\$ 9,000	\$ 9,000	\$ 12,202	\$ 3,202
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>12,202</u>	<u>3,202</u>
Other Financing Sources, -Uses:				
5000 Transfers Out	<u>(9,468)</u>	<u>(9,468)</u>	<u>(1) (9,468)</u>	<u>-</u>
Total Other Sources, -Uses	<u>(9,468)</u>	<u>(9,468)</u>	<u>(9,468)</u>	<u>-</u>
Net Change in Fund Balance	(468)	(468)	2,734	3,202
Beginning Fund Balance	<u>468</u>	<u>468</u>	<u>3,822</u>	<u>3,354</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,556</u>	<u>\$ 6,556</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, 2015

<u>STUDENT ACTIVITY FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
1000 Local Sources:				
1700 Extracurricular Activities	\$ 52,000	\$ 52,000	\$ 80,534	\$ 28,534
Total Revenues	52,000	52,000	80,534	28,534
EXPENDITURES:				
1000 Instruction	90,000	90,000 (1)	74,149	15,851
Total Expenditures	90,000	90,000	74,149	15,851
Net Change in Fund Balance	(38,000)	(38,000)	6,385	44,385
Beginning Fund Balance	38,000	38,000	42,155	4,155
Ending Fund Balance	\$ -	\$ -	\$ 48,540	\$ 48,540

(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, 2015

ATHLETIC FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
1000 Local Sources	\$ 28,200	\$ 28,200	\$ 28,721	\$ 521
Total Revenues	<u>28,200</u>	<u>28,200</u>	<u>28,721</u>	<u>521</u>
EXPENDITURES:				
1000 Instruction	<u>94,430</u>	<u>94,430 (1)</u>	<u>94,875</u>	<u>(445)</u>
Total Expenditures	<u>94,430</u>	<u>94,430</u>	<u>94,875</u>	<u>(445)</u>
Excess of Revenues Over, -Under Expenditures	(66,230)	(66,230)	(66,154)	76
Other Financing Sources, -Uses:				
5000 Transfers In	<u>66,230</u>	<u>66,230</u>	<u>66,000</u>	<u>(230)</u>
Total Other Sources, -Uses	<u>66,230</u>	<u>66,230</u>	<u>66,000</u>	<u>(230)</u>
Net Change in Fund Balance	-	-	(154)	(154)
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>1,649</u>	<u>1,649</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,495</u></u>	<u><u>\$ 1,495</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, 2015

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	29,472	29,472 (1)	29,472	-
Total Expenditures	29,472	29,472	29,472	-
OTHER FINANCING SOURCES (USES)				
5200 Transfers In	27,168	27,168	29,368	2,200
Total Other Financing Sources (Uses)	27,168	27,168	29,368	2,200
Net Change in Fund Balance	(2,304)	(2,304)	(104)	2,200
Beginning Fund Balance	2,304	2,304	707	(1,597)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 603</u>	<u>\$ 603</u>

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, 2015

CONSTRUCTION EXCISE TAX FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
1000 Local Sources	\$ 10,000	\$ 10,000	\$ 20,105	\$ 10,105
Total Revenues	10,000	10,000	20,105	10,105
EXPENDITURES:				
4000 Facilities Acquisition and Construction	47,750	47,750 (1)	10,628	37,122
Total Expenditures	47,750	47,750	10,628	37,122
Excess of Revenues Over (Under) Expenditures	(37,750)	(37,750)	9,477	47,227
OTHER FINANCING SOURCES (USES)				
5200 Transfers Out	(3,700)	(3,700) (1)	(3,700)	-
Total Other Financing Sources (Uses)	(3,700)	(3,700)	(3,700)	-
Net Change in Fund Balance	(41,450)	(41,450)	5,777	47,227
Beginning Fund Balance	41,450	41,450	52,048	10,598
Ending Fund Balance	\$ -	\$ -	\$ 57,825	\$ 57,825

(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, 2015

BENTON COUNTY

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2014	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/2015
<u>GENERAL FUND:</u>						
Current:						
2014-15	\$ 983,075	\$ -	\$ -	\$ -	\$ 949,116	\$ 33,959
Prior Years:						
2013-14	31,374	-	(96)	-	11,438	19,840
2012-13	21,755	-	(80)	-	4,260	17,415
2011-12	8,860	-	(55)	-	2,871	5,934
2010-11	1,560	-	(76)	-	1,112	372
2009-10 & Prior	10,134	-	842	-	376	10,600
Total Prior	73,683	-	535	-	20,057	54,161
Total General Fund	\$ 1,056,758	\$ -	\$ 535	\$ -	\$ 969,173	\$ 88,120

LANE COUNTY

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2014	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/2015
<u>GENERAL FUND:</u>						
Current:						
2014-15	\$ 56,603	\$ 1,459	\$ (272)	\$ 22	\$ 53,347	\$ 1,547
Prior Years:						
2013-14	1,565	(3)	(112)	-	595	861
2012-13	880	(2)	(87)	-	214	581
2011-12	635	-	(8)	-	231	396
2010-11	396	-	(6)	-	114	276
2009-10 & Prior	630	-	(13)	-	32	585
Total Prior	4,106	(5)	(226)	-	1,186	2,699
Total General Fund	\$ 60,709	\$ 1,454	\$ (498)	\$ 22	\$ 54,533	\$ 4,246

RECONCILIATION TO REVENUE:

	GENERAL FUND
Cash Collections by County Treasurer Above	\$ 1,023,706
Other Taxes in Lieu of Property Taxes	4,218
Total Revenue	\$ 1,027,924

MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

OTHER INFORMATION

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MONROE SCHOOL DISTRICT NO. 1J
2014-15 REVENUE SUMMARY BY FUNCTION

Revenue from Local Sources	General	PERS UAL	Special Revenue	Food Service	Public Purpose	Student Activity	Athletics	SELP DSF	Construction ET
1111 Current Taxes	\$1,002,462	-	-	-	-	-	-	-	-
1112 Prior Taxes	25,462	-	-	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-	-	-	-	20,105
1200 Eke Co-ops, etc.	17	-	-	-	-	-	-	-	-
1311 Tuition from Individuals	250	-	-	-	-	-	-	-	-
1510 Earnings on Investments	7,368	6	-	-	-	-	-	-	-
1530 Contract Income, Interest Payments	9,778	-	-	-	-	-	-	-	-
1610 Daily Sales - Reimbursable	-	-	-	40,436	-	-	-	-	-
1620 Daily Sales - Non-reimbursable	-	-	-	4,182	-	-	-	-	-
1710 Admissions	-	-	-	-	-	-	11,450	-	-
1740 Fees	9,592	-	-	-	-	-	14,166	-	-
1790 Other Curricular Activity	700	-	-	-	-	80,534	-	-	-
1800 Community Service Activity	860	-	-	-	-	-	-	-	-
1920 Contributions/Donations	-	-	-	-	-	-	-	-	-
1960 Recovery of Prior Year Expenditures	1,196	-	-	-	-	-	-	-	-
1970 Services Provided Other Funds	-	142,884	-	-	-	-	-	-	-
1990 Miscellaneous	19,176	-	14,369	50	12,202	-	3,105	-	-
Total Revenue from Local Sources	\$1,076,861	\$142,890	\$14,369	\$44,668	\$12,202	\$80,534	\$28,721	-	\$20,105
Revenue from Intermediate Sources	General	PERS UAL	Special Revenue	Food Service	Public Purpose	Student Activity	Athletics	SELP DSF	Construction ET
2101 County School Funds	6,120	-	-	-	-	-	-	-	-
2200 Grants and Reimbursements	-	-	4,032	-	-	-	-	-	-
2250 Severe Disability Allocation	\$15,759	-	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	\$21,879	\$0	\$4,032	\$0	\$0	\$0	\$0	-	\$0
Revenue from State Sources	General	PERS UAL	Special Revenue	Food Service	Public Purpose	Student Activity	Athletics	SELP DSF	Construction ET
3101 State School Fund - General Support	\$3,509,526	-	-	-	-	-	-	-	-
3103 Common School Fund	64,894	-	-	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	23,624	-	-	-	-	-	-	-	-
3201 STAC Grant	-	-	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	\$9,065	-	4,500	-	-	-	-	-	-
Total Revenue from State Sources	\$3,607,109	\$0	\$4,500	\$0	\$0	\$0	\$0	-	\$0
Revenue from Federal Sources	General	PERS UAL	Special Revenue	Food Service	Public Purpose	Student Activity	Athletics	SELP DSF	Construction ET
4201 Medicaid Survey Reimbursement	-	-	-	-	-	-	-	-	-
4305 Rural Ed to Title IA	-	-	\$42,370	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	\$75,588	-	\$91,209	\$210,129	-	-	-	-	-
4700 Government Through Other Intermediate Agencies	-	-	-	-	-	-	-	-	-
4801 Federal Forest Fees	-	-	-	-	-	-	-	-	-
4899 Federal Forest Fees	-	-	-	-	-	-	-	-	-
Total Revenue from Federal Sources	\$75,588	\$0	\$133,579	\$210,129	\$0	\$0	\$0	-	\$0
Revenue from Other Sources	General	PERS UAL	Special Revenue	Food Service	Public Purpose	Student Activity	Athletics	SELP DSF	Construction ET
5150 Loan Receipts	\$	\$	\$	\$	-	\$	\$	\$	\$
5200 Interfund Transfers	-	-	-	66,039	-	-	66,000	29,368	-
5300 Sale of Fixed Assets	6,782	-	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	\$285,963	\$264,153	\$13,467	\$867	\$3,822	\$42,155	\$1,649	707	\$52,048
Total Revenue from Other Sources	\$292,745	\$264,153	\$13,467	\$66,906	\$3,822	\$42,155	\$67,649	\$30,075	\$52,048
Grand Totals	\$5,074,182	\$407,043	\$169,947	\$321,703	\$16,024	\$122,689	\$96,370	\$30,075	\$72,153

MONROE SCHOOL DISTRICT NO. 1J
2014-15 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	840,246	532,110	293,178	3,817	11,141	-	-	-
1121 Middle/Junior High Programs	232,836	138,269	78,949	6,325	9,067	-	226	-
1122 Middle/Junior High School Extracurricular	1,211	900	311	-	-	-	-	-
1131 High School Programs	654,475	396,990	218,774	18,346	19,469	-	896	-
1132 High School Extracurricular	6,231	4,600	1,631	-	-	-	-	-
1220 Special Ed Programs	511,706	274,751	172,909	56,690	6,976	-	380	-
1271 Summer School Programs	1,491	1,095	396	-	-	-	-	-
1280 Alternative Education	2,293	-	-	2,293	-	-	-	-
1285 Credit Recovery	2,000	-	-	2,000	-	-	-	-
1291 English Second Language Programs	102,914	62,198	38,566	-	2,150	-	-	-
Total Instruction Expenditures	\$ 2,355,403	\$ 1,410,913	\$ 804,714	\$ 89,471	\$ 48,803	\$ -	\$ 1,502	\$ -

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2120 Guidance Services	60,556	39,740	19,710	119	183	-	804	-
2130 Health Services	6,055	1,276	1,682	919	2,178	-	-	-
2150 Speech Pathology and Audiology Services	72,274	45,000	24,224	135	2,661	-	254	-
2190 Service Area Direction	46,605	32,178	14,427	-	-	-	-	-
2211 Improvement of Instruction Services	850	-	-	488	362	-	-	-
2213 Curriculum Development	25,919	16,091	9,157	278	393	-	-	-
2222 Education Media Service	57,830	31,095	24,483	-	1,402	-	850	-
2230 Assessment & Testing	3,267	-	-	3,016	251	-	-	-
2310 Board of Education Services	39,726	-	5,530	19,996	523	-	13,677	-
2320 Executive Administration Services	299,646	169,596	109,030	17,998	1,569	-	1,453	-
2410 Office of the Principal Services	395,784	233,779	153,607	1,457	3,762	-	3,179	-
2520 Fiscal Services	116,017	61,211	45,100	6,546	225	-	2,935	-
2542 Operation and Maintenance of Plant Services	369,720	97,652	58,386	172,298	12,251	-	29,133	-
2544 Care and Upkeep of Grounds	98,471	46,304	27,425	17,856	6,116	-	770	-
2546 Security Service	3,419	-	-	3,419	-	-	-	-
2550 Pupil Transportation	413,068	-	-	413,068	-	-	-	-
2570 Warehouse	11,547	-	-	3,222	8,101	-	224	-
2660 Technology Services	55,281	9,718	5,864	21,624	18,075	-	-	-
Total Support Services Expenditures	\$ 2,076,035	\$ 783,640	\$ 498,625	\$ 682,439	\$ 58,052	\$ -	\$ 53,279	\$ -

Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3300 Community Services	2,280	-	-	2,280	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 2,280	\$ -	\$ -	\$ 2,280	\$ -	\$ -	\$ -	\$ -

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	148,239	-	-	-	-	-	-	148,239
Total Other Uses Expenditures	\$ 148,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,239

Grand Total	\$ 4,581,957	\$ 2,194,553	\$ 1,303,339	\$ 774,190	\$ 106,855	\$ -	\$ 54,781	\$ 148,239
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MONROE SCHOOL DISTRICT NO. 1J
2014-15 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	801	-	-	-	801	-	-	-
1112 Intermediate Programs	-	-	-	-	-	-	-	-
1113 Elementary Extra Curricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	15	-	-	-	15	-	-	-
1122 Middle/Junior High School Extracurricular	4,850	-	-	243	3,617	-	990	-
1131 High School Programs	5,671	-	-	-	5,671	-	-	-
1272 Title I	135,078	69,287	39,399	590	25,802	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ 146,415	\$ 69,287	\$ 39,399	\$ 833	\$ 35,906	\$ -	\$ 990	\$ -

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2130 Health Services	4,486	4,150	336	-	-	-	-	-
2190 Service Area Direction	396	172	52	-	172	-	-	-
2213 Curriculum Development	145	-	-	-	145	-	-	-
2240 Instructional Staff Development	6,598	3,087	617	2,579	-	-	315	-
2542 Operation and Maintenance of Plant Services	1,339	1,240	99	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 12,964	\$ 8,649	\$ 1,104	\$ 2,579	\$ 317	\$ -	\$ 315	\$ -

Grand Total	\$ 159,379	\$ 77,936	\$ 40,503	\$ 3,412	\$ 36,223	\$ -	\$ 1,305	\$ -
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MONROE SCHOOL DISTRICT NO. 1J
2014-15 EXPENDITURES BY FUNCTION/OBJECT

Food Service Fund

Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	316,526	74,785	60,590	65,314	114,314	-	1,523	-
Total Enterprise and Community Service:								
Expenditures	\$ 316,526	\$ 74,785	\$ 60,590	\$ 65,314	\$ 114,314	\$ -	\$ 1,523	\$ -
Grand Total	\$ 316,526	\$ 74,785	\$ 60,590	\$ 65,314	\$ 114,314	\$ -	\$ 1,523	\$ -

MONROE SCHOOL DISTRICT NO. 1J
2014-15 EXPENDITURES BY FUNCTION/OBJECT

Public Purpose Charges

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5200 Transfers of Funds	9,468	-	-	-	-	-	-	9,468
Total Other Uses Expenditures	\$ 9,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,468
Grand Total	\$ 9,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,468

MONROE SCHOOL DISTRICT NO. 1J
2014-15 EXPENDITURES BY FUNCTION/OBJECT

Student Activity Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1122 Middle/Junior High School Extracurricular	33,390	-	-	11,033	22,357	-	-	-
1132 High School Extracurricular	36,749	-	-	12,592	24,157	-	-	-
1133 High School Extracurricular	4,010	-	-	2,757	1,253	-	-	-
Total Instruction Expenditures	\$ 74,149	\$ -	\$ -	\$ 26,382	\$ 47,767	\$ -	\$ -	\$ -

Grand Total	\$ 74,149	\$ -	\$ -	\$ 26,382	\$ 47,767	\$ -	\$ -	\$ -
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MONROE SCHOOL DISTRICT NO. 1J
2014-15 EXPENDITURES BY FUNCTION/OBJECT

Athletic Fund

Instruction Expenditures

1122 Middle/Junior High School Extracurricular
1132 High School Extracurricular

Total Instruction Expenditures

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
8,845	3,067	1,058	3,044	1,626	-	50	-
86,030	35,933	8,723	32,447	6,902	-	2,025	-
\$ 94,875	\$ 39,000	\$ 9,781	\$ 35,491	\$ 8,528	\$ -	\$ 2,075	\$ -

Grand Total

\$ 94,875	\$ 39,000	\$ 9,781	\$ 35,491	\$ 8,528	\$ -	\$ 2,075	\$ -
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MONROE SCHOOL DISTRICT NO. 1J
2014-15 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
141,082	-	-	-	-	-	141,082	-
\$ 141,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,082	\$ -
\$ 141,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,082	\$ -

MONROE SCHOOL DISTRICT NO. 1J
2014-15 EXPENDITURES BY FUNCTION/OBJECT

SELP Debt Service Fund

Other Uses Expenditures
5100 Debt Service

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
29,472	-	-	-	-	-	29,472	-
Total Other Uses Expenditures	\$ 29,472	\$ -	\$ -	\$ -	\$ -	\$ 29,472	\$ -

Grand Total

\$ 29,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,472	\$ -
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MONROE SCHOOL DISTRICT NO. 1J
2014-15 EXPENDITURES BY FUNCTION/OBJECT

Construction Excise Tax 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
10,628	-	-	10,292	336	-	-	-

Total Facilities Acquisition and Construction

Expenditures \$ 10,628 \$ - \$ - \$ 10,292 \$ 336 \$ - \$ - \$ -

Other Uses Expenditures

5200 Transfers of Funds

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3,700							3,700

Total Other Uses Expenditures \$ 3,700 \$ - \$ - \$ - \$ - \$ - \$ - \$ 3,700

Grand Total

\$ 14,328	\$ -	\$ -	\$ 10,292	\$ -	\$ -	\$ -	\$ 3,700
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MONROE SCHOOL DISTRICT NO. 1J
BENTON COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS

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November 20, 2015

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, 2015, 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 three 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 black ink, appearing to read "Ken Allen", with a stylized, flowing script.

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