



Extension Service Curry County

Oregon State University, 29390 Ellensburg, PO Box 488, Gold Beach, Oregon 97444
T 541-247-6672 | F 541-247-2875 | <http://extension.oregonstate.edu/curry/>

November 21, 2017

Hough, MacAdam, Wartnik, Fisher & Gorman, LLC
Certified Public Accountants
3690 Broadway Avenue
North Bend, OR 97459

We are providing this letter in connection with your review of the statement of the financial statements of Curry 4-H and Extension Service District, a component unit of Curry County, Oregon, which comprise the statement of net position – modified cash basis as of June 30, 2017 and the related statement of activities – modified cash basis for the year then ended, and the related notes to the financial statements, for the purpose of obtaining limited assurance as a basis for reporting whether you are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with the modified cash basis of accounting. We confirm that we are responsible for the preparation and fair presentation of the financial statements of financial position and results of operations in conformity with the modified cash basis of accounting and the selection and application of accounting policies.

We understand that you prepared the trial balance for use during the review and that your preparation of the trial balance was limited to formatting the information in the District's general ledger into a working trial balance. Also, as a part of your review, you prepared the draft financial statements and related notes from the trial balance.

In regards to the services performed by you as described in the preceding paragraph, we have:

- Assumed all management responsibilities.
- Overseen the services by designating an individual who possesses suitable skill, knowledge, and/or experience.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your review.

1. We acknowledge our responsibility and have fulfilled our responsibilities for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting, as set out in the terms of the engagement letter dated June 27, 2017.

2. We have made available to you all –
 - a) Financial records and related data, of which we are aware, that is relevant to the preparation and fair presentation of financial statements.
 - b) Minutes of meetings of the board of directors.
 - c) Additional information you have requested from us for the purpose of the review.
 - d) Unrestricted access to District personnel from whom you determined it necessary to obtain review evidence.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. All material transactions have been recorded and have been properly reflected in the financial statements.
5. There are no uncorrected misstatements.
6. We acknowledge and have fulfilled our responsibility for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
7. We acknowledge our responsibility for designing, implementing, and maintaining internal control to prevent and detect fraud.
8. We have no knowledge of any fraud or suspected fraud affecting the District involving management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.
9. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the District's financial statements as a whole communicated by employees, former employees, analysts, regulators, or others.
10. We have disclosed to you the identity of the District's related parties and all related-party relationships and transactions of which we are aware.
11. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, or fund equity.
12. There are no—
 - a) Known or suspected instances of noncompliance with laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements and have we have not consulted a lawyer concerning litigation, claims, or assessments.
 - c) Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.

13. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
14. There are no violations or possible violations of budget ordinances, laws or regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting noncompliance.
15. The District has satisfactory title of all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
16. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
17. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a) Related party transactions and related accounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.
 - b) Guarantees, whether written or oral, under which the District is contingently liable.
18. The financial statements properly classify all funds and activities.
19. We believe significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
20. Components of net position (net investment in capital assets, net of related debt; restricted; and unrestricted) and fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
21. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
22. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal, as applicable.
23. Capital assets are properly capitalized, reported, and, if applicable, depreciated.
24. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
25. We acknowledge our responsibility for the supplementary information. The supplementary information is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the supplementary information.
26. There are no adjustments required to be recorded.
27. The District has chosen to omit the Management's Discussion and Analysis section in the financial statements.

28. We have responded fully and truthfully to all inquiries made to us by you during your review.

We have evaluated and classified any subsequent events as recognized through the date of this letter. To the best of our knowledge and belief, no events, including instances of noncompliance have occurred subsequent to the date of the financial statements and through the date of this letter that would require disclosure in the financial statements.

Signed: _____

Signed: _____

Title: _____

Title: _____

Date: _____

Date: _____

Signed: _____

Title: _____

Date: _____

CURRY COUNTY 4-H AND EXTENSION SERVICE DISTRICT
P.O. BOX 488
GOLD BEACH, OR 97444

Management Representation of Fiscal Affairs

Required by Oregon Regulation

The Curry County 4-H and Extension Service District is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operation and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, division 40) including, but not limited to:

- (a) Deposit of public funds with financial institutions (ORS Chapter 295).
- (b) Indebtedness limitations, restrictions, and repayment.
- (c) Budgets legally required (ORS Chapter 294).
- (d) Insurance and fidelity bonds in force or required by law.
- (e) Programs funded from outside sources.
- (f) Authorized investment of surplus funds (ORS Chapter 294).
- (g) Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

The management of Curry County 4-H and Extension Service District is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

Signed: _____

Signed: _____

Title: _____

Title: _____

Date: _____

Date: _____

Signed: _____

Title: _____

Date: _____

Stat. Auth.: ORS 297
Stats. Implemented: ORS 297.465
Hist.: AUDIT 1-2012, f. 2-9-12, cert. ef. 4-1-12

**CURRY COUNTY 4-H AND
EXTENSION SERVICE DISTRICT
(a component unit of Curry County, Oregon)**

**ANNUAL FINANCIAL REPORT
(Reviewed)
For the Fiscal Year Ended June 30, 2017**

CURRY COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(a component unit of Curry County, Oregon)

ANNUAL FINANCIAL REPORT
(Review)
For the Fiscal Year Ended June 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
DISTRICT OFFICIALS	1
FINANCIAL SECTION	
Accountants' Review Report	2-3
BASIC FINANCIAL STATEMENTS	
Statement of Net Position (Modified Cash Basis)	4
Statement of Activities (Modified Cash Basis)	5
Balance Sheet – General Fund (Cash Basis)	6
Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance –General Fund (Cash Basis)	7
Notes to the Basic Financial Statements	8 – 14
SUPPLEMENTARY INFORMATION	
Schedule of Revenues Received, Expenditures Paid and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual General Fund (Cash Basis)	15
ACCOMPANYING INFORMATION	
Management Representation of Fiscal Affairs	16

DISTRICT OFFICIALS

**CURRY COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(a component unit of Curry County, Oregon)**

DISTRICT OFFICIALS

June 30, 2017

Tom Huxley, Chair
Curry County Commissioner
Courthouse Annex
Gold Beach, OR 97444

Sue Gold, Vice-Chair
Curry County Commissioner
Courthouse Annex
Gold Beach, OR 97444

Court Boice, Commissioner
Curry County Commissioner
Courthouse Annex
Gold Beach, OR 97444

REGISTERED AGENT
AND DISTRICT BUDGET OFFICER

Frank Burris

EXTENSION REGIONAL ADMINISTRATOR

Dave Hansen

REGISTERED OFFICE

P.O. Box 488
29390 Ellensburg Avenue
Gold Beach, OR 97444
(541) 247-6672

FINANCIAL SECTION

DRAFT

BASIC FINANCIAL STATEMENTS

DRAFT

CURRY COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(a component unit of Curry County, Oregon)

STATEMENT OF NET POSITION
(MODIFIED CASH BASIS)
June 30, 2017

	<u>Net Position</u>
ASSETS	
Cash and cash equivalents	\$ 531,406
Capital assets, net of accumulated depreciation	<u>1,365</u>
Total assets	<u>532,771</u>
NET POSITION	
Net investment in capital assets	1,365
Unrestricted	<u>531,406</u>
Total net position	<u><u>\$ 532,771</u></u>

See accompanying notes and independent accountants' review report.

CURRY COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(a component unit of Curry County, Oregon)

STATEMENT OF ACTIVITIES
(MODIFIED CASH BASIS)
For the Fiscal Year Ended June 30, 2017

Expenses:	
Educational:	
Materials and services	\$ 314,971
Depreciation expense	<u>684</u>
Total program expenses	<u>315,655</u>
General revenues:	
Property taxes	282,980
Earnings on investments	<u>6,585</u>
Total general revenues	<u>289,565</u>
Increase in net position	(26,090)
Net position - beginning of year	<u>558,861</u>
Net position - end of year	<u><u>\$ 532,771</u></u>

See accompanying notes and independent accountants' review report.

CURRY COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(a component unit of Curry County, Oregon)

BALANCE SHEET - GENERAL FUND
(CASH BASIS)
June 30, 2017

	<u>Major Fund</u>
ASSETS	
Cash and cash equivalents	<u>\$ 531,406</u>
LIABILITIES AND FUND BALANCES	
Fund balances:	
Assigned	\$ 100,000
Unassigned	<u>431,406</u>
Total fund balance	<u>\$ 531,406</u>
Reconciliation to Statement of Net Position:	
Total fund balance, General Fund	\$ 531,406
Capital assets are not current financial resources in the governmental funds but are reported in the Statement of Net Position at their net depreciated value.	<u>1,365</u>
Total net position - governmental activities	<u>\$ 532,771</u>

See accompanying notes and independent accountants' review report.

CURRY COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(a component unit of Curry County, Oregon)

STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID
AND CHANGES IN FUND BALANCE
GENERAL FUND (CASH BASIS)
For the Fiscal Year Ended June 30, 2017

	<u>Major Fund</u>
Revenues:	
Property taxes:	
Current year	\$ 271,419
Previously levied taxes	11,561
Earnings on investments	<u>6,585</u>
Total revenues	<u>289,565</u>
Expenditures:	
Materials and services	<u>314,971</u>
Net change in fund balance	<u>(25,406)</u>
Fund balance at beginning of year	<u>556,812</u>
Fund balance at end of year	<u><u>\$ 531,406</u></u>
Reconciliation of the Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance to the Statement of Activities:	
Net change in fund balance	\$ (25,406)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities these costs are included in capital assets reported in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation expense exceeded capital outlay in the period.	
Depreciation	<u>(684)</u>
Increase in net position	<u><u>\$ (26,090)</u></u>

See accompanying notes and independent accountants' review report.

CURRY COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(a component unit of Curry County, Oregon)

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Curry County 4-H and Extension Service District (District) was established by a vote of the residents of Curry County at an election on September 16, 1986, and was authorized to levy taxes by a vote on November 4, 1986.

The District is a single-program government, contracting with the Oregon State University on an annual basis to provide staff, training, and educational programs and information to the District for the benefit of the residents of Curry County.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The District board consists entirely of the governing body of Curry County, the County has the ability to impose its will on the District and the County is financially accountable for the District. Based on the criteria established by Governmental Accounting Standards Board (GASB), the District is considered a component unit of Curry County, Oregon. There are no potential component units of the District.

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

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles. The financial statements of the Curry County 4-H and Extension Service District (District) have been prepared in conformity with the modified cash basis method of accounting, which complies with the statutory provisions of ORS 294.445, and is considered a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The measurement focus of the District's financial statements is on the changes in current financial resources.

1. Basis of Presentation

District-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the District.

Governmental activities – The District's programs are reported in this category, including the General Fund. Property taxes, interest and grants are the primary sources that finance these activities.

The district-wide statements are prepared using the modified cash basis of accounting. The modified cash basis of accounting recognizes and measures all transactions by their effect on cash and cash equivalents. Modified cash basis of accounting, in general, incorporates capital assets and the related depreciation on the capital assets which are not reported in the fund financial statements. The governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the district-wide statements and the statements for governmental funds.

The district-wide Statement of Activities presents a comparison between direct expenses and program revenues, if any, for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. Indirect expenses, such as depreciation, are not allocated across functions as they are not specifically associated with a particular service, program or department. Revenues, which are not classified as program revenues, are presented as general revenues of the District. The District draws almost entirely from general revenues to finance its activities.

Fund Financial Statements Fund financial statements report detailed information about the District. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The financial statements of the District have been prepared in conformity with the cash basis method of accounting, which complies with the statutory provisions of ORS 294.445 and is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for the governmental funds are a Balance Sheet, which generally includes only current assets, and a Statement of Revenues Received, Expenditures Paid and Changes in Fund Balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

2. *Fund Accounting*

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

Governmental Funds are used to account for the District's general governmental activities. The cash basis method of accounting is used to record receipts and disbursements of all funds. Under this basis, revenues are recognized when collected rather than when earned and expenses are generally recognized when paid rather than when incurred. Consequently, accounts receivable, accounts payable, and other accrued expenses are not included in the fund financial statements of June 30, 2017.

Governmental funds include the following:

The *General Fund* is the District's primary operating fund. It accounts and reports for all financial resources of the District.

C. Assets, Liabilities and Equity

1. *Cash and Cash Equivalents*

The District maintains investments in the Curry County Treasurer's Office Investment Pool.

2. *Inventory*

Physical inventories are taken periodically for control purposes only with no value assigned. The cost value of such inventory has been recorded as an expenditure when purchased. Accordingly, a value for inventory is not included on the Statement of Net Position.

3. *Capital Assets*

Expenditures or major additions, improvements, and replacements are capitalized for amounts in excess of \$5,000 with an initial estimated life extending beyond a single reporting period. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are incurred.

Capital assets are depreciated using straight-line method over the following estimated useful lives:

Machinery and equipment	3 – 15 years
-------------------------	--------------

4. *Net Position*

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's financial statements. Government-wide and proprietary fund net position is divided into three components:

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

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

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

5. *Fund Balance*

In accordance with GASB Statement No. 54, in the governmental fund financial statements fund balances are classified as follows:

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

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

Committed—Amounts that can only be used for specific purposes determined by a formal action by District officials. These amounts cannot be used for any other purpose unless the District officials remove or change the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

Assigned—Amounts that are designated as committed by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent must be expressed by the District officials, their authorized designee, or the budget committee.

Unassigned—All amounts not included in other spendable classifications.

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

The details of the fund balances are included in the Balance Sheet of the General Fund.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a cash basis of accounting. All annual appropriations lapse at fiscal year end.

Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay and contingency are the levels of control. Original appropriations may be increased through resolutions by transferring amounts between appropriations in the same fund or by transferring from an appropriation in the General Fund to an appropriation category in another fund. A supplemental budget is needed to increase appropriations when appropriations transfers are unauthorized. Budget amounts are as originally adopted, or as amended by the Board of Directors.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits. The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2017. If bank deposits at year end are not entirely insured or collateralized with securities held by the District or by its agent in the District's name, the District must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require the depository institution to participate in the Public Funds Collateralization Program. The Public Funds Collateralization Program is a multiple financial institution collateral pool administered by the Oregon State Treasurer's office. For the fiscal year ended June 30, 2017, the District had no funds on deposit in financial institutions.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

Investments. The District has invested funds with the Curry County Treasurer's Office, which, in turn, invests in the State of Oregon Local Government Investment Pool (LGIP). The Curry County Treasurer's Investment Pool distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of the participant deposits, adjusted for withdrawals and distributed income. Investments are stated at cost, which approximates fair market value.

The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an unrated external investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40. Withdrawals in excess of \$5 million require 48 hours' notice.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants' equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the District's cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 294. These funds are held by an agent in Curry County's name and are not subject to collateralization requirements or ORS 295.015.

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

State statutes authorize the District to invest primarily in general obligations of the US Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers, and the State Treasurer's investment pool, among others. The District has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk. The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The District has no such investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund Board manages this risk by limiting the maturity of the investments held by the fund. The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Investments in the State Treasurer's investment pool are stated at fair value, which is essentially equal to cost at June 30, 2017. The fair value of investments is determined annually, and is based on current market prices. Investments with remaining maturities of up to ninety days are carried at amortized cost, which approximates fair value.

As of June 30, 2017, the District had the following investments:

Investment Type	Maturity	Percentage of Portfolio	Fair Value
Local Government Investment Pool	1 day	100%	<u>\$ 531,406</u>

A reconciliation of cash and cash equivalents as shown on the Statement of Net Position is as follows:

Total cash and cash equivalents	<u>\$ 531,406</u>
---------------------------------	-------------------

B. Property Taxes

Property taxes are assessed and attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are payable on November 15. They may be paid in installments due November 15, February 15, and May 15. Taxes are billed and collected by the County of Curry and remittance to the District is made at periodic intervals. For fiscal year 2016-2017, the District imposed taxes at a rate of \$0.1021 per \$1,000 of assessed value. After an increase for estimated additional taxes and penalties, this resulted in a net levy of \$289,733.

Under the cash basis method of accounting, property taxes are reflected as revenue only in the period they are received.

C. Capital Assets

Capital assets for the District for the year ended June 30, 2017 consisted of the following:

	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017
<u>Depreciable capital assets</u>				
Machinery and equipment	\$ 36,279	\$ -	\$ -	\$ 36,279
<i>Less accumulated depreciation for:</i>				
Machinery and equipment	(34,230)	(684)	-	(34,914)
Total capital assets (net)	<u>\$ 2,049</u>	<u>\$ (684)</u>	<u>\$ -</u>	<u>\$ 1,365</u>

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There has been no significant reduction in insurance coverage from the prior years and the District has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years.

SUPPLEMENTARY INFORMATION

DRAFT

CURRY COUNTY 4-H AND EXTENSION SERVICE DISTRICT
(a component unit of Curry County, Oregon)

**SCHEDULE OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN
FUND BALANCE BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GENERAL FUND (CASH BASIS)**
For the Fiscal Year Ended June 30, 2017

	Budgeted		Actual	Variance
	Original	Final		
Revenues:				
Property taxes:				
Current year	\$ 265,549	\$ 265,549	\$ 271,419	\$ 5,870
Previously levied taxes	14,000	14,000	11,561	(2,439)
Earnings on investments	3,000	3,000	6,585	3,585
Total revenues	282,549	282,549	289,565	7,016
Expenditures:				
Materials and services	485,245	485,245	314,971	170,274
Capital outlay	500	500	-	500
Contingency	48,525	48,525	-	48,525
Total expenditures	534,270	534,270	314,971	219,299
Net change in fund balance	(251,721)	(251,721)	(25,406)	226,315
Fund balance at beginning of year	497,772	497,772	556,812	59,040
Fund balance at end of year	<u>\$ 246,051</u>	<u>\$ 246,051</u>	<u>\$ 531,406</u>	<u>\$ 285,355</u>

ACCOMPANYING INFORMATION

DRAFT

CURRY COUNTY 4-H AND EXTENSION SERVICE DISTRICT
P.O. BOX 488
GOLD BEACH, OR 97444

Management Representation of Fiscal Affairs

Required by Oregon Regulation

The Curry County 4-H and Extension Service District is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operation and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, division 40) including, but not limited to:

- (a) Deposit of public funds with financial institutions (ORS Chapter 295).
- (b) Indebtedness limitations, restrictions, and repayment.
- (c) Budgets legally required (ORS Chapter 294).
- (d) Insurance and fidelity bonds in force or required by law.
- (e) Programs funded from outside sources.
- (f) Authorized investment of surplus funds (ORS Chapter 294).
- (g) Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

The management of Curry County 4-H and Extension Service District is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

Signed: _____

Signed: _____

Title: _____

Title: _____

Date: _____

Date: _____

Signed: _____

Title: _____

Date: _____

Stat. Auth.: ORS 297
Stats. Implemented: ORS 297.465
Hist.: AUDIT 1-2012, f. 2-9-12, cert. ef. 4-1-12