ANNUAL FINANCIAL REPORT

June 30, 2021

DISTRICT OFFICIALS

June 30, 2021

BOARD OF DIRECTORS

Andy Wright, Chair 27781 Hunter Creek Road Gold Beach, Oregon 97444

Kailey Clarno, Vice Chair 94158 11th Street Gold Beach, Oregon 97444

Scott McNair 94369 11th Street Gold Beach, Oregon 97444

Jeremy Skinner 94375 Tom Cat Hill Road Gold Beach, Oregon 97444

Nancy Sorensen 27796 Hunter Creek Road Gold Beach, Oregon 97444

ADMINISTRATION

Eric Milburn
Superintendent
(Effective 07/01/2021)
P.O. Box 70
Gold Beach, Oregon 97444

Tim Wilson Superintendent (07/01/2020 – 6/30/2021) 28679 Brooks Road Gold Beach, Oregon 97444

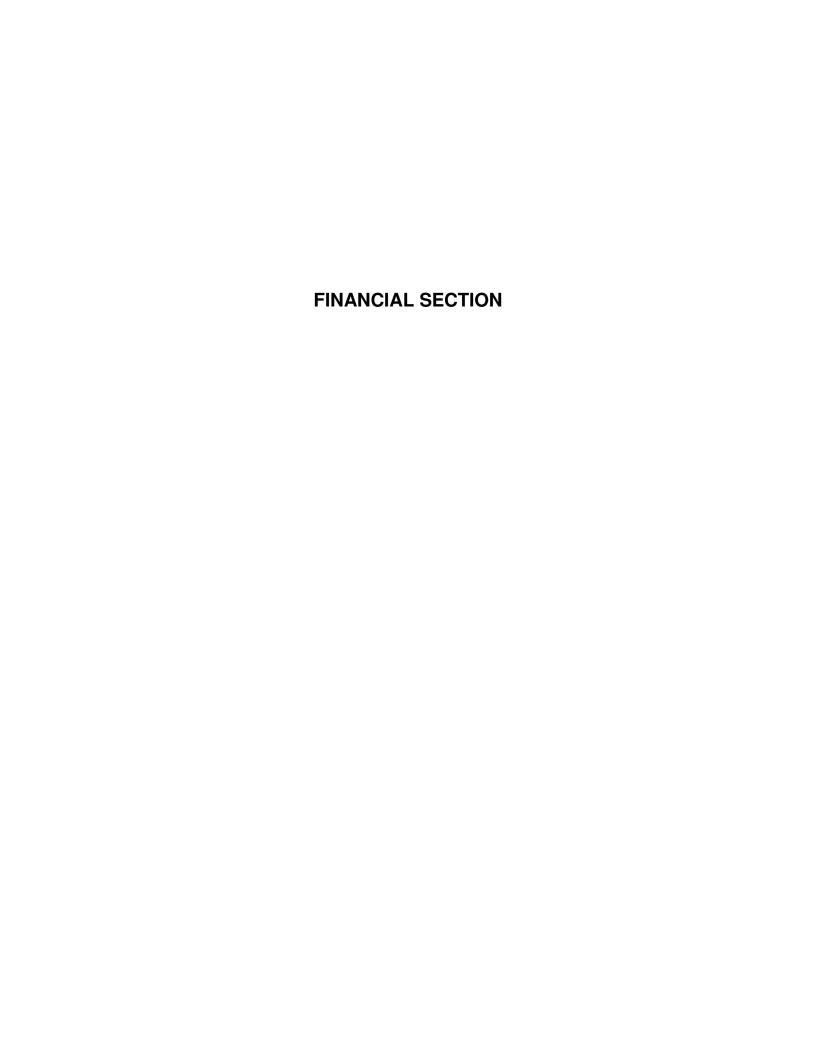
Kristal Carpenter Business Manager 32774 Cedar Valley Road Gold Beach, Oregon 97444

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors Central Curry School District No. 1 Gold Beach, Oregon 97444

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of Central Curry School District No. 1, Gold Beach, Oregon, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of Central Curry School District No. 1, Gold Beach, Oregon as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the proportionate share of the net OPEB liability (asset), schedule of contributions – other postemployment benefits, and budgetary comparison information on pages 4 through 10, 54, 55, 56, 57, 58, and 59 through 60, respectively, 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, schedule of the proportionate share of the net pension liability, schedule of contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the proportionate share of the net OPEB liability (asset), and schedule of contributions - other postemployment benefits in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the proportionate share of the net OPEB liability (asset), or schedule of contributions - other postemployment benefits because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Central Curry School District No. 1's basic financial statements. The individual fund schedules, revenue and expenditure summaries, schedule of property tax transactions, statistical section, supplemental information required by the Oregon Department of Education, and the schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The schedule of property tax transactions, statistical section, and supplemental information required by the Oregon Department of Education have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 on our consideration of Central Curry School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Central Curry School District No. 1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Curry School District No. 1's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 21, 2021 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.

Koontz, Blasquez & Associates, P.C.

Debra L. Blasquez,

Albany, Oregon December 21, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

As management of Central Curry School District No. 1, Gold Beach, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2021, total net position of Central Curry School District No. 1 amounted to \$326,384. Of this amount, \$2,353,577 was invested in capital assets, net of related debt; \$24,745 was restricted for debt service; \$8,946 was restricted for special projects; and \$191,716 was restricted for student body activities. The remaining balance of \$(2,252,600) was unrestricted.
- At June 30, 2021, the District's governmental funds reported combined ending fund balances of \$2,111,710.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Central Curry School District No. 1's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements can be found on pages 11 through 13 of this report.

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Central Curry School District No. 1 are governmental funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

□ Governmental Funds

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

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

The District maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General and Special Revenue Funds, both of which are considered to be major governmental funds, as well as for the Debt Service Fund, which is considered to be a nonmajor governmental fund.

Central Curry School District No. 1 adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18 through 53 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes the schedule of the proportionate share of the net pension liability, schedule of contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the proportionate share of the net OPEB liability (asset), schedule of contributions – other postemployment benefits, and budgetary comparison information for the General and Special Revenue Funds. This required supplementary information can be found on pages 54 through 60 of this report.

Individual fund schedules can be found immediately following the required supplementary information on page 61 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2021, the District's assets exceeded its liabilities by \$326,384.

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

District's Net Position

The District's net position increased by \$157,454 during the current fiscal year. This increase is primarily due to an increase in program revenues.

Condensed statement of net position information is shown below.

Condensed Statement of Net Position

	Governmen	Governmental Activities		
	2021	2020		
Assets and deferred outflows of resources				
Current assets	\$ 2,483,650	\$ 2,183,987		
Restricted assets	293,346	321,763		
Net capital assets	3,356,552	3,493,168		
Deferred outflows of resources	2,338,167	2,037,014		
Total assets and deferred outflows of resources	8,471,715	8,035,932		
Liabilities and deferred inflows of resources				
Current liabilities	938,541	883,573		
Noncurrent liabilities	6,508,096	6,417,632		
Deferred inflows of resources	698,694	565,797		
Total liabilities and deferred inflows of resources	8,145,331	7,867,002		
Net position				
Net investment in capital assets	2,353,577	2,063,435		
Restricted for various purposes	225,407	226,850		
Unrestricted	(2,252,600)	(2,121,355)		
Total net position	\$ 326,384	\$ 168,930		

District's Changes in Net Position

The condensed statement of activities information shown on the following page explains changes in net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Condensed Statement of Activities

	Governmental Activities			
	2021	2(2020	
Program revenues Regular programs	\$ 9	,867 \$	29,264	
Special programs	655	,348 4	16,208	
Student support services	55	,068 1	31,822	
Instructional staff support	1	,997	9,055	
Food services	582	,112 2	90,611	
Total program revenues	1,304	,392 8	376,960	
General revenues				
Property taxes - general	3,292	•	70,510	
Property taxes - debt service		•	70,987	
State school fund - general support	2,239		71,674	
Common school fund		•	39,833	
Unrestricted state and local revenue		,000	-	
Unrestricted grants and contributions		,178	1,538	
Unrestricted federal revenue			80,824	
Investment earnings			37,609	
Amortization of bond premium			17,179	
Gain on sale of capital assets		,845	5,782	
Miscellaneous	203	,661 1	36,057	
Total general revenues	6,287	,231 6,0	31,993	
Total revenues	7,591	,623 6,9	08,953	
Program expenses				
Regular programs	3,171		89,338	
Special programs		•	45,789	
Summer school programs		,308	9,595	
Student support services		•	60,868	
Instructional staff support	138		79,441	
General administrative support	223	•	87,316	
School administrative support	637	,158 6	14,902	
Business support services	1,582	,505 1,3	68,865	
Central activities support	137	,951 1	42,298	
Food services	446	,201 3	93,399	
Community service activities	7	,391	9,085	
Custody and care of children	2	,277	3,020	
Unallocated depreciation expense	160	,266 1	40,589	
Interest on long-term debt	40	,877	69,277	
Total program expenses	7,434	,169 7,0	13,782	
Change in net position	157	,454 (1	04,829)	
Net position - beginning of year	168	,930 2	73,759	
Net position - end of year	\$ 326	,384 \$ 1	68,930	

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Revenues

Since the District's mission is to provide a free and appropriate public education for kindergarten through twelfth grade students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide 83% of the funding required for governmental programs. Property taxes and state school funding combined for 94% of general revenues and 78% of total revenues.

Charges for services make up less than 1% of total revenues and are composed of the following items for which it is appropriate that the District charge tuition or fees:

	Total charges for services	\$ 22,289
•	Various student extracurricular activities	 19,063
•	Food service charges for breakfast and lunch	\$ 3,226

Operating grants and contributions represent 17% of total revenues. Included in this category are \$1,282,103 for grants and contributions to support various educational activities.

Expenses

Expenses related to governmental activities are presented in several broad functional categories. Costs of direct classroom instruction activities account for 50% of the total expenses of \$7,434,169. In addition, approximately 47% of the costs of supporting services relate to students, instructional staff, and school administration.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

At the end of the current fiscal year, the District's major governmental funds reported combined fund balances of \$2,086,965, an increase of \$375,887 over the prior year. This amount included \$45,749 of nonspendable amounts related to inventories and prepaid expenses, \$8,946 restricted for special projects, and \$191,716 restricted for student body activities. The remaining \$1,840,554 constitutes unassigned fund balance available for spending at the District's discretion.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Significant Changes in Major Governmental Fund Balances

• General Fund: Unassigned fund balance increased 25.6% due to limited operations at the District during the COVID-19 pandemic.

BUDGETARY HIGHLIGHTS: GENERAL FUND

Significant variances between budgeted and actual amounts in the General Fund for the year ended June 30, 2021 include:

 Federal revenue was budgeted for \$255,000. Actual revenues were \$509,553 (99.8% over budget) due to the COVID-19 pandemic. The District delivered meals to homes within the District's boundaries for children ages 1 to 18. These meals were reimbursed through the Summer Food Service Program.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2021 amounted to \$3,356,552, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, furniture and fixtures, land improvements, and machinery and equipment. The total depreciation related to the District's investment in capital assets for the current fiscal year was \$160,266.

Additional information on the District's capital assets can be found in Note III-B on page 28 of this report.

Long-Term Liabilities

At the end of the current fiscal year, the District had total debt outstanding of \$1,002,975, including unamortized premium on bonds of \$32,928. This amount is comprised of general obligation bonds and capital leases. The District's total debt decreased by \$426,758 during the current fiscal year.

Additional information on the District's long-term debt can be found in Note III-E on pages 30 through 31 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstance that could affect its future health:

• Due to the age and condition of the District's facilities, costs for repairs and maintenance are expected to increase.

This factor was considered in preparing the District's budget for fiscal year 2021-2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The ending General Fund unassigned balance of \$1,840,554 will be available for program resources in fiscal year 2021-2022.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in the report or requests for additional information should be addressed to: Kristal Carpenter, Business Manager, Central Curry School District No. 1, 29516 Ellensburg Avenue, Gold Beach, Oregon 97444.



STATEMENT OF NET POSITION

June 30, 2021

	Governmental <u>Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets	Φ 0.100.710
Cash and cash equivalents Undistributed taxes with county	\$ 2,162,710 28,205
Property taxes receivable	181,360
Accounts receivable	65,626
Inventories	7,838
Prepaids	37,911
Total current assets	2,483,650
Restricted assets	
Cash and cash equivalents	32,512
Undistributed taxes with county	3,196
Property taxes receivable, debt service	24,181
Accounts receivable	233,457
Total restricted assets	293,346
Capital assets	
Land	25,330
Capital assets, net of accumulated depreciation	3,331,222
Total capital assets	3,356,552
Total assets	6,133,548
Deferred outflows of resources	
Deferred charge on refunding	49,131
Net deferred outflow of pension related resources	2,246,219
Net deferred outflow of OPEB related resources	42,817
Total deferred outflows of resources	2,338,167
Total assets and deferred outflows of resources	8,471,715
	(Continued)

STATEMENT OF NET POSITION

June 30, 2021

(Continued)

	Governmental <u>Activities</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Current liabilities	
Accounts payable	\$ 82,046
Payroll payables	409,100
Accrued interest payable	2,068
Compensated absences payable, current portion	8,901
Bonds payable, current portion	375,000
Capital leases payable, current portion	61,426
Total current liabilities	938,541
Noncurrent liabilities	
Compensated absences payable, less current portion	141,580
Net pension liability	5,711,314
Net OPEB liability	88,653
Bonds payable, less current portion	437,928
Capital leases payable, less current portion	128,621
Total noncurrent liabilities	6,508,096
Total liabilities	7,446,637
Deferred inflows of resources	
Net deferred inflow of pension related resources	666,816
Net deferred inflow of OPEB related resources	31,878
Total deferred inflows of resources	698,694
Total liabilities and deferred inflows of resources	8,145,331
NET POSITION	
Net investment in capital assets	2,353,577
Restricted for:	
Debt service	24,745
Special projects	8,946
Student body activities	191,716
Unrestricted	(2,252,600)
Total net position	\$ 326,384

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

		P	rogram Revenu		Net (Expense) Revenue and Changes in Net Position
		Charges for	Operating Grants and	Capital	Cayaramantal
Eurotions/Drograms	Evnonoso	Charges for		Grants and	Governmental
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities
Governmental activities	Ф O 171 10E	Ф 1001	Ф 0.00С	Φ	ተ (0 101 0E0)
Regular programs	\$ 3,171,125	\$ 1,031	\$ 8,836	\$ -	\$ (3,161,258)
Special programs	537,735	-	655,348	-	117,613
Summer school programs	50,308	-	-	-	(50,308)
Student support services	297,848	18,032	37,036	-	(242,780)
Instructional staff support	138,698	-	1,997	-	(136,701)
General administrative support	223,829	-	-	-	(223,829)
School administrative support	637,158	-	-	-	(637,158)
Business support services	1,582,505	-	-	-	(1,582,505)
Central activities support	137,951	-	-	-	(137,951)
Food services	446,201	3,226	578,886	-	135,911
Community service activities	7,391	-	-	-	(7,391)
Custody and care of children	2,277	-	-	-	(2,277)
Unallocated depreciation expense	160,266	-	-	-	(160,266)
Interest on long-term debt	40,877				(40,877)
Total governmental activities	\$ 7,434,169	\$ 22,289	\$1,282,103	<u>\$</u> _	(6,129,777)
	General reveni				
	Property taxe	es levied for ge	neral purposes		3,292,798
	Property taxe	es levied for de	bt service		371,736
	State school	fund - general	support		2,239,811
	Common sch	nool fund			41,932
	Unrestricted	state and local	revenue		20,000
	Unrestricted	grants and cor	ntributions		10,178
	Unrestricted	federal revenu	е		69,340
	Investment e	arnings			15,751
	Amortization	of bond premi	um		17,179
		of capital asse			4,845
	Miscellaneou				203,661
	Total gene	ral revenues			6,287,231
	Change i	n net position			157,454
	Net position - b	peginning			168,930
	Net position - 6	ending			\$ 326,384

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2021

		General Fund		Special Revenue Fund	Gov	onmajor rernmental Fund ot Service	Go	Total overnmental Funds
ASSETS								
Cash and cash equivalents	\$	2,162,710	\$	14,159	\$	18,353	\$	2,195,222
Undistributed taxes with county		28,205		-		3,196		31,401
Property taxes receivable		181,360		<u>-</u>		24,181		205,541
Accounts receivable		65,626		233,457		-		299,083
Inventories		7,838		-		-		7,838
Prepaids	_	37,911						37,911
Total assets	\$	2,483,650	\$	247,616	\$	45,730	\$	2,776,996
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES Liabilities								
Accounts payable	\$	76,876	\$	5,170	\$	_	\$	82,046
Payroll payables		367,316		41,784		-		409,100
Tatal Calcillate		444.400	<u> </u>	40.054				404 440
Total liabilities	_	444,192		46,954		<u> </u>		491,146
Deferred inflows of resources								
Unavailable revenue - property taxes	_	153,155		<u>-</u>		20,985	_	174,140
Fund balances								
Nonspendable		45,749		_		_		45,749
Restricted		-		200,662		24,745		225,407
Unassigned		1,840,554		-				1,840,554
· ·								
Total fund balances	_	1,886,303		200,662		24,745		2,111,710
Total liabilities, deferred inflows of								
resources, and fund balances	\$	2,483,650	\$	247,616	\$	45,730	\$	2,776,996
,	<u> </u>	, ,	-	,	<u>-</u>	,	-	, ,

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2021

Total fund balances		\$ 2,111,710
Capital assets are not financial resources and are therefore not reported in the governmental funds. Cost Accumulated depreciation and amortization	8,787,114 (5,430,562)	3,356,552
Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 30 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.		174,140
Liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable Compensated absences payable Bonds payable Bond premium Capital leases payable	(2,068) (150,481) (780,000) (32,928) (190,047)	(1,155,524)
Deferred charges related to refunding bonds are not considered current assets and therefore are not reported in the governmental funds. Deferred charges Amortization of deferred charges	193,726 (144,595)	49,131
Pension assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position: Net pension liability Deferred outflows of pension related resources Deferred inflows of pension related resources	(5,711,314) 2,246,219 (666,816)	(4,131,911)
OPEB assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in the governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position: Net OPEB liability Deferred outflows of OPEB related resources Deferred inflows of OPEB related resources	(88,653) 42,817 (31,878)	(77,714)
Net position of governmental activities	(3.,5.5)	\$ 326,384

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2021

		Nonmajor				
		Special Governmental		Total		
	General	Revenue	Fund	Governmental		
	Fund	Fund	Debt Service	Funds		
REVENUES						
Taxes	\$ 3,416,040	\$ -	\$ 387,984	\$ 3,804,024		
Intergovernmental	2,802,335	793,815	-	3,596,150		
Charges for services	4,257	17,619	-	21,876		
Miscellaneous	141,305	144,476	1,258	287,039		
Total revenues	6,363,937	955,910	389,242	7,709,089		
EXPENDITURES						
Current						
Instruction	2,895,221	693,770	-	3,588,991		
Support services	2,586,117	265,175	-	2,851,292		
Enterprise and community services	441,197	-	-	441,197		
Debt service	67,325	_	387,650	454,975		
Total expenditures	5,989,860	958,945	387,650	7,336,455		
Excess (deficiency) of revenues						
over (under) expenditures	374,077	(3,035)	1,592	372,634		
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	4,845			4,845		
Net change in fund balances	378,922	(3,035)	1,592	377,479		
Fund balances - beginning	1,507,381	203,697	23,153	1,734,231		
Fund balances - ending	<u>\$ 1,886,303</u>	\$ 200,662	\$ 24,745	\$ 2,111,710		

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

Net change in fund balances		\$	377,479
Amounts reported for governmental activities on the statement of activities are different because:			
Governmental funds report capital outlay as expenditures; however, on the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. Capital asset expenditures Less current year depreciation	23,650 (160,266)		(136,616)
Long-term debt proceeds are reported as other financing sources in the governmental funds. On 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 on the statement of net position.			
Accrued interest payable Amortization of bond premiums Debt principal paid	4,519 17,179 409,579		431,277
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. On the statement of activities, property taxes are recognized when levied.			(139,490)
Some expenses reported on the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds. Compensated absences			(18,540)
·			(10,540)
Changes in the net pension assets and liabilities, as well as the related changes in deferred outflows and deferred inflows of resources, are not recognized in the governmental funds.			(383,315)
Changes in the net OPEB assets and liabilities, as well as the related changes in deferred outflows and deferred inflows of resources, are not recognized in the governmental funds.			26,659
		<u> </u>	
Change in net position		Φ	157,454

NOTES TO BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Central Curry School District No. 1 have been prepared in accordance with generally accepted accounting principles (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.

A. Reporting Entity

Central Curry School District No. 1 functions as a local education agency consisting of one elementary school and one high school. The District is governed by a five-member board of directors.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges for goods and services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, as well as expenditures related to compensated absences, are recorded only when payment is due.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, investment earnings, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have therefore been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

<u>General Fund</u> – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The primary sources of revenue are property taxes and state revenues.

<u>Special Revenue Fund</u> – The Special Revenue Fund accounts for the proceeds of specific revenue sources that have restricted expenditures for specific purposes. The principal sources of revenue are grants from county and state sources and federal grants passed through the state. The primary uses of revenue are for salaries and employment benefits, education program enhancement, and equipment purchases.

Additionally, the District reports the following nonmajor governmental fund:

<u>Debt Service Fund</u> – The Debt Service Fund accounts for the repayment of the District's long-term debt. The principal source of revenue is property taxes. The primary use of revenue is payment of interest and principal due on long-term debt.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity

1. Deposits and Investments

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

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

2. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the associated property. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 30 days of fiscal year-end are recognized as revenue, while the remaining amount of taxes receivable are recorded as unavailable revenue because they are not deemed available to finance operations of the current period.

3. Accounts Receivable

Receivables are recorded as revenue when earned. No allowance for uncollectible accounts has been established, as management deems all receivables collectible.

4. Inventories

Inventories of food are valued at cost using the first-in, first-out method. Donated commodities are valued at their estimated fair market value at the date of donation. Inventories consist of donated commodities and purchased food. Inventories are recorded as expenditures when consumed, rather than when purchased.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

5. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets are computed on the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and fixtures	5-7
Machinery and equipment	10
Buildings and improvements	50

6. Compensated Absences

Amounts of vested or accumulated vacation leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities on the statement of net position. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

7. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

7. Long-Term Liabilities (Continued)

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

8. Retirement Plan

Most of the District's employees participate in the Oregon Public Employees Retirement System (OPERS). Contributions are made on a current basis as required by the plan and are recorded as expenditures.

9. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and therefore, will not be recognized as an outflow of resources until that time. The District has three items that qualify for reporting in this category, which are deferred charges on refunding, deferred amounts related to pensions, and deferred amounts related to other postemployment benefits. These amounts are deferred and recognized as outflows of resources when the District recognizes the related expenditures. Deferred outflows of these amounts are included in the government-wide statement of net position.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and therefore, will not be recognized as an inflow of resources until that time. The District has three items that qualify for reporting in this category, which are unavailable revenue from property taxes, deferred amounts related to pensions, and deferred amounts related to other postemployment benefits. Unavailable revenue from property taxes are deferred and recognized as inflows of resources in the period that the amounts become available. Unavailable revenue from property taxes is reported on the balance sheet. Deferred amounts related to pensions and other postemployment benefits are deferred and recognized as inflows of resources in the period when the District recognizes pension or other postemployment benefit income. Deferred inflows of amounts related to pensions and other postemployment benefits are included in the government-wide statement of net position.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

9. Deferred Outflows and Inflows of Resources (Continued)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense information about the net position of the Oregon Public Employees Retirement System (OPERS), and additions to/deductions from OPERS' net position have been determined on the same basis as they are reported by OPERS. 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.

For purposes of measuring the implicit rate subsidy liability, the District has relied on actuarial reports. The net other postemployment benefits (OPEB) liability, deferred outflows of resources, and deferred inflows of resources are related to changes in assumptions for the covered active and inactive participants.

For purposes of measuring the net OPEB retirement health insurance account (RHIA) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense information about the net position of OPERS, and additions to/deductions from OPERS' net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Fund Equity

The District reports fund equity in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity (Continued)

10. Fund Equity (Continued)

- Assigned fund balance amounts the District intends to use for a specific purpose.
 Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates the authority.
- Unassigned fund balance amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Commitment of fund balance is accomplished through adoption of a resolution or ordinance by the board of directors. Further, commitments of fund balance may be modified or rescinded only through approval of the board of directors via resolution or ordinance. Authority to assign fund balances has been granted to the Superintendent and Business Manager.

The District has not formally adopted a minimum fund balance policy.

E. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, and debt service funds. All funds are budgeted on the modified accrual basis of accounting with certain exceptions relating to accrual of available revenue.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of directors by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total instruction, support services, community services, debt service, facilities acquisition and construction, interfund transfers, and operating contingencies are the levels of control for the funds established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line-item budgets within appropriation 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 of directors at a regular board 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 of directors. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were no supplemental budgets. The District does not use encumbrances and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts and two approved appropriation transfers.

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Central Curry School District No. 1 maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

The Oregon State Treasury administers the LGIP. The LGIP 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. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

Credit Risk

Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The District has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2021, the District had the following investments:

	Credit Quality		
	Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	\$ 1,189,293

Interest Rate Risk

The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100% of the District's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Deposits and Investments (Continued)

<u>Custodial Credit Risk – Deposits</u>

This is the risk that, in the event of a bank failure, the District's deposits may not be returned. All District deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds accounts at Umpqua Bank, for which the FDIC provides insurance coverage of \$250,000 for demand deposit accounts and an additional \$250,000 for time and savings accounts. At June 30, 2021, the District had deposits of \$250,000 insured by the FDIC and \$915,861 covered by the PFCP.

Deposits

The District's deposits and investments at June 30, 2021 are as follows:

Petty cash Checking accounts Total investments	\$ 	890 1,005,039 1,189,293
Total deposits and investments	<u>\$</u>	2,195,222
Cash and investments by fund:		
Governmental activities - unrestricted General Fund	\$	2,162,710
Governmental activities - restricted Special Revenue Fund Nonmajor governmental fund - Debt Service Fund	_	14,159 18,353
Total governmental activities - restricted		32,512
Total cash and investments	\$	2,195,222

Restricted cash is for expenditures for special projects, student body activities, and for future payments of principal and interest on long-term debt.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities	Balarioo	Horodood	<u> </u>	Balarioo
Capital assets not being depreciated Land	\$ 25,330	\$ -	\$ -	\$ 25,330
Capital assets being depreciated Buildings and improvements Furniture and fixtures Land improvements Machinery and equipment	7,132,815 128,197 172,912 1,304,210	- - - 23,650	- - - -	7,132,815 128,197 172,912 1,327,860
Total capital assets being depreciated	8,738,134	23,650		8,761,784
Less accumulated depreciation for Buildings and improvements Furniture and fixtures Land improvements Machinery and equipment	(4,253,144) (117,961) (51,294) (847,897)	(86,088) (1,078) (3,458) (69,642)	- - - -	(4,339,232) (119,039) (54,752) (917,539)
Total accumulated depreciation	(5,270,296)	(160,266)		(5,430,562)
Total capital assets being depreciated, net	3,467,838	(136,616)		3,331,222
Governmental activities capital assets, net	\$3,493,168	\$ (136,616)	<u>\$</u>	\$3,356,552

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets	
Governmental activities				
Land	\$ 25,330	\$ -	\$ 25,330	
Buildings and improvements	7,132,815	(4,339,232)	2,793,583	
Furniture and fixtures	128,197	(119,039)	9,158	
Land improvements	172,912	(54,752)	118,160	
Machinery and equipment	1,327,860	(917,539)	410,321	
Total capital assets	\$ 8,787,114	\$ (5,430,562)	\$ 3,356,552	

Depreciation was not charged to specific functions or programs of the District. Capital assets of the District are for the use of the entire District and are therefore unallocated. Depreciation expense is recorded on the statement of activities as follows:

Unallocated depreciation expense

\$ 160,266

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. Compensated Absences

The following is a summary of compensated absences transactions for the year:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 131,941	\$ 18,540	<u>\$</u>	\$ 150,481	\$ 8,901

D. Operating Leases

The District leases copy machines and postage machines under noncancelable operating leases. For the year ended June 30, 2021, total lease payments amounted to \$35,112.

Future minimum payments for the leases are as follows:

Year Ending June 30	Amount
2022	\$ 31,696
2023	10,017
2024	839
Total	\$ 42,552

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

E. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year:

	Interest Rates	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
General obligation bonds							
Refunding series 2011	1-4%	\$ 3,150,000	\$ 1,130,000	<u>\$ -</u>	\$ 350,000	\$ 780,000	\$ 375,000
Unamortized premium on							
bonds	N/A	197,560	50,107		17,179	32,928	
Capital leases							
Bus lease #44	2.88%	121,454	95,998	-	22,988	73,010	23,650
Bus lease #55	2.88%	123,971	97,988	-	23,464	74,524	24,140
Bus lease #22	3.88%	99,945	55,640		13,127	42,513	13,636
Total capital leases		345,370	249,626		59,579	190,047	61,426
Total governmental							
activities		\$ 3,692,930	\$ 1,429,733	\$ -	\$ 426,758	\$ 1,002,975	\$ 436,426

For governmental activities, compensated absences and accrued interest payable are liquidated by the General Fund.

2. General Obligation Bonds – Refunding Series 2011

On December 15, 2011, the District issued general obligation bonds in the amount of \$3,150,000 to advance refund general obligation bonds that were originally issued in 2003. General obligation bonds are direct obligations that pledge the full faith and credit of the District and are payable from ad valorem debt service levy proceeds. The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Interest is fixed and ranges between 1% and 4%. Interest rates increase in accordance with the original bond agreements. Interest is due semiannually on December 15 and June 15.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

E. Long-Term Liabilities (Continued)

3. Capital Leases

a. Bus Leases

On March 4, 2019, the District entered into a lease agreement as lessee for financing the acquisition of a school bus. On March 15, 2020, the District entered into a lease agreement as lessee for financing the acquisition of two school buses. These lease agreements qualified as capital leases for accounting purposes and were therefore recorded at the present values of minimum lease payments as of the inception dates.

b. Leased Capital Assets

The leased capital assets and related accumulated amortization under the capital leases are as follows:

Equipment	\$ 345,370
Less: accumulated amortization	 (53,999)
Net value	\$ 291,371

Amortization of the leased capital assets is included with depreciation expense.

4. Future Maturities of Long-Term Liabilities

Year Ending	Во	nds	Lea	ses	To	tal
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 375,000	\$ 27,150	\$ 61,426	\$ 5,899	\$ 436,426	\$ 33,049
2023	405,000	12,150	63,333	3,993	468,333	16,143
2024			65,288	2,035	65,288	2,035
Total	\$ 780,000	\$ 39,300	\$ 190,047	\$ 11,927	\$ 970,047	\$ 51,227

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

F. Constraints on Fund Balances

Constraints on fund balances reported on the balance sheet are as follows:

			0			onmajor		Tabal
			Spe	cıaı	Gov	ernmental		Total
	G	General	Reve	enue		Fund	Go	overnmental
		Fund	Fu	nd	Deb	t Service		Funds
Fund balances:								
Nonspendable:								
Inventory	\$	7,838	\$	-	\$	-	\$	7,838
Prepaids		37,911		-		-		37,911
Restricted for:								
Debt service		-		-		24,745		24,745
Special projects		-	3	3,946		-		8,946
Student body activities		-	19 ⁻	1,716		-		191,716
Unassigned	1	,840,554						1,840,554
Total fund balances	<u>\$ 1</u>	,886,303	\$ 200	0,662	\$	24,745	\$	2,111,710

IV. PENSION PLAN

A. Plan Description

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

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. PENSION PLAN (Continued)

B. Benefits Provided

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

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The base benefit is based on years of service and final average salary. A percentage (1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020. Police and fire members may purchase increased benefits that are payable between the date of retirement and age 65.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

1. Tier One/Tier Two Retirement Benefit (ORS Chapter 238) (Continued)

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 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 when determining the monthly benefit.

Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair value of underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The COLA is capped at 2.0%.

2. Oregon Public Service Retirement Plan (OPSRP) Pension Program (Defined Benefit)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5% 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.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

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

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

2. Oregon Public Service Retirement Plan (OPSRP) Pension Program (Defined Benefit) (Continued)

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% of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

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

3. OPSRP Individual Account Program (IAP)

Benefit Terms

The IAP is an individual account-based program under the OPERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

Death Benefits

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

Recordkeeping

OPERS contracts with Voya Financial to maintain IAP participant records.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. PENSION PLAN (Continued)

C. 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. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on reemployed PERS retirees' salaries as if they were active members, excluding IAP contributions. Employer contributions for the year ended June 30, 2021 were \$754,215, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 32.03% for Tier One/Tier Two general service members, 26.58% for OPSRP Pension Program general service members, and 6% for OPSRP IAP.

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

At June 30, 2021, the District reported a liability of \$5,711,314 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The District's proportion of the net pension asset/liability was based on a projection of the District's long-term share of contributions to the pension plan, relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the District's proportion was 0.0262%, which decreased from its proportion of 0.0299% measured as of June 30, 2019.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. PENSION PLAN (Continued)

D. Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$383,315. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 251,367	\$ -
Changes in assumptions	306,508	10,739
Net difference between projected and actual earnings on investments	671,576	-
Changes in proportion	58,297	656,077
Differences between employer contributions and proportionate share of contributions	204,256	
Total (prior to post measurement date contributions)	1,492,004	666,816
Contributions subsequent to the measurement date	754,215	
Total	\$ 2,246,219	\$ 666,816

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

Amortization Period Ending June 30	Deferred Outflows	Deferred Inflows	
2022 2023 2024 2025 2026	\$ 383,775 449,096 390,233 258,805 	\$ 260,555 161,147 108,716 104,925 31,473	
	<u>\$ 1,492,004</u>	\$ 666,816	

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. PENSION PLAN (Continued)

E. Actuarial Assumptions

The employer contribution rates effective July 1, 2019 through June 30, 2021 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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) 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.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. PENSION PLAN (Continued)

E. Actuarial Assumptions (Continued)

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Long-Term Expected Rate of Return	7.20%
Discount Rate	7.20%
Projected Salary Increases	3.50%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25% / 0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set- backs as described in the valuation.
	Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set- backs as described in the valuation.
	Disabled retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set- backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even-numbered years. The methods and assumptions shown above are based on the 2018 Experience Study.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. PENSION PLAN (Continued)

F. Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019, the Public Employees Retirement System Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors.

The table below displays the OIC approved asset allocation policy, revised as of April 24, 2019.

Asset Class	Target Allocation
Cash Debt Securities Public Equity Private Equity Real Estate Alternatives Portfolio Risk Parity	0.00 % 20.00 % 32.50 % 17.50 % 12.50 % 2.50 %
Total	<u>100.00</u> %

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. PENSION PLAN (Continued)

F. Long-Term Expected Rate of Return (Continued)

The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target asset allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
0 5 11		4.07.0/
Core Fixed Income	9.60 %	4.07 %
Short-Term Bonds	9.60 %	3.68 %
Bank/Leveraged Loans	3.60 %	5.19 %
High Yield Bonds	1.20 %	5.74 %
Large/Mid Cap US Equities	16.17 %	6.30 %
Small Cap US Equities	1.35 %	6.68 %
Micro Cap US Equities	1.35 %	6.79 %
Developed Foreign Equities	13.48 %	6.91 %
Emerging Market Equities	4.24 %	7.69 %
Non-US Small Cap Equities	1.93 %	7.25 %
Private Equity	17.50 %	8.33 %
Real Estate (Property)	10.00 %	5.55 %
Real Estate (REITS)	2.50 %	6.69 %
Hedge Fund of Funds - Diversified	1.50 %	4.06 %
Hedge Fund - Event-driven	0.38 %	5.59 %
Timber	1.12 %	5.61 %
Farmland	1.13 %	6.12 %
Infrastructure	2.25 %	6.67 %
Commodities	1.10 %	3.79 %
Commodities	1.10 /0	0.70 70
Total	<u>100.00</u> %	
Assumed Inflation - Mean		2.50 %

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. PENSION PLAN (Continued)

G. Depletion Date Projection

GASB Statement No. 68 generally requires that a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's net position (fair value of investment assets, all others at cost) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB Statement No. 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB Statement No. 68 (paragraph 67) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. The Governmental Accounting Standards Board does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation for sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB Statement No. 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is OPERS' third-party actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 68 would clearly indicate that the net position is always projected to be sufficient to cover benefit payments and administrative expenses.

H. Discount Rate

The discount rate used to measure the total pension liability was 7.20% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

IV. PENSION PLAN (Continued)

I. 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 7.20%, 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 one percentage point lower (6.20%) or one percentage point higher (8.20%) than the current rate:

	Current			
	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)	
District's proportionate share of the net				
pension liability (asset)	\$ 8,480,830	\$ 5,711,314	\$ 3,388,947	

J. Pension Plan Net Position

Detailed information about the pension plan's net position is available in the separately issued OPERS financial report.

K. Changes in Plan Provisions During Measurement Period

Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future benefits for certain active members are projected to be lower than they were prior to the legislation.

L. Changes in Plan Provisions Subsequent to Measurement Date

There have been no changes in plan provisions subsequent to the June 30, 2020 measurement date.

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Benefit Plans

The other postemployment benefits (OPEB) for the District combines two separate plans. The District provides an implicit rate subsidy for retiree health insurance continuation premiums, and a contribution to the State of Oregon's PERS cost-sharing, multiple-employer, defined health insurance benefit plan.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

B. Financial Statement Presentation

The amounts on the financial statements relate to the plans as follows:

	Implicit Rate Subsidy Plan		PE	PERS RHIA Plan		Total OPEB	
	Oui	osidy i laii		1 Idii		iai Oi Lb	
Net OPEB (asset) liability	\$	169,451	\$	(80,798)	\$	88,653	
Deferred outflows of resources Differences between expected and actual							
experience Differences between projected and actual		32,745		-		32,745	
earnings on investments		-		8,985		8,985	
Change in proportionate share		-		586		586	
Contributions after measurement date		18,090		501		18,591	
Deferred inflows of resources							
Differences between expected and actual							
experience		-		(8,260)		(8,260)	
Change in proportionate share		-		(18,239)		(18,239)	
Change in assumptions		(1,084)		(4,295)		(5,379)	
OPEB expense (Included in program expenses on statement of activities)		13,752		(22,132)		(8,380)	

C. Implicit Rate Subsidy

1. Plan Description

The District's healthcare plan is administered by the Oregon Educators Benefit Board. The District has a health insurance continuation option available for most groups of retirees. It is a substantive postemployment benefits plan offered under Oregon Revised Statutes (ORS) 243. ORS 243.303 requires that the District provide retirees with an opportunity to participate in group health and dental insurance from the date of retirement to age 65, and the rate would be calculated using claims experience from retirees and active employees for health plan rating purposes. Providing the same rate to retirees as provided to current employees constitutes an implicit rate subsidy for OPEB. This cost-sharing, multiple-employer plan is not a standalone plan and therefore does not issue its own financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. Implicit Rate Subsidy (Continued)

2. Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same healthcare coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of June 30, 2021, the following employees were covered by the benefit terms:

Active employees	68
Inactive employees or beneficiaries receiving benefits	6
Total	74

3. Total OPEB Liability and Expense Related to the Implicit Rate Subsidy

The District's total OPEB liability of \$169,451 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021.

For the fiscal year ended June 30, 2021, the District recognized OPEB expense from this plan of \$13,752. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Οι	eferred atflows of esources	Deferred Inflows of Resources	
Differences between expected and actual experience	\$	32,745	\$	-
Change in assumptions or other inputs		<u>-</u>		1,084
Total	\$	32,745	\$	1,084

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. Implicit Rate Subsidy (Continued)

3. Total OPEB Liability and Expense Related to the Implicit Rate Subsidy (Continued)

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

Amortization Period Ending June 30	Ou	ferred tflows Inflows
2022	\$	3,518
2023		3,518
2024		3,518
2025		3,518
2026		3,518
Thereafter		14,071
	\$	31,661

4. Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Salary Increases	4.50%
Withdrawal, retirement, and mortality rates	December 31, 2019 Oregon PERS valuation
Discount Rate	2.16%
Healthcare Cost Trend Rate	Medical:
	3.40% per year

The discount rate was based on the Bond Buyer 20-Year General Obligation Municipal Bond Index.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. Implicit Rate Subsidy (Continued)

5. Changes in the Total OPEB Liability

		otal OPEB Liability
Balance as of June 30, 2020	\$	142,128
Changes for the year: Service cost Interest on total OPEB liability Experience (gains) losses Change in assumptions Benefit payments		7,359 2,875 36,384 (1,205) (18,090)
Balance as of June 30, 2021	<u>\$</u>	169,451

Changes in assumptions is the result of the change in the discount rate from 3.50% to 2.16%.

6. Sensitivity of the Total OPEB Liability

The following presents the District's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate								
	1% Decrease (1.16%)		Dis	Current count Rate (2.16%)	1% Increase (3.16%)			
Total OPEB Liability	\$	176,505	\$	169,451	\$	162,630		
	Healthcare Co	ost Trend						
		1% Decrease (2.40%)		Current Trend Rate (3.40%)		Increase (4.40%)		
Total OPEB Liability	\$	159,617	\$	169,451	\$	180,708		

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

D. PERS Retirement Health Insurance Account (RHIA)

1. Plan Description

The District contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing, multiple-employer, defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained at:

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

2. Benefits Provided

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

3. Contributions

PERS' funding policy provides for 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. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The District's contribution rates for the period were 0.06% for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial accrued liability rate was assigned for the RHIA program as it was funded at 126.4% as of December 31, 2017. Typically, PERS employers contribute an actuarially determined percentage of all PERS-covered salaries to amortize the unfunded actuarial accrued liabilities being amortized over 10 years. The District's total contributions for the year ended June 30, 2021 amounted to \$2,522.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

D. PERS Retirement Health Insurance Account (RHIA) (Continued)

4. OPEB Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to RHIA

At June 30, 2021, the District reported an asset of \$80,798 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The District's proportion of the net OPEB asset was based on the District's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2020, the District's proportionate share was 0.0397%, which is an increase from its proportion of 0.0218% as of June 30, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense from this plan of \$(22,132). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	
Differences between expected and actual experience	\$ -	\$ 8,260	
Net differences between projected and actual earnings	8,985	-	
Change in assumptions	-	4,295	
Changes in proportionate share	586	18,239	
Total (prior to post measurement date contributions)	9,571	30,794	
Contributions subsequent to the measurement date	501		
Total	\$ 10,072	\$ 30,794	

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

D. PERS Retirement Health Insurance Account (RHIA) (Continued)

4. OPEB Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to RHIA (Continued)

Deferred outflows of resources related to OPEB of \$501 resulting from the District's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Amortization Period Ending June 30	Deferred Outflows			Deferred Inflows	
2022 2023	\$	988 2,426	\$	18,125 12,669	
2024 2025		3,321 2,836		-	
2020	\$	9,571	\$	30,794	

5. Actuarial Methods and Assumptions

The RHIA plan is unaffected by healthcare cost trends since the benefit is limited to a \$60 monthly payment toward Medicare companion insurance premiums; consequently, the disclosure of a healthcare cost trend is not applicable. Other significant actuarial assumptions are consistent with those disclosed for the OPERS pension plan in Note IV-E.

6. Long-Term Expected Rate of Return

The long-term expected rate of return assumptions for the OPEB plan are consistent with those disclosed for the OPERS pension plan in Note IV-F.

7. Depletion Date Projection

The detailed depletion date projections outlined in GASB Statement No. 75, and allowance for alternative evaluations of projected solvency outlined in GASB Statement No. 75 (paragraph 39), are consistent with those disclosed for GASB Statement No. 68 in Note IV-G.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

D. PERS Retirement Health Insurance Account (RHIA) (Continued)

8. Discount Rate

The discount rate used to measure the total OPEB liability was 7.20% for the OPEB plan. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

9. Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.20%, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.20%) or one percentage point higher (8.20%) than the current rate:

	1% Decrease			count Rate	1% Increase	
	(6.20%)			7.20%)	(8.20%)	
District's proportionate share of the net OPEB liability (asset)	\$	(65,231)	\$	(80,798)	\$	(94,109)

10. OPEB Plan Net Position

Detailed information about the other postemployment benefit plan's net position is available in the separately issued OPERS financial report.

11. Changes in Plan Provisions During Measurement Period

There were no changes in plan provisions during the July 1, 2019 through June 30, 2020 measurement period.

12. Changes in Plan Provisions Subsequent to Measurement Date

There were no changes in plan provisions subsequent to the June 30, 2020 measurement date.

VI. 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 was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

VI. OTHER INFORMATION (Continued)

B. Deferred Compensation Plan

The District has authorized a deferred compensation plan to be made available to its employees wherein they may execute an individual agreement with the District for amounts earned by them, not to be paid until a future date when they are terminated by reason of death, permanent disability, retirement, or separation. The deferred compensation plan is authorized under IRC Section 403(b) and has been approved by the Internal Revenue Service. The District matches between \$20 and \$50 based on years of service for some employees. The District has no liability for any losses that may be incurred under the plan. Cost to the District for the year ended June 30, 2021 was \$4,540.

C. Concentrations

1. Collective Bargaining Agreements

At June 30, 2021, the District had a total of approximately 70 employees. Of this total, approximately 83% are covered under collective bargaining agreements and 41% are licensed staff represented by a union. The current collective bargaining agreement for licensed staff was signed June 28, 2021 and expires June 30, 2022. The classified collective bargaining agreement was signed November 19, 2019 and expires June 30, 2022. Approximately 41% of employees are classified staff.

D. Tax Abatements

The District did not have tax abatements for the year ended June 30, 2021.

E. Contingencies

Central Curry School District No. 1's operations may be affected by the recent and ongoing outbreak of the Coronavirus Disease 2019 (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption that may be caused by the outbreak is uncertain; however, it may result in a material impact on the District's financial position, operations, and cash flows. Possible effects may include, but are not limited to, disruption of the District's revenue, absenteeism in the District's labor workforce, and the unavailability of products and supplies used in operations.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

VI. OTHER INFORMATION (Continued)

F. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that have future effective dates that will impact future financial presentations. Management has not currently determined what impact implementation of the following statements will have on future financial statements.

GASB Statement No. 87, *Leases*, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting of leases by governments.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this statement is to simplify accounting for interest cost incurred before the end of a construction period, and enhance the relevance and comparability of capital asset information.

GASB Statement No. 92, *Omnibus 2020*, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation of certain GASB statements.

GASB Statement No. 91, *Conduit Debt Obligations*, is effective for the District beginning with its fiscal year ending June 30, 2023. The objective of this statement clarifies the definition of a conduit debt obligation and improves required note disclosures.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the District beginning with its fiscal year ending June 30, 2023. The requirements of this statement will improve financial reporting by establishing the definitions of public-private and public-public arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, will be effective for the District beginning with its fiscal year ending June 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments.

G. Subsequent Events

Management has evaluated subsequent events through December 21, 2021, which was the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Pension Plan						
Year Ended June 30	(a) District's proportion of the net pension liability (asset)	of th	(b) District's ortionate share e net pension bility (asset)	(c) District's covered payroll	proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.02617055%	\$	5,711,314	\$ 2,613,236	218.55%	75.80%
2020	0.02991766%		5,175,039	2,360,757	219.21%	80.20%
2019	0.02911375%		4,410,350	2,415,569	182.58%	82.10%
2018	0.03007642%		4,054,313	2,269,395	178.65%	83.10%
2017	0.03796608%		5,699,590	2,099,533	271.47%	80.50%
2016	0.04127202%		2,369,617	2,214,823	106.99%	91.90%
2015	0.04801285%		(1,088,314)	2,038,983	(53.38)%	103.60%
2014	0.04801285%		2,450,166	2,179,572	112.42%	91.97%

Changes in Benefit Terms

The Oregon Supreme Court decision in Moro v. State of Oregon issued on April 30, 2015 reversed a significant portion of the reductions that the 2013 Oregon Legislature made to future COLA through Senate Bills 822 and 861. This reversal increased the proportionate share of the net pension liability (asset) as of June 30, 2015 as compared to June 30, 2014.

Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future benefits for certain active members are projected to be lower than prior to the legislation.

Changes in Assumptions

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50% and the lowering of the assumed inflation to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

^{*}This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

SCHEDULE OF CONTRIBUTIONS

Year	_ 	(a) statutorily	rela	(b) tributions in tion to the	Cont	a-b) ribution	(c) District's		(b/c) Contributions as a percent
Ended June 30		required entribution		orily required ntribution		ciency cess)	covered payroll		of covered payroll
2021	\$	754,215	\$	754,215	\$		\$	2,840,132	26.56%
2020		691,857		691,857		-		2,613,236	26.48%
2019		569,447		569,447		-		2,360,757	24.12%
2018		567,814		567,814		-		2,415,569	23.51%
2017		450,388		450,388		-		2,269,395	19.85%
2016		420,332		420,332		-		2,099,533	20.02%
2015		465,201		465,201		-		2,214,823	21.00%
2014		425,207		425,207		-		2,038,983	20.85%

Changes in Benefit Terms

The Oregon Supreme Court decision in Moro v. State of Oregon issued on April 30, 2015 reversed a significant portion of the reductions that the 2013 Oregon Legislature made to future COLA through Senate Bills 822 and 861. This reversal increased the proportionate share of the net pension liability (asset) as of June 30, 2015 as compared to June 30, 2014.

Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future benefits for certain active members are projected to be lower than prior to the legislation.

Changes in Assumptions

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50% and the lowering of the assumed inflation to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

*This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Implicit Rate Subsidy	2021		2020		 2019
Total OPEB Liability Service cost Interest Economic/demographic gains or losses	\$	7,359 2,875 36,384	\$	4,305 4,962	\$ 4,120 5,126
Change in assumptions Benefit payments		(1,205) (18,090)	_	(17,841)	 (9,973)
Net change in total OPEB liability		27,323		(8,574)	(727)
Total OPEB liability - beginning		142,128		150,702	 151,429
Total OPEB liability - ending	\$	169,451	\$	142,128	\$ 150,702
Covered employee payroll	\$	2,840,132	\$	2,613,236	\$ 2,360,757
Total OPEB liability as a percentage of covered employee payroll		5.97%		5.44%	6.38%

Changes in Assumptions

As of June 30, 2021, the District, based upon recommendations of the plan's actuary, set the following actuarial assumptions:

- 1. Discount rate of 2.16%, which decreased from its prior discount rate of 3.5% as of June 30, 2019.
- 2. 35% of future eligible retirees will elect to continue their health care coverage upon retirement.

Demographic assumptions (retirement, mortality, and withdrawal rates) were updated to reflect assumptions used in the Oregon PERS December 31, 2019 actuarial valuation.

The Oregon Legislative Assembly passed a law (Senate Bill 1067) that limits the annual increase in premiums paid by the Oregon Educators Benefit Board (OEBB) to 3.4%.

*This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

RHIA		2021		2020
Proportion of the OPEB pension liability (asset)	0	.03965354%	0.	02179294%
Proportionate share of the net OPEB liability (asset)	\$	(80,798)	\$	(42,112)
Covered payroll	\$	2,613,236	\$	2,360,757
Proportionate share of the OPEB liability (asset) as a percentage of covered employee payroll		-3.09%		-1.78%
Plan net position as a percentage of the total OPEB liability		150.1%		144.4%

Changes in Assumptions

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2018 and 2019 total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.50% to 7.20%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups.

No assets have been accumulated in a trust to pay for the related benefits.

^{*}This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

	2019		2018		2017
0.	02383237%	0.	02239513%	0.	02213122%
\$	(26,603)	\$	(9,346)	\$	6,010
\$	2,415,569	\$	\$ 2,269,395		2,099,533
	4.400/		0.440/		0.000/
	-1.10%		-0.41%		0.29%
	124.0%		108.9%		94.2%

SCHEDULE OF CONTRIBUTIONS

OTHER POSTEMPLOYMENT BENEFITS

RHIA		2021		2020	
Contractually required contributions	\$	2,522	\$	10,813	
Contributions in relation to the contractually required contribution		2,522	_	10,813	
Contribution deficiency (excess)	<u>\$</u>	<u>-</u>	\$		
Covered employee payroll	\$	2,840,132	\$	2,613,236	
Contributions as a percentage of covered employee payroll		0.09%		0.41%	

Changes in Assumptions

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2018 and 2019 total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.50% to 7.20%. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups.

No assets have been accumulated in a trust to pay for the related benefits.

^{*}This schedule is intended to show information for 10 years; additional years' information will be displayed as it becomes available.

2019	2018		2017
\$ 11,439	\$ 11,150	\$	9,868
 11,439	 11,150		9,868
\$ <u>-</u>	\$ <u>-</u>	\$	<u>-</u>
\$ 2,360,757	\$ 2,415,569	\$	2,269,395
0.48%	0.46%		0.43%

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES	·			_
Local revenue	\$ 3,435,613	\$ 3,435,613	\$ 125,989	\$ 3,561,602
State revenue	2,150,500	2,150,500	142,282	2,292,782
Federal revenue	255,000	255,000	254,553	509,553
Total revenues	5,841,113	5,841,113	522,824	6,363,937
EXPENDITURES				
Current				
Instruction	3,429,360	3,429,360	(534,139)	2,895,221
Support services	2,927,376	3,042,376	(456,259)	2,586,117
Enterprise and community services	421,480	521,480	(80,283)	441,197
Debt service	67,326	67,326	(1)	67,325
Contingency	244,571	29,571	(29,571)	
Total expenditures	7,090,113	7,090,113	(1,100,253)	5,989,860
Excess (deficiency) of revenues				
over (under) expenditures	(1,249,000)	(1,249,000)	1,623,077	374,077
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	4,845	4,845
Transfers out	(1,000)	(1,000)	(1,000)	
Total other financing sources (uses)	(1,000)	(1,000)	5,845	4,845
Net change in fund balance	(1,250,000)	(1,250,000)	1,628,922	378,922
Fund balance - beginning	1,250,000	1,250,000	257,381	1,507,381
Fund balance - ending	\$ -	\$ -	\$ 1,886,303	\$ 1,886,303

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SPECIAL REVENUE FUND

For the Year Ended June 30, 2021

	Original Final		Variance with Final Budget		Actual GAAP			
	G		Budget	Over (Under)		Basis		
REVENUES		Daaget		Buaget	Over (Orider)			Dasis
Local revenue	\$	234,530	\$	234,530	\$	(72,435)	\$	162,095
State revenue	Ψ	187,500	Ψ	187,500	Ψ	108,999	Ψ	296,499
Federal revenue		872,935		961,935		(464,619)		497,316
rederarrevende		672,933		901,933		(404,619)		497,310
Total revenues		1,294,965		1,383,965		(428,055)		955,910
EXPENDITURES Current								
Instruction		1,016,168		1,105,168		(411,398)		693,770
Support services		459,402		459,402		(194,227)		265,175
Total expenditures		1,475,570		1,564,570		(605,625)		958,945
Excess (deficiency) of revenues over (under) expenditures		(180,605)		(180,605)		177,570		(3,035)
Fund balance - beginning		180,605		180,605		23,092		203,697
Fund balance - ending	\$	_	\$	_	\$	200,662	\$	200,662

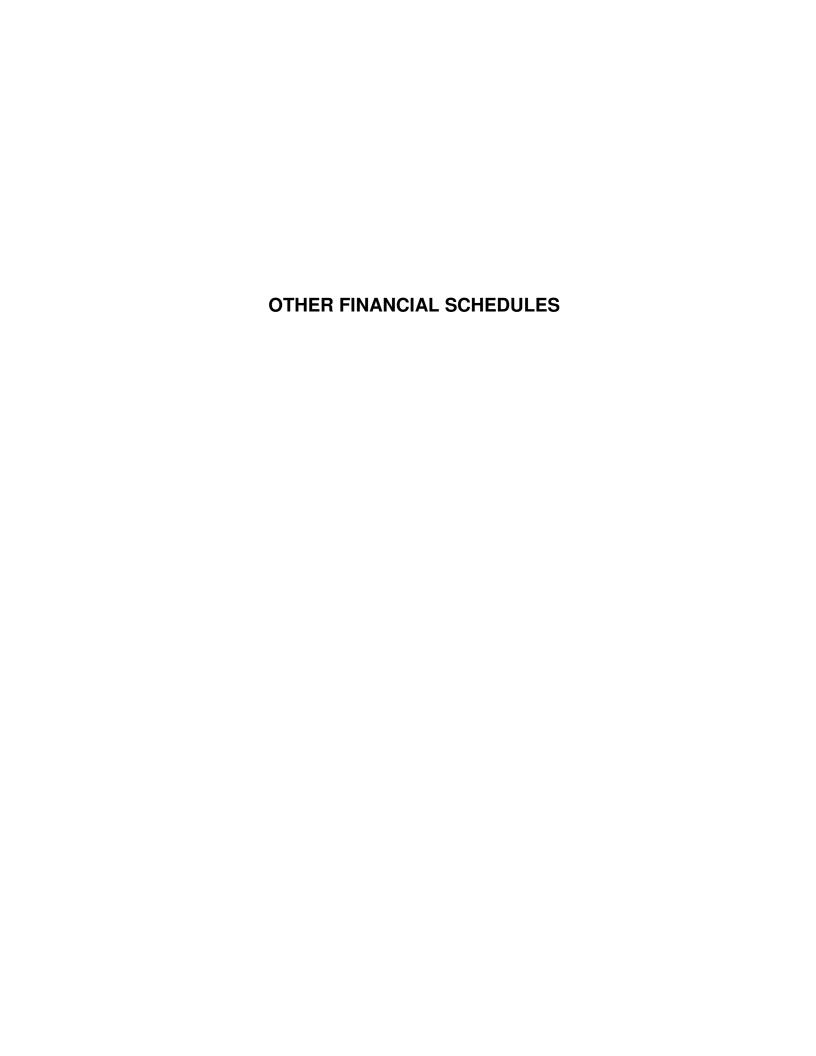
OTHER SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND SCHEDULES

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEBT SERVICE FUND

	Original and Final Budget		Fina	ance with al Budget er (Under)	Actual GAAP Basis
REVENUES Local revenue	\$	381,225	\$	8,017	\$ 389,242
EXPENDITURES Debt service		387,650		<u>-</u>	 387,650
Excess (deficiency) of revenues over (under) expenditures		(6,425)		8,017	1,592
OTHER FINANCING SOURCES (USES) Transfers in		1,000		(1,000)	 <u>-</u>
Net change in fund balance		(5,425)		7,017	1,592
Fund balance - beginning		19,000		4,153	 23,153
Fund balance - ending	\$	13,575	\$	11,170	\$ 24,745



REVENUE SUMMARY - ALL FUNDS

Revenue from Local Sources	Fund 100	Fund 200	Fund 300
1110 Ad Valorem Taxes Levied by District	\$ 3,416,040	\$ -	\$ 387,983
1500 Earnings on Investments	14,445	48	1,259
1600 Food Service	3,226	ı	-
1700 Extracurricular Activities	481	18,032	-
1910 Rentals	550	ı	-
1920 Contributions and Donations From Private Sources	10,178	57,036	-
1990 Miscellaneous	116,682	86,979	-
Total Revenue from Local Sources	\$ 3,561,602	\$ 162,095	\$ 389,242
Revenue from State Sources	Fund 100	Fund 200	Fund 300
3101 State School Fund - General Support	\$ 2,239,811	\$ -	\$ -
3102 State School Fund - School Lunch Match	2,219	-	-
3103 Common School Fund	41,932	-	-
3299 Other Restricted Grants-in-Aid	8,820	296,499	-
Total Revenue from State Sources	\$ 2,292,782	\$ 296,499	\$ -
Revenue from Federal Sources	Fund 100	Fund 200	Fund 300
4500 Restricted Revenue From the Federal Government Through			
the State	\$ 430,457	\$ 497,316	\$ -
4801 Federal Forest Fees	69,340	-	-
4900 Revenue for/on Behalf of the District	9,756	ı	-
Total Revenue from Federal Sources	\$ 509,553	\$ 497,316	\$ -
Revenue from Other Sources	Fund 100	Fund 200	Fund 300
5300 Sale of Capital Assets	\$ 4,845	\$ -	\$ -
5400 Resources - Beginning Fund Balance	1,507,381	203,697	23,153
Total Revenue from Other Sources	\$ 1,512,226	\$ 203,697	\$ 23,153
Grand Totals	\$ 7,876,163	\$ 1,159,607	\$ 412,395
Grand Totals	Ψ 1,010,103	Ψ 1,100,007	Ψ ΤΙΖ,090

EXPENDITURE SUMMARY - GENERAL FUND

For the Year Ended June 30, 2021

Totals

1,006,493

653,427

26,173

Object 100

582,032

366,519

16,262

Object 200

408,686

278,264

5,674

Instruction Expenditures

1111 Elementary, K-5 or K-6

1121 Middle/Junior High Programs

1122 Middle/Junior High School Extracurricular

1122 Middle/Julior High School Extraculticular		20,173		10,202		5,674
1131 High School Programs		786,845		430,772		334,675
1132 High School Extracurricular		129,614		72,584		31,203
1250 Less Restrictive Programs for Students with Disabilities		279,728		125,491		116,317
1291 English Second Language Programs		12,941		6,884		6,057
Total Instruction Expenditures	\$	2,895,221	\$	1,600,544	\$	1,180,876
Support Services Expenditures		Totals	C	bject 100	0	bject 200
2120 Guidance Services	\$	37,978	\$	24,222	\$	13,559
2130 Health Services		1,504		-		-
2150 Speech Pathology and Audiology Services		28,599		-		-
2190 Service Direction, Student Support Services		202		-		-
2210 Improvement of Instruction Services		234		59		27
2220 Educational Media Services		106,534		51,194		48,100
2230 Assessment & Testing		6,854		4,416		2,009
2310 Board of Education Services		46,418		2,378		2,028
2320 Executive Administration Services		165,466		100,668		59,713
2410 Office of the Principal Services		595,143		325,378		258,498
2520 Fiscal Services		336,842		173,190		140,832
2540 Operation and Maintenance of Plant Services		734,201		130,192		118,847
2550 Student Transportation Services		388,472		188,847		86,899
2640 Staff Services		776		-		-
2660 Technology Services		136,894		2,336		1,242
Total Support Services Expenditures	\$	2,586,117	\$	1,002,880	\$	731,754
Enterprise and Community Services Expenditures		Totals	C	bject 100	O	bject 200
3100 Food Services	\$	441,197	\$	120,458	\$	111,532
Total Enterprise and Community Services Expenditures	\$	441,197	\$	120,458	\$	111,532
Other Uses Expenditures		Totals	C	bject 100	O	bject 200
5100 Debt Service	\$	67,325	\$	-	\$	-
Total Other Uses Expenditures	\$	67,325	\$	-	\$	-
Grand Total	\$	5,989,860	\$	2,723,882	\$	2,024,162
	_		_			

Object 300	Object 400	Object 500	Object 600
\$ 8,167	\$ 7,608	\$ -	\$ -
4,670	3,974	-	-
844	3,393	-	-
4,085	16,709	-	604
13,533	6,366	-	5,928
15,113	22,807	-	-
-	-	-	-
\$ 46.412	\$ 60.857	\$ -	\$ 6.532

Object 300	Object 400	Object 500	Object 600
\$ -	\$ 62	\$	\$ 135
1,504	-	1	ı
28,599	-	1	ı
202	-	1	ı
-	ı	1	148
-	7,195	1	45
-	25	-	404
35,756	719	1	5,537
2,647	1,219	1	1,219
7,305	2,772	1	1,190
10,605	9,596	1	2,619
346,889	46,969	7,000	84,304
50,687	37,081	10,000	14,958
236	-	-	540
108,745	24,496	-	75
\$ 593,175	\$ 130,134	\$ 17,000	\$ 111,174

Ob	ject 300	0	bject 400	0	bject 500	0	bject 600
\$	9,811	\$	197,483	\$	-	\$	1,913
\$	9,811	\$	197,483	\$	-	\$	1,913

Ol	oject 300	0	bject 400	Object 500		ect 500 Ol		
\$	-	\$	-	\$	-	\$	67,325	
\$	-	\$	-	\$	-	\$	67,325	
\$	649,398	\$	388,474	\$	17,000	\$	186,944	

EXPENDITURE SUMMARY - SPECIAL REVENUE FUND

Instruction Expenditures	Totals	0	bject 100	0	bject 200
1111 Elementary, K-5 or K-6	\$ 189,224	\$	43,327	\$	19,513
1121 Middle/Junior High Programs	32,066		-		-
1122 Middle/Junior High School Extracurricular	6,142		-		-
1131 High School Programs	149,820		35,696		25,770
1132 High School Extracurricular	50,345		-		-
1250 Less Restrictive Programs for Students with Disabilities	129,995		64,532		44,388
1272 Title I	65,244		22,049		21,978
1280 Alternative Education	20,751		13,001		7,750
1400 Summer School Programs	50,183		1,040		425
Total Instruction Expenditures	\$ 693,770	\$	179,645	\$	119,824
Support Services Expenditures	Totals	0	bject 100	0	bject 200
2120 Guidance Services	\$ 179,388	\$	94,938	\$	63,029
2240 Instructional Staff Development	17,818		1,335		(910)
2540 Operation and Maintenance of Plant Services	62,518		-		-
2550 Student Transportation Services	3,723		-		-
2640 Staff Services	1,728		-		-
Total Support Services Expenditures	\$ 265,175	\$	96,273	\$	62,119
Grand Total	\$ 958,945	\$	275,918	\$	181,943

Ob	ject 300	0	bject 400	Ol	bject 500	0	bject 600
\$	50,000	\$	75,565	\$	-	\$	819
	5,500		25,747		-		819
	1,200		4,892		-		50
	10,500		71,204		6,650		-
	106		27,181		-		23,058
	-		21,075		-		-
	-		21,217		-		-
	-		-		-		-
	-		48,718		-		-
\$	67,306	\$	295,599	\$	6,650	\$	24,746

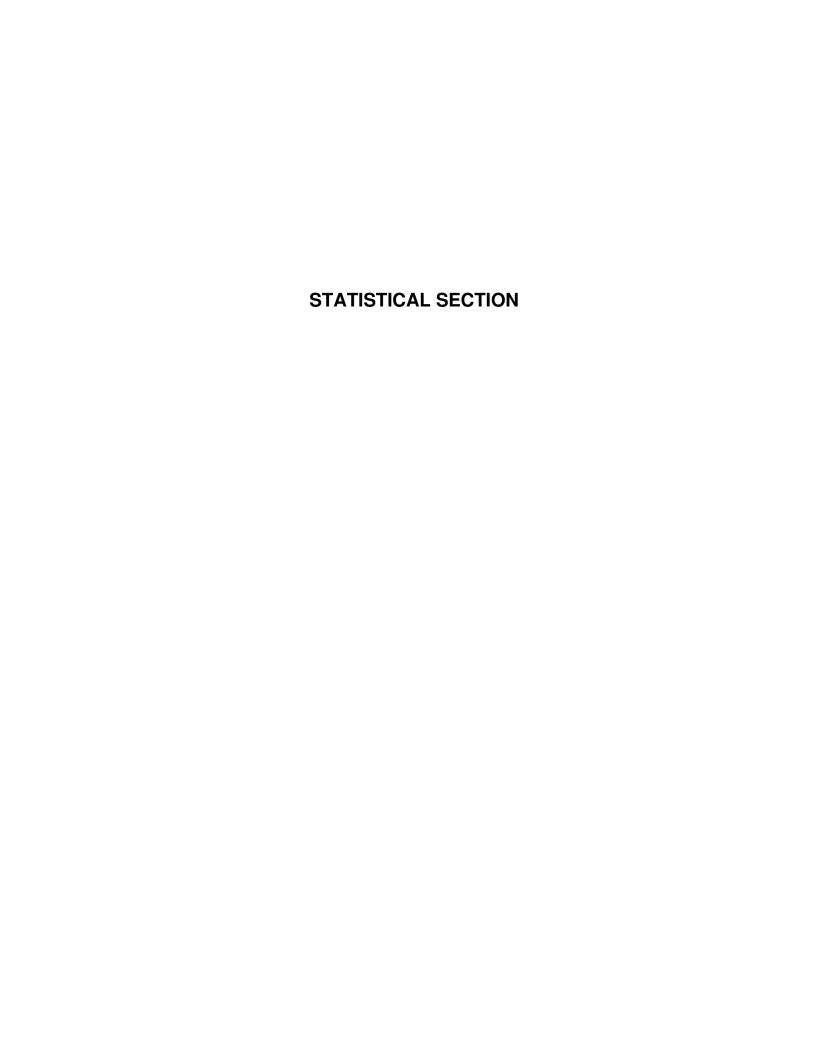
0	bject 300	0	bject 400	0	bject 500	0	bject 600
\$	1,500	\$	18,996	\$	-	\$	925
	17,310		83		-		-
	40,387		22,131		-		-
	-		3,723		-		-
	-		1,728		-		-
\$	59,197	\$	46,661	\$	-	\$	925
\$	126,503	\$	342,260	\$	6,650	\$	25,671

EXPENDITURE SUMMARY - DEBT SERVICE FUND

Other Uses Expenditures		Totals	Ok	ject 600
5100 Debt Service		\$ 387,650	\$	387,650
	Total Other Uses Expenditures	\$ 387,650	\$	387,650
Grand Total		\$ 387,650	\$	387,650

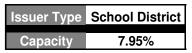
SCHEDULE OF PROPERTY TAX TRANSACTIONS

Tax Year	Taxes Receivable July 1, 2020	2020-2021 Levy	Adjustments	Collections	Taxes Receivable June 30, 2021
2020-2021	\$ -	\$ 3,833,959	\$ (107,258)	\$ 3,624,257	\$ 102,444
2019-2020 2018-2019 2017-2018 2016-2017 2015-2016 2014-2015 Prior	126,078 59,437 27,012 25,093 15,320 15,732 70,353	- - - - - -	(3,127) (7,595) 4,048 (462) (211) (303) (3,861)	73,575 25,243 19,716 21,937 13,712 14,304 55,930	49,376 26,599 11,344 2,694 1,397 1,125 10,562
Subtotal - Prior	339,025		(11,511)	224,417	103,097
	\$ 339,025	\$ 3,833,959	\$ (118,769)	3,848,674	\$ 205,541
Add: Other taxes and intere Undistributed taxes wi		2020		(38,644) 25,395	
Total available				3,835,425	
Less: Turnovers to Distr	ict			(3,804,024)	
Undistributed taxes wi	th county, June 30	, 2021		\$ 31,401	



LEGAL DEBT MARGIN INFORMATION

Real Market Value (Fiscal Year 2021)	\$ 1	,171,755,872
Debt Capacity		
General Obligation Debt Capacity (7.95% of Real Market Value) Less: Outstanding Debt Subject to Limit Remaining General Obligation Debt Capacity	\$ \$	93,154,592 (780,000) 92,374,592
Percent of Capacity Issued		0.84%



DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AND RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Real Market Value Estimated Population Per Capita Real Market Value	\$ 1, ⁻ \$	171,755,872 5,495 213,240		
Debt Information	Gr	oss Direct Debt ⁽¹⁾	١	Net Direct Debt ⁽²⁾
District Direct Debt	\$	1,002,975	\$	1,002,975
Bonded Debt Ratios				
District Direct Debt to Real Market Value Per Capita District Direct Debt	\$	0.09% 183	\$	0.09% 183

⁽¹⁾ Gross Direct Debt = all limited and unlimited debt (GO & FFCO)

Short-term debt is not included in either calculation.

⁽²⁾ **Net Debt** = Gross debt - Self-supporting (any GO or FFCOs paid from revenue streams other than property taxes or GF revenues)

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY

Fiscal Year	Real Market Value ⁽¹⁾	To	otal Assessed Valuation	Ur	ban Renewal Excess	AV Used to Calculate Rates ⁽²⁾
2021	\$1,171,755,872	\$	884,209,098	\$	6,883,070	\$ 877,326,028
2020	1,099,521,513		852,330,115		5,306,739	847,023,376
2019	1,025,529,333		822,669,181		4,592,555	818,076,626
2018	982,820,472		793,212,371		3,393,109	789,819,262
2017	919,297,208		762,943,512		2,459,499	760,484,013
2016	858,483,710		738,631,415		-	738,631,415
2015	841,118,808		720,150,098		-	720,150,098
2014	818,521,792		694,324,994		-	694,324,994
2013	812,202,891		676,347,946		-	676,347,946
2012	863,721,304		671,847,569		-	671,847,569

⁽¹⁾ Value represents the Real Market Value of taxable properties, including special assessed properties such as farms. This value is also commonly referred to as the "Measure 5 value" by county assessors.

⁽²⁾ Assessed Value of property in the District on which the permanent tax rate limit is applied to derive *ad valorem* property taxes, excluding urban renewal and any other offsets.

PRINCIPAL PROPERTY TAXPAYERS

Central Curry School District No. 1

Taxpayer	Business/Service	Tax ⁽¹⁾	Ass	essed Value (2)	Percent of Value
Charter Communications	Telecommunications	\$ 92,444	\$	9,072,100	1.03%
Pistol Resources, LLC	Lumber Mill	86,382		10,292,550	1.16%
Rayonier WA Timberlands Co. 1, LLC	Forest Mgmt./Timber	72,079		8,622,790	0.98%
Pacifica Gold Beach, LLC	Hotel	69,321		6,197,420	0.70%
Rogue Resources LLC	Forest Mgmt./Timber	55,826		6,649,520	0.75%
Chetco Resources, LLC	Forest Mgmt./Timber	54,765		7,665,090	0.87%
Frontier Communications	Telecommunications	44,106		4,567,000	0.52%
Gold Beach Hospitality, LLC	Hotel	37,566		3,577,590	0.40%
Gold Beach Senior Living, LLC	Retirement Home	36,740		3,478,670	0.39%
Oh, Baek K. & Sung C.	Hotel	30,886		2,761,250	0.31%
Subtotal - ten of District's largest taxpaye	ers			62,883,980	7.11%
All other District's taxpayers				821,325,118	92.89%
Total District			\$	884,209,098	100.00%

Curry County

Taxpayer	Business/Service	Tax ⁽¹⁾	Ass	essed Value ⁽²⁾	Percent of Value
South Coast Lumber Co. (SOCOMI)	Lumber Mill	\$586,541	\$	72,959,905	2.17%
Fred Meyer Stores Inc.	Grocery Store	137,285		13,661,821	0.41%
Charter Communications	Telecommunications	131,652		14,234,300	0.42%
Chetco Resources, LLC	Forest Mgmt./Timber	107,195		16,002,460	0.48%
Frontier Communications	Telecommunications	96,697		10,373,000	0.31%
Pistol Resources, LLC	Lumber Mill	86,382		10,292,550	0.31%
Rayonier WA Timberlands, LLC	Wood Products	72,303		8,656,360	0.26%
Jacobsen, Eric W	Sea View Assisted Living	71,567		10,978,280	0.33%
Pacifica Gold Beach, LLC	Hotel	69,321		6,197,420	0.18%
AT&T, Inc.	Telecommunications	64,845		7,961,000	0.24%
Subtotal - ten of County's largest taxpaye	rs			171,317,096	5.11%
All other County taxpayers			3	,187,698,328	94.89%
Total County taxpayers			\$3	,359,015,424	100.00%

⁽¹⁾ Tax amount is the total tax paid by the taxpayer within the boundaries of the District and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

⁽²⁾ Assessed value does not exclude offsets such as urban renewal and farm tax credits.

PROPERTY TAX COLLECTIONS

Curry County <u>Tax Collections</u> (1)

	Percent Collected as of				
Fiscal Year	Levy Year ⁽²⁾	6/30/2021 ⁽³⁾			
2021	97.33%	97.33%			
2020	96.59%	98.66%			
2019	96.89%	99.25%			
2018	96.43%	99.67%			
2017	96.16%	99.92%			
2016	96.21%	99.96%			
2015	95.84%	99.96%			
2014	95.52%	99.66%			

- (1) Percentage of total tax levy collection in the County. Pre-payment discounts are considered to be $\frac{\text{collected}}{\text{collected}}$ when outstanding taxes are calculated. The tax rates are before offsets.
- (2) The percentage of taxes collected in the "year of levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.
- (3) The percentage of taxes shown in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2021.

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors Central Curry School District No. 1 Gold Beach, Oregon 97444

We have audited the basic financial statements of Central Curry School District No. 1 as of and for the year ended June 30, 2021, and have issued our report thereon dated December 21, 2021. 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 Central Curry School District No. 1'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 162-010-0000 through 162-010-0320 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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:

Accounting records

Deposit of public funds with financial institutions (ORS Chapter 295)

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Authorized investment of surplus funds (ORS Chapter 294)

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

State school fund factors and calculation

Accountability for collecting or receiving money by elected officials

In connection with our testing, nothing came to our attention that caused us to believe that the District was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

The District does not have any elected officials collecting or receiving money.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting. However, we noted certain matters that we have reported to management of the District in a separate letter dated December 21, 2021.

This report is intended solely for the information and use of the board of directors and management of Central Curry School District No. 1 and the Oregon Secretary of State, and is not intended to be and should not be used by anyone other than these parties.

Koontz, Blasquez & Associates, P.C.

Debra L. Blasquez, CPA

Albany, Oregon December 21, 2021

SUPPLEMENTAL INFORMATION REQUIRED BY OREGON DEPARTMENT OF EDUCATION

For the Year Ended June 30, 2021

Part A is needed for computing Oregon's full allocation for ESSA, Title I, and other Federal Funds for Education.

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

	Obje	ects 325, 326, and 327
Function 2540	\$	166,597
Function 2550	\$	3,448

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

Ī	\$ 7,000
-	

Exclude these functions:

	ise functions.
1113	Elementary Co-Curricular Activities
1122	Middle School Co-Curricular Activities
1132	High School Co-Curricular Activities
1140	Pre-Kindergarten
1300	Continuing Education
1400	Summer School
2550	Pupil Transportation
3100	Food Service
3300	Community Services
4150	Construction

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor, Pass through Grantor, Program Title	Grant Period	CFDA	Expenditures
U.S. Department of Education			
Passed through Oregon State Department of Education			
Title I, Part A Cluster Title I Grants to Local Educational Agencies Title I Grants to Local Educational Agencies Title I Grants to Local Educational Agencies (ESSA) Title I Grants to Local Educational Agencies (ESSA - supp.)	2019-2020 2020-2021 2019-2020 2020-2021	84.010 84.010 84.010 84.010	\$ 10,542 54,703 40,079 15,520
Total Title I, Part A Cluster			120,844
Special Education Cluster IDEA Special Education Grants To States IDEA Special Education Grants To States	2018-2021 2019-2021	84.027 84.027	47,634 82,359
Total Special Education Cluster			129,993
Title II-A Improving Teaching Quality State Grants	2020-2021	84.367	8,405
Title IV-A Student Support and Academic Enrichment Grants	2019-2021	84.424	8,270
Elementary and Secondary School Emergency Relief Fund* COVID-19 ESSER ESSER - CDL Grant ESSER - III ESSER - III (ARP ESSER)	2020-2022 2020-2021 2020-2023 2020-2024	84.425 84.425 84.425 84.425	81,680 88,862 10,544 48,718
Total Elementary and Secondary School Emergency Relief Fund			229,804
Total passed through Oregon State Department of Education			497,316
Total U.S. Department of Education			497,316
*Major program			
			(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

(Continued)

Federal Grantor, Pass through Grantor, Program Title	Grant Period	CFDA	Expenditures
U.S. Department of Agriculture			
Passed through Oregon State Department of Education			
Child Nutrition Cluster* Commodity - National School Lunch Program Summer Food Service Program for Children		10.555 10.559	\$ 9,756 430,457
Total Child Nutrition Cluster			440,213
Total passed through Oregon State Department of Education			440,213
Passed through Curry County			
Schools and Roads - Grants to States		10.665	69,340
Total U.S. Department of Agriculture			509,553
Total federal expenditures			\$ 1,006,869

^{*}Major program

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

I. PURPOSE OF SCHEDULE

The schedule of expenditures of federal awards is a supplementary schedule to Central Curry School District No. 1's basic financial statements and is presented for additional analysis. Because the schedule presents only a selected portion of the activities of the District, it is not intended to and does not present the financial position, changes in net position, nor the operating funds' revenues and expenditures.

II. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The information in the schedule of expenditures of federal awards is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

B. Federal Financial Assistance

Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the schedule of expenditures of federal awards, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

C. Indirect Cost Rate

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

D. Major Programs

The Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes. Major programs include CFDA No. 10.555/10.559 *Child Nutrition Cluster* and CFDA No. 84.425 *ESSER*.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

II. SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Reporting Entity

The reporting entity is fully described in the notes to the District's basic financial statements. Additionally, the schedule of expenditures of federal awards includes all federal programs administered by the District for the year ended June 30, 2021.

F. Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting.

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors Central Curry School District No. 1 Gold Beach, Oregon 97444

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the remaining fund information of Central Curry School District No. 1 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Central Curry School District No. 1's basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Curry School District No. 1's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Central Curry School District No. 1's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Curry School District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Central Curry School District No. 1's Response to Finding

Central Curry School District No. 1's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Koontz, Blasquez & Associates, P.C.

Debra L. Blasquez, CPA

Albany, Oregon December 21, 2021

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Directors Central Curry School District No. 1 Gold Beach, Oregon 97444

Report on Compliance for Each Major Federal Program

We have audited Central Curry School District No. 1's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Central Curry School District No. 1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Central Curry School District No. 1's compliance.

Opinion on Each Major Federal Program

In our opinion, Central Curry School District No. 1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Central Curry School District No. 1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Curry School District No. 1's internal control over compliance.

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

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

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

Koontz, Blasquez & Associates, P.C.

Debra L. Blasquez, CPA

Albany, Oregon December 21, 2021

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Finan	cial	Sto	tom	onte

Type of auditor's opinion issued:		Unmodified
Internal control over financial reporting:		
Material weaknesses identified?		No
• Significant deficiencies identified not considered to be material weaknesses?		Yes
Noncompliance material to financial statements noted?		No
Federal Awards		
Internal control over major programs:		
Material weaknesses identified?		No
• Significant deficiencies identified not considered to be material weaknesses?		No
Type of auditor's report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		No
Identification of major programs:		
CFDA Number(s)	Name of Federal Program or Cluster	
10.555/10.559	Child Nutrition Cluster	
84.425	ESSER	
Dollar threshold used to distinguish between Type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding Number	Finding
2021-001	Segregation of Duties
Condition:	Due to the limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties.
Prevalence:	Entity-wide
Criteria:	In an ideal situation, no one employee has access to both physical assets and the related accounting records or to all phases of a transaction.
Questioned costs:	None
Effect:	The possibility exists that unintentional errors or irregularities could exist and not be promptly detected.
Recommendations:	We recommend that the board and management remain diligent in monitoring the financial activities of the District.
Management's response:	Management concurs with the finding.

SECTION III – CORRECTIVE ACTION

Finding Number	Corrective Action
2021-001	The school board and management will remain diligent in monitoring the financial activities of the District. The school board reviews monthly financial reports. The superintendent also reviews journal entries made by the business manager. The superintendent and business manager meet regularly to discuss financial activities.