ANNUAL FINANCIAL REPORT

June 30, 2022

DISTRICT OFFICIALS

June 30, 2022

BOARD OF DIRECTORS

Kailey Clarno, Chair (Resigned March 2022) 94158 11th Street Gold Beach, Oregon 97444

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

Scott McNair 94369 11th Street Gold Beach, Oregon 97444

Nancy Sorensen 27796 Hunter Creek Road Gold Beach, Oregon 97444

Jeremy Skinner (Resigned March 2022) 94375 Tom Cat Hill Road Gold Beach, Oregon 97444

Kylie McCloskey (Effective May 2022) 34601 Ophir Road Gold Beach, Oregon 97444

Patrick Hollinger (Effective May 2022) P.O. Box 412 Gold Beach, Oregon 97444

ADMINISTRATION

Eric Milburn Superintendent P.O. Box 70 Gold Beach, Oregon 97444

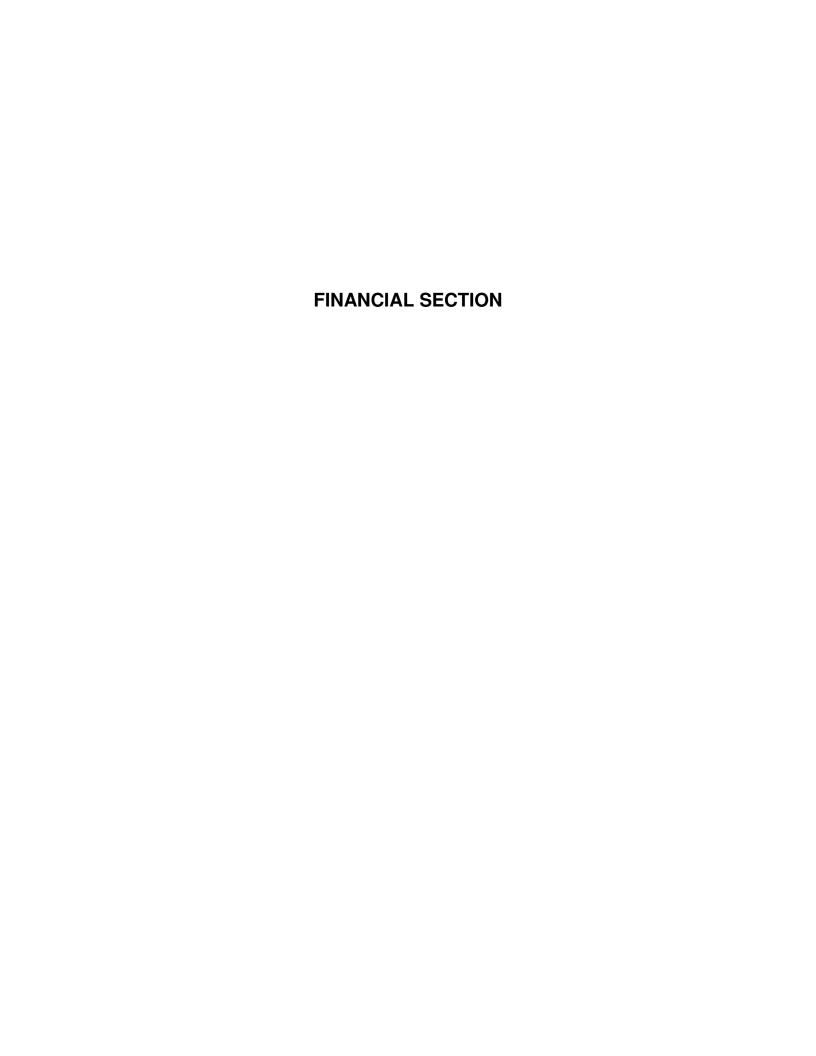
Kristal Carpenter Business Manager 32774 Cedar Valley Road Gold Beach, Oregon 97444

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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 Audit of the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Central Curry School District No. 1 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Central Curry School District No. 1's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Curry School District No. 1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due
 to fraud or error, and design and perform audit procedures responsive to those risks. Such
 procedures include examining, on a test basis, evidence regarding the amounts and disclosures
 in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Central Curry School District No. 1's internal control.
 Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate
 that raise substantial doubt about the District's ability to continue as a going concern for a
 reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

The District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

The effect of applying the provisions of GASB Statement No. 87 has been reported as a restatement of beginning net position for the year ended June 30, 2022.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of pension and other postemployment benefits, and budgetary comparison information on pages 5 through 11, 56 through 60, and 61 through 62, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and schedules of pension and other postemployment benefits in accordance with GAAS, 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 or schedules of pension and 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Supplementary 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 GAAS. 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 14, 2022 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 issued our report dated December 14, 2022 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, CPA

Albany, Oregon December 14, 2022

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, 2022. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2022, total net position of Central Curry School District No. 1 amounted to \$1,518,990. Of this amount, \$2,739,403 was invested in capital assets, net of related debt; \$16,441 was restricted for debt service; \$314,886 was restricted for special projects; and \$234,173 was restricted for student body activities. The remaining balance of \$(1,785,913) was unrestricted.
- At June 30, 2022, the District's governmental funds reported combined ending fund balances of \$2,464,566.

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 12 through 14 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 15 through 19 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 20 through 55 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 56 through 62 of this report.

Individual fund schedules can be found immediately following the required supplementary information on page 63 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, 2022, the District's assets exceeded its liabilities by \$1,518,990.

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 \$1,193,874 during the current fiscal year. This increase is primarily due to an increase in program revenues and a decrease in program expenses.

Condensed statement of net position information is shown below.

Condensed Statement of Net Position

	Governmental Activities	
	2022	2021
Assets and deferred outflows of resources		
Current assets	\$ 2,484,764	\$ 2,483,650
Restricted assets	681,935	293,346
Noncurrent assets	3,331,929	3,427,021
Deferred outflows of resources	2,194,481	2,338,167
Total assets and deferred outflows of resources	8,693,109	8,542,184
Liabilities and deferred inflows of resources		
Current liabilities	1,057,507	966,165
Noncurrent liabilities	3,290,505	6,552,209
Deferred inflows of resources	2,826,107	698,694
Total liabilities and deferred inflows of resources	7,174,119	8,217,068
Net position		
Net investment in capital assets	2,739,403	2,353,577
Restricted for various purposes	565,500	225,407
Unrestricted	(1,785,913)	(2,253,868)
Total net position	\$ 1,518,990	\$ 325,116

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	
	2022	2021
Program revenues Regular programs Special programs Student support services Instructional staff support Food services	\$ 39,667 597,775 397,956 - 707,452	\$ 9,867 655,348 55,068 1,997 582,112
Total program revenues	1,742,850	1,304,392
General revenues Property taxes - general Property taxes - debt service State school fund - general support Common school fund Unrestricted state and local revenue Unrestricted grants and contributions Unrestricted federal revenue Investment earnings Amortization of bond premium Gain on sale of capital assets Miscellaneous	3,520,362 390,267 2,161,440 50,376 2,000 93,405 13,369 17,179	3,292,798 371,736 2,239,811 41,932 20,000 10,178 69,340 15,751 17,179 4,845 203,661
Total general revenues	6,320,092	6,287,231
Total revenues	8,062,942	7,591,623
Program expenses Regular programs Special programs Summer school programs Student support services Instructional staff support General administrative support School administrative support Business support services Central activities support Food services Community service activities Custody and care of children Unallocated depreciation expense Unallocated amortization expense Interest on long-term debt	2,954,671 425,990 81,110 239,233 142,498 238,671 488,665 1,534,154 150,646 357,880 230 	3,153,681 537,735 50,308 297,848 138,698 223,829 637,158 1,582,505 137,951 446,201 7,391 2,277 160,266 27,313 40,877
Total program expenses	6,869,068	7,444,038
Change in net position	1,193,874	147,585
Net position - beginning of year, as restated	325,116	177,531
Net position - end of year	<u>\$ 1,518,990</u>	\$ 325,116

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 the majority (78%) of the funding required for governmental programs. Property taxes and state school funding combined for 96% of general revenues and 75% of total revenues.

Charges for services make up 1.5% of total revenues and are composed of the following items for which it is appropriate that the District charge tuition or fees:

•	Food service charges for breakfast and lunch	\$ 2,009
•	Various student extracurricular activities	 121,333
	Total charges for services	\$ 123,342

Operating grants and contributions represent 20% of total revenues. Included in this category are \$1,619,508 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 54% of the total expenses of \$6,869,068. In addition, approximately 38% 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 \$2,448,125, an increase of \$361,160 over the prior year. This amount included \$39,578 of nonspendable amounts related to inventories and prepaid expenses, \$314,886 restricted for special projects, and \$234,173 restricted for student body activities. The remaining \$1,859,488 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: Nonspendable fund balance decreased 22.4% due to the decrease in the Workers' Compensation prepayment and the movement of the Child Nutrition program from the General Fund to the Special Revenue Fund.
- Special Revenue Fund: Restricted fund balance increased 173.6% due to the addition of an Early Learning Center / Coronavirus State Fiscal Recovery Fund Grant.

BUDGETARY HIGHLIGHTS: GENERAL FUND

Significant variances between budgeted and actual amounts in the General Fund for the year ended June 30, 2022 include:

- State revenue was budgeted for \$1,645,500. Actual revenues were \$2,217,373 (34.8% over budget) due to a significant increase in state school fund support.
- Transfers out were budgeted for \$230,769. Actual transfers out were \$63,246 (72.6% under budget) due to the Child Nutrition program bringing in higher than anticipated revenue through the Seamless Summer Option (SSO), a program the District was allowed to run all school year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2022 amounted to \$3,288,773, 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 \$162,189.

Additional information on the District's capital assets can be found in Note III-C on page 31 of this report.

Long-Term Liabilities

At the end of the current fiscal year, the District had total long-term liabilities outstanding of \$593,483, including unamortized premium on bonds of \$15,749. This amount is comprised of three leases payable, general obligation bonds, and financed purchases. The District's total long-term liabilities outstanding decreased by \$481,229 during the current fiscal year.

Additional information on the District's long-term liabilities can be found in Note III-F on pages 32 through 34 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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 2022-2023.

The ending General Fund unassigned balance of \$1,859,488 will be available for program resources in fiscal year 2022-2023.

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, 2022

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets	
Cash and cash equivalents	\$ 2,236,675
Undistributed taxes with county	26,911
Property taxes receivable	160,469
Accounts receivable	25,188
Prepaids	35,521
Total current assets	2,484,764
Restricted assets	
Cash and cash equivalents	467,237
Undistributed taxes with county	3,039
Property taxes receivable, debt service	21,396
Accounts receivable	186,206
Inventories	4,057
Total restricted assets	681,935
Noncurrent assets Right to use leased assets, net of accumulated amortization	43,156
Capital accets	
Capital assets Land	25,330
	3,263,443
Capital assets, net of accumulated depreciation	
Total capital assets	3,288,773
Total noncurrent assets	3,331,929
Total assets	6,498,628
Deferred outflows of resources	
Deferred charge on refunding	15,439
Net deferred outflow of pension related resources	2,122,303
Net deferred outflow of OPEB related resources	56,739
Total deferred outflows of resources	2,194,481
Total assets and deferred outflows of resources	8,693,109
	(Continued)

STATEMENT OF NET POSITION

June 30, 2022

(Continued)

(Continued)	Governmental Activities
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Current liabilities	
Accounts payable	\$ 164,029
Payroll payables	386,188
Accrued interest payable	1,144
Compensated absences payable, current portion	9,630
Leases payable, current portion	28,183
Bonds payable, current portion	405,000
Financed purchases payable, current portion	63,333
Total current liabilities	1,057,507
Noncurrent liabilities	
Compensated absences payable, less current portion	146,575
Net pension liability	2,958,332
Net OPEB liability	88,631
Leases payable, less current portion	15,930
Bonds payable, less current portion	15,749
Financed purchases payable, less current portion	65,288
Total noncurrent liabilities	3,290,505
Total liabilities	4,348,012
Deferred inflows of resources	
Net deferred inflow of pension related resources	2,798,480
Net deferred inflow of OPEB related resources	27,627
The described minor of the EB foliated followings	
Total deferred inflows of resources	2,826,107
Total liabilities and deferred inflows of resources	7,174,119
NET POSITION	
Net investment in capital assets	2,739,403
Restricted for:	
Debt service	16,441
Special projects	314,886
Student body activities	234,173
Unrestricted	(1,785,913)
Total net position	<u>\$ 1,518,990</u>

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

Net (Expense)

					Revenue and
		D	rogram Povonu	100	Changes in Net Position
			Program Revenues Operating Capital		
		Charges for	Grants and	Grants and	Governmental
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities
Governmental activities					7.00.7.00
Regular programs	\$ 2,954,671	\$ 13,913	\$ 25,754	\$ -	\$ (2,915,004)
Special programs	425,990	-	597,775	-	171,785
Summer school programs	81,110	-	-	-	(81,110)
Student support services	239,233	107,420	290,536	-	158,723
Instructional staff support	142,498	-	-	-	(142,498)
General administrative support	238,671	-	-	-	(238,671)
School administrative support	488,665	-	-	-	(488,665)
Business support services	1,534,154	-	-	-	(1,534,154)
Central activities support	150,646	-	-	-	(150,646)
Food services	357,880	2,009	705,443	-	349,572
Community service activities	230	-	-	-	(230)
Unallocated depreciation expense	162,189	-	-	-	(162,189)
Unallocated amortization expense	27,313	-	-	-	(27,313)
Interest on long-term debt	65,818				(65,818)
Total governmental activities	\$ 6,869,068	\$ 123,342	\$1,619,508	<u>\$</u>	(5,126,218)
	General reven				
			neral purposes		3,520,362
		es levied for de			390,267
		fund - general	support		2,161,440
	Common sch				50,376
		grants and cor			2,000
		federal revenu	е		93,405
	Investment e	•			13,369
	Amortization Miscellaneou	of bond premi	um		17,179
	Miscellaneou	ıs			71,694
	Total gene	ral revenues			6,320,092
	Change i	in net position			1,193,874
	Net position - b	peginning, as re	estated		325,116
	Net position - 6	ending			\$ 1,518,990

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2022

		General Fund		Special Revenue Fund	Gov	onmajor ernmental Fund ot Service	Go	Total vernmental Funds
ASSETS	Φ	0.000.075	Φ	450.074	ф	10.000	Φ	0.700.010
Cash and cash equivalents Undistributed taxes with county	\$	2,236,675 26,911	\$	456,874	\$	10,363 3,039	\$	2,703,912 29,950
Property taxes receivable		160,469		-		21,396		181,865
Accounts receivable		25,188		186,206		-		211,394
Inventories		-		4,057		_		4,057
Prepaids		35,521						35,521
Total assets	\$	2,484,764	<u>\$</u>	647,137	\$	34,798	\$	3,166,699
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES Liabilities								
Accounts payable	\$	129,222	\$	34,807	\$	-	\$	164,029
Payroll payables		326,974		59,214		<u>-</u>		386,188
Total liabilities		456,196		94,021		<u>-</u>		550,217
Deferred inflows of resources								
Unavailable revenue - property taxes	_	133,559				18,357		151,916
Fund balances								
Nonspendable		35,521		4,057		-		39,578
Restricted		-		549,059		16,441		565,500
Unassigned	_	1,859,488				-		1,859,488
Total fund balances		1,895,009		553,116		16,441		2,464,566
Total liabilities, deferred inflows of								
resources, and fund balances	\$	2,484,764	\$	647,137	\$	34,798	\$	3,166,699

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

June 30, 2022

Total fund balances		\$ 2,464,566
Right to use leased assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds: Right to use leased assets Accumulated amortization	136,564 (93,408)	43,156
Capital assets are not financial resources and are therefore not reported in the governmental funds. Cost Accumulated depreciation and amortization	8,881,524 (5,592,751)	3,288,773
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.		151,916
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 Leases payable Bonds payable Bond premium Financed purchases payable	(1,144) (156,205) (44,113) (405,000) (15,749) (128,621)	(750,832)
Deferred charges related to refunding bonds are not considered current assets and are therefore not reported in the governmental funds. Deferred charges Amortization of deferred charges	193,726 (178,287)	15,439
		(Continued)

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

June 30, 2022

(Continued)

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	\$ (2,958,332)	
Deferred outflows of pension related resources	2,122,303	
Deferred inflows of pension related resources	(2,798,480)	(3,634,509)
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:		
Not OPER liability	(88 631)	

Net OPEB liability(88,631)Deferred outflows of OPEB related resources56,739Deferred inflows of OPEB related resources(27,627)(59,519)

Net position of governmental activities

\$ 1,518,990

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended June 30, 2022

			Nonmajor	
		Special	Governmental	Total
	General	Revenue	Fund	Governmental
	Fund	Fund	Debt Service	Funds
REVENUES				
Taxes	\$ 3,539,958	\$ -	\$ 392,895	\$ 3,932,853
Intergovernmental	2,306,684	1,566,916	-	3,873,600
Charges for services	18,007	78,296	-	96,303
Miscellaneous	70,417	93,863	951	165,231
Total revenues	5,935,066	1,739,075	393,846	8,067,987
EXPENDITURES				
Current				
Instruction	3,081,432	704,552	-	3,785,984
Support services	2,714,356	372,398	-	3,086,754
Enterprise and community services	-	372,917	-	372,917
Debt service	67,326		402,150	469,476
Total expenditures	5,863,114	1,449,867	402,150	7,715,131
Excess (deficiency) of revenues				
over (under) expenditures	71,952	289,208	(8,304)	352,856
OTHER FINANCING SOURCES (USES)				
Transfers in	-	63,246	-	63,246
Transfers out	(63,246)			(63,246)
Total other financing sources (uses)	(63,246)	63,246		
Net change in fund balances	8,706	352,454	(8,304)	352,856
Fund balances - beginning	1,886,303	200,662	24,745	2,111,710
Fund balances - ending	\$ 1,895,009	\$ 553,116	\$ 16,441	\$ 2,464,566

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, 2022

•		
Net change in fund balances		\$ 352,856
Amounts reported for governmental activities on the statement of activities are different because:		
Governmental funds report right to use leased assets as expenditures; however, on the statement of activities, the costs of these assets are allocated over the terms of the leases and reported as amortization expense. Current year amortization		(27,313)
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.	04.410	
Capital asset expenditures Less current year depreciation	94,410 (162,189)	(67,779)
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	924	
Amortization of bond premium	17,179	
Principal payments on lease liabilities Debt principal paid	27,624 436,426	482,153
The refunding of bonds results in an increase in debt for which no proceeds are received. This increase in debt is recorded as an addition to deferred charges and is amortized over the life of the refunding bond. Amortization of deferred charges		(33,692)
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.		(22,224)
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		(5,724)
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.		497,402
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.		 18,195
Change in net position		\$ 1,193,874

NOTES TO BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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, 2022

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, 2022

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, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Right to Use Assets

The District has recorded right to use leased assets as a result of implementing GASB Statement No. 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the terms of the related leases.

6. 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		

7. 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.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. 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.

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.

9. 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.

10. 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.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Deferred Outflows and Inflows of Resources (Continued)

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 is 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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. 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.
- 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.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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.

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 one approved appropriation transfer.

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, 2022

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, 2022, the District had the following investments:

	Credit Quality		
	Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	\$ 1,728,493

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, 2022

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

A. Deposits and Investments (Continued)

Custodial Credit Risk – Deposits

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, 2022, the District had deposits of \$250,000 insured by the FDIC and \$890,739 covered by the PFCP.

Deposits

The District's deposits and investments at June 30, 2022 are as follows:

Petty cash Checking accounts Total investments	\$ 890 974,529 1,728,493
Total deposits and investments	\$ 2,703,912
Cash and investments by fund:	
Governmental activities - unrestricted General Fund	\$ 2,236,675
Governmental activities - restricted Special Revenue Fund Nonmajor governmental fund - Debt Service Fund	456,874 10,363
Total governmental activities - restricted	 467,237
Total cash and investments	\$ 2,703,912

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

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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

B. Right to Use Leased Assets

The District has recorded three right to use leased assets for equipment. The related leases are discussed in Note III-F.2. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the District for the year ended June 30, 2022 was as follows:

Governmental activities	Е	eginning Balance, Restated	Incre	eases_	Decre	ases	Ending Balance
Right to use assets Leased equipment Phone system Copiers (5) Postage meter	\$	89,992 30,964 15,608	\$	- - -	\$	- - -	\$ 89,992 30,964 15,608
Total leased equipment right to use assets	_	136,564					 136,564
Less accumulated amortization for Leased equipment Phone system Copiers (5) Postage meter		(38,497) (18,234) (9,364)	(7,998) 6,193) 3,122)		- - -	(56,495) (24,427) (12,486)
Total leased equipment amortization		(66,095)	(2	7,313)			 (93,408)
Total right to use assets being amortized, net	\$	70,469	\$ (2	<u>7,313</u>)	\$		\$ 43,156

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

Unallocated amortization expense

\$ 27,313

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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

C. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities	Dalance	moreases	Decreases	Dalarico
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 1,327,860	- - - 94,410	- - - -	7,132,815 128,197 172,912 1,422,270
Total capital assets being depreciated	8,761,784	94,410		8,856,194
Less accumulated depreciation for Buildings and improvements Furniture and fixtures Land improvements Machinery and equipment	(4,339,232) (119,039) (54,752) (917,539)	(86,088) (1,078) (3,458) (71,565)	- - - -	(4,425,320) (120,117) (58,210) (989,104)
Total accumulated depreciation	(5,430,562)	(162,189)		(5,592,751)
Total capital assets being depreciated, net	3,331,222	(67,779)		3,263,443
Governmental activities capital assets, net	\$3,356,552	\$ (67,779)	<u> </u>	\$3,288,773

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	(4,425,320)	2,707,495
Furniture and fixtures	128,197	(120,117)	8,080
Land improvements	172,912	(58,210)	114,702
Machinery and equipment	1,422,270	(989,104)	433,166
Total capital assets	\$ 8,881,524	\$ (5,592,751)	\$ 3,288,773

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

\$ 162,189

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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

D. Interfund Transfers

Operating transfers are reflected as other financing sources (uses) in the governmental funds. Interfund transfers during the year consisted of:

Transfers in:
Special
Revenue Fund

Transfers out:
General Fund \$ 63,246

The principal purpose of the interfund transfers in were to fund food service activities accounted for in the Special Revenue Fund.

E. Compensated Absences

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

	В	eginning						Ending	Due	e Within
		Balance	Additions		Additions Reductions		Balance		One Year	
Compensated absences	\$	150,481	\$	5,724	\$		\$	156,205	\$	9,630

F. Long-Term Liabilities

1. Changes in Long-Term Liabilities

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

				В	eginning								
	Interest		Original	В	alance,			Е	Ending	Du	e Within		
	Rates		Amount	As	Restated	Add	litions	Re	ductions	В	alance	0	ne Year
Governmental activities													
Leases payable													
Phone system	3.00%	\$	89,992	\$	52,579	\$	-	\$	18,050	\$	34,529	\$	18,599
Copiers (5)	3.00%		30,964		12,913		-		6,360		6,553		6,553
Postage meter	3.00%		15,608		6,245				3,214	_	3,031		3,031
Total leases payable		_	136,564		71,737			_	27,624		44,113	_	28,183
General obligation bonds Refunding series 2011	1-4%		3,150,000		780,000				375,000		405,000		405,000
Unamortized premium on													
bonds	N/A		197,560		32,928				17,179	_	15,749		
Financed purchases													
Bus #44	2.88%		121,454		73,010		-		23,650		49,360		24,332
Bus #55	2.88%		123,971		74,524		-		24,140		50,384		24,835
Bus #22	3.88%		99,945		42,513		<u> </u>		13,636		28,877		14,166
Total financed purchase	es	_	345,370		190,047			_	61,426	_	128,621	_	63,333
Total governmental activitie	s	\$	3,829,494	<u>\$ 1</u>	1,074,712	\$		\$	481,229	\$	593,483	\$	496,516

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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

F. Long-Term Liabilities (Continued)

1. Changes in Long-Term Liabilities (Continued)

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

2. Leases Payable

The District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB Statement No. 87, *Leases*, and therefore, have been recorded at the present values of the future minimum lease payments as of the dates of inception.

a. Phone System Lease

The agreement was executed on May 10, 2019 to lease a phone system and requires 60 monthly payments of \$1,606.89. The lease liability is measured at an implied discount rate of 3%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$33,497 on June 30, 2022. The right to use leased asset is discussed in more detail in Note III-B.

b. Copiers Lease

The agreement was executed on July 20, 2018 to lease five copiers and requires 60 monthly payments of \$555. The lease liability is measured at an implied discount rate of 3%. As a result of the lease, the District has recorded right to use assets with a net book value of \$6,537 on June 30, 2022. The right to use leased assets are discussed in more detail in Note III-B.

c. Postage Meter Lease

The agreement was executed on June 30, 2018 to lease a postage meter and requires 60 monthly payments of \$279.75. The lease liability is measured at an implied discount rate of 3%. As a result of the lease, the District has recorded a right to use asset with a net book value of \$3,122 on June 30, 2022. The right to use leased asset is discussed in more detail in Note III-B.

3. 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, 2022

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

F. Long-Term Liabilities (Continued)

4. Financed Purchases

a. Buses

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

5. Future Maturities of Long-Term Liabilities

Year Ending	Leases	Payable	Во	nds	Financed	Purchases	To	otal
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023 2024	\$ 28,183 15,930	\$ 935 220	\$405,000	\$ 12,150 -	\$ 63,333 65,288	\$ 3,993 2,035	\$496,516 81,218	\$ 17,078 2,255
Total	\$ 44,113	<u>\$ 1,155</u>	\$405,000	\$ 12,150	\$128,621	\$ 6,028	\$577,734	\$ 19,333

G. Constraints on Fund Balances

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

	General Fund			
Fund balances:				
Nonspendable: Inventory	\$ -	\$ 4,057	\$ -	\$ 4,057
Prepaids	35,521	-	-	35,521
Restricted for:				
Debt service	-	-	16,441	16,441
Special projects	-	314,886	-	314,886
Student body activities	-	234,173	-	234,173
Unassigned	1,859,488			1,859,488
Total fund balances	\$ 1,895,009	\$ 553,116	\$ 16,441	\$ 2,464,566

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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 annual comprehensive financial report and actuarial valuation, both of which can be obtained at: http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

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.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

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

Death Benefits

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

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member 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%.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

B. Benefits Provided (Continued)

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 is 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.

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, 2019 actuarial valuation, which became effective July 1, 2021. 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, 2022 were \$756,350, excluding amounts to fund employer-specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were 26.83% for Tier One/Tier Two general service members, 23.72% for OPSRP Pension Program general service members, and 6% for OPSRP IAP.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

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

At June 30, 2022, the District reported a liability of \$2,958,332 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan, relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, the District's proportion was 0.0247%, which decreased from its proportion of 0.0262% measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$497,402. At June 30, 2022, 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	\$ 276,919	\$ -
Changes in assumptions	740,559	7,786
Net difference between projected and actual earnings on investments	-	2,190,030
Changes in proportion	40,079	600,664
Differences between employer contributions and proportionate share of contributions	308,396	
Total (prior to post measurement date contributions)	1,365,953	2,798,480
Contributions subsequent to the measurement date	756,350	
Total	\$ 2,122,303	\$ 2,798,480

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

IV. PENSION PLAN (Continued)

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

Deferred outflows of resources related to pensions of \$756,350 resulting from the District's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2023. Other amounts reported as 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		
2023	\$	465,602	\$	734,780		
2024		339,390		613,583		
2025		256,617		652,841		
2026		220,179		778,852		
2027		84,165		18,424		
	<u>\$</u>	1,365,953	<u>\$</u>	2,798,480		

E. Actuarial Assumptions

The employer contribution rates effective July 1, 2021 through June 30, 2023 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. Senate Bill 1049 was signed into law in June 2019 and required a one-time re-amortization of Tier One/Tier Two unfunded actuarial accrued liabilities over a 22-year period at the December 31, 2019 rate-setting actuarial valuation, which set actuarially determined contribution rates for the 2021-2023 biennium. Future Tier One/Tier Two unfunded actuarial accrued liability gains or losses will be 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, 2022

IV. PENSION PLAN (Continued)

E. Actuarial Assumptions (Continued)

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.40%
Long-Term Expected Rate of Return	6.90%
Discount Rate	6.90%
Projected Salary Increases	3.40%
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, 2022

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	0.00 %
Debt Securities	20.00 %
Public Equity	32.50 %
Private Equity	17.50 %
Real Estate	12.50 %
Alternatives Portfolio	15.00 %
Risk Parity	<u>2.50</u> %
Total	100.00 %

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
Global Equity	30.62 %	5.85 %
Private Equity	25.50 %	7.71 %
Core Fixed Income	23.75 %	2.73 %
Real Estate	12.25 %	5.66 %
Master Limited Partnerships	0.75 %	5.71 %
Infrastructure	1.50 %	6.26 %
Commodities	0.63 %	3.10 %
Hedge Fund of Funds - Multistrategy	1.25 %	5.11 %
Hedge Fund Equity - Hedge	0.63 %	5.31 %
Hedge Fund - Macro	5.62 %	5.06 %
US Cash	<u>-2.50</u> %	1.76 %
Total	<u>100.00</u> %	
Assumed Inflation - Mean		2.40 %

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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 6.90% 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, 2022

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 6.90%, 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 (5.90%) or one percentage point higher (7.90%) than the current rate:

		Current	
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net			
pension liability (asset)	\$ 5,809,456	\$ 2,958,332	\$ 572,976

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

Oregon Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age.

L. Changes in Plan Provisions Subsequent to Measurement Date

On July 23, 2021, the Public Employees Retirement System Board voted to set the assumed rate of return to 6.90%, down from 7.20%, and the inflation rate was lowered from 2.50% to 2.40%. These rates were applied by the actuaries to the net pension liability as of June 30, 2021.

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, 2022

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

B. Financial Statement Presentation

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

	plicit Rate bsidy Plan	PE	RS RHIA Plan	_To	tal OPEB
Net OPEB (asset) liability	\$ 152,973	\$	(64,342)	\$	88,631
Deferred outflows of resources Differences between expected and actual experience Change in assumptions Change in proportionate share Contributions after measurement date	29,106 - - -		1,266 25,704 663		29,106 1,266 25,704 663
Deferred inflows of resources Differences between expected and actual experience Change in assumptions Differences between projected and actual earnings on investments Change in proportionate share	- (963) - -		(1,790) (957) (15,291) (8,626)		(1,790) (1,920) (15,291) (8,626)
OPEB expense (Included in program expenses on statement of activities)	14,571		(4,516)		10,055

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, 2022

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, Expense, and Deferred Outflows and Inflows of Resources Related to the Implicit Rate Subsidy

The District's total OPEB liability of \$152,973 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, 2022, the District recognized OPEB expense from this plan of \$14,571. At June 30, 2022, 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	\$	29,106	\$	-	
Change in assumptions or other inputs		<u>-</u>		963	
Total	\$	29,106	\$	963	

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. Implicit Rate Subsidy (Continued)

3. Total OPEB Liability, Expense, and Deferred Outflows and Inflows of Resources 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	0	eferred utflows d Inflows
2023	\$	3,518
2024		3,518
2025		3,518
2026		3,518
2027		3,518
Thereafter		10,553
	\$	28,143

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, 2022

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. Implicit Rate Subsidy (Continued)

5. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2021	\$ 169,451
Changes for the year: Service cost Interest on total OPEB liability Benefit payments	7,690 3,363 (27,531)
Balance as of June 30, 2022	<u>\$ 152,973</u>

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%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 159,770	\$ 152,973	\$ 146,424
	Healthcare Cost Trend		
	1% Decrease (2.40%)		
Total OPEB Liability	\$ 141,981	\$ 152,973	\$ 165,652

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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, 2019 actuarial valuation, which became effective July 1, 2021. 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 172.1% as of December 31, 2020. 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, 2022 amounted to \$555.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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, 2022, the District reported an asset of \$64,342 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. 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, 2021, the District's proportionate share was 0.0187%, which decreased from its proportion of 0.0397% as of June 30, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense from this plan of \$(4,516). At June 30, 2022, 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	\$	-	\$	1,790
Change in assumptions		1,266		957
Net differences between projected and actual earnings		-		15,291
Changes in proportionate share		25,704		8,626
Total (prior to post measurement date contributions)		26,970		26,664
Contributions subsequent to the measurement date		663		
Total	\$	27,633	\$	26,664

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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 \$663 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, 2023. 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 nding June 30 Outflows		Deferred Inflows	
2023	\$	15,887	\$	14,737
2024		11,083		3,606
2025		-		3,491
2026				4,830
	<u>\$</u>	26,970	\$	26,664

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, 2022

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 6.90% 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 6.90%, 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 (5.90%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease		Disc	Discount Rate		6 Increase
	(5.90%)		(6.90%)		(7.90%)	
District's proportionate share of the net						
OPEB liability (asset)	\$	(56,901)	\$	(64,342)	\$	(70,699)

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 provision during the current measurement period.

12. Changes in Plan Provisions Subsequent to Measurement Date

On July 23, 2021, the Public Employees Retirement System Board voted to set the assumed rate of return to 6.90%, down from 7.20%, and the inflation rate was lowered from 2.50% to 2.40%. These rates were applied by the actuaries to the net OPEB liability as of June 30, 2021.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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.

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, 2022 was \$4,680.

C. Concentrations

1. Collective Bargaining Agreements

At June 30, 2021, the District had a total of approximately 70 employees. Of this total, approximately 81% are covered under collective bargaining agreements and 42% are licensed staff represented by a union. The current collective bargaining agreement for licensed staff was signed June 28, 2021 and expired June 30, 2022. The classified collective bargaining agreement was signed November 19, 2019 and expired June 30, 2022. Approximately 38% of employees are classified staff.

D. Restatement

In implementing GASB Statement No. 87, the District has restated beginning net position in order to recognize right to use leased assets and lease liabilities on the statement of net position. Beginning net position was restated as follows:

Government-Wide Statements		
		vernmental Activities
Net position - beginning, as originally reported	\$	326,384
To correct beginning balance for implementation of GASB 87		(1,268)
Net position - beginning, as restated	<u>\$</u>	325,116

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

VI. OTHER INFORMATION (Continued)

E. Tax Abatements

The District did not have tax abatements for the year ended June 30, 2022.

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. 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.

GASB Statement No. 99, *Omnibus 2022*, will be effective for the District beginning with its fiscal year ending June 30, 2023. 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 and accounting and financial reporting for financial guarantees.

GASB Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62, will be effective for the District beginning with its fiscal year ending June 30, 2024. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or accessing accountability.

GASB Statement No. 101, *Compensated Absences*, will be effective for the District beginning with its fiscal year ending June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences and amends previously required disclosures.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

VI. OTHER INFORMATION (Continued)

G. Subsequent Events

Management has evaluated subsequent events through December 14, 2022, which was the date that the financial statements were available to be issued.

1. Committed Purchase

In August 2022, the District committed to the purchase of four school buses at a total cost of \$482,959.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended	(a) District's proportion of the net pension	(b) District's proportionate share of the net pension	(c) District's covered	(b/c) District's proportionate share of the net pension liability (asset) as a percentage of its	Plan fiduciary net position as a percentage of the total pension
June 30	liability (asset)	liability (asset)	payroll	covered payroll	liability
2022	0.02472182%	\$ 2,958,332	\$ 2,840,1	32 104.16%	87.60%
2021	0.02617055%	5,711,314	2,613,2	36 218.55%	75.80%
2020	0.02991766%	5,175,039	2,360,7	57 219.21%	80.20%
2019	0.02911375%	4,410,350	2,415,5	69 182.58%	82.10%
2018	0.03007642%	4,054,313	2,269,3	95 178.65%	83.10%
2017	0.03796608%	5,699,590	2,099,5	33 271.47%	80.50%
2016	0.04127202%	2,369,617	2,214,8	23 106.99%	91.90%
2015	0.04801285%	(1,088,314)	2,038,9	83 (53.38)%	103.60%
2014	0.04801285%	2,450,166	2,179,5	72 112.42%	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.

Oregon Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age.

Changes in Assumptions

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2016, 2018, and 2021 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 rate to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. For 2021, the long-term expected rate of return was lowered to 6.90% and the inflation rate was lowered to 2.40%. 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

Pension Pla	<u>an</u>			(b)				(b/c)
		(a)	Conf	tributions in	(a	a-b)	(c)	Contributions
Year	S	statutorily	rela	tion to the	Conti	ribution	District's	as a percent
Ended	1	required	statute	orily required	defic	ciency	covered	of covered
June 30	CC	ntribution	СО	ntribution	(ex	cess)	payroll	payroll
2022	\$	756,350	\$	756,350	\$	-	\$ 2,958,711	25.56%
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.

Oregon Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age.

Changes in Assumptions

The Public Employees Retirement System Board adopted assumption changes that were used to measure the June 30, 2016, 2018, and 2021 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 rate to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. For 2021, the long-term expected rate of return was lowered to 6.90% and the inflation rate was lowered to 2.40%. 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		2022		2021		2020		2019	
Total OPEB Liability Service cost Interest Economic/demographic gains or losses Change in assumptions Benefit payments	\$	7,690 3,363 - - (27,531)	\$	7,359 2,875 36,384 (1,205) (18,090)	\$	4,305 4,962 - - (17,841)	\$	4,120 5,126 - - (9,973)	
Net change in total OPEB liability		(16,478)		27,323		(8,574)		(727)	
Total OPEB liability - beginning		169,451		142,128		150,702		151,429	
Total OPEB liability - ending	<u>\$</u>	152,973	<u>\$</u>	169,451	<u>\$</u>	142,128	<u>\$</u>	150,702	
Covered employee payroll	\$	2,958,711	\$	2,840,132	\$	2,613,236	\$	2,360,757	
Total OPEB liability as a percentage of covered employee payroll		5.17%		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)

<u>RHIA</u>					(b/c)	
					District's	
	(a)		(b)		proportionate share	Plan fiduciary
	District's		District's	(c)	of the net OPEB	net position as
Year	proportion of	propor	tionate share	District's	liability (asset) as a	a percentage of
Ended	the net OPEB	of the	e net OPEB	covered	percentage of its	the total OPEB
June 30	liability (asset)	liab	ility (asset)	payroll	covered payroll	liability
2022	0.01873686%	\$	(64,342)	\$ 2,840,132	-2.27%	183.90%
2021	0.03965354%		(80,798)	2,613,236	-3.09%	150.10%
2020	0.02179294%		(42,112)	2,360,757	-1.78%	144.40%
2019	0.02383237%		(26,603)	2,415,569	-1.10%	124.00%
2018	0.02239513%		(9,346)	2,269,395	-0.41%	108.90%
2017	0.02213122%		6,010	2,099,533	0.29%	94.20%

Changes in Assumptions

The Public Employees Retirement System adopted assumption changes that were used to measure the June 30, 2016, 2018, and 2021 total OPEB 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 rate to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. For June 30, 2021, the long-term expected rate of return was lowered to 6.90% and the inflation rate was lowered to 2.40%. 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.

SCHEDULE OF CONTRIBUTIONS

RHIA				(b)				(b/c)
Year Ended June 30	re	(a) htractually equired htribution	rela contract	ributions in tion to the ually required atribution	Contr defic	-b) ibution iency eess)	(c) District's covered payroll	Contributions as a percent of covered payroll
2022	\$	555	\$	555	\$	-	\$ 2,958,711	0.02%
2021		2,522		2,522		-	2,840,132	0.09%
2020		10,813		10,813		-	2,613,236	0.41%
2019		11,439		11,439		-	2,360,757	0.48%
2018		11,150		11,150		-	2,415,569	0.46%
2017		9,868		9,868		-	2,269,395	0.43%

Changes in Assumptions

The Public Employees Retirement System adopted assumption changes that were used to measure the June 30, 2016, 2018, and 2021 total OPEB 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 rate to 2.50%. For June 30, 2018, the long-term expected rate of return was lowered to 7.20%. For June 30, 2021, the long-term expected rate of return was lowered to 6.90% and the inflation rate was lowered to 2.40%. 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.

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

GENERAL FUND

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES				
Local revenue	\$ 3,538,571	\$ 3,538,571	\$ 85,717	\$ 3,624,288
State revenue	1,645,500	1,645,500	571,873	2,217,373
Federal revenue	80,000	80,000	13,405	93,405
Total revenues	5,264,071	5,264,071	670,995	5,935,066
EXPENDITURES				
Current				
Instruction	3,427,461	3,522,461	(441,029)	3,081,432
Support services	3,098,283	3,098,283	(383,927)	2,714,356
Enterprise and community services	1,000	1,000	(1,000)	-
Debt service	67,326	67,326	-	67,326
Contingency	239,232	144,232	(144,232)	-
Total expenditures	6,833,302	6,833,302	(970,188)	5,863,114
Excess (deficiency) of revenues over (under) expenditures	(1,569,231)	(1,569,231)	1,641,183	71,952
OTHER FINANCING SOURCES (USES)				
Transfers out	(230,769)	(230,769)	(167,523)	(63,246)
Net change in fund balance	(1,800,000)	(1,800,000)	1,473,660	8,706
Fund balance - beginning	1,800,000	1,800,000	86,303	1,886,303
Fund balance - ending	<u>\$</u>	<u>\$</u>	\$ 1,559,963	\$ 1,895,009

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

SPECIAL REVENUE FUND

For the Year Ended June 30, 2022

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES			
Local revenue	\$ 209,020	\$ (36,861)	\$ 172,159
State revenue	708,025	(98,093)	609,932
Federal revenue	1,428,600	(471,616)	956,984
Total revenues	2,345,645	(606,570)	1,739,075
EXPENDITURES			
Current			
Instruction	1,332,015	(627,463)	704,552
Support services	998,560	(626,162)	372,398
Enterprise and community services	445,769	(72,852)	372,917
Total expenditures	2,776,344	(1,326,477)	1,449,867
Excess (deficiency) of revenues over (under) expenditures	(430,699)	719,907	289,208
OTHER FINANCING SOURCES (USES)			
Transfers in	229,769	(166,523)	63,246
Net change in fund balance	(200,930)	553,384	352,454
Fund balance - beginning	200,930	(268)	200,662
Fund balance - ending	\$ -	\$ 553,116	\$ 553,116

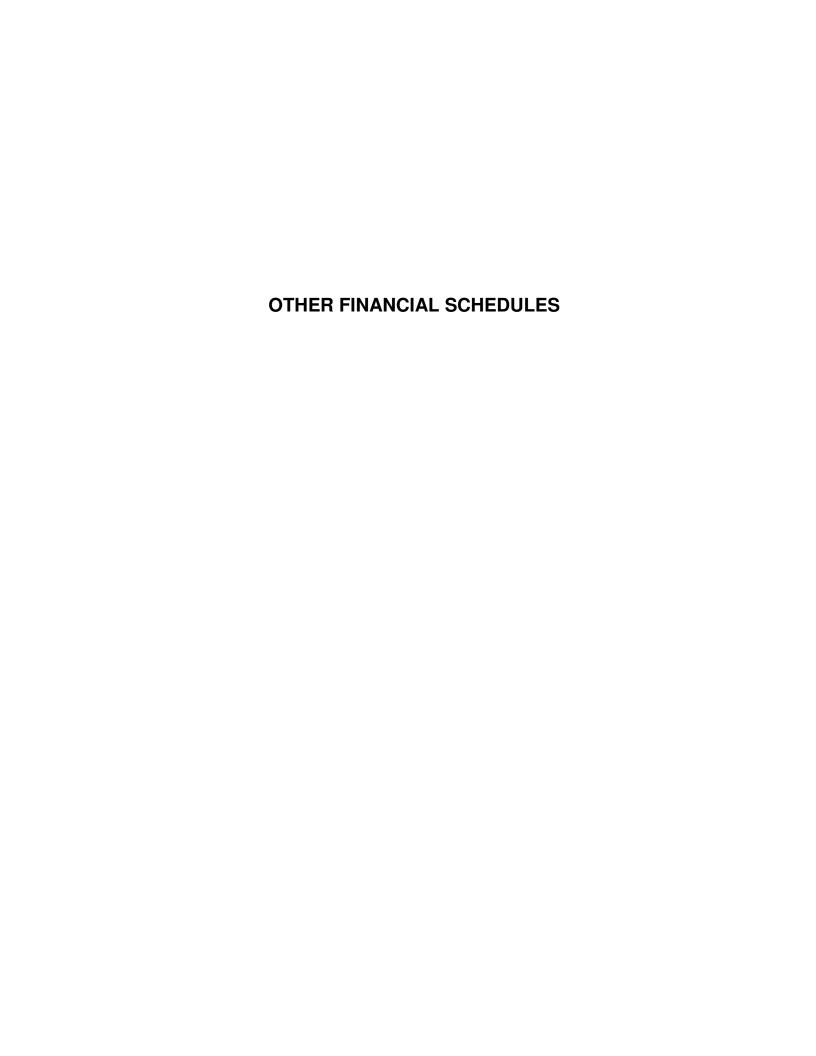
OTHER SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND SCHEDULES

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

DEBT SERVICE FUND

	riginal and Final Budget	Fina	ance with al Budget er (Under)	Actual GAAP Basis		
REVENUES Local revenue	\$ 385,225	\$	8,621	\$	393,846	
EXPENDITURES Debt service	 402,150		<u>-</u>		402,150	
Excess (deficiency) of revenues over (under) expenditures	(16,925)		8,621		(8,304)	
OTHER FINANCING SOURCES (USES) Transfers in	 1,000		(1,000)			
Net change in fund balance	(15,925)		7,621		(8,304)	
Fund balance - beginning	 22,000		2,745		24,745	
Fund balance - ending	\$ 6,075	\$	10,366	\$	16,441	



REVENUE SUMMARY - ALL FUNDS

For the Year Ended June 30, 2022

Revenue from Local Sources

Fund 100

Fund 200

Fund 300

1110 Ad Valorem Taxes Levied by District	\$ 3,539,958	\$	-	\$	392,895
1500 Earnings on Investments	12,392		26		951
1600 Food Service	-		2,009		-
1700 Extracurricular Activities	11,413		107,420		-
1910 Rentals	2,500		-		-
1920 Contributions and Donations From Private Sources	2,000		47,035		-
1990 Miscellaneous	56,025		15,669		-
Total Revenue from Local Sources	\$ 3,624,288	\$	172,159	\$	393,846
Revenue from State Sources	Fund 100		Fund 200	F	und 300
3101 State School Fund - General Support	\$ 2,161,440	\$	-	\$	-
3102 State School Fund - School Lunch Match	2,219		1		-
3103 Common School Fund	50,376		-		-
3299 Other Restricted Grants-in-Aid	3,338		609,932		-
Total Revenue from State Sources	\$ 2,217,373	\$	609,932	\$	-
Revenue from Federal Sources	Fund 100		Fund 200	F	und 300
4200 Unrestricted Revenue From the Federal Government					
Through the State	\$ 4,094	\$	-	\$	-
•					
4500 Restricted Revenue From the Federal Government					
4500 Restricted Revenue From the Federal Government Through the State	-		938,838		-
4500 Restricted Revenue From the Federal Government Through the State 4700 Grants-In-Aid From the Federal Government Through	-		·		-
4500 Restricted Revenue From the Federal Government	<u>-</u>		938,838 3,501		-
 4500 Restricted Revenue From the Federal Government Through the State 4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies 4801 Federal Forest Fees 	- - 89,311		3,501		- -
 4500 Restricted Revenue From the Federal Government Through the State 4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies 4801 Federal Forest Fees 4900 Revenue for/on Behalf of the District 	-		3,501 - 14,645		- - -
 4500 Restricted Revenue From the Federal Government Through the State 4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies 4801 Federal Forest Fees 	\$ 89,311 - 93,405	\$	3,501	\$	- - -
 4500 Restricted Revenue From the Federal Government Through the State 4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies 4801 Federal Forest Fees 4900 Revenue for/on Behalf of the District 	 -	•	3,501 - 14,645	·	- - - -
 4500 Restricted Revenue From the Federal Government Through the State 4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies 4801 Federal Forest Fees 4900 Revenue for/on Behalf of the District Total Revenue from Federal Sources 	 93,405	•	3,501 - 14,645 956,984	·	-
 4500 Restricted Revenue From the Federal Government Through the State 4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies 4801 Federal Forest Fees 4900 Revenue for/on Behalf of the District Total Revenue from Federal Sources Revenue from Other Sources 	 93,405	Ť	3,501 14,645 956,984 Fund 200	F	- - - - - - - - 24,745
 4500 Restricted Revenue From the Federal Government Through the State 4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies 4801 Federal Forest Fees 4900 Revenue for/on Behalf of the District Total Revenue from Federal Sources Revenue from Other Sources 5200 Interfund Transfers 	\$ 93,405 Fund 100	Ť	3,501 - 14,645 956,984 Fund 200 63,246	F	-

EXPENDITURE SUMMARY - GENERAL FUND

For the Year Ended June 30, 2022

Instruction Expenditures

Totals Object 100 Object 200

instruction Experienteres	IUlais	J	bject 100)	Dject 200
1111 Elementary, K-5 or K-6	\$ 1,225,393	\$	681,344	\$	454,892
1121 Middle/Junior High Programs	696,136		389,305		281,625
1122 Middle/Junior High School Extracurricular	24,775		15,325		5,033
1131 High School Programs	748,302		408,575		262,250
1132 High School Extracurricular	130,299		67,499		19,916
1220 Restrictive Programs for Students with Disabilities	1,746		-		-
1250 Less Restrictive Programs for Students with Disabilities	242,867		106,030		76,418
1291 English Second Language Programs	11,914		7,101		3,941
Total Instruction Expenditures	\$ 3,081,432	\$	1,675,179	\$	1,104,075
Support Services Expenditures	Totals	C	bject 100	С	bject 200
2120 Guidance Services	\$ 20,624	\$	13,870	\$	6,393
2130 Health Services	1,337		-		-
2190 Service Direction, Student Support Services	41,108		-		-
2210 Improvement of Instruction Services	4,797		-		2,897
2220 Educational Media Services	113,220		44,964		61,096
2230 Assessment & Testing	13,451		7,456		2,901
2310 Board of Education Services	59,651		2,492		1,983
2320 Executive Administration Services	198,857		117,966		74,616
2410 Office of the Principal Services	571,879		315,783		239,742
2520 Fiscal Services	334,017		183,514		133,142
2540 Operation and Maintenance of Plant Services	758,974		153,086		147,509
2550 Student Transportation Services	465,002		228,681		120,241
2640 Staff Services	1,999		380		31
2660 Technology Services	129,440		2,502		956
Total Support Services Expenditures	\$ 2,714,356	\$	1,070,694	\$	791,507
Other Uses Expenditures	Totals		bject 100		bject 200
5100 Debt Service	\$ 67,326	\$	-	\$	-
5200 Transfers of Funds	63,246		-		-
Total Other Uses Expenditures	\$ 130,572	\$	-	\$	-
Grand Total	\$ 5,926,360	\$	2,745,873	\$	1,895,582

Ob	ject 300	Ob	oject 400	O	bject 500	Object 600	Object 700
\$	9,333	\$	62,861	\$	16,963	\$	\$ -
	3,056		22,150		-	1	-
	3,298		994		-	125	-
	18,186		46,181		13,107	3	-
	25,907		7,803		-	9,174	-
	1,746		-		-	-	-
	19,255		41,139		-	25	-
	-		872		-	1	-
\$	80 781	\$	182 000	\$	30 070	\$ 9.327	\$ -

Obje	Object 300 Obje		Object 500	Object 600	Object 700
\$	-	\$ 296	\$ -	\$ 65	\$ -
	-	-	-	1,337	-
	40,347	761	-	-	-
	734	918	-	248	-
	-	7,114	-	46	-
	-	3,094	-	-	-
	49,089	292	-	5,795	-
	4,748	48	-	1,479	-
	9,638	2,604	-	4,112	-
	6,393	7,137	-	3,831	-
2	94,911	73,704	-	89,764	-
	46,512	53,971	-	15,597	-
	1,163	-	-	425	-
1	02,236	23,671	-	75	-
¢ 5	55 771	¢ 173.610	¢ _	¢ 122.77/	¢ _

Ok	oject 300	Object 400		Object 500		Object 600		0	bject 700
\$	-	\$	-	\$	1	\$	67,326	\$	-
	-		-				-		63,246
\$	-	\$	-	\$	-	\$	67,326	\$	63,246
\$	636,552	\$	355,610	\$	30,070	\$	199,427	\$	63,246

EXPENDITURE SUMMARY - SPECIAL REVENUE FUND

Instruction Expenditures	Totals	0	bject 100	O	oject 200
1111 Elementary, K-5 or K-6	\$ 176,841	\$	103,552	\$	48,549
1121 Middle/Junior High Programs	28,297		2,350		511
1122 Middle/Junior High School Extracurricular	12,323		-		-
1131 High School Programs	113,566		34,230		21,149
1132 High School Extracurricular	89,701		-		-
1250 Less Restrictive Programs for Students with Disabilities	70,767		56,542		14,225
1272 Title I	105,839		51,859		46,466
1280 Alternative Education	18,021		12,006		6,015
1400 Summer School Programs	89,197		47,755		18,602
Total Instruction Expenditures	\$ 704,552	\$	308,294	\$	155,517
Support Services Expenditures	Totals	0	bject 100	Ol	oject 200
2110 Attendance and Social Work Services	\$ 31,042	\$	-	\$	-
2120 Guidance Services	147,243		82,064		52,531
2130 Health Services	45,063		-		-
2240 Instructional Staff Development	20,919		5,902		1,807
2540 Operation and Maintenance of Plant Services	93,762		17,054		10,388
2550 Student Transportation Services	13,638		9,168		4,136
2660 Technology Services	20,731		-		-
Total Support Services Expenditures	\$ 372,398	\$	114,188	\$	68,862
Enterprise and Community Services Expenditures	Totals	0	bject 100	Ol	oject 200
3100 Food Services	\$ 372,687	\$	112,604	\$	82,289
3300 Community Services	230		-		-
Total Enterprise and Community Services Expenditures	\$ 372,917	\$	112,604	\$	82,289
Grand Total	\$ 1,449,867	\$	535,086	\$	306,668

Object	300	Objec	t 400	Obje	ct 500	Obje	ect 600
\$ 12	2,000	\$	12,740	\$	-	\$	-
1(),807		14,629		-		-
	847		9,944		-		1,532
8	3,000	4	49,784		-		403
11	1,680	ļ	51,575		-		26,446
	-		-		-		-
	-		7,416		-		98
	-		-		-		-
Ę	5,200		17,640		-		-
\$ 48	3.534	\$ 10	63.728	\$	-	\$	28.479

Object 30	0	Object 400	Object 500	Object 600
\$	-	\$ 17	\$ 30,904	\$ 121
2	02	12,446	•	-
45,0	63	-	-	-
12,8	10	-	-	400
	-	32,884	33,436	-
	29	305	ı	-
12,6	70	8,061	-	-
\$ 70.7	74	\$ 53,713	\$ 64.340	\$ 521

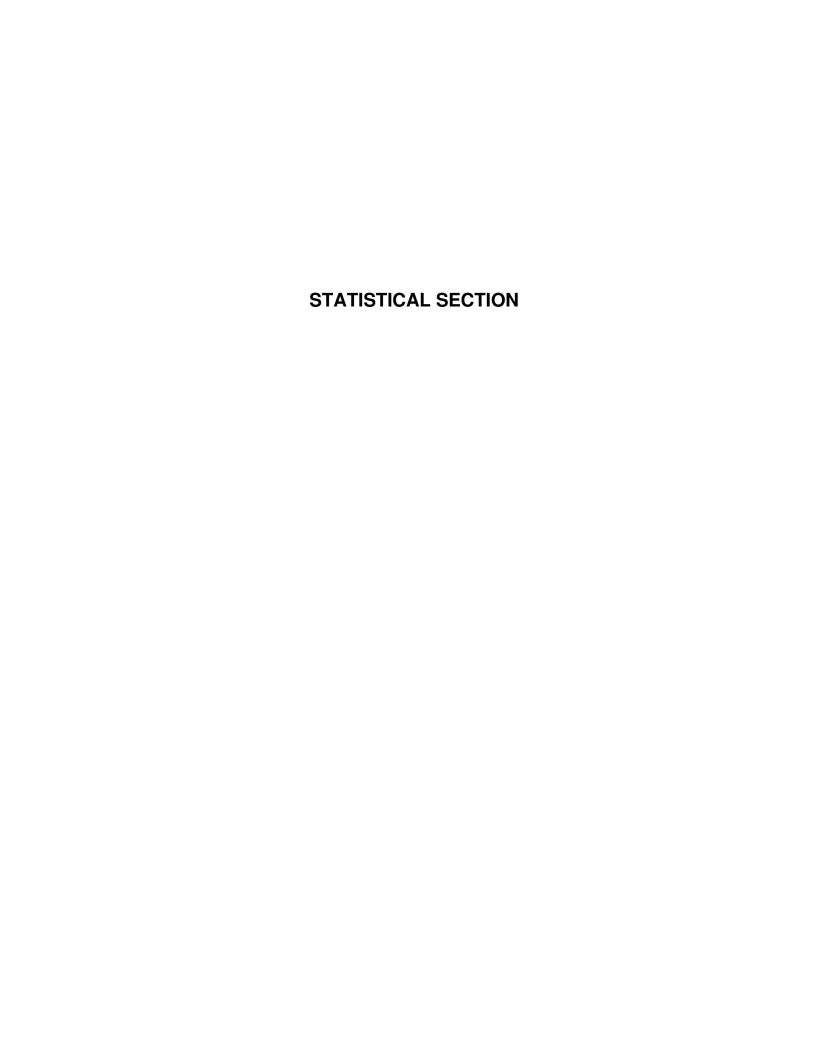
Ol	oject 300	Object 400		Object 500		Object 600	
\$	8,287	\$	167,981	\$	-	\$	1,526
	-		230		-		-
\$	8,287	\$	168,211	\$	-	\$	1,526
\$	127,595	\$	385,652	\$	64,340	\$	30,526

EXPENDITURE SUMMARY - DEBT SERVICE FUND

Other Uses Expenditures		Totals	O	oject 600
5100 Debt Service		\$ 402,150	\$	402,150
	Total Other Uses Expenditures	\$ 402,150	\$	402,150
Grand Total		\$ 402,150	\$	402,150

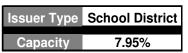
SCHEDULE OF PROPERTY TAX TRANSACTIONS

Tax Year	Taxes Receivable July 1, 2021	2021-2022 Levy	Adjustments	Collections	Taxes Receivable June 30, 2022
2021-2022	<u> </u>	\$ 3,956,873	\$ (107,731)	\$ 3,754,829	\$ 94,313
2020-2021 2019-2020 2018-2019 2017-2018 2016-2017 2015-2016	102,444 49,376 26,599 11,344 2,694 1,397	- - - - -	(659) (364) (308) (1,050) (934) (154)	63,058 25,659 16,258 8,271 349 589	38,727 23,353 10,033 2,023 1,411 654
Prior Subtotal - Prior	11,687 205,541	<u> </u>	(3,148)	657 114,841	11,351 87,552
	\$ 205,541	\$ 3,956,873	\$ (110,879)	3,869,670	<u>\$ 181,865</u>
Add: Other taxes and inter Undistributed taxes w					
Total available				3,962,803	
Less: Turnovers to Dist	rict			(3,932,853)	
Undistributed taxes w	\$ 29,950				



LEGAL DEBT MARGIN INFORMATION

Real Market Value (Fiscal Year 2022)	\$ 1,261,888,724
Debt Capacity	
General Obligation Debt Capacity (7.95% of Real Market Value) Less: Outstanding Debt Subject to Limit Remaining General Obligation Debt Capacity	\$ 100,320,154 (405,000) 99,915,154
Percent of Capacity Issued	0.40%



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

Real Market Value Estimated Population Per Capita Real Market Value	\$ 1,2 \$	261,888,724 5,587 225,862	
Debt Information	Gr	oss Direct Debt ⁽¹⁾	 let Direct Debt ⁽²⁾
District Direct Debt	\$	566,549	\$ 566,549
Bonded Debt Ratios			
District Direct Debt to Real Market Value Per Capita District Direct Debt	\$	0.04% 101	\$ 0.04% 101

⁽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⁾
2022	\$1,261,888,724	\$	916,649,759	\$	9,023,092	\$ 907,626,667
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

⁽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⁾	Assessed Value (2)	Percent of Value
Charter Communications	Telecommunications	\$ 90,905	\$ 8,952,000	0.98%
Pistol Resources, LLC	Lumber Mill	88,636	10,601,440	1.16%
Rayonier WA Timberlands, LLC	Forest Mgmt./Timber	73,958	8,881,580	0.97%
Pacifica Gold Beach, LLC	Hotel	70,864	6,358,340	0.69%
Rogue Resources LLC	Forest Mgmt./Timber	57,281	6,849,010	0.75%
Chetco Resources, LLC	Forest Mgmt./Timber	56,259	7,895,110	0.86%
Northwest Fiber LLC dba Ziply	Forest Mgmt./Timber	53,394	5,508,300	0.60%
Gold Beach Senior Living, LLC	Retirement Home	37,728	3,583,030	0.39%
Gold Beach Hospitality, LLC	Hotel	37,463	3,578,750	0.39%
Oh, Baek K. & Sung C.	Hotel	31,698	2,844,080	0.31%
Subtotal - ten of District's largest taxp	ayers		65,051,640	7.10%
All other District's taxpayers	•		851,598,119	92.90%
Total District			\$ 916,649,759	100.00%

Curry County

Taxpayer	Business/Service	Tax ⁽¹⁾	Assessed Value (2)	Percent of Value
South Coast Lumber Co. (SOCOMI)	Lumber Mill	\$551,764	\$ 74,576,022	2.14%
Fred Meyer Stores, Inc.	Grocery Store	133,840	14,158,426	0.41%
Charter Communications	Telecommunications	127,346	14,046,000	0.40%
Northwest Fiber LLC dba Ziply	Forest Mgmt./Timber	114,372	12,511,400	0.36%
Chetco Resources, LLC	Forest Mgmt./Timber	105,145	16,482,460	0.47%
Pistol Resources, LLC	Lumber Mill	88,636	10,601,440	0.30%
Rayonier WA Timberlands, LLC	Forest Mgmt./Timber	74,189	8,916,160	0.26%
Pacifica Gold Beach, LLC	Hotel	70,864	6,358,340	0.18%
Jacobsen, Eric W	Sea View Assisted Living Ctr.	65,628	11,079,870	0.32%
Verizon Communications	Telecommunications	64,261	8,220,000	0.23%
Subtotal - ten of County's largest taxpayer	s		176,950,118	5.07%
All other County taxpayers			3,315,176,201	94.93%
Total County taxpayers			\$3,492,126,319	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⁾	6/30/2022 ⁽³⁾				
2022	97.62%	97.62%				
2021	97.33%	99.87%				
2020	96.59%	99.92%				
2019	96.89%	99.96%				
2018	96.43%	99.99%				
2017	96.16%	99.99%				
2016	96.21%	99.99%				
2015	95.84%	99.95%				

- (1) Percentage of total tax levy collection in the County. Pre-payment discounts are considered to be **<u>collected</u>** 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, 2022.

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, 2022, and have issued our report thereon dated December 14, 2022. 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 14, 2022.

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 14, 2022

SUPPLEMENTAL INFORMATION REQUIRED BY OREGON DEPARTMENT OF EDUCATION

For the Year Ended June 30, 2022

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

	Obj	ects 325, 326, and 327
Function 2540	\$	200,298
Function 2550	\$	3,798

B. Replacement of Equipment – General Fund:

Include all General Fund expenditures in object 542, except for the following exclusions:

Ī	\$	_	
-			

Exclude th	nese functions:
1113	Elementary Co-Curricular Activities
1122	Middle School Co-Curricular Activities
1132	High School Co-Curricular Activities

Pre-Kindergarten 1140

1300 Continuing Education

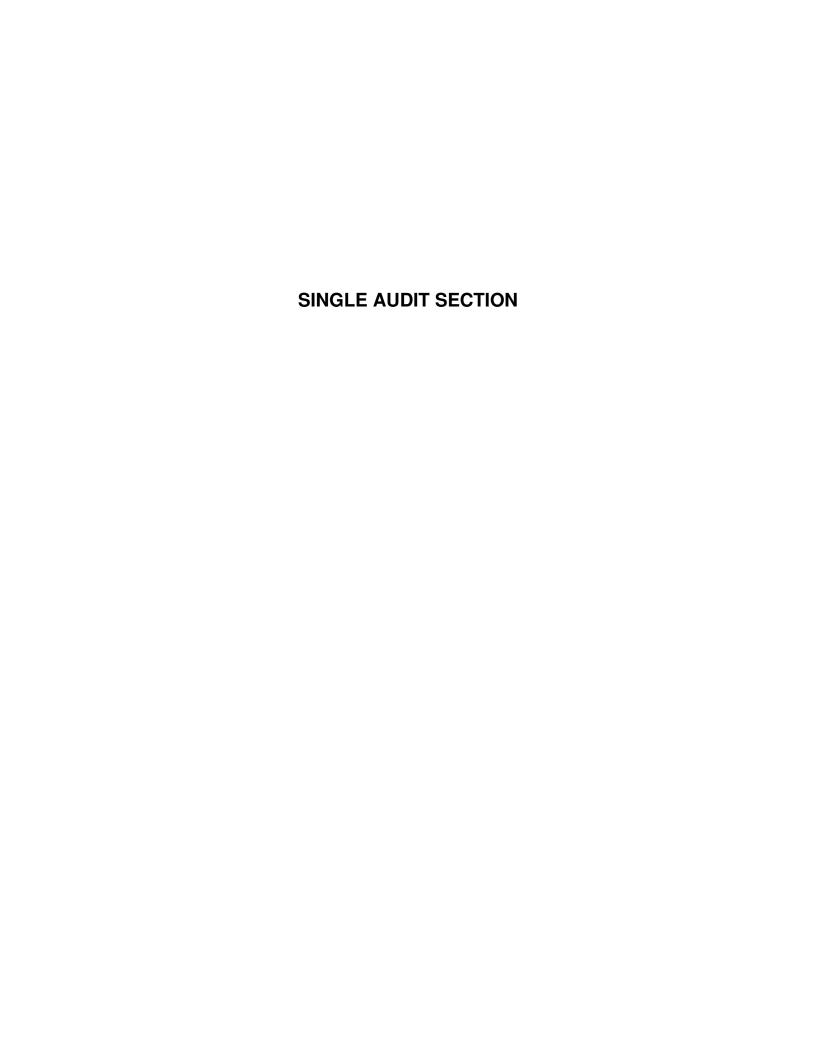
1400 Summer School

Pupil Transportation 2550

Food Service 3100

Community Services 3300

Construction 4150



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.)	2020-2021 2021-2022 2020-2022 2020-2022	84.010 84.010 84.010 84.010	\$ 35,874 70,195 26,599 28,349
Total Title I, Part A Cluster			161,017
Special Education Cluster* IDEA Special Education Grants To States IDEA Special Education Grants To States	2019-2021 2020-2022	84.027 84.027	5,663 65,104
Total Special Education Cluster			70,767
Title II-A Improving Teaching Quality State Grants	2020-2022	84.367	5,851
Title IV-A Student Support and Academic Enrichment Grants	2021-2022	84.424	18,414
Elementary and Secondary School Emergency Relief Fund COVID-19 ESSER - II ESSER - III (ARP ESSER)	2020-2023 2020-2024	84.425 84.425	128,585 13,179
Total Elementary and Secondary School Emergency Relief Fund			141,764
Total passed through Oregon State Department of Education			397,813
Passed through South Coast Education Service District			
Carl Perkins		84.048	3,501
Total U.S. Department of Education			401,314
*Major program			
			(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

(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 Supply Chain Assistance National School Lunch National School Breakfast Summer Food Service Program for Children Snap P-EBT		10.555 10.555 10.555 10.553 10.559 10.649	\$ 14,645 5,647 203,369 55,090 19,374 614
Total Child Nutrition Cluster			298,739
Passed through Curry County			
Schools and Roads - Grants to States		10.665	89,311
Total U.S. Department of Agriculture			388,050
U.S. Department of Health and Human Services			
Passed through Oregon Department of Human Services			
Medicaid Reimbursement		93.778	4,094
Total federal expenditures			\$ 793,458
*Major program			

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

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. 10.555/10.553/10.559/10.649 *Child Nutrition Cluster* and CFDA No. 84.027 *Special Education Cluster*.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

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, 2022.

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, 2022, 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 14, 2022.

Report on 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 misstatements, 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 2022-001, that we consider to be a significant deficiency.

Report on 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

Government Auditing Standards requires us to perform limited procedures on Central Curry School District No. 1's response to the finding identified in our audit and 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 14, 2022

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

Opinion on Each Major Federal Program

We have audited Central Curry School District No. 1's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Central Curry School District No. 1 and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Central Curry School District No. 1's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the compliance requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts and grant agreements applicable to Central Curry School District No. 1's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Central Curry School District No. 1's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Central Curry School District No. 1's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Central Curry School District No. 1's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Central Curry School District No. 1's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 Central Curry School District No. 1's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 to 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Koontz, Blasquez & Associates, P.C.

Debra L. Blasquez, CPA

Albany, Oregon December 14, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Auditee qualified as low-risk auditee?

Finan	cial	Stat	ome	nte
ГШап	Giai	Siai	CIIIC	:1115

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: Name of Federal Program or Cluster CFDA Number(s) 10.555/10.553/10.559/10.649 Child Nutrition Cluster 84.027 Special Education Cluster (IDEA) Dollar threshold used to distinguish between Type A and type B programs: \$750,000

No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding Number	Finding
2022-001	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
2022-001	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.

SECTION IV – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

Finding Number	Finding
2021-001	Segregation of duties

SECTION V – STATUS OF PRIOR YEAR FINDINGS

Finding Number	Status
2021-001	Repeat finding this year (2022-001).