

**REESPORT SCHOOL DISTRICT NO. 105  
REESPORT, OREGON**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY  
INFORMATION**

**YEAR ENDED JUNE 30, 2021  
WITH  
INDEPENDENT AUDITOR'S REPORT**



**Certified Public Accountants, LLP**  
audit | tax | advisory | wealth management | cfo

**REEDSPORT SCHOOL DISTRICT NO. 105  
REEDSPORT, OR  
JUNE 30, 2021**

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REEDSPORT, OR  
JUNE 30, 2021

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**REEDSPORT SCHOOL DISTRICT NO. 105  
REEDSPORT, OR  
JUNE 30, 2021**

**Board of Directors at June 30, 2021**

Eric Brandon, Chair

Savanna Wright, Position 2

Greg Carter, Position 3

Carey Jones, Position 4, Vice Chair

Chuck Ostmeyer, Position 5

All Board Members receive mail at the address listed below.

**Administration**

Jon Zwemke, Superintendent

Angie Brownson, Business Manager

**Address of Reedsport School District**

100 Ranch Road  
Reedsport, OR 97467

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Reedsport School District No. 105  
Reedsport, Oregon

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Reedsport School District No. 105, Oregon, (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Reedsport School District No. 105 as of June 30, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other postemployment benefits schedules, pension schedules, and the budgetary comparison schedules as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis, other postemployment benefits schedules and pension schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on management's discussion and analysis, the other postemployment benefits schedules, and pension schedules because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information as listed in the Table of Contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2021 on our consideration of the District'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 the District'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 the District's internal control over financial reporting and compliance.

### **Other Reporting Required by the State of Oregon**

In accordance with Oregon State Regulations, we have also issued our report dated December 2, 2021 on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Aria Bettinger, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 2, 2021

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**REEDSPORT SCHOOL DISTRICT NO. 105  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

As management of Reedsport School District No. 105 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the accompanying notes to enhance their understanding of the District's financial performance. Numerical amounts below have been rounded for ease of viewing.

**FINANCIAL HIGHLIGHTS**

- In the **government-wide statements**, the District's assets and deferred outflows totaled approximately \$20.7 million at June 30, 2021 consisting of \$13.9 million in capital assets, \$2.7 million in cash and investments, \$992 thousand in receivables and other assets, and \$3.1 million in deferred outflows related to pension and other post-employment benefits (OPEB). The District's assets and deferred outflows increased approximately \$818 thousand, or 4.1 percent from the prior year.
- In the **government-wide statements**, the District's liabilities and deferred inflows totaled approximately \$18.3 million at June 30, 2021 consisting of \$623 thousand in accounts payable and other liabilities, \$7.1 million in pension and other post-employment benefits, \$9.5 million in debt, and \$1.0 million in deferred inflows related to pension and OPEB.
- In the **government-wide statements**, the District's net position (assets/deferred outflows minus liabilities/deferred inflows) was \$2.5 million at June 30, 2021, of which \$6.3 million was net investment in capital assets, \$819 thousand was restricted for debt service, \$123 thousand was restricted for special purposes, and a negative balance of \$4.7 million was considered unrestricted. In the prior year, the District's net position had a balance of \$3.3 million. This decrease of \$768 thousand can be attributed to changes in pension and other post-employment benefits (See page B-4 and *Note 9* and *Note 10* to the Financial Statements).
- At the end of the fiscal year, the fund balance for all **governmental funds** was approximately \$2.9 million, an increase of \$87 thousand in comparison to the prior year. Approximately \$1.4 million of this amount is unassigned and available for spending at the District's discretion. Approximately \$1.5 million is committed or restricted to specific and intended purposes through separate funds.
- At the end of the fiscal year, unassigned fund balance for the **General Fund** was approximately \$1.4 million, up approximately \$425 thousand from the prior year, an increase of approximately 43.1 percent. Unassigned fund balance in the General Fund represented about 17.0 percent of total General Fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**REEDSPORT SCHOOL DISTRICT NO. 105  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

**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. These statements include:

**Statement of Net Position.** The *statement of net position* includes all assets and deferred outflows of the District (including infrastructure) as well as all liabilities and deferred inflows (including long-term debt). Net position is the difference between assets/deferred outflows and liabilities/deferred inflows, which is one way to measure the District's financial health, or financial position. Over time, increase or decreases in the District's net position may be an indicator of whether its financial health is improving or deteriorating.

**Statement of Activities.** The *statement of activities* presents information showing how the net position of the District changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net position. 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).

In the government-wide financial statements, the District's activities are shown in one category as *governmental activities*. All of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

The government-wide financial statements can be found as listed in the Table of Contents of this report.

**Fund financial statements.**

The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

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

Since 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 government's near-term financing decisions. Both the governmental fund Balance Sheet and the 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 4 individual governmental funds, all of which are considered major funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund, all of which are considered to be major funds. The basic governmental fund financial statements can be found as listed in the Table of Contents of this report.

**REEDSPORT SCHOOL DISTRICT NO. 105  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

The District also maintains a Charter School Fund, which is presented as a blended component unit of the District and identified as a separate major fund within the fund financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The fiduciary fund financial statements can be found as listed in the table of contents of this report.

**Notes to the financial statements.** The notes 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 financial statements can be found as listed in the table of contents of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This Management's Discussion and Analysis is considered required supplementary information. Other required supplementary information and other supplementary information is presented on the basic financial statements as listed in the table of contents.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the end of the current year, the District had a positive net position balance. Net position decreased by \$768 thousand from prior year, as restated. The District's assets/deferred outflows exceeded liabilities/deferred inflows by \$2.5 million at June 30, 2021.

Capital assets, which consist of the District's land, buildings, building improvements, site improvements, vehicles, and equipment, represent 66.8 percent of total assets/deferred outflows. The remaining assets/deferred outflows consist mainly of investments, cash, property taxes receivable, and deferred outflows related to pension. Last year, capital assets represented approximately 71.3 percent of total assets/deferred outflows.

At June 30, 2021, long-term liabilities consisted of \$9.5 million in the long-term portion of debt related to general obligation bonds and pension bonds and \$6.8 million in pension liabilities, together representing 89.6 percent of total liabilities/deferred inflows. The remaining liabilities/deferred inflows consist mainly of payroll and other liabilities, the short-term obligation related to the bonds payable, and deferred inflows related to pension and other post-employment benefits.

A large portion of the District's net position reflects its net investment in capital assets (e.g. land, buildings, building improvements, site improvements, vehicles and equipment). The District's net investment in capital assets increased by about \$74 thousand over the prior year. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending.

**REEDSPORT SCHOOL DISTRICT NO. 105  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Statement of Net Position (continued)**

**Summary of Net Position**

	<b>Governmental Activities</b>		<b>Increase (Decrease) from</b>
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2020</b>
Current Assets	\$ 3,721,995	\$ 3,567,300	\$ 154,695
Other Asset	86,429	60,296	26,133
Capital Assets- Net	13,888,598	14,228,581	(339,983)
Total Assets	<u>17,697,022</u>	<u>17,856,177</u>	<u>(159,155)</u>
Deferred Outflows Related to Pensions and OPEB	<u>3,090,626</u>	<u>2,112,636</u>	<u>977,990</u>
Total Assets and Deferred Outflows	<u>\$ 20,787,648</u>	<u>\$ 19,968,813</u>	<u>\$ 818,835</u>
Current Liabilities	\$ 1,287,518	\$ 1,137,113	\$ 150,405
Long Term Liabilities	15,966,064	14,318,364	1,647,700
Total Liabilities	<u>17,253,582</u>	<u>15,455,477</u>	<u>1,798,105</u>
Deferred Inflows Related to Pensions and OPEB	<u>1,015,428</u>	<u>1,226,381</u>	<u>(210,953)</u>
Total Liabilities and Deferred Inflows	<u>\$ 18,269,010</u>	<u>\$ 16,681,858</u>	<u>\$ 1,587,152</u>
Net Position			
Net Investment in Capital Assets	\$ 6,301,598	\$ 6,227,581	\$ 74,017
Restricted for Debt Service	818,648	726,069	92,579
Restricted for Special Purposes	123,414	280,221	(156,807)
Unrestricted	<u>(4,725,022)</u>	<u>(3,946,916)</u>	<u>(778,106)</u>
Total Net Position	<u>\$ 2,518,638</u>	<u>\$ 3,286,955</u>	<u>\$ (768,317)</u>

**REEDSPORT SCHOOL DISTRICT NO. 105  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

**Statement of Activities.** During the current fiscal year, the District's net position decreased by approximately \$768 thousand. During the current fiscal year, property tax revenue of approximately \$2.8 million and state school support of \$5.2 million account for the significant revenues received.

**Changes in Net Position**

	<b>Governmental Activities</b>		<b>Increase (Decrease) from</b>
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2020</b>
Revenues			
Program Revenues			
Charges for Services	\$ 8,811	\$ 49,596	\$ (40,785)
Operating Grants & Contributions	3,122,680	2,495,084	627,596
Capital Grants & Contributions	-	1,319,107	(1,319,107)
General Revenues			
Property Taxes	2,830,584	2,629,334	201,250
State School Support	5,237,471	5,657,931	(420,460)
Common School Fund	57,612	58,483	(871)
Federal Forest Fees	56,475	66,903	(10,428)
Earnings on investments	24,694	63,233	(38,539)
Miscellaneous Other Sources	87,076	247,656	(160,580)
Total Revenues	<u>\$ 11,425,403</u>	<u>\$ 12,587,327</u>	<u>\$ (1,161,924)</u>
Expenses			
Instruction	\$ 7,681,320	\$ 8,091,907	\$ (410,587)
Support Services	3,414,203	2,679,105	735,098
Community Services	648,393	623,697	24,696
Facilities Acquisition & Construction	-	23,621	(23,621)
Interest on Long Term Debt	331,834	458,211	(126,377)
Total Expenses	<u>12,075,750</u>	<u>11,876,541</u>	<u>\$ 199,209</u>
Transfer to fiduciary fund	<u>\$ (117,970)</u>	<u>\$ -</u>	<u>\$ (117,970)</u>
Change in Net Position	<u>\$ (768,317)</u>	<u>\$ 710,786</u>	<u>\$ (1,479,103)</u>

**REEDSPORT SCHOOL DISTRICT NO. 105  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**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 relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2021, the District's governmental funds reported combined ending fund balances of approximately \$2.97 million, an increase of about \$87 thousand in comparison with prior year. The following is a breakdown of the fund balances:

<b>Fund</b>	<b>Ending Fund Balance</b>	<b>% to Total</b>
General Fund	\$ 1,410,171	48%
Special Revenue Fund	590,895	20%
Debt Service Fund	782,163	26%
Capital Projects Fund	184,616	6%
<b>Total Governmental Fund Balances</b>	<b>\$ 2,967,845</b>	<b>100%</b>

*General Fund.* The General Fund is the chief operating fund of the District. As of June 30, 2021, total unassigned fund balance was \$1.4 million, up from \$746 million in the prior year. Total expenditures for the year ended June 30, 2021 approximated \$8.3 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents about 17.0 percent of total General Fund expenditures.

*Special Revenue Fund.* The Special Revenue Fund accounts for the proceeds of specific revenue sources that are restricted and committed to expenditure for specific purposes.

*Charter School Fund.* This fund accounts for and reports the District's blended component unit Charter School. Activities include those related to the education of students in grades seven through twelve. The revenues of approximately \$3.4 million consisted primarily of state support, which was passed through the District.

*Debt Service Fund.* This fund accounts for and reports the payment of principal and interest on debt obligations of the District. Principal revenue sources are charges to other funds of \$368 thousand, property taxes of \$669 thousand, and the remainder was investment earnings.

*Capital Projects Fund.* This fund accounts for the acquisition, construction and maintenance of improvements within the District.

**REEDSPORT SCHOOL DISTRICT NO. 105  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**KEY BUDGET VARIANCES**

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America for the governmental fund types, except capital outlay expenditures, including items below the District's capitalization level, and debt service, which are budgeted by major function in governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

During the fiscal year, the District exceeded its appropriation authority in the Support Services function within the Charter School Fund by \$424,171.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The 2021-2022 school budget is a collaborative document designed to maximize resources and student needs for the overall academic enrichment of students in the Reedsport community. There are many factors that are contemplated when establishing a budget, but the most significant funding source comes from the State School Fund, and is largely related to the student population of the district overall.

The adopted budget for Reedsport School District for the fiscal year ending June 30, 2022 contains an overall decrease of \$2,150,378. In the General Fund, budgeted expenditures decreased by just over \$850,000. The major decrease is contained within the Fiduciary Fund due to the district moving from a Charter high school to a district wide charter – therefore no longer requiring those funds to be separate from the general fund.

Impacts most detrimental to the district for 2021-2022, however, are related to the COVID-19 virus pandemic that plagues our community, state, nation, and world. Despite the best efforts of the district to plan for the new budget year, the climate of education and teaching and learning have shifted dramatically in the last year and continue into 2021-22 with no resolution in sight.

Additional funding through the federal CARES Act have been allocated to the district to offset some of the unforeseen expenses, such as technology, cleaning, capital improvements, supplies, and personnel costs.

**REQUESTS FOR INFORMATION**

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Reedsport School District No. 105, at 100 Ranch Road, Reedsport, Oregon 97467.

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Governmental Activities
<b>ASSETS:</b>	
Cash and investments	\$ 2,712,602
Receivables	992,162
Inventories	17,231
Other post-employment benefits asset - RHIA	86,429
Capital assets, net:	
Land	622,451
Land improvements	39,173
Buildings and improvements	12,957,913
Machinery and equipment	269,061
<b>TOTAL ASSETS</b>	<b>17,697,022</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred outflows related to pensions (OPERS)	3,034,167
Deferred outflows related to other post-employment benefits (single-employer medical benefit plan)	46,274
Deferred outflows related to other post-employment benefits (RHIA)	10,185
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES:</b>	<b>3,090,626</b>
<b>LIABILITIES:</b>	
Accounts payable	6,175
Accrued payroll liabilities	508,249
Accrued interest payable	8,409
Unearned revenue	82,893
Accrued compensated absences payable	16,792
Net pension liability (OPERS)	6,802,866
Other post-employment benefit obligation (single-employer medical benefit plan)	271,198
Bonds payable:	
Due within one year	665,000
Due in more than one year	8,892,000
<b>TOTAL LIABILITIES</b>	<b>17,253,582</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred inflows related to pensions (OPERS)	900,980
Deferred inflows related to other post-employment benefits (single-employer medical benefit plan)	89,130
Deferred inflows related to other post-employment benefits (RHIA)	25,318
<b>TOTAL DEFERRED INFLOWS OF RESOURCES:</b>	<b>1,015,428</b>
<b>NET POSITION:</b>	
Net investment in capital assets	6,301,598
Restricted:	
Debt service	818,648
Special purposes	123,414
Unrestricted	(4,725,022)
<b>TOTAL NET POSITION</b>	<b>\$ 2,518,638</b>

**REEDSPORT SCHOOL DISTRICT NO. 105  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Change In Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
Governmental activities:				
Instruction	\$ 7,681,320	\$ 5,990	\$ 1,778,449	\$ (5,896,881)
Supporting services	3,414,203	2,821	851,255	(2,560,127)
Community services	648,393	-	492,976	(155,417)
Interest and fees on long-term debt	331,834	-	-	(331,834)
Total governmental activities	<u>\$ 12,075,750</u>	<u>\$ 8,811</u>	<u>\$ 3,122,680</u>	<u>(8,944,259)</u>
General revenues:				
Property taxes levied for general purposes				2,166,142
Property taxes levied for debt service				664,442
State school fund - general support				5,237,471
Common school fund				57,612
Federal forest fees				56,475
Unrestricted state and local sources				6,474
Earnings on investments				24,694
Miscellaneous				80,602
Transfer to fiduciary fund				<u>(117,970)</u>
Total general revenues and transfers:				<u>8,175,942</u>
<b>CHANGE IN NET POSITION</b>				<u>(768,317)</u>
<b>Net position - July 1, 2020</b>				<u>3,286,955</u>
<b>Net position - June 30, 2021</b>				<u>\$ 2,518,638</u>

**FUND FINANCIAL STATEMENTS**

**REEDSPORT SCHOOL DISTRICT NO. 105  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	General Fund	Special Revenue Fund	Charter School Fund	Debt Service Fund	Capital Projects Fund	Total
<b>ASSETS</b>						
Equity in pooled cash and investments	\$ 1,660,738	\$ 92,691	\$ -	\$ 774,557	\$ 184,616	\$ 2,712,602
Receivables	175,422	772,649	-	44,091	-	992,162
Interfund receivable	208,783	-	-	-	-	208,783
Inventory	-	17,231	-	-	-	17,231
<b>TOTAL ASSETS</b>	<b>\$ 2,044,943</b>	<b>\$ 882,571</b>	<b>\$ -</b>	<b>\$ 818,648</b>	<b>\$ 184,616</b>	<b>\$ 3,930,778</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 6,175	\$ -	\$ -	\$ -	\$ -	\$ 6,175
Interfund payable	-	208,783	-	-	-	208,783
Accrued payroll liabilities	508,249	-	-	-	-	508,249
Unearned revenue	-	82,893	-	-	-	82,893
<b>TOTAL LIABILITIES</b>	<b>514,424</b>	<b>291,676</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>806,100</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	120,348	-	-	36,485	-	156,833
<b>TOTAL DEFERRED INFLOWS</b>	<b>120,348</b>	<b>-</b>	<b>-</b>	<b>36,485</b>	<b>-</b>	<b>156,833</b>
Fund Balances:						
Nonspendable	-	17,231	-	-	-	17,231
Restricted:						
Education - Grants	-	22,906	-	-	-	22,906
Private purpose	-	9,125	-	-	-	9,125
Debt service	-	-	-	782,163	-	782,163
Student body	-	91,383	-	-	-	91,383
Committed:						
Food service	-	257,881	-	-	-	257,881
Capital projects	-	-	-	-	184,616	184,616
Special programs	-	192,369	-	-	-	192,369
Unassigned	1,410,171	-	-	-	-	1,410,171
<b>TOTAL FUND BALANCES</b>	<b>1,410,171</b>	<b>590,895</b>	<b>-</b>	<b>782,163</b>	<b>184,616</b>	<b>2,967,845</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,044,943</b>	<b>\$ 882,571</b>	<b>\$ -</b>	<b>\$ 818,648</b>	<b>\$ 184,616</b>	<b>\$ 3,930,778</b>

**REEDSPORT SCHOOL DISTRICT NO. 105  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2021**

<b>TOTAL FUND BALANCES</b>		\$ 2,967,845
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 25,394,862	
Accumulated depreciation	<u>(11,506,264)</u>	13,888,598
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		
		156,833
The asset associated with the District's pension (RHIA) is not recorded in the governmental funds as it is not available currently.		
		86,429
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of:		
Compensated absences payable		(16,792)
Long term debt		(9,557,000)
Interest accrual		(8,409)
The net deferred outflow/(inflow) associated with the District's pension and other post employment benefits is not recorded in the governmental funds as it is not available nor payable currently.		
		2,075,198
The liability associated with the District's pension (OPERS) is not recorded in the governmental funds as it is not payable currently.		
		(6,802,866)
The liability associated with the District's other post-employment benefit is not recorded in the governmental funds as it is not payable currently.		
		<u>(271,198)</u>
<b>TOTAL NET POSITION</b>		<u><u>\$ 2,518,638</u></u>

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	General Fund	Special Revenue Fund	Charter School Fund	Debt Service Fund	Capital Projects Fund	Total
<b>REVENUES</b>						
Property taxes and other taxes	\$ 2,200,538	\$ -	\$ -	\$ 669,076	\$ -	\$ 2,869,614
Intergovernmental	5,359,862	2,007,238	3,386,778	-	-	10,753,878
Charges for services	1,109,311	6,915	-	367,827	-	1,484,053
Local grants and contributions	195	4,000	2,000	-	-	6,195
Investment earnings	20,989	9	-	1,603	2,093	24,694
Miscellaneous	53,330	21,163	6,109	-	-	80,602
<b>TOTAL REVENUES</b>	<b>8,744,225</b>	<b>2,039,325</b>	<b>3,394,887</b>	<b>1,038,506</b>	<b>2,093</b>	<b>15,219,036</b>
<b>EXPENDITURES</b>						
Current						
Instruction	5,943,039	982,524	1,358,135	-	-	8,283,698
Support services	2,376,392	600,382	2,036,752	-	85,947	5,099,473
Enterprise and community services	-	689,334	-	-	-	689,334
Debt service	-	-	-	941,293	-	941,293
<b>TOTAL EXPENDITURES</b>	<b>8,319,431</b>	<b>2,272,240</b>	<b>3,394,887</b>	<b>941,293</b>	<b>85,947</b>	<b>15,013,798</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>424,794</b>	<b>(232,915)</b>	<b>-</b>	<b>97,213</b>	<b>(83,854)</b>	<b>205,238</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers	-	(117,970)	-	-	-	(117,970)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(117,970)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(117,970)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>424,794</b>	<b>(350,885)</b>	<b>-</b>	<b>97,213</b>	<b>(83,854)</b>	<b>87,268</b>
<b>FUND BALANCE, July 1, 2020</b>	<b>985,377</b>	<b>941,780</b>	<b>-</b>	<b>684,950</b>	<b>268,470</b>	<b>2,880,577</b>
<b>FUND BALANCE, June 30, 2021</b>	<b>\$ 1,410,171</b>	<b>\$ 590,895</b>	<b>\$ -</b>	<b>\$ 782,163</b>	<b>\$ 184,616</b>	<b>\$ 2,967,845</b>

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2021**

<b>NET CHANGE IN FUND BALANCE</b>	\$	87,268
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Government funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
Expenditures for capital assets	\$ 97,042	
Less current year depreciation	<u>(437,025)</u>	(339,983)
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.</p>		
		(39,030)
<p>Repayment of debt principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position</p>		
Debt principal repaid		609,000
<p>In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expenses when paid.</p>		
Interest paid	330,693	
Interest expense	<u>(330,234)</u>	459
<p>Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned (actuarially determined) net of employee contributions is reported as pension expense. (OPERS, including deferred outflows and inflows).</p>		
		(1,117,481)
<p>The change in the net post employment benefit obligation (OPEB) is not recognized in the governmental funds (including deferred outflows and inflows).</p>		
		(850)
<p>The change in the net post employment benefit asset (OPEB) RHIA is not recognized in the governmental funds (including deferred outflows and inflows).</p>		
		20,707
<p>Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditure when earned.</p>		
		<u>11,593</u>
<b>CHANGE IN NET POSITION</b>	<b>\$</b>	<b><u>(768,137)</u></b>

**REEDSPORT SCHOOL DISTRICT NO. 105  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2021**

**ASSETS:**

Equity in pooled cash and investments	\$ <u>277,829</u>
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<b>TOTAL ASSETS</b>	<u>277,829</u>
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**NET POSITION**

Restricted for scholarships and special purposes	<u>277,829</u>
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<b>TOTAL NET POSITION</b>	<u><u>\$ 277,829</u></u>
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**REEDSPORT SCHOOL DISTRICT NO. 105  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND  
YEAR ENDED JUNE 30, 2021**

<b>ADDITIONS:</b>	
Contributions and donations	\$ 5,575
Miscellaneous	178
Transfer from special revenue fund	<u>117,970</u>
<b>TOTAL ADDITIONS</b>	<u>123,723</u>
<b>DEDUCTIONS:</b>	
Scholarships	4,148
Supplies and materials	<u>20,755</u>
<b>TOTAL DEDUCTIONS</b>	<u>24,903</u>
<b>CHANGE IN NET POSITION</b>	98,820
<b>NET POSITION, July 1, 2020</b>	<u>179,009</u>
<b>NET POSITION, June 30, 2021</b>	<u><u>\$ 277,829</u></u>

**NOTES TO BASIC FINANCIAL STATEMENTS**

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 – Summary of Significant Accounting Policies**

The financial statements of Reedsport School District No. 105 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**The Reporting Entity**

Reedsport School District No. 105 (the District), Reedsport, Oregon, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected five-member Board of Directors (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP). The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

Based upon the application of these criteria, the District has included The Reedsport Community Charter School as a component unit.

***Blended Component Unit***

The Reedsport Community Charter School (the Charter School), a 501(c)(3) corporation, was incorporated as a non-profit corporation under ORS Chapter 338 and began operations in February 2010. The Charter School was formed for the purpose of creating a community-based, technology infused, problem-solving curriculum for students in grades seven through twelve and living within the District. Support comes from the State of Oregon through the District. The Charter School is included as a blended component unit because it is governed by a shared school board with the District.

For internal budget purposes, the District includes the Charter School as a fiduciary fund. For external financial reporting the District includes the Charter School as a major special revenue fund. Substantially all revenue and expense related to the Charter School are eliminated in the Government-wide Statement of Activities.

The more significant of the District's accounting policies are described below.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Basis of Presentation**

***Government-wide Financial Statements***

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Separate financial statements are presented for governmental funds and fiduciary funds.

Net position is reported as restricted when constraints placed on assets used are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

***Fund Financial Statements***

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All the District's funds are categorized as major funds.

The District reports the following major governmental funds:

*General Fund* - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

*Special Revenue Fund* - This fund accounts for revenue sources that are restricted or committed to expenditure for specific purposes. This fund accounts for the revenues and expenditures related to Federal and State grants, as well as those related to student body activities.

*Charter School Fund* - This fund accounts for and reports the District's blended component unit Charter School. Activities include those related to the education of students in grades seven through twelve. The primary resource is State support. Federal funds used at the Charter School are recorded in the Special Revenue Fund of the District. All assets and liabilities are held by the District and are not reflected in the Charter School Fund.

*Debt Service Fund* - This fund accounts for and reports the payment of principal and interest on debt obligations of the District. Principal revenue sources are charges to other funds, property taxes, and interest.

*Capital Projects Fund* - This fund accounts for the acquisition, construction and maintenance of improvements within the District. The principal revenue source is state grants.

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 – Summary of Significant Accounting Policies (continued)**

***Fund Financial Statements (continued)***

*Fiduciary Fund* – The private-purpose trust fund is used to account for and report for donations provided to the District that are permanently restricted for student scholarships, library books, and other purposes as specifically designated. The District operates this fund in a trustee capacity. Funds of this type are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. This fund is not included in the government-wide statements.

**Measurement Focus and Basis of Accounting**

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, and there are both restricted and unrestricted net position available to finance the program, it is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

**Cash, Cash Equivalents and Investments**

The District's cash and cash equivalents consist of cash on hand, demand deposits, secured market deposit accounts, and short-term investments with original maturities of three months or less. Short-term investments are stated at cost which approximates fair value.

The District's investments, authorized under state statute, consist of the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The LGIP is stated at cost which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Cash, Cash Equivalents and Investments (continued)**

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

**Property Taxes Receivable**

Ad valorem property taxes are levied on all taxable property as of January 1 preceding the beginning of the fiscal year. Property taxes become a lien on July 1 for personal property and real property. Property taxes are levied on July 1. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

**Accounts and Other Receivables**

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants. Due to the nature of the receivables and the likelihood of collection, no provision for uncollectibles has been made.

**Inventory**

Food and supplies inventories in the Special Revenue Fund are valued at cost determined on the FIFO method. Commodities inventory in the Special Revenue Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

**Grants**

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

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Interfund Transactions**

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. These advances are considered “available spendable resources”.

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

**Capital Assets**

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Capital assets are depreciated using the straight-line method over the following useful lives:

Land improvements	-	15-25 years
Buildings and improvements	-	20-50 years
Machinery and equipment	-	5-20 years

In the governmental fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary 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.

**Post-Employment Benefits**

The District's other post-employment benefit plan (OPEB) includes an implicit rate subsidy for medical insurance. GAAP requires biennial actuarial valuation of the District's OPEB. This valuation includes both eligible active employees and retirees. With each valuation, the net OPEB obligation or asset is determined, as well as an annual OPEB cost, which the District records in the government-wide financial statements.

Additionally, substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (OPERS) – Retirement Health Insurance Account (RHIA). Contributions to OPERS RHIA are made on a current basis as required by the plan and are charged as expenses.

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Compensated Absences**

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. The current and long-term liabilities for vested or accumulated vacation leave, compensatory time, and retirement benefits are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave or resignation.

No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has deferred outflows related to pension costs and OPEB costs reported on the Statement of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition on net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District currently has deferred inflows related to pension costs and OPEB costs reported on the Statement of Net Position.

Deferred inflows related to pensions and other post-employment benefits arise under the full accrual basis of accounting that qualifies for reporting under this category. Accordingly, these items are reported in the government-wide financial statements.

In contrast, deferred inflows related to property taxes (unavailable revenue) arise under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Long-term Debt**

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

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

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Net Position and Fund Balances**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

*Net investment in capital assets* – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

*Restricted net position* – Consists of net position with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows or resources related to the restricted assets.

*Unrestricted net position* – All other remaining net position that does not meet the definition of “restricted” and is available for general use by the District.

It is the District’s policy to first use restricted net position prior to the use of unrestricted net position when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available.

In the fund financial statements, governmental fund equity is classified in the following categories:

*Non-Spendable* – Includes items not immediately converted to cash, such as prepaid items and inventory.

*Restricted* – Includes items that are restricted by external creditors, grantors, or contributors, or restricted by legal constitutional provisions.

*Committed* – Includes items committed by the District’s Board of Directors, by formal board action.

*Assigned* – Includes items assigned for specific purposes, authorized by the District’s Superintendent and/or Director of Business Services

*Unassigned* – This is the residual classification used for those balances not included in another category.

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

**Budget**

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America for the governmental fund types, except capital outlay expenditures, including items below the District's capitalization level, and debt service, which are budgeted by major function in governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Budget (continued)**

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers within a fund between the levels of control (major function levels) with Board approval. A supplemental budget cannot authorize spending an unappropriated ending fund balance. Appropriations lapse at the end of each fiscal year.

During the fiscal year ended June 30, 2021, the District was in compliance with Local Budget Law, except as follows:

The District exceeded its appropriation authority in the Support Services function within the Charter School Fund by \$424,171.

**Use of Estimates**

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

**Adoption of New GASB Pronouncements**

During the fiscal year ended June 30, 2021, the District implemented the following GASB Pronouncement:

GASB Statement No. 84, *Fiduciary Activities*. Issued January 2017, this statement establishes criteria for identifying fiduciary activities of all state and local governments. The implementation of this pronouncement had no effect on the District's net position.

**Future GASB Pronouncements**

The following GASB pronouncements have been issued, but are not effective as of June 30, 2021:

GASB Statement No. 87, *Leases*. Issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the District for fiscal year ending June 30, 2022.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Future GASB Pronouncements (continued)**

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Issued June 2018, this statement establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for the District for the fiscal year ending June 30, 2022.

GASB Statement No 91, *Conduit Debt Obligations*. Issued May 2019, this statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. GASB Statement No. 91 will be effective for the District for fiscal year ending June 30, 2023.

The District will implement new GASB pronouncements no later than the required effective date. The District is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the District's financial statements.

**Note 2 – Equity in Pooled Cash and Investments**

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments."

Cash and investments are comprised of the following at June 30, 2021:

Carrying amount of demand deposits	\$ 1,577,857
Carrying amount of investments	1,412,574
Total cash and investments	\$ 2,990,431

Cash and investments are shown on the basic financial statements as:

Statement of Net Position	
Cash and investments	\$ 2,712,602
Statement of Fiduciary Net Position	
Cash	277,829
Total Cash and Investments	\$ 2,990,431

At year-end, the District's net carrying amount of deposits was \$1,577,857 and the bank balance was \$1,708,876. Of these deposits, \$1,376,385 was not covered by the Federal Depository Insurance Corporation (FDIC).

As required by Oregon Revised Statutes, Chapter 295, deposits in excess of insurance limits were held at qualified depositories for public funds.

The "weighted average maturity in years" calculation assumes that all investments are held until maturity.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits investments to no more than 18 months.

Custodial credit risk, for deposits, is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As required by Oregon Revised Statutes, Chapter 295, deposits in excess of FDIC coverage were held at qualified depositories for public funds.

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 2 – Equity in Pooled Cash and Investments (continued)**

All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the District has no exposure to custodial credit risk for deposits with financial institutions.

Custodial credit risk, for investments, is the risk that, in the event of the failure of the counter-party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's total investments, the District has no custodial credit risk.

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool.

The District has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2020-2021. Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. Investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool.

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

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 294.035 and 294.810. These funds are held in the District's name and are not subject to collateralization requirements of ORS 295.015. Investments are stated at amortized cost, which approximates fair value.

As of June 30, 2021 and for the year then ended, the District was in compliance with the aforementioned State of Oregon statutes.

*Credit Risk.* State Statutes authorize the District to invest primarily in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, certain commercial papers, and the State Treasurer's Investment Pool, among others. The District has no formal investment policy that further restricts its investment choices.

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

*Interest Rate Risk.* The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 2 – Equity in Pooled Cash and Investments (continued)**

*Disclosures about Fair Value of Assets.* Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 - Unadjusted inputs using quoted prices in active markets for identical investments.

Level 2 - Other significant observable inputs other than level 1 prices, including, but are not limited to, quoted prices for similar investments, inputs other than quoted prices that are observable for investments (such as interest rates, prepayment speeds, credit risk, etc.) or other market corroborated inputs.

Level 3 - Significant inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

Investments Measured at Fair Value:	Totals at June 30, 2021	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Local Government Investment Pool	\$ 1,412,574	\$ -	\$ -	\$ -	\$ 1,412,574
	<u>\$ 1,412,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,412,574</u>

**Note 3 – Receivables**

Receivables are comprised of the following as of June 30, 2021:

	Taxes	Intergovernmental	Total
General Fund	\$ 144,786	\$ 30,636	\$ 175,422
Special Revenue Fund	-	772,649	772,649
Debt Service Fund	44,091	-	44,091
	<u>\$ 188,877</u>	<u>\$ 803,285</u>	<u>\$ 992,162</u>

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 4 – Capital Assets**

The changes in capital assets for the year ended June 30, 2021, are as follows:

	Balance June 30, 2020	Additions	Disposals / Transfers	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 622,451	\$ -	\$ -	\$ 622,451
Total capital assets not being depreciated:	<u>622,451</u>	<u>-</u>	<u>-</u>	<u>622,451</u>
Capital assets being depreciated:				
Land improvements	120,535	-	-	120,535
Buildings and improvements	21,498,594	-	-	21,498,594
Machinery and equipment	3,056,240	97,042	-	3,153,282
Totals	<u>24,675,369</u>	<u>97,042</u>	<u>-</u>	<u>24,772,411</u>
Less accumulated depreciation for:				
Land improvements	(75,335)	(6,027)	-	(81,362)
Buildings and improvements	(8,139,508)	(401,173)	-	(8,540,681)
Machinery and equipment	(2,854,396)	(29,825)	-	(2,884,221)
Total	<u>(11,069,239)</u>	<u>(437,025)</u>	<u>-</u>	<u>(11,506,264)</u>
Total capital assets				
Land	622,451	-	-	622,451
Land improvements	45,200	(6,027)	-	39,173
Buildings and improvements	13,359,086	(401,173)	-	12,957,913
Machinery and equipment	201,844	67,217	-	269,061
Totals	<u>\$ 14,228,581</u>	<u>\$ (339,983)</u>	<u>\$ -</u>	<u>\$ 13,888,598</u>

Depreciation expense for the year was charged to the following programs:

Instructional Services	\$ 261,663
Support Services	156,751
Community Services	18,611
Total	<u>\$ 437,025</u>

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 5 – Deferred Inflows / Unearned Revenues**

Governmental funds, under the modified accrual basis of accounting, accrue deferred revenue for revenue amounts unearned or unavailable. Government-wide reporting use full accrual accounting and report only unearned revenue. Unavailable revenue (deferred inflows) result in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Unearned revenue result in connection with resources that have been received, but not yet earned. At the end of the current fiscal year unearned revenue and unavailable revenue in the governmental funds consisted of the following:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund:			
Property taxes	\$ 120,348	\$ -	\$ 120,348
Special Revenue Fund:			
Grants	-	82,893	82,893
Debt Service Fund:			
Property taxes	36,485	-	36,485
Total	<u>\$ 156,833</u>	<u>\$ 82,893</u>	<u>\$ 239,726</u>

**Note 6 – Accrued Compensated Absences**

The changes in accrued compensated absences for the year ended June 30, 2021 are as follows:

	<u>Accrued June 30, 2020</u>	<u>Earned</u>	<u>Used/ Forfeited</u>	<u>Accrued June 30, 2021</u>
Governmental Activities	<u>\$ 28,385</u>	<u>\$ 17,569</u>	<u>\$ (29,162)</u>	<u>\$ 16,792</u>

**Note 7 – Operating Leases**

The District leases copiers under non-cancellable operating leases. Total costs for such leases were \$18,636 for the fiscal year ended June 30, 2021. The future minimum lease payments for these leases are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 6,989
	<u>\$ 6,989</u>

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 8 – Long-Term Debt**

**Limited Tax Pension Bond**

On October 31, 2002, the District issued bonds as a part of the Oregon School Boards Association Limited Tax Pension Bond Pool. Certain Oregon school districts and education service districts issued limited tax obligations (Pension Obligation), the proceeds of which were used to finance a portion of the estimated unfunded actuarial liability of each issuer with the Oregon Public Employees Retirement System (PERS). The full faith and credit of the District was pledged for the punctual payment of the principal and interest on its Pension Obligation, and debt service on the Pension Obligation is not subject to annual appropriation. The Pension Obligation is further secured by an Intercept Agreement under which an amount equal to the debt service on each issuer's Pension Obligation will be diverted from State Education Revenues.

The 2002 Series Obligations were issued in the aggregate original principal amount of \$2,908,726. The bonds are payable annually through June, 2028. The bonds consist of \$743,726 Serial Maturities, with interest accrued semiannually at yields ranging from 2.06% to 6.10% through June 2020, and \$2,165,000 Term Bonds maturing from June 2021 through June 2028, with interest accrued semiannually at interest rates ranging from 5.48% to 5.55%. The agreement contains a provision that in an event of default, the Trustee may exercise any remedy available at law or in equity; however, the payments are not subject to acceleration. Interest expense for 2021 was \$117,924.

Annual debt service associated with the 2002 Series Pension Bond is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total	Interest Rate
2022	\$ 220,000	\$ 109,031	\$ 329,031	5.48%
2023	250,000	96,975	346,975	5.49%
2024	280,000	83,250	363,250	5.55%
2025	310,000	67,710	377,710	5.55%
2026	345,000	50,505	395,505	5.55%
2027-2028	565,000	41,347	606,347	5.55%
	<u>\$ 1,970,000</u>	<u>\$ 448,818</u>	<u>\$ 2,418,818</u>	

**General Obligation Bond**

On March 6, 2008, the District issued \$10,300,000 General Obligation Series A (\$9,760,000 tax exempt) and Series B (\$540,000 taxable) bonds for the purpose of major capital improvements of the District's facilities. On April 9, 2019 the District entered into a Bond Purchase Agreement with JP Morgan Chase Bank to issue refunding bonds for the refunding of its outstanding General Obligation Bonds. The amount of the bond purchase was \$8,518,000 and bears interest at the rate of 2.66% per annum. Interest payments are due the 15<sup>th</sup> of June and December of each year with a principal payment due the 15<sup>th</sup> of June. The agreement contains a provision that in an event of default, the Bank may exercise any remedy available at law or in equity, to include increasing the interest rate of the bond by 1.50%; however, the payments are not subject to acceleration. Interest expense for 2021 was \$212,310.

The Series 2019 Bonds are guaranteed by the Oregon School Bond Guaranty. Payment of the principal and interest on the Bonds when due is guaranteed by the full faith and credit of the State under the provisions of the Oregon School Bond Guaranty Act – Oregon Revised Statutes 328.321 to 328.356.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 8 – Long-Term Debt (continued)**

**General Obligation Bond (continued)**

Annual debt service associated with the 2019 Series General Obligation Bond is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total	Interest Rate
2022	\$ 445,000	\$ 201,814	\$ 646,814	2.66%
2023	475,000	189,977	664,977	2.66%
2024	505,000	177,342	682,342	2.66%
2025	539,000	163,909	702,909	2.66%
2026	572,000	149,572	721,572	2.66%
2027-2031	3,405,000	501,038	3,906,038	2.66%
2032-2033	1,646,000	66,234	1,712,234	2.66%
	<u>\$ 7,587,000</u>	<u>\$ 1,449,886</u>	<u>\$ 9,036,886</u>	

Changes in long-term debt for the year ended June 30, 2021 are as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due in One Year
Pension Obligations:					
Series 2002	\$ 2,165,000	\$ -	\$ (195,000)	\$ 1,970,000	\$ 220,000
General Obligation Bonds:					
Series 2019 (direct placement)	<u>8,001,000</u>	<u>-</u>	<u>(414,000)</u>	<u>\$ 7,587,000</u>	<u>445,000</u>
Total Long Term Debt	<u>\$ 10,166,000</u>	<u>\$ -</u>	<u>\$ (609,000)</u>	<u>\$ 9,557,000</u>	<u>\$ 665,000</u>

**Note 9 – Pension Plan**

**Plan description**

Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan in accordance with Oregon Revised Statutes Chapter 238, Chapter 238A, and Internal Revenue Service Code Section 401(a).

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 9- Pension Plan (continued)**

The ORS Chapter 238 Defined Benefit Plan was closed to new members hired on or after August 29, 2003. In 1995, the Oregon Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, all employees who were active members of OPERS became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

***Tier One/Tier Two (Chapter 238)***

*Pension Benefits* - The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under 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 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020.

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 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

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

*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 OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 9- Pension Plan (continued)**

***Tier One/Tier Two (Chapter 238) (continued)***

*Benefit Changes After Retirement* – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

***OPSRP Pension Program (Chapter 238A)***

*Pension Benefits* - The ORS Chapter 238A Defined Benefit Pension Program 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 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

Under Senate Bill 1049, passed during 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 pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

*Death Benefits* - Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

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

*Benefit Changes After Retirement* - Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living changes. The COLA is capped at 2.0 percent.

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 9- Pension Plan (continued)**

**Contributions –**

OPERS funding policy provides for periodic member and employer contributions at rates established by the OPERS Board, subject to limits set by statute. The rates established for member and employer contributions were approved based on the recommendation of the OPERS third-party actuary.

This funding policy applies to the OPERS Defined Benefit Plan. Employer contributions during the period July 1, 2020 through June 30, 2021, were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. For this period, employer contribution rates were 18.09% for Tier 1/Tier 2 employees and 12.64% for OPSRP General Employees. Employer contributions for the year ended June 30, 2021 were \$506,939.

**Pension Plan Comprehensive Annual Financial Report (CAFR) –**

OPERS prepares their financial statements in accordance with generally accepted accounting principles in the United States of America as set forth in Governmental Accounting Standards Board (GASB) pronouncements that apply to governmental accounting for fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plan. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Oregon PERS produces an independently audited CAFR which can be found at:

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

**Actuarial Valuation –**

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 9- Pension Plan (continued)**

***Actuarial Methods and Assumptions Used in Developing Total Pension Liability -***

Valuation date	December 31, 2018
Measurement date	June 30, 2020
Experience study	2018, published July 24, 2019
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return <sup>1</sup>	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
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	<p><b><i>Healthy retirees and beneficiaries:</i></b> Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b><i>Active members:</i></b> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b><i>Disabled retirees:</i></b> Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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, which reviewed experience for the four-year period ending on December 31, 2018.

***Discount Rate*** - The discount rate used to measure the total pension liability was 7.20 percent 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 fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 9- Pension Plan (continued)**

***Assumed Asset Allocation -***

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	2.50%
Total	100.00%

***Investment Rate of Return –***

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

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 9- Pension Plan (continued)**

**Investment Rate of Return (continued) –**

The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. The OIC’s description of each asset was used to map the target allocation to the asset classes shown below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>20-Year Annualized Geometric Mean</u>
Core fixed income	9.60%	4.07%
Short-term bonds	9.60%	3.68%
Bank/leveraged loans	3.60%	5.19%
High yield bonds	1.20%	5.74%
Large/Mid cap US equities	16.16%	6.30%
Small cap US equities	1.35%	6.68%
Micro cap US equities	1.35%	6.79%
Developed foreign equities	13.48%	6.91%
Emerging market equities	4.23%	7.69%
Non-US small cap equities	1.93%	7.25%
Private equities	17.50%	8.33%
Real estate (property)	10.00%	5.55%
Real estate (REITS)	2.50%	6.69%
Hedge fund of funds - diversified	1.50%	4.06%
Hedge fund - event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.11%	3.79%
Total	<u>100.00%</u>	
Assumed inflation - mean		2.50%

**Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions –**

At June 30, 2021, the District reported a liability of \$6,802,866 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the District’s proportion was approximately 0.03117229 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$1,117,881. The \$1,117,881 was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 66%, 29% and 5%, respectively.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 9- Pension Plan (continued)**

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 299,408	\$ -
Changes of assumptions	365,088	12,792
Net difference between projected and actual earning on investments	799,929	-
Changes in proportionate share	1,062,803	398,092
Differences between employer contributions and employers proportionate share of system contributions	-	490,096
Contributions subsequent to measurement date	506,939	-
Total	\$ 3,034,167	\$ 900,980

The \$506,939 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to pensions will be recognized in pension expense or (expense reduction) as follows:

Year Ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2022	\$ 362,705
2023	510,055
2024	379,678
2025	341,238
2026	32,572
Total	\$ 1,626,248

**Sensitivity for the District's Proportionate Share of the Net Pension Liability to Changes in Discount Rate**

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

	1% Decrease (6.20)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Defined Benefit Pension Plan Liability/(Asset)	\$ 10,101,694	\$ 6,802,866	\$ 4,036,646

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 9- Pension Plan (continued)**

**Changes in Assumptions**

A summary of key changes implemented since the December 31, 2017 valuation are noted below. Additional detail and list of changes can be found in the 2018 Experience Study for the System, which can be found at: [https://www.oregon.gov/pers/Documents/Exp\\_Study\\_2018.pdf](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf).

- Update the explicit assumptions regarding administrative expenses for Tier 1/Tier 2 and OPSRP.
- Update the assumed RHIPA cost subsidy trend rates.
- Adjust mortality assumptions to use the new "Pub-2010" base tables and a standard update to the mortality improvement scale, which is based on 60-year unisex average Social Security experience.
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience; reduce percentage of future retirees assumed to elect a partial lump sum; increase percentage of members assumed to purchase credited service at retirement.
- Increase the merit component of the salary increase assumption for two member categories based on observations of the last eight years of experience.
- Update pre-retirement termination of employment assumptions for two member categories.
- Lower assumed rates of ordinary (non-duty) disability and general service duty disability to more closely match recent experience.
- Increase the Tier 1 unused vacation cash out assumption for most member categories, reflecting recent experience.
- Adjust the Tier 1/Tier 2 unused sick leave assumption for five member categories to more closely reflect recently observed experience.
- Decrease the healthy participation assumption for the RHIA retiree healthcare program, reflecting recent experience.
- Decrease the RHIPA participation assumption for most service bands, reflecting recent experience.
- Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tier 2 UAL in the calculation of actuarially determined contribution rates for the 2021-2023 biennium. No additional changes are recommended for most actuarial methods, including the actuarial cost method, amortization method, and rate collar.
- When allocating accrued liability for Tier 1/Tier 2 active members who have earned service with multiple PERS employers, base 90% of the allocation on length of service with each employer (100% for police & fire members) and base the rest on the member account balance associated with each employer. The percentage allocation for general service has increased 5% since the prior experience study. This movement illustrates the continued migration of projected future Tier 1/Tier 2 retirement benefits away from the Money Match calculation, which is based on account balances, toward the ongoing Full Formula approach, which is based on final average salary.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 9- Pension Plan (continued)**

**Defined Contribution Plan - Individual Account Program (IAP):**

***Pension Benefits.*** Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. The IAP is an individual account-based program under the OPERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. All covered employees are required by State statute to contribute 6% of their salary to the plan. 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 Individual Account Program (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, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

***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.

***Contributions.*** Starting July 1, 2020, Senate Bill 1049 required member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 a month, 0.75% for OPSRP members and 2.5% for Tier One and Tier Two members' salaries that were previously contributed to the member's IAP began funding the new Employee Pension Stability Accounts to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. OPERS estimates that approximately \$125 million in member contributions will be redirected in fiscal year 2020-21.

During 2021, the District, as an employee benefit, paid the employee portion of the contribution. Employer contributions for the year ended June 30, 2021 were \$210,740, of which \$178,784 was deposited into the individual members' accounts.

**Note 10 – Post-Employment Benefits Other Than Pensions (OPEB)**

The District has two separate other post-employment benefits (OPEB) plans. The District provides a single employer defined benefit health care plan and the District contributes to the State of Oregon's OPERS cost-sharing multiple employer defined benefit plan.

**Single-Employer Defined Benefit Health Care Plan**

The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303, which requires that all eligible retirees are allowed to continue receiving health insurance benefits, at their cost, until age 65 or they become otherwise eligible for Medicare. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The requirement to make available to retirees (at the retirees own cost) access in to the healthcare plan has an implicit cost to the District.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 10 – Post-Employment Benefits Other Than Pensions (OPEB) (continued)**

**Single-Employer Defined Benefit Health Care Plan (continued)**

**Funding Policy** – The benefits from the single-employer defined benefit OPEB plan are paid by the District based on bargaining agreement language, and contributions by employees are also required. The plan is not accounted for in a pension trust fund; therefore, designated funds are not legally restricted to pay future benefits. The benefits from the healthcare plan established in accordance with ORS 243.303 are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you-go financing requirements. There is no obligation on the part of the District to fund these benefits in advance. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

**Employees Covered by Benefit Terms** – As of the valuation date of July 1, 2019, the following employees were covered by the implicit benefit terms:

Active plan members	97
Retired members receiving benefits	5
Spouses entitled to but not yet receiving benefits	3
	105

**Total OPEB Liability** – The District’s total OPEB liability of \$271,198 was measured as of June 30, 2020, and was determined by an actuarial valuation date as of July 1, 2019.

**Actuarial Assumptions and Other Inputs** – The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Input	Assumption
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	2.21% for year ended 2020. Amounts reflect 20-year GO Bond Index
General Inflation	2.5% per year
Salary Scale	3.5% per year
Health Care Cost Trend	Between 3.0% and 5.0% annually
Dental and Vision Trend	4.0% per year
Annual Premium Increase Rate	No adjustment due to COVID-19 uncertainty
Mortality Rates	Pub-2010 Teacher Employee and Healthy Retiree tables, sex distinct
Withdrawal	Based upon OPERS assumption, annual rates are based on gender and duration of employment.
Retirement	Based upon OPERS assumption, annual rates are based on age, Tier / OPSRP, and duration of service.
Excluded Employees	Part-time employees not eligible to participate in OPERS or not eligible for health care benefits were generally excluded from valuation.
Past PERS Service	PERS service as of the valuation date was generally estimated based upon information provided by the District.
Future PERS Service	Projected PERS service for retirement eligibility is generally assumed to accrue at a rate of 1.0 per year until retirement.
Future Retiree Coverage	40% of active members were assumed to elect coverage upon retirement. 60% of male members and 35% of female members who elect coverage upon retirement are also assumed to elect spouse coverage.
Lapse Rate	Retirees for whom the District will never pay any portion of the health care premiums are assumed to have a 5% probability of lapsing (dropping) coverage per year.
Spouse Age	Female spouses are assumed to be two years younger than male spouses. Male spouses were assumed to be two years older than their female spouses.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 10 – Post-Employment Benefits Other Than Pensions (OPEB) (continued)**

**Single-Employer Defined Benefit Health Care Plan (continued)**

**Changes in the Total OPEB Liability –**

OPEB Liability at June 30, 2020	\$	252,335
Changes for the year:		
Service cost		39,769
Interest		9,428
Changes in assumptions		15,540
Benefit payments		(45,874)
OPEB Liability at June 30, 2021	\$	271,198

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (1.21%)	Current Discount (2.21%)	1% Increase (3.21%)
Single Employer Defined Benefit Health Care Plan OPEB Liability	\$ 286,626	\$ 271,198	\$ 256,570

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Single Employer Defined Benefit Health Care Plan OPEB Liability	\$ 247,911	\$ 271,198	\$ 298,801

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources** – For the year ended June 30, 2021, the District recognized an expense related to OPEB of \$450. The \$450 was treated as an increase of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 66%, 29% and 5%, respectively.

As of June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 34,047
Changes of assumptions	13,440	55,083
Benefit payments	32,834	-
Total	\$ 46,274	\$ 89,130

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 10 – Post-Employment Benefits Other Than Pensions (OPEB) (continued)**

**Single-Employer Defined Benefit Health Care Plan (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to OPEB will be recognized in pension expense or (expense reduction) as follows:

Year Ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2022	\$ (15,913)
2023	(15,913)
2024	(14,638)
2025	(13,259)
2026	(12,904)
Thereafter	(3,063)
Total	\$ (75,690)

**Retirement Health Insurance Account (RHIA)**

**Plan Description** - As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan was closed to new entrants hired on or after August 29, 2003.

OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO box 23700, Tigard, OR 97281-3700.

**Funding Policy** - 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 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars 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 OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS 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 OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 10 – Postemployment Benefits Other Than Pensions (OPEB) (continued)**

**Retirement Health Insurance Account (RHIA) (continued)**

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS. The contribution rates in effect for the fiscal year ended June 30, 2021 for the OPEB program were: Tier1/Tier 2 – 0.06%, and OPSRP general service – 0.00%. The District contributed \$573 for the year ended June 30, 2021.

**Pension Plan Comprehensive Annual Financial Report (CAFR) –**

Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

**Actuarial Valuation -**

The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 9 Pension Plan* (excluding the Actuarial Methods and Assumptions cost of living adjustment assumption, which has been removed, and a retiree healthcare participation assumption of 32% for healthy retirees and 20% for disabled retirees has been used). The actuarial valuation details are the Actuarial Methods and Assumptions, Discount Rate, Assumed Asset Allocation, and the Investment Rate of Return.

***OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At June 30, 2021, the District reported \$86,429 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018. The District's proportion of the net OPEB asset was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020 the District's proportion was approximately 0.04241692 percent.

For the year ended June 30, 2021, the District recognized a reduction of OPEB expense related to RHIA of \$20,707. The \$20,707 was treated as a reduction of payroll related expense in the Statement of Activities and allocated to Instruction, Supporting Services, and Community Services using allocation percentages of 66%, 29% and 5%, respectively.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 10 – Postemployment Benefits Other Than Pensions (OPEB) (continued)**

**Retirement Health Insurance Account (RHIA) (continued)**

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 8,836
Changes of assumptions	-	4,594
Net difference between projected and actual earning on investments	9,612	-
Changes in proportionate share	-	11,888
Contributions subsequent to measurement date	573	-
<b>Total</b>	<b>\$ 10,185</b>	<b>\$ 25,318</b>

The \$573 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to OPEB will be recognized in pension expense or (expense reduction) as follows:

Year Ended June 30,	Deferred Outflow/(Inflow) of Resources
2022	\$ (15,054)
2023	(7,237)
2024	3,553
2025	3,032
Total	<b>\$ (15,706)</b>

**Sensitivity for the District's Proportionate Share of the Net OPEB Asset to Changes in Discount Rate**

The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.20 percent) or 1-percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Defined Benefit OPEB Liability/(Asset)	\$ (69,777)	\$ (86,429)	\$ (100,667)

The RHIA OPEB is unaffected by healthcare cost trends due to the benefit being limited to \$60 monthly payments toward Medicare companion insurance premiums.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 11 – Interfund Transfers**

Interfund transfers for the year ended June 30, 2021 are as follows:

	Transfers In	Transfers Out
Special Revenue Fund	\$ -	\$ (117,970)
Fiduciary Fund	117,970	-
Total transfers in/out	\$ 117,970	\$ (117,970)

The District made transfers from the Special Revenue Fund to the Fiduciary Fund for scholarship funds.

**Note 12 – Contingencies**

Amounts received or receivable from grantor agencies are subject to compliance audits by grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**Note 13 – Current Vulnerability Due to Certain Concentrations**

The District’s operations are concentrated within Reedsport. In addition, substantially all the District’s revenues for continuing operations are from federal, state, and local government agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**Note 14 – 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. Worker’s compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year and the District has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years ending June 30, 2021.

**Note 15 – Tax Abatements**

As of June 30, 2021, Douglas County provides tax abatements through two programs: Non-Profit Low Income Rental Housing and Enterprise Zone.

**Non-Profit Low Income Rental Housing (ORS 307.540 to 307.548):**

The largest abatement program for the District is the Non-Profit Low Income Rental Housing. In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this type of housing. The qualifying property must be located within the County.

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 15 – Tax Abatements (continued)**

Charitable, nonprofit organizations that provide housing to low-income persons are eligible, and must be certified by the Internal Revenue Service as 501(c)(3) or (4) organization. Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the non-profit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline. Vacant land intended to be developed as low-income housing is also eligible for the exemption.

The property tax exemption applies only to the tax levy of a governing body that adopts the provisions of ORS 307.540 to 307.548.

**Enterprise Zone (ORS 285C.175):**

The Oregon Enterprise Zone program is a State of Oregon economic development program, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program provides qualified firms that will be making a substantial new capital investment within the defined enterprise zone, a waiver of 100% of the amount of real property taxes attributable to the new investment for a period of five years following completion of the new investment. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2021, information regarding property tax abatements for the District are as follows:

	Assessed Value of Excluded Properties	Rate per Thousand Dollars of Assessed Value	Reduced Property Taxes
Enterprise Zone	\$ 125,117	4.3788	\$ 548
Total Tax Abatements			\$ 548

**Note 16 – Uncertainties**

On March 13, 2020, the President of the United States declared a State of Emergency associated with the COVID-19 global pandemic. The impact of the State of Emergency and full ramifications to the economy and the District is not determinable at this time.

**Note 17 – Subsequent Events**

Management of the District has evaluated events and transactions occurring after June 30, 2021 through the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.

Effective September 1, 2021 the District and the Charter School merged to become one legal entity, Reedsport Community Charter School.

**REQUIRED SUPPLEMENTARY INFORMATION**

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION**  
**ASSET/(LIABILITY) AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

**Reedsport School District No. 105 Proportionate Share of Net Pension Asset / (Liability) at the measurement date**

	2021	2020	2019	2018	2017	2016	2015	2014
District proportion of the net pension asset/(liability)	0.03117229%	0.02606736%	0.03054015%	0.02043034%	0.02403158%	0.01734300%	0.0282670%	0.0282670%
District's proportion of the net pension asset/(liability)	\$ (6,802,866)	\$ (4,509,029)	\$ (4,626,430)	\$ (2,754,018)	\$ (3,607,698)	\$ (995,726)	\$ 645,869	\$ 640,734
Covered payroll	\$ 3,862,724	\$ 4,013,035	\$ 3,918,941	\$ 2,885,816	\$ 2,535,629	\$ 2,706,135	\$ 2,522,147	\$ 2,396,754
Proportionate share of the pension asset/(liability) as a percentage of its covered-employee payroll	176.12%	112.36%	118.05%	95.43%	142.28%	36.80%	25.61%	26.73%
Plan fiduciary net position as a percentage of the total pension liability	75.79%	80.20%	82.06%	83.12%	80.53%	91.88%	103.59%	91.97%

**Reedsport School District No. 105 Contributions**

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 506,939	\$ 453,398	\$ 235,701	\$ 203,442	\$ 64,475	\$ 82,688	\$ 251,506	\$ 228,586
Contribution in relation to the contractually required	(506,939)	(453,398)	(235,701)	(203,442)	(64,475)	(82,688)	(251,506)	(228,586)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,629,710	\$ 3,862,724	\$ 4,013,035	\$ 3,918,941	\$ 2,885,816	\$ 2,535,629	\$ 2,706,135	\$ 2,522,147
Contributions as a percentage of covered payroll	13.97%	11.74%	5.87%	5.19%	2.23%	3.26%	9.29%	9.06%

**Note 1 - Changes of Benefit Terms and Assumptions -**

A summary of assumption changes implemented since the December 31, 2017 valuation are described in *Note 9* to the financial statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the system, which was published on July 24, 2019, and can be found at: [https://www.oregon.gov/pers/Documents/Exp\\_Study\\_2018.pdf](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf)

**Other Information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 68 during fiscal 2014, as a result, only eight years of information is presented.

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB ASSET/(LIABILITY)**  
**AND SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**OPERS RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)**

**Reedsport School District No. 105 Proportionate Share of Net OPEB Asset / (Liability) at the measurement date**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District proportion of the net OPEB asset/(liability)	0.04241692%	0.03120335%	0.02980840%	0.02709050%
District's proportion of the net OPEB asset/(liability)	\$ 86,429	\$ 60,296	\$ 33,274	\$ 11,306
District's covered-employee payroll	\$ 3,862,724	\$ 4,013,035	\$ 3,918,941	\$ 2,885,816
District's proportionate share of the net OPEB asset/(liability) as a percentage of its covered-employee payroll	2.24%	1.50%	0.85%	0.39%
Plan fiduciary net position as a percentage of the total pension liability	150.10%	144.40%	123.99%	108.88%

**Reedsport School District No. 105 Contributions**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 573	\$ 3,030	\$ 15,465	\$ 7,126
Contribution in relation to the contractually required	<u>(573)</u>	<u>(3,030)</u>	<u>(15,465)</u>	<u>(7,126)</u>
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	\$ 3,629,710	\$ 3,862,724	\$ 4,013,035	\$ 3,918,941
Contributions as a percentage of covered-employee payroll	0.02%	0.08%	0.39%	0.18%

**Note 1 - Changes of Benefit Terms and Assumptions -**

A summary of assumption changes implemented since the December 31, 2017 valuation are described in *Note 10* to the financial statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the system, which was published on July 24, 2019, and can be found at: [https://www.oregon.gov/pers/Documents/Exp\\_Study\\_2018.pdf](https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf)

**Other Information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The District adopted GASB 75 during fiscal 2018, as a result, only four years of information is presented.

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**

<b>Total OPEB Liability:</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 39,769	\$ 46,985	\$ 45,874	\$ 46,823
Interest	9,428	14,566	13,785	11,779
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(46,657)	-	-
Changes of assumptions of other inputs	15,540	(64,374)	(5,677)	(13,579)
Benefit payments	(45,874)	(54,649)	(72,733)	(72,089)
<b>Net change in total OPEB liability</b>	<b>18,863</b>	<b>(104,129)</b>	<b>(18,751)</b>	<b>(27,066)</b>
Total OPEB liability - beginning	\$ 252,335	\$ 356,464	\$ 375,215	\$ 402,281
Total OPEB liability - ending	<u>\$ 271,198</u>	<u>\$ 252,335</u>	<u>\$ 356,464</u>	<u>\$ 375,215</u>
Estimated Covered - employee payroll	<u>\$ 3,629,710</u>	<u>\$ 3,739,959</u>	<u>\$ 3,764,977</u>	<u>\$ 3,718,258</u>
Total OPEB liability as a percentage of estimated covered - employee payroll	7.47%	6.75%	9.47%	10.09%

**Notes to Schedule:**

**Significant methods and assumptions used in calculating the actuarially determined contributions:**

Significant methods and assumptions used in calculating the actuarially determined contributions are described in *Note 10* to the financial statements. No assets are accumulated in a trust to pay related benefits.

**Changes in benefit terms:**

None noted.

**Other information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. GASB 75 was effective for the District during fiscal 2018, as a result, only four years of information is presented.

**REEDSPORT SCHOOL DISTRICT NO. 105  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 2,095,000	\$ 2,095,000	\$ 2,200,538	\$ 105,538
Charges for services	645,163	645,163	1,109,311	464,148
Donations	2,000	2,000	195	(1,805)
Interest on investments	75,000	75,000	20,989	(54,011)
Miscellaneous	170,000	170,000	53,330	(116,670)
Intermediate sources:				
Intergovernmental	10,000	10,000	6,474	(3,526)
State sources:				
Basic school support	5,147,368	5,147,368	5,237,471	90,103
Intergovernmental	283,528	283,528	59,442	(224,086)
Federal sources:				
Intergovernmental	75,000	75,000	56,475	(18,525)
<b>TOTAL REVENUES</b>	<u>8,503,059</u>	<u>8,503,059</u>	<u>8,744,225</u>	<u>241,166</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	6,286,361	5,786,361	5,943,039	(156,678)
Support services	2,396,698	2,896,698	2,376,392	520,306
Contingency	350,000	350,000	-	350,000
<b>TOTAL EXPENDITURES</b>	<u>9,033,059</u>	<u>9,033,059</u>	<u>8,319,431</u>	<u>713,628</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(530,000)	(530,000)	424,794	954,794
<b>FUND BALANCE, July 1, 2020</b>	<u>880,000</u>	<u>880,000</u>	<u>985,377</u>	<u>105,377</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 1,410,171</u>	<u>\$ 1,060,171</u>

**REEDSPORT SCHOOL DISTRICT NO. 105  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with
	Adopted	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources:				
Charges for services	\$ 20,000	\$ 20,000	\$ 6,915	\$ (13,085)
Donations	57,000	57,000	4,000	(53,000)
Interest on investments	100	100	9	(91)
Miscellaneous	78,001	78,001	21,163	(56,838)
State sources:				
Intergovernmental	1,058,550	1,058,550	463,430	(595,120)
Federal sources:				
Intergovernmental	1,168,944	1,168,944	1,543,808	374,864
<b>TOTAL REVENUES</b>	<u>2,382,595</u>	<u>2,382,595</u>	<u>2,039,325</u>	<u>(343,270)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	1,554,790	1,454,790	982,524	472,266
Support services	658,750	758,750	600,382	158,368
Enterprise and community services	789,472	789,472	689,334	100,138
<b>TOTAL EXPENDITURES</b>	<u>3,003,012</u>	<u>3,003,012</u>	<u>2,272,240</u>	<u>730,772</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(620,417)	(620,417)	(232,915)	387,502
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(117,970)	(117,970)	(117,970)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(117,970)</u>	<u>(117,970)</u>	<u>(117,970)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(738,387)	(738,387)	(350,885)	387,502
<b>FUND BALANCE, July 1, 2020</b>	<u>908,387</u>	<u>908,387</u>	<u>941,780</u>	<u>33,393</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>\$ 170,000</u>	<u>\$ 170,000</u>	<u>\$ 590,895</u>	<u>\$ 420,895</u>

**REEDSPORT SCHOOL DISTRICT NO. 105  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CHARTER SCHOOL FUND (A COMPONENT UNIT)  
YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources:				
Donations	\$ 6,000	\$ 6,000	\$ 2,000	\$ (4,000)
Miscellaneous	-	-	6,109	6,109
State sources:				
Intergovernmental	<u>3,085,512</u>	<u>3,085,512</u>	<u>3,386,778</u>	<u>301,266</u>
<b>TOTAL REVENUES</b>	<u>3,091,512</u>	<u>3,091,512</u>	<u>3,394,887</u>	<u>303,375</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	1,478,931	1,478,931	1,358,135	120,796
Support services	<u>1,612,581</u>	<u>1,612,581</u>	<u>2,036,752</u>	<u>(424,171)</u>
<b>TOTAL EXPENDITURES</b>	<u>3,091,512</u>	<u>3,091,512</u>	<u>3,394,887</u>	<u>(303,375)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	-	-
<b>FUND BALANCE, July 1, 2020</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OTHER SUPPLEMENTARY INFORMATION**

**REEDSPORT SCHOOL DISTRICT NO. 105  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 660,729	\$ 660,729	\$ 669,076	\$ 8,347
Interest on investments	10,000	10,000	1,603	(8,397)
Pension obligation bonds (internal fee)	<u>335,580</u>	<u>335,580</u>	<u>367,827</u>	<u>32,247</u>
<b>TOTAL REVENUES</b>	<u>1,006,309</u>	<u>1,006,309</u>	<u>1,038,506</u>	<u>32,197</u>
<b>EXPENDITURES</b>				
Debt service	<u>1,477,729</u>	<u>1,477,729</u>	<u>941,293</u>	<u>536,436</u>
<b>TOTAL EXPENDITURES</b>	<u>1,477,729</u>	<u>1,477,729</u>	<u>941,293</u>	<u>536,436</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(471,420)	(471,420)	97,213	568,633
<b>FUND BALANCE, July 1, 2020</b>	<u>490,000</u>	<u>490,000</u>	<u>684,950</u>	<u>194,950</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>\$ 18,580</u>	<u>\$ 18,580</u>	<u>\$ 782,163</u>	<u>\$ 763,583</u>

**REEDSPORT SCHOOL DISTRICT NO. 105  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Interest on investments	\$ 5,000	\$ 5,000	\$ 2,093	\$ (2,907)
<b>TOTAL REVENUES</b>	<u>5,000</u>	<u>5,000</u>	<u>2,093</u>	<u>(2,907)</u>
<b>EXPENDITURES</b>				
Current:				
Support services	155,000	155,000	85,947	69,053
Facilities acquisition and construction	44,068	44,068	-	44,068
<b>TOTAL EXPENDITURES</b>	<u>199,068</u>	<u>199,068</u>	<u>85,947</u>	<u>113,121</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(194,068)	(194,068)	(83,854)	110,214
<b>FUND BALANCE, July 1, 2020</b>	<u>244,068</u>	<u>244,068</u>	<u>268,470</u>	<u>24,402</u>
<b>FUND BALANCE, June 30, 2021</b>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 184,616</u>	<u>\$ 134,616</u>

**REEDSPORT SCHOOL DISTRICT NO. 105  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN NET POSITION - BUDGET AND ACTUAL  
FIDUCIARY FUND  
YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES</b>				
Local sources:				
Donations	\$ 6,000	\$ 6,000	\$ 5,575	\$ (425)
Miscellaneous	-	-	178	178
<b>TOTAL REVENUES</b>	<u>6,000</u>	<u>6,000</u>	<u>5,753</u>	<u>(247)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	241,093	241,093	20,755	220,338
Support services	55,282	55,282	4,148	51,134
<b>TOTAL EXPENDITURES</b>	<u>296,375</u>	<u>296,375</u>	<u>24,903</u>	<u>271,472</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(290,375)	(290,375)	(19,150)	271,225
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	259,862	259,862	117,970	(141,892)
Transfers out	(141,892)	(141,892)	-	141,892
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>117,970</u>	<u>117,970</u>	<u>117,970</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	(172,405)	(172,405)	98,820	271,225
<b>NET POSITION, July 1, 2020</b>	<u>172,405</u>	<u>172,405</u>	<u>179,009</u>	<u>6,604</u>
<b>NET POSITION, June 30, 2021</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,829</u>	<u>\$ 277,829</u>

**SCHOOL DISTRICT FINANCIAL**  
**ACCOUNTING SUMMARIES**

**REEDSPORT SCHOOL DISTRICT NO. 105  
2020 - 2021 ALL FUND REVENUE SUMMARY**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
<b>Revenue from Local Sources</b>							
1110 Ad Valorem Taxes Levied by District	2,200,538	-	669,076	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-	-	-
1190 Penalties and Interest on Taxes	-	-	-	-	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	-	-	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	-	-	-	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	-	-	-	-	-	-	-
1313 Regular Day School Tuition - Other Districts Outside	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	-	-	-	-	-	-	-
1412 Transportation Fees - Other Dist Within State	-	-	-	-	-	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-	-	-	-	-
1420 Summer School Transportation Fees	-	-	-	-	-	-	-
1500 Earnings on Investments	20,989	9	1,603	2,093	-	-	-
1600 Food Service	-	-	-	-	-	-	-
1700 Extracurricular Activities	-	6,915	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-
1910 Rentals	1,975	-	-	-	-	-	-
1920 Contributions and Donations From Private Sources	195	4,000	-	-	-	-	7,575
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	1,107,336	-	-	-	-	-	-
1950 Textbook, Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	-	-	-	-	-	-	-
1970 Services Provided Other Funds	-	-	367,827	-	-	-	-
1980 Fees Charged to Grants	-	-	-	-	-	-	-
1990 Miscellaneous	53,330	21,163	-	-	-	-	6,287
<b>Total Revenue from Local Sources</b>	<b>3,384,363</b>	<b>32,087</b>	<b>1,038,506</b>	<b>2,093</b>	<b>-</b>	<b>-</b>	<b>13,862</b>
<b>Revenue from Intermediate Sources</b>							
2101 County School Funds	6,474	-	-	-	-	-	-
2102 General ESD Revenue	-	-	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2110 Intermediate "1" Tax	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	3,386,778
2200 Restricted Revenue	-	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
<b>Total Revenue from Intermediate Sources</b>	<b>6,474</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,386,778</b>
<b>Revenue from State Sources</b>							
3101 State School Fund - General Support	5,237,471	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	-	3,026	-	-	-	-	-
3103 Common School Fund	57,612	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	1,830	460,404	-	-	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
<b>Total Revenue from State Sources</b>	<b>5,296,913</b>	<b>463,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Federal Sources</b>							
4100 Unrestricted Revenue Direct From the Federal Government	-	-	-	-	-	-	-
4200 Unrestricted Revenue From the Federal Government Through the State	-	-	-	-	-	-	-
4201 Transportation Fees for Foster Children	-	-	-	-	-	-	-
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	-	1,517,655	-	-	-	-	-
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)	-	-	-	-	-	-	-
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)	-	-	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	-	-	-	-	-	-
4801 Federal Forest Fees	56,475	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	-	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	-	26,153	-	-	-	-	-
<b>Total Revenue from Federal Sources</b>	<b>56,475</b>	<b>1,543,808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Other Sources</b>							
5100 Long Term Debt Financing Sources	-	-	-	-	-	-	-
5200 Interfund Transfers	-	-	-	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	985,377	941,780	684,950	268,470	-	-	179,009
<b>Total Revenue from Other Sources</b>	<b>985,377</b>	<b>941,780</b>	<b>684,950</b>	<b>268,470</b>	<b>-</b>	<b>-</b>	<b>179,009</b>
<b>Grand Total</b>	<b>\$ 9,729,602</b>	<b>\$ 2,981,105</b>	<b>\$ 1,723,456</b>	<b>\$ 270,563</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,579,649</b>

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**2020 - 2021 AUDIT EXPENDITURES SUMMARY**  
**FUND 100 - GENERAL FUND**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	1,353,537	716,817	609,857	5,337	21,526	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	3,269	300	222	-	2,747	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	543,501	5,066	3,288	535,147	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	640,532	314,977	315,754	692	9,109	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	3,386,778	-	-	3,386,778	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	15,422	-	-	15,422	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		<b>5,943,039</b>	<b>1,037,160</b>	<b>929,121</b>	<b>3,943,376</b>	<b>33,382</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	147,519	-	-	147,195	324	-	-	-
2140	Psychological Services	121,539	-	-	121,539	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	262	-	-	-	262	-	-	-
2210	Improvement of Instruction Services	23,000	-	23,000	-	-	-	-	-
2220	Educational Media Services	52,026	26,127	24,752	-	1,067	-	80	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	629	-	-	629	-	-	-	-
2310	Board of Education Services	89,919	23,885	8,928	56,005	142	-	959	-
2320	Executive Administration Services	280,572	139,699	89,259	43,719	3,230	-	4,665	-
2410	Office of the Principal Services	266,254	155,085	102,675	6,881	743	-	870	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	143,783	27,440	16,753	95,467	1,247	-	2,876	-
2540	Operation and Maintenance of Plant Services	499,634	96,685	82,632	244,535	28,151	-	47,631	-
2550	Student Transportation Services	524,377	12,665	7,504	504,208	-	-	-	-
2570	Internal Services	20,345	-	-	20,345	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Ser	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	206,533	65,182	47,845	15,924	77,432	-	150	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		<b>2,376,392</b>	<b>546,768</b>	<b>403,348</b>	<b>1,256,447</b>	<b>112,598</b>	<b>-</b>	<b>57,231</b>	<b>-</b>
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>8,319,431</b>	<b>1,583,928</b>	<b>1,332,469</b>	<b>5,199,823</b>	<b>145,980</b>	<b>-</b>	<b>57,231</b>	<b>-</b>

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**2020 - 2021 AUDIT EXPENDITURES SUMMARY**  
**FUND 200 - SPECIAL REVENUE FUND**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	329,450	269,003	13,937	648	45,862	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	2,488	-	-	-	2,488	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	294,702	148,001	83,756	10,350	47,916	-	4,679	-
1132	High School Extracurricular	5,390	-	-	-	5,390	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	79,686	40,288	39,100	298	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	234,143	95,140	125,793	-	13,210	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	36,665	12,399	4,319	-	19,947	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		<b>982,524</b>	<b>564,831</b>	<b>266,905</b>	<b>11,296</b>	<b>134,813</b>	<b>-</b>	<b>4,679</b>	<b>-</b>
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	57,104	12,878	15,051	29,175	-	-	-	-
2120	Guidance Services	63,958	44,616	19,342	-	-	-	-	-
2130	Health Services	74,137	-	-	73,598	539	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	202,515	118,791	80,085	3,257	382	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	1,625	-	-	1,625	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	10,036	-	-	-	-	8,896	1,140	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	191,007	-	-	30,736	160,271	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		<b>600,382</b>	<b>176,285</b>	<b>114,478</b>	<b>138,391</b>	<b>161,192</b>	<b>8,896</b>	<b>1,140</b>	<b>-</b>
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	664,656	144,856	157,154	6,564	256,166	97,042	2,874	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	24,678	-	-	24,678	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		<b>689,334</b>	<b>144,856</b>	<b>157,154</b>	<b>31,242</b>	<b>256,166</b>	<b>97,042</b>	<b>2,874</b>	<b>-</b>
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	117,970	-	-	-	-	-	-	117,970
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		<b>117,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117,970</b>
<b>Grand Total</b>		<b>2,390,210</b>	<b>885,972</b>	<b>538,537</b>	<b>180,929</b>	<b>552,171</b>	<b>105,938</b>	<b>8,693</b>	<b>117,970</b>

**REEDSPORT SCHOOL DISTRICT NO. 105  
2020 - 2021 AUDIT EXPENDITURES SUMMARY  
FUND 300 - DEBT SERVICE FUND**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		-	-	-	-	-	-	-	-
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	941,293	-	-	-	-	-	941,293	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		941,293	-	-	-	-	-	941,293	-
<b>Grand Total</b>		941,293	-	-	-	-	-	941,293	-

**REEDSPORT SCHOOL DISTRICT NO. 105  
2020 - 2021 AUDIT EXPENDITURES SUMMARY  
FUND 400 - CAPITAL PROJECTS FUND**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	85,947	-	-	85,947	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		85,947	-	-	85,947	-	-	-	-
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		-	-	-	-	-	-	-	-
<b>Grand Total</b>		85,947	-	-	85,947	-	-	-	-

**REEDSPORT SCHOOL DISTRICT NO. 105  
2020 - 2021 AUDIT EXPENDITURES SUMMARY  
FUND 700 - CHARTER AND FIDUCIARY FUND**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	400,004	243,955	155,559	-	490	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	722,643	406,517	286,142	18,405	11,579	-	-	-
1132	High School Extracurricular	242,823	137,948	74,517	14,564	12,097	-	3,697	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	1,500	-	-	-	1,500	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	6,427	-	-	6,427	-	-	-	-
1291	English Second Language Programs	5,493	3,385	2,108	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>		<b>1,378,890</b>	<b>791,805</b>	<b>518,326</b>	<b>39,396</b>	<b>25,666</b>	<b>-</b>	<b>3,697</b>	<b>-</b>
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	102,245	56,004	46,211	30	-	-	-	-
2130	Health Services	324	-	-	-	324	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	41,576	18,033	18,755	-	4,328	-	460	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	631	-	-	30	-	-	601	-
2310	Board of Education Services	5,670	-	-	5,000	-	-	670	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	302,322	170,871	120,391	6,778	1,926	-	2,356	-
2490	Other Support Services - School Administration	1,107,416	-	-	1,107,416	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	470,911	82,701	74,698	237,062	17,692	-	58,758	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	9,805	-	-	9,805	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>		<b>2,040,900</b>	<b>327,609</b>	<b>260,055</b>	<b>1,366,121</b>	<b>24,270</b>	<b>-</b>	<b>62,845</b>	<b>-</b>
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>3,419,790</b>	<b>1,119,414</b>	<b>778,381</b>	<b>1,405,517</b>	<b>49,936</b>	<b>-</b>	<b>66,542</b>	<b>-</b>

**REEDSPORT SCHOOL DISTRICT NO. 105  
2020 - 2021 SUPPLEMENTAL INFORMATION**

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included. Part A is needed for computing Oregon's full allocation for ESSA, Title I & other Federal Funds for Education.

**A. Energy Bill for Heating - All Funds:**

Please enter your expenditures for electricity, heating fuel, and water & sewage for these Functions & Objects.

	<b>Objects 325 &amp; 326 &amp; *327</b>
Function 2540	\$ 250,339
Function 2550	\$ 0

**B. Replacement of Equipment – General Fund:**

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

Exclude these functions:

\$ 0
------

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

*\*Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.*

**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors  
Reedsport School District No. 105  
Reedsport, Oregon

We have audited the basic financial statements of Reedsport School District No. 105 (the District) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 2, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 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 the 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 but were not limited to the following:

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

In connection with our audit, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as disclosed in *Note 1* of the financial statements.

### **OAR 162-010-0230 Internal Control**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

### **Restrictions on Use**

This report is intended solely for the information and use of the Board of Directors and management of the District and the State of Oregon, Division of Audits and is not intended to be and should not be used by anyone other than these parties.



Aria Bettinger, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 2, 2021

**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  
Reedsport School District No. 105  
Reedsport, Oregon

We have audited, in accordance with the 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 aggregate remaining fund information of Reedsport School District No. 105 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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 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.

The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2021-001.

### **The District's Response to Findings**

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

### **Purpose of this Report**

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



Aria Bettinger, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 2, 2021

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

Board of Directors  
Reedsport School District No. 105  
Reedsport, Oregon

**Report on Compliance for Each Major Federal Program**

We have audited Reedsport School District No. 105's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



Aria Bettinger, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
December 2, 2021

**REEDSPORT SCHOOL DISTRICT NO. 105**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Grant/Contract Number	Federal Expenditures
<b>U.S. Department of Education</b>			
Passed through Oregon Department of Education:			
Title I Grants to Local Educational Agencies	84.010	58351	\$ 234,144
ESSA Partnerships 19-20 Supplemental	84.010	65146	14,260
ESSA Partnerships 20-21	84.010	60423	32,918
ESSA Partnerships 19-20	84.010	54315	24,063
Total AL 84.010			<u>305,385</u>
Passed through Oregon Department of Education:			
Special Education- Grants to States (IDEA Part B, Section 611)	84.027	60738	79,686
Total Special Education Cluster (IDEA)			<u>79,686</u>
Passed through Oregon Department of Education:			
Rural and Low Income Schools - formula	84.358	60337	12,084
Total AL 84.358			<u>12,084</u>
Passed through Oregon Department of Education:			
Supporting Effective Instruction State Grants	84.367	58844	32,125
Total AL 84.367			<u>32,125</u>
Passed through Oregon Department of Education:			
SIG Cohort 5 Year 4	84.377	46871	126,110
SIG Cohort 5 Year 5	84.377	46890	80,430
Total AL 84.377			<u>206,540</u>
Passed through Oregon Department of Education:			
Student Support and Academic Enrichment Program (20-21)	84.424	58654	17,503
Total AL 84.424			<u>17,503</u>
Passed through Oregon Department of Education:			
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	57899 / 64670	284,863
COVID-19 Governor's Emergency Education Relief Fund	84.425C	61027	139,959
Total AL 84.425			<u>424,822</u>
<b>Total U.S. Department of Education</b>			<b>\$ 1,078,145</b>
<b>U.S. Department of Agriculture</b>			
Passed through Oregon Department of Education:			
Commodities NSLP	10.555	N/A	\$ 26,153
Summer Food Service Program for Children (SFSPC)	10.559	N/A	418,002
Total Child Nutrition Cluster			<u>444,155</u>
Passed through Oregon Department of Education:			
Child and Adult Care Food Program	10.558	N/A	1,213
Total AL 10.558			<u>1,213</u>
Passed through Oregon Department of Education:			
Fresh Fruit and Vegetable Program (20-21)	10.582	51238 / 61354	20,295
Total AL 10.582			<u>20,295</u>
Passed through Douglas County Treasurer:			
Schools and Roads - Grants to States	10.665	N/A	56,475
Total Forest Service Schools and Roads Cluster			<u>56,475</u>
<b>Total U.S. Department of Agriculture</b>			<b>\$ 522,138</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,600,283</b>

**REEDSPORT SCHOOL DISTRICT NO. 105  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

**NOTE A – BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C – INDIRECT COST RATE:**

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

**NOTE D – FOOD DISTRIBUTION:**

Non-monetary assistance is reported in the Schedule at fair market value of the commodities received and disbursed. For the year ended June 30, 2021, the District received food commodities totaling \$26,153.

**NOTE E – SUBRECIPIENTS:**

The District did not have any federal awards that were passed through to subrecipients for the year ended June 30, 2021.

**NOTE F – SCHOOLS AND ROADS – GRANTS TO STATES:**

The District includes federal forest fees in the schedule due to requirements of the Oregon Department of Education. These expenditures are not subject to the Uniform Guidance audit due to treatment based on guidance provided by both the Oregon Department of Education and United States Department of Agriculture.

**REEDSPORT SCHOOL DISTRICT NO. 105  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

1. The auditor’s report expresses an unmodified opinion on whether the basic financial statements of Reedsport School District No. 105 (the District) were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. One instance of noncompliance material to the basic financial statements of the District (finding 2021-001) is reported in the 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*.

Federal Awards

4. No significant deficiencies or material weaknesses in internal control over major federal programs were disclosed by the audit.
5. The auditor’s report on compliance for the major federal award program for the District expressed an unmodified opinion for the major federal program.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as a major program were:

U.S. Department of Education

Title I, Part A	AL # 84.010
Education Stabilization Fund	AL # 84.425

8. The threshold for distinguishing between Type A and B Programs was \$750,000.
9. The district did not qualify as a low-risk auditee under the criteria specified in the Uniform Guidance.

**REEDSPORT SCHOOL DISTRICT NO. 105  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021 (CONTINUED)**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

2021-001 – Material Non-Compliance with Laws and Regulations – District Governing Board

*Criteria:* In accordance with Oregon Revised Statutes (ORS) 338.035 para. 3, a member of the school district board of the school district within which a public charter school is located may not be a voting member of the public charter school governing body. A member of the school board may act only in an advisory capacity on the public charter school governing body.

*Statement of Condition:* The District was not in compliance with ORS regulations as it was noted that members of the school district board were also voting members of the public charter school governing body.

*Cause:* The District does not have policies in place to restrict board members from being voting members of the charter school governing body.

*Effect:* The District is not in compliance with Oregon Revised Statutes.

*Recommendations:* We recommend the District establish and maintain whole and separate governing boards for the District and the public charter school, and develop policies that restrict a board member from serving in anything more than an advisory position in the charter school governing body.

*Views of Responsible Officials and Planned Corrective Actions:* The District agrees with the finding and recommendation and plans to comply with all Oregon Revised Statutes regarding the governing bodies of the District and the public charter school. In October 2021 the District was granted approval to become a charter school, resulting in compliance with ORS 338.035.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**REEDSPORT SCHOOL DISTRICT NO. 105  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2021**

**Financial Statement Findings**

2020-001 – Material Non-Compliance with Laws and Regulations – District Governing Board

*Statement of Condition:* The District was not in compliance with ORS regulations as it was noted that members of the school district board were also voting members of the public charter school governing body.

*Recommendations:* We recommend the District establish and maintain whole and separate governing boards for the District and the public charter school, and develop policies that restrict a board member from serving in anything more than an advisory position in the charter school governing body.

*Current Status:* Material non-compliance due to the lack of an independent governing board from the public charter school resulted in finding 2021-001 for the year ending June 30, 2021. In October 2021 the District was granted approval to become a charter school, resulting in compliance with ORS 338.035.

**Federal Award Findings**

2020-002 – Material Weakness – Allowable Activities/Cost Principles

*Statement of Condition:* The District was not in compliance with Uniform Guidance as it was noted that management of the District was not preparing time and effort distribution records and could not produce source documentation to support the time and effort applied to payroll expense that was charged to Title I, part A.

*Recommendations:* We recommend the District review their processes and procedures to strengthen controls and improve procedures. We recommend the District complete all required time and effort certifications in a timely manner.

*Current Status:* The recommendation was adopted in November 2020. No similar findings were noted in the 2021 audit.