

REEDSPORT SCHOOL DISTRICT NO. 105

REEDSPORT, OREGON

Annual Financial Report

June 30, 2023

Reedsport School District No. 105

Reedsport, Oregon
June 30, 2023

BOARD OF DIRECTORS

Robert Morin	Board Chair
Carrie Oldright	Position 2
Jack Daily	Position 3
Carey Jones	Position 4, Vice Chair
Bonnie Booher	Position 5

ADMINISTRATION

Jon Zwemke, Superintendent
Rachel Amos, Business Manager

Board members and Administration may be contacted at the address below:

100 Ranch Road
Reedsport, Oregon 97467

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT		1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)		4-7
BASIC FINANCIAL STATEMENTS:		
Government-wide Financial Statements:		
Statement of Net Position	A-1	8
Statement of Activities	A-2	9
Fund Financial Statements:		
Balance Sheet - Governmental Funds	B-1	10
Reconciliation of the Government Funds Balance Sheet to the Statement of Net Position	B-2	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-3	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	B-4	13
Statement of Net Position - Fiduciary Fund	B-5	14
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	B-6	15
Notes to Financial Statements		16-48
REQUIRED SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedules		
Budgetary Comparison for the General Fund (Required Supplementary Information)	C-1	49
Budgetary Comparison of General Fund Expenditures	C-2	50-51
Schedule of the Proportionate Share of the Net Pension Liability	C-3	52
Schedule of Contributions - GASB 68	C-4	52
Schedule of the Proportionate Share of the Net Pension Liability- RHIA	C-5	53
Schedule of the Proportionate Share of the Net Pension Liability-OPEB	C-6	54
Budgetary Comparison for the Special Revenue Funds (Required Supplementary Information)	C-7	55
Budgetary Comparison for the Debt Service Funds (Required Supplementary Information)	C-8	56
Budgetary Comparison for the Capital Projects Funds(Required Supplementary Information)	C-9	57
OTHER SUPPLEMENTARY INFORMATION:		
Combining and Individual Fund Financial Statements and Schedules		
Special Revenue Funds:		
Combining Balance Sheet- Special Revenue Funds	D-1	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	D-2	

Reedsport School District No. 105

Reedsport, Oregon
June 30, 2023

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION (Cont'd):		
District Audit Summaries		
Expenditure Summary – 100 General Fund	F-1	60
Expenditure Summary – 200 Special Revenue Funds	F-2	61
Expenditure Summary – 400 Capital Projects Fund	F-3	62
Expenditure Summary – 700 Internal Service Funds	F-4	63
Revenue Summary – All Funds	F-5	64
Schedule of Federal Financial Assistance	F-6	65
 Single Audit Requirements		 66-73
Independent Auditor's Report Required by Oregon Regulations		74-75
 Form 581-3211-C		 76



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Reedsport School District
Reedsport, OR 97467

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reedsport SD as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Reedsport SD's basic financial statements as listed in the table of contents.

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 SD's, as of June 30, 2023, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Reedsport SD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Reedsport SD's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Reedsport School District No. 105 2023
Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reedsport SD 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Reedsport SD 's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Reedsport SD 's basic financial statements. The accompanying combining and individual nonmajor fund

Reedsport School District No. 105 2023
Independent Auditor's Report

financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

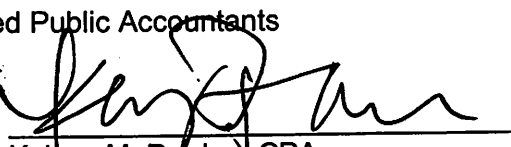
In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2023, on our consideration of the Reedsport SD 's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 Reedsport SD '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 Reedsport SD 's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Revised Statutes

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 29, 2023, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon revised statements as specified in Oregon Administration rules. 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.

Neuner Davidson & Co.
Certified Public Accountants

By:


Kelsey M. Pardon, CPA
Roseburg, Oregon
December 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Reedsport School District No. 105
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

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, 2023. 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 \$19.3 million at June 30, 2023 consisting of \$13.5 million in capital assets, \$1.3 million in cash and investments, \$2.2 million in receivables and other assets, and \$2.4 million in deferred outflows related to pension and other post-employment benefits (OPEB). The District's assets and deferred outflows decreased approximately \$2.2 million, or 10 percent from the prior year.

In the government-wide statements, the District's liabilities and deferred inflows totaled approximately \$16.1 million at June 30, 2023 consisting of \$720 thousand in accounts payable and other liabilities, \$5.1 million in pension and other post-employment benefits, \$8.2 million in debt, and \$2.1 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 \$3.2 million at June 30, 2023, of which \$13.5 million was net investment in capital assets, \$775 thousand was restricted for debt service, \$140 thousand was restricted for special purposes, and a negative balance of \$11.2 million was considered unrestricted. In the prior year, the District's net position had a balance of \$3.2 million, which remains unchanged.

At the end of the fiscal year, the fund balance for all governmental funds was approximately \$2.5 million, a decrease of \$1.8 million in comparison to the prior year. Approximately \$1 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 million, down approximately \$1.5 million from the prior year, a decrease of approximately 60 percent. Unassigned fund balance in the General Fund represented about 11 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.

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 are schedules A-1 and A-2 of the audit report and include:

- Statement of Net Assets – Modified Accrual
- Statement of Activities – Modified Accrual

Reedsport School District No. 105
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

-
- In the government-wide financial statements, the District's activities are shown in one category.
 - Governmental activities. Most 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.

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. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending on particular programs. These statements are schedules B-1 to B-4 of this audit report and include:

- Governmental Funds, Balance Sheet
- Governmental Funds, Statement of Receipts, Disbursements, and Changes in Fund Balances
- Some funds are required by state law.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (such as federal grants).

The District has three types of funds: Governmental funds, Internal Service funds, and a Fiduciary fund.

Governmental Funds

All of the District's basic services are included in the Governmental Funds. The District has the following governmental funds: Fund 100-General Fund; Funds 200-Special Revenue Funds, Funds 300-Debt Service Funds, and Funds 400-Capital Project Funds.

Fiduciary Funds

The District is the trustee, or fiduciary, for assets that belong to others, such as a scholarship fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. Reedsport School District currently has one fiduciary fund, the Scholarship fund.

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 remained the same as the prior year, as restated. The District's assets/deferred outflows exceeded liabilities/deferred inflows by \$3.2 million at June 30, 2023.

Capital assets, which consist of the District's land, buildings, building improvements, site improvements, vehicles, and equipment, represent 69.9 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 66.8 percent of total assets/deferred outflows.

At June 30, 2023, long-term liabilities consisted of \$8.17 million in the long-term portion of debt related to general obligation bonds and pension bonds and \$5.07 million in pension liabilities, together representing 82.3 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.

Reedsport School District No. 105
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

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 remained stable at \$13.5 million. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending.

Receipts by Source- Governmental Funds (All)

REVENUES	2020-22 Modified Accrual	2022-23 Modified Accrual
Local	3,488,989	3,720,731
Intermediate	40,644	33,645
State	7,289,045	6,609,181
Federal	2,414,432	2,031,595
Total Revenues	13,223,110	12,395,152

Analysis of Financial Positions & the Results of Operations

The major operations of the District are conducted within the framework of the General Fund. 67% of the revenue to support the general operations of Reedsport School District in 2022-23 was received as State School Support. The district's State School Support receipts for fiscal 2022-23 decreased \$983,707 from 2021-22. During 2022-2023 property taxes contributed 10% of the total revenue.

Disbursements - Governmental Funds (All Funds)

Disbursements	2021-22 Modified Accrual	2022-23 Modified Accrual
Instruction	5,880,755	6,661,147
Support Services	4,372,654	5,502,794
Enterprise and Community	576,140	770,292
Debt Service	1,022,029	1,013,106
Total Expenditures	11,851,578	14,258,767

Total expenditures for all funds increased \$2,407,189 from the previous year. This is due to ESSER funds related to the COVID pandemic nearing the deadline for expenditure.

Analysis of Fund Balances & Transactions

The General Fund balance at June 30, 2023 was \$1,029,727. This is a \$1,557,739 decrease from June 30, 2022.

The Special Revenue Funds balance increased from \$202,842 at June 30, 2022 to \$527,030 at June 30, 2023, an increase of \$324,188.

The Debt Service Funds balance increased from \$764,037 at June 30, 2022 to \$774,589 at June 30, 2023, an increase of \$10,552.

Reedsport School District No. 105
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

The Capital Projects Funds balance increased from \$202,842 at June 30, 2022 to \$152,398 at June 30, 2023, a decrease of \$50,444.

Budget Variance Analysis

There was a budget resolution made in the General fund to reallocate the contingency expenditures to the support services. There was also a budget resolution made in the special revenue fund to reallocate community service expenditures to support services.

Long Term Debt Activity

Reedsport School District has long term debt of 8,167,000.

With the implementation of GASB 68 and GASB 75, additional long-term liabilities as deferred inflow of resources in the amount of \$2,122,315 is reflected on the Statement of Net Position.

Additional information on the District's long-term debt and GASB 68 can be found in the notes to the basic financial statements of this report.

Contacting the District's Financial Management

This financial report is designed to provide the district's citizens, taxpayers, customers, investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability. For answers to questions concerning any of the information provided or to request additional information, please contact the District Business Manager at 100 Ranch Road, Reedsport, OR 97467.

Basic Financial Statements

Reedsport School District No. 105

Statement of Net Position

For the Fiscal Year Ended June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 1,259,789
Property Tax Receivable	222,979
Other Receivables	1,857,261
Inventories	20,929
Other Post Employment benefits assets -RHIA	81,423
	<u>3,442,381</u>
Noncurrent Assets	
Capital Assets:	
Building and Improvements	21,892,493
Equipment	3,225,348
Land and Land Improvements	742,986
Less: Accumulated Depreciation	<u>(12,380,137)</u>
	13,480,690
TOTAL ASSETS	<u>16,923,071</u>
DEFERRED OUTFLOW OF RESOURCES:	
Deferred outflows related to pensions (OPERS)	2,318,764
Deferred outflows related to other post employment benefits	26,888
Deferred outflows related to the post- employment benefits (RHIA)	11,249
Total Deferred outflow of resources	<u>2,356,901</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	684,461
Payroll Liabilities	23,912
Accrued Interest Payable	11,283
Accrued Compensated Absences Payable	4,867,691
Net Pension Liability	204,708
Other post-employment benefit obligation	
Bonds Payable	785,000
Due within the year	7,382,000
Due in more than one year	<u>13,959,055</u>
TOTAL LIABILITIES	
DEFERRED INFLOWS OF RESOURCES:	
Net Difference in RHIA Investment	13,437
Changes in Pension Proportion	1,973,166
Net Difference in Single Employer Medical Benefit Plan	135,712
TOTAL DEFERRED INFLOWS OF RESOURCES:	<u>2,122,315</u>
NET POSITION	
Investment in Capital Assets	13,480,690
Restricted	
Debt Services	774,589
Special Purpose	140,032
Unrestricted	<u>(11,196,709)</u>
TOTAL NET POSITION	<u>\$ 3,198,602</u>

Reedsport School District No. 105

Statement of Activities

For the Fiscal Year Ended June 30, 2023

Functions	(Expenditures)	Program Receipts		Net (Expenditures)
		Charges for	Operating	Revenues and
		Services	Grants and	Changes in Net Position
			Contributions	Governmental
				Activities
Instruction	\$ (6,676,978)	\$ 14,444	\$ 1,517,939	\$ (5,144,595)
Support Services	(5,464,971)	-	1,023,585	(4,441,386)
Enterprise and Community Services	(388,869)	-	688,575	299,706
Facilities and Construction	(311,448)	-	112,064	(199,385)
Debt Service	(288,106)	-	1,023,061	734,955
Depreciation	(440,271)	-	-	(440,271)
Total Governmental Activities	<u>\$ (13,570,643)</u>	<u>\$ 14,444</u>	<u>\$ 4,365,224</u>	<u>(9,190,975)</u>

General Revenues:

Local Sources	
Property Taxes	\$ 2,372,236
Earnings on Investments	106,223
Extra Curricular Fees	8,613
Miscellaneous	80,995
General ESD	2,170
County School Fund	10,930
State School Support	5,295,082
Common School Support	77,573
GASB 68 Expense	(506,735)
GASB 75 Income	4,584
GASB 73 Expense	7,031
Federal Forest Fees	61,662
Subtotal - General Revenues	<u>7,520,364</u>
Change in Net Position	(1,670,611)
Net Position, June 30, 2022	<u>4,869,215</u>
Net Position June 30, 2023	<u>\$ 3,198,602</u>

Reedsport School District No. 105

Governmental Funds
Balance Sheet
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
ASSETS					
Cash - Checking	\$ -	\$ 43,306	\$ 160,282	\$ 3,294	\$ 206,882
Investments - State Pool	296,017	-	607,788	149,102	1,052,907
Receivable - Property Taxes	170,917	-	52,062	-	222,979
Accounts Receivable	-	-	-	-	-
Accounts Receivable- Other	40,559	1,549,480	-	267,222	1,857,261
Inventory	-	20,929	-	-	20,929
Due from Other Funds	1,784,404	430,499	-	-	2,214,903
Total Assets	<u>\$ 2,291,897</u>	<u>\$ 2,044,214</u>	<u>\$ 820,132</u>	<u>\$ 419,618</u>	<u>\$ 5,575,861</u>
LIABILITIES:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll Liabilities	684,461	-	-	-	684,461
Due to Other Funds	430,499	1,517,184	-	267,221	2,214,904
	<u>1,114,960</u>	<u>1,517,184</u>	<u>-</u>	<u>267,221</u>	<u>2,899,365</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred Property Tax	147,210	-	45,543	-	192,753
Total Liabilities	<u>1,262,170</u>	<u>1,517,184</u>	<u>45,543</u>	<u>267,221</u>	<u>3,092,118</u>
FUND BALANCE:					
Fund Balances:					
NonSpendable	-	20,929	-	-	20,929
Restricted	-	-	-	-	-
Education	-	8,379	-	-	8,379
Private Purpose	-	-	-	-	-
Debt Service	-	-	774,589	-	774,589
Student Body	-	110,724	-	-	110,724
Assigned	-	-	-	-	-
Food Service	-	123,141	-	-	123,141
Capital Projects	-	-	-	152,397	152,397
Special Programs	-	263,857	-	-	263,857
Unassigned	1,029,727	-	-	-	1,029,727
Total Fund Balance	<u>1,029,727</u>	<u>527,030</u>	<u>774,589</u>	<u>152,397</u>	<u>2,483,743</u>
Total Liabilities & Fund Balance	<u>\$ 2,291,897</u>	<u>\$ 2,044,214</u>	<u>\$ 820,132</u>	<u>\$ 419,618</u>	<u>\$ 5,575,861</u>

Reedsport School District No. 105Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position

For the Fiscal Year Ended June 30, 2023

Total governmental fund balances	\$ 2,483,743
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Total Governmental Capital Assets net of Depreciation	13,480,690
Property taxes will not be available to pay for current-period expenditures and, therefore, are not reported in the funds.	192,756
Net pension asset (liability) is not a financial resource and therefore is not reported in governmental funds.	(4,867,691)
Net OPEB asset (liability) is not a financial resource and therefore is not reported in governmental funds.	(204,708)
Net Other Post Retirement Benefits (OPEB) asset (liability) is not a financial resource is not a financial resource and therefor is not reported in the governmental funds.	81,423
Current year PERS contributions are deferred outflows of resources that will be recognized expense in the subsequent period.	2,318,764
Current year Other Post Retirement Benefits (OPEB) Contributions are deferred outflows of resources that will be recognized expense in the subsequent period.	11,249
Current year Other Post Retirement Benefits (OPEB) Contributions are deferred outflows of resources that will be recognized expense in the subsequent period.	26,888
The District's PERS porportionate share of net differences between projected and actual earnings on investments that will be amortized over five years.	(1,973,166)
The District's OPEB proportionate share of net differences between projected and actual earnings on investments that will be amortized over five years.	(13,437)
The District's OPEB proportionate share of net differences between projected and actual earnings on investments that will be amortized over five years.	(135,712)
Long Term liabilities are not due and payable in the current period and therefor are not reported in the governmental funds:	
Compensated absences payable	(11,283)
Long Term Debt	(8,167,000)
Interest Accrual	(23,912)
Net Position of Governmental Activities	<u>\$ 3,198,602</u>

Reedsport School District No. 105
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:					
Local Sources	\$ 2,564,374	\$ 133,296	\$ 1,023,061	\$ -	\$ 3,720,731
Intermediate Sources	13,100	19,947	598	-	33,645
State Sources	5,376,141	965,818	-	267,222	6,609,181
Federal Sources	61,662	1,969,933	-	-	2,031,595
Total Revenues	<u>8,015,277</u>	<u>3,088,994</u>	<u>1,023,659</u>	<u>267,222</u>	<u>12,395,152</u>
EXPENDITURES:					
Instruction	4,947,345	1,713,802	-	-	6,661,147
Supporting Services	4,100,089	971,487	-	431,218	5,502,794
Community Services	-	770,292	-	-	770,292
Facilities and Construction	-	-	-	311,448	311,448
Debt Service	-	-	1,013,106	-	1,013,106
Total Expenditures	<u>9,047,434</u>	<u>3,455,581</u>	<u>1,013,106</u>	<u>742,666</u>	<u>14,258,787</u>
OTHER FINANCING SOURCES:					
Gain (loss) on Sale of Asset	-	-	-	-	-
Operating Transfers In	-	98,586	-	425,000	523,586
Operating Transfers Out	(525,586)	-	-	-	(525,586)
Total Other Sources	<u>(525,586)</u>	<u>98,586</u>	<u>-</u>	<u>425,000</u>	<u>(2,000)</u>
Excess of Revenues Over (Under) Expenditures	(1,557,743)	(268,001)	10,553	(50,443)	(1,865,635)
BEGINNING FUND BALANCE	<u>2,587,470</u>	<u>795,032</u>	<u>764,036</u>	<u>202,841</u>	<u>4,349,379</u>
ENDING FUND BALANCE - BY CATEGORY					
Restricted	-	527,030	774,589	152,398	1,454,015
Unassigned	<u>1,029,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,029,727</u>
FUND BALANCE, June, 30, 2023	<u>\$ 1,029,727</u>	<u>\$ 527,030</u>	<u>\$ 774,589</u>	<u>\$ 152,398</u>	<u>\$ 2,483,742</u>
Schedule:	C-1	D-1		D-2	

Reedsport School District No. 105

Reconciliation of the Government Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2023

Net changes in fund balances - total governmental funds		\$ (1,865,635)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Interfund Transfers to the fiduciary funds not included in the governmental funds		2,000
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Current Year Asset Additions	381,423	
Current Year Depreciation	<u>(440,271)</u>	(58,848)
Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the statement of activities.		
		24,497
Repayment of debt principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.		
Debt Principal Paid		725,000
Changes in Interest Payable, the related changes in deferred outflows		(15,831)
Changes in net pension liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:		
		(506,735)
Changes in net RHIA liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:		
		4,584
Changes in net OPEB liability, the related changes in deferred outflows and deferred inflows of resources are not recognized as expenses in the government funds:		
		7,031
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		
		13,326
Change in Net Position - Governmental Activities		<u>\$ (1,670,611)</u>

Reedsport School District No. 105Statement of Net Position
Fiduciary FundFor the Fiscal Year Ended June 30, 2023

	Private Purpose Trusts
ASSETS	
Cash & Cash Equivalents	246,007
Total Assets	<u>\$ 246,007</u>
NET POSITION	
Restricted for Scholarships	\$ 246,007
Total Net Position	<u>\$ 246,007</u>

Reedsport School District No. 105Statement of Changes in Fiduciary Net Position
Fiduciary Fund

For the Fiscal Year Ended June 30, 2023

	<u>Actual</u>	<u>Original & Final Budget</u>	<u>Over (Under) Budget</u>
ADDITIONS:			
Local Sources:			
Donations	\$ 21,672	\$ 3,000	\$ 18,672
Total Revenues	<u>21,672</u>	<u>3,000</u>	<u>18,672</u>
DEDUCTIONS:			
High School Programs	<u>11,311</u>	<u>177,450</u>	<u>(166,139)</u>
Total Instruction	<u>11,311</u>	<u>177,450</u>	<u>(166,139)</u>
Library Media Center	<u>2,517</u>	<u>64,250</u>	<u>(61,733)</u>
Total Support Services	<u>2,517</u>	<u>64,250</u>	<u>(61,733)</u>
Operating Transfers			
Total Transfers in	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	9,844	(236,700)	246,544
NET POSITION, June, 30, 2022	<u>236,163</u>	<u>236,700</u>	<u>(537)</u>
NET POSITION, June, 30, 2023	<u>\$ 246,007</u>	<u>\$ -</u>	<u>\$ 246,007</u>

Notes to Financial Statements

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.

A. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of Net Position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program Revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program Revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, State and County aid, and other items not included among program revenues are reported instead as general Revenues.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

Government-Wide Financial Statements - The government-wide financial statements are reported using the *economic resource measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule the effect of inter-fund activity has been eliminated from the governmental-wide financial statements.

Fund Financial Statements - Governmental fund financial statements are reported using the *current financial resources measurement focus* and *modified accrual basis of accounting*. Under this method of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenue available if collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred, except for expenditures for principal and interest on long-term debt which is recognized when due, 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.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Delinquent property taxes and property taxes for which there is an enforceable

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

legal claim which are not collected within 60 days of the fiscal year end, have been recorded as deferred revenue. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The major governmental funds reported by the District include:

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.

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.

E. Cash and Investments

The District's cash and investments include amounts in demand deposits, savings accounts and the State Pool. The District's cash management policies are governed by state statutes which authorize the District to invest in bankers' acceptances, time certificates of deposit, re-purchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool. Cash and investments are stated at cost.

F. Property Taxes

Uncollected property taxes receivable is shown as an asset and a reserve for property tax receivable. Accordingly, they have not been recorded as a revenue. Property taxes are considered to be fully collectible. All of the District's property taxes are collected by the county. Ad valorem property taxes are a lien on all taxable property as of January 1 for personal property and on July 1 for real property. Taxes are levied on November 15. The 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 after May 15 are considered delinquent.

G. 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 un-collectibles has been made.

H. 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.

I. 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.

J. Interfund Transactions

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. These advances (reported in "due from" asset accounts) are estimated in the Government-Wide Financial Statements.

K. Capital Assets

A complete inventory was conducted in May 2001 of the District's land, buildings, and equipment. The capital assets are recorded at cost or estimated original cost. The District capitalizes all individual assets over \$5,000 and depreciates them over their estimated useful life using the straight-line method.

L. 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.

M. 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.

N. 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

N. Deferred Outflows/Inflows of Resources (Cont'd)

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.

O. 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.

P. 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.

P. Net Position and Fund Balances (Cont'd)

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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**Fund Accounting**

The District uses fund and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental fund types are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of

general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Internal Service funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such are provided to other departments or agencies primarily within the government.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms "assigned" and "unassigned" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

Budget

The District budgets all funds as required by state law. The District appropriates the expenditures at the instruction, supporting services, enterprise and community service, interagency/fund transaction, debt service and contingency levels.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Cont'd)

The appropriation resolution extends the legal authority for the administrative staff to make expenditures within these broad program categories. Oregon Local Budget Law permits appropriation transfers from

one category to another with the approval of the Board of Directors. The detailed budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution.

A supplemental budget may require hearings before the public, publications in newspapers, and approval by the Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the Board of Directors. Appropriations lapse as of year-end. The District budgets for all funds on the cash basis as provided in ORS 294.305.

Changes in Budget Appropriations

Local Budget Law allows appropriation changes to be made to the originally adopted budget. The following budget changes were made for the fiscal year **July 01, 2022** to June 30, 2023. This is due to appropriations that were not sufficient to cover actual expenditures in special revenue and general fund categories, but total appropriations were sufficient to allow an appropriation transfer:

	Original Budget	Change	Final Budget
General Fund			
Major Function 1000	5,241,831	-	5,241,831
Major Function 2000	4,138,880	500,000	4,638,880
Major Function 6000	550,000	(500,000)	50,000
	<u>9,930,711</u>	<u>-</u>	<u>9,930,711</u>
Special Revenue Fund			
Major Function 1000	1,800,187	-	1,800,187
Major Function 2000	1,942,483	(300,000)	1,642,483
Major Function 4000	652,500	300,000	952,500
	<u>4,395,170</u>	<u>-</u>	<u>4,395,170</u>

3. 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, 2023

Total Governmental Cash and Investments	\$ 1,259,788
Total Fiduciary Cash and Investments	\$ 246,007
Total Cash	<u>\$ 1,505,795</u>

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

3. CASH AND INVESTMENTS (Cont'd)

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.

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 2022-2023. 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, 2023 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.

3. CASH AND INVESTMENTS (Cont'd)

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.

Credit Risk. The LGIP 's portfolio concentration of credit risk at June 30, 2023 included:

LGIP credit risk data:

U.S. Government & Agency securities	36.93%
Municipal Government securities	2.92%
Non-U.S. Government debt	8.16%
Corporate Commercial Paper	5.41%
Corporate obligations	30.06%
Asset-backed Securities	15.90%
Certificates of Deposits	0.40%
Cash in Banks	0.22%

Interest Rate Risk. While the District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, it has historically invested only in the LGIP.

LGIP investments as of June 30, 2023:

mature within 93 days	71.45%
mature within 94 days to one year	16.07%
mature one year and beyond	12.48%

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.

REEDSPORT SCHOOL DISTRICT NO. 105

Notes to

Financial Statements

at

June 30, 2023

3. CASH AND INVESTMENTS (Cont'd)

Investments measured at Fair Value	Totals at June 30, 2023	Level One	Level Two	Level Three	Amortized Cost Measurement not Measured at Fair Value
Local Government					
Investment Pool	\$ 1,052,907	\$ -	\$ -	\$ -	\$ 1,052,907
	<u>\$ 1,052,907</u>	<u></u>	<u></u>	<u></u>	<u>\$ 1,052,907</u>

4. RECEIVABLES

Receivables are comprised of the following as of June 30, 2023:

	Taxes	Intergovernmental	Total
General Fund	\$ 170,917	\$ 40,559	\$ 211,476
Special Revenue Fund	-	1,549,480	1,549,480
Debt Service Fund	52,062	-	52,062
Capital Projects Fund		267,222	267,222
	<u>\$ 222,979</u>	<u>\$ 1,857,261</u>	<u>\$ 1,813,018</u>

5. CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2023 follows:

	July 01, 2022	Additions	Deletions	June 30, 2023
Governmental Activities				
Assets not Being Depreciated:				
Land	\$ 622,451	\$ -	\$ -	\$ 622,451
Assets Being Depreciated:				
Land Improvements	120,535	-	-	120,535
Buildings & Improvements	21,498,594	309,357	-	21,807,951
Equipment	3,237,824	72,066	-	3,309,890
Total Depreciable Assets	24,856,953	381,423	-	25,238,376
Less Accumulated Depreciation				
Land Improvements	(87,389)	(6,027)	-	(93,416)
Buildings & Improvements	(8,939,499)	(404,854)	-	(9,344,353)
Equipment	(2,912,978)	(29,390)	-	(2,942,368)
Total Accumulated Depreciation	(11,939,866)	(440,271)	-	(12,380,137)
Net Value of Capital Assets	-			-
Being Depreciated	\$ 12,917,087	\$ (58,848)	\$ -	\$ 12,858,239
Total Governmental Activities				
Net Value of Capital Assets	<u>\$ 13,539,538</u>	<u>\$ (58,848)</u>	<u>\$ -</u>	<u>\$ 13,480,690</u>

6. PENSION PLAN

General Information about the Pension Plan

Plan Description

Employees of the district are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at <http://www.oregon.gov/pers/Pages/section/financialreports/financials.aspx>.

Benefits Provided

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

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. 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 either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

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. 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:

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the

6. PENSION PLAN (Cont'd)**Disability Benefits (Cont'd)**

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

Benefit Changes

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

2. OPSRP Pension Program (OPSRP DB)**Pension Benefits**

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

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, 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. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

6. PENSION PLAN (Cont'd)**3. OPSRP Individual Account Program (OPSRP IAP)****Pension Benefits**

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP 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.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation as subsequently modified by 2021 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015.

Employer contributions for the year ended June 30, 2023 were \$796,713, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2023 were 16.02 percent for Tier One/Tier Two General Service Member, 12.91 percent for OPSRP Pension Program General Service Members, and 6.00 percent for OPSRP Individual Account Program.

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

At June 30, 2023, the district reported a liability of \$4,867,691 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The district's proportion of the net pension liability was based on a projection of the district's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the district's proportion was 0.03179003 percent, which was decreased from its proportion of 0.061267 measured as of June 30, 2021.

6. PENSION PLAN (Cont'd)**3. OPSRP Individual Account Program (OPSRP IAP) (Cont'd)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

For the year ended June 30, 2023, the district's recognized pension expense of \$ 506,735. At June 30, 2022, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred inflows Resources
Differences between expected and actual experience	\$ 236,287	\$ 30,356
Changes of assumptions	763,767	6,978
Net difference between projected and actual earnings on investments	-	\$ 870,249
Changes in proportion	521,997	182,119
Difference between employer contributions and proportionate share of contributions	-	883,464
Total(prior to post-MD contributions)	1,522,051	1,973,166
Contributions subsequent to the MD	796,713	
Total	<u>\$ 2,318,764</u>	<u>\$ 1,973,166</u>

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

Deferred Outflows	Deferred Inflows
Amortization Period	Amortization Period
FY2024 -	FY2024 106,951
FY2025 -	FY2025 147,782
FY2026 -	FY2026 461,910
FY2027 305,295	FY2027 -
FY2028 -	FY2028 39,766
<u>\$ 305,295</u>	<u>\$ 756,409</u>

Actuarial Assumptions

The employer contribution rates effective July 1, 2021 through June 30, 2023 were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance

6. PENSION PLAN (Cont'd)**3. OPSRP Individual Account Program (OPSRP IAP) (Cont'd)**

benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumption:

Valuation Date, Measurement Date	December 31, 2020 rolled forward to June 30, 2022
Experience Study Report	2020, Published July 20, 2021
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.40%
Long Term Expected Rate of Return	6.90%
Investment Rate of Return	6.90%
Projected Salary Increases	3.40%
Retiree Healthcare Participation	Healthy Retirees 27.5%, Disabled Retirees 15.0%
Mortality	Healthy retirees and beneficiaries: 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. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

(Source: June 30, 2022 PERS CAFR)

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Experience studies are performed as of December 31 of even-numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2022, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

3. OPSRP Individual Account Program (OPSRP IAP) (Cont'd)

Long-term Expected Rate of Return (Cont'd)

<u>Asset Class/Strategy</u>	<u>Target Allocation</u>
Debt Securities	20.0%
Public Equity	30.0%
Real Estate	12.5%
Private Equity	20.0%
Risk Parity	2.5%
Real Assets	7.5%
Diversifying Strategies	7.5%
Opportunity Portfolio	0.0%
Total	<u>100.0%</u>

(Source: June 30, 2022 PERS CAFR; p.104)

Depletion Date Projection

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Total	<u>100.00%</u>	

Assumed Inflation - Mean	2.40%	1.65%
--------------------------	-------	-------

(Source: June 30, 2022 PERS CAFR; p. 74)

6. PENSION PLAN (Cont'd)**Discount Rate**

The discount rate used to measure the total pension liability was 6.90 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.

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

The following presents the district's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability (asset)	\$ 8,632,430	\$ 4,867,691	\$ 1,716,779

Pension Plan Fiduciary Net Position

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

Changes Subsequent to Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occur after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB 68 statement.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability.

6. PENSION PLAN (Cont'd)**Deferred Compensation Plan (Cont'd)**

resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

OPSRP Individual Account Program (OPSRP IAP)**Plan Description**

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 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.

7. OTHER POST EMPLOYMENT BENEFITS 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 postemployment 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 is closed to new entrants after January 1, 2004. 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.

7. OTHER POST EMPLOYMENT BENEFITS RHIA (Cont'd)

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 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 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 an 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.

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2020. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortized any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended (June 30, 2016, 2017 and 2018 were \$0.3 million, \$0.3 million and \$0.3 million,) respectively, which equaled the required contributions each year.

At June 30, 2023, the District reported a net OPEB liability/(asset) of (\$1,423) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2023, the District's proportion was 0.02291455 percent. OPEB expense for the year ended June 30, 2022 was (\$4,021).

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/Income	\$ (12,019)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share	8,170
-Differences between employer contributions and employer's proportionate share of system contributions	<div style="border-top: 1px solid black;">-</div> <div style="border-top: 1px solid black;">\$ (4,021)</div>

7. OTHER POST EMPLOYMENT BENEFITS RHIA (Cont'd)

Components of Deferred Outflows/Inflows of Resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,207
Changes of assumptions	638	2,714
Net difference between projected and actual earnings on investments	-	6,210
Changes in proportion	10,611	2,306
Difference between employer contributions and proportionate share of contributions	-	-
Total (prior to post-MD contributions)	<u>11,249</u>	<u>13,437</u>
Contributions subsequent to the MD	<u>-</u>	<u>-</u>
Total	<u><u>\$ 11,249</u></u>	<u><u>\$ 13,437</u></u>

7. OTHER POST EMPLOYMENT BENEFITS RHIA (Cont'd)

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2023:

Valuation Date, Measurement Date	December 31, 2020 rolled forward to June 30, 2022
Experience Study Report	2020, Published July 20, 2021
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.40%
Long Term Expected Rate of Return	6.90%
Investment Rate of Return	6.90%
Projected Salary Increases	3.4
Retiree Healthcare Participation	Healthy Retirees 27.5%, Disabled Retirees 15.0%
Mortality	Healthy retirees and beneficiaries: 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. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

(Source: June 30, 2022 PERS CAFR)

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

Year Ending June 30	
1st fiscal year	\$ (13,717)
2nd fiscal year	(8,001)
3rd fiscal year	2,702
4th fiscal year	2,305
5th fiscal year	-
Total	\$ (16,710)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2022. That independently audited report was dated January 1, 2023.

Actuarial Methods and Assumptions:

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based in the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2022.

7. OTHER POST EMPLOYMENT BENEFITS RHIA (Cont'd)

Discount Rate:

The discount rate used to measure the total OPEB liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumption team and the Oregon Investment Council's (OIC) investment advisors. The table

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<hr/>		
Total	<u>100.00%</u>	
<hr/>		
Assumed Inflation - Mean	2.40%	1.65%
<i>(Source: June 30, 2022 PERS CAFR; p. 74)</i>		

7. OTHER POST EMPLOYMENT BENEFITS RHIA (Cont'd)

Long-Term Expected Rate of Return (Cont'd)

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate - The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% increase (7.90%)</u>
District's proportionate share of the net RHIA liability (asset)	\$ 73,385	\$ 81,423	\$ 88,314

8. POST-EMPLOYMENT BENEFITS OTHER THAN PESNIONS (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 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.

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, 2022, the following employees were covered by the implicit benefit terms:

Active Plan Members	80
Retired members receiving benefits	1
Spouses entitled to but not yet receiving benefits	1
	<u>82</u>

8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Total OPEB Liability – The District's total OPEB liability of \$204,708 was measured as of June 30, 2022, and was determined by an actuarial valuation date as of July 1, 2021.

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	Assumptions
Actuarial Cost Method	Entry age normal, level percent of salary
Interest Rate Utilized for Discounting	2.16% for year ended 2022. Amounts reflect 20-year GO Bond Index
General Inflation	2.4% per year
Salary Scale	3.4% 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.

Changes in the Total OPEB Liability –

OPEB Liability at June 30, 2022	\$ 198,041
Changes for the year:	
Service Cost	37,285
Interest	4,909
Economic/Demographic Gain and Loss	-
Changes in assumptions	(19,284)
Benefit payments	(16,243)
OPEB Liability at June 30, 2023	<u>\$ 204,708</u>

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	Current Discount	1% Increase
Single Employer Defined Benefit	\$ 218,598	\$ 204,708	\$ 191,678
Health Care Plan OPEB Liability			

8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources – For the year ended June 30, 2023, 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, 2023, 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	\$ -	\$ (77,376)
Changes in assumptions	9,240	(58,336)
Benefit payments	17,648	-
Total	<u>\$ 26,888</u>	<u>\$ (135,712)</u>

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:

<u>Year Ended June 30</u>	<u>Net Deferred Outflow/(Inflow) of Resources</u>
2024	(30,302)
2025	(28,923)
2026	(28,568)
2027	(19,567)
2028	(14,824)
Thereafter	<u>(4,288)</u>
Total	(126,471)

9. RECEIVABLES

Receivables at June 30, 2023 consist of uncollected property taxes from the past 10 years tax levies, as estimated by the county tax collector. No allowance for un-collectibles is included in the financial statements. Other accounts receivable of \$1,857,261 consists of \$38,787 to be received from the common school fund, \$267,222 from the seismic grant, and \$1,549,480 from miscellaneous sources.

10. ACCOUNTS PAYABLE

Expenses incurred during the current fiscal year which were unpaid at the end of the year have been accrued and reflected as a liability in the combined balance sheet. The amounts are recorded as fund expenditures under the appropriate function and object expenditure category.

11. COMPENSATED ABSENCES

Unpaid vacation and accumulated sick pay are accrued as follows:

- a) Vacation time for full time classified staff accrues from the first day of employment at the rate of 10 days per year for the first ten years of employment and 15 days per year after that. Vacation time is non-cumulative--it must be used within 12 months of the employees' anniversary date unless other exceptions are made by the board. Amount of vacation accrued at June 30, 2023 is \$11,283:

	Accrued June 30, 2022	Earned	Used/ Forfeited	Accrued June 30, 2023
Governmental Activities	\$ 24,609	\$ 20,631	\$ (33,957)	\$ 11,283

- b) Teachers and classified staff earn one sick day for each month worked not to exceed 10 days per year for teachers. Teachers may accumulate sick pay without limitation as to the hours of accumulation. All sick pay benefits are terminated and forfeited upon termination of employment for any reason. However, accumulated sick leave may be utilized upon reaching legal retirement age per ORS 237.153. The amount of potential liability is unmeasurable so no accrual is made and all sick time is expensed when paid.

12. CONTINGENT LIABILITIES

The School District has elected, under the State Unemployment Act of July 1, 1974 to reimburse the State Employment Department for any claims paid. Reimbursements are made from the District's Unemployment Insurance Fund. The District is unable to determine at this time the amount of the contingent liability for potential unemployment insurance claims.

13. RISK MANAGEMENT

The school District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District pays annual insurance premiums to commercial insurance providers for coverage of the above risks in amounts it has determined is appropriate. Therefore, insurance coverage is the primary source of managing the District's risks. Settled claims resulting from insured risks have not exceeded their coverage in any of the past three fiscal years.

14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of Interfund payables and receivables are reported in the fund financial statements:

14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Cont'd)

	<u>Due From</u>	<u>Due To</u>
GENERAL FUND	\$ 1,784,404	\$ 430,499
ESSA		98,788
ESSER CDL FUND	-	908,592
TITLE IA FUND		123,575
CARL PERKINS FUND		8,224
STUDENT BODY FUND		3,432
MEASURE 98 FUND		176,469
STATE AND LOCAL GRANTS		8,338
IDEA FUND		149,897
SEISMIC GRANT		267,221
SPECIAL REVENUE FUND	\$ 430,499	39,866
	<u>\$ 2,214,903</u>	<u>\$ 2,214,903</u>
Total	\$ 2,214,903	\$ 2,214,903

15. NOTE PAYABLE

Reedsport School District Limited Tax Pension Bond, Series 2002

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 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 fiscal year 2023 was \$96, 975.

REEDSPORT SCHOOL DISTRICT NO. 105

Notes to

Financial Statements

at

June 30, 2023

15. NOTE PAYABLE (Cont'd)

Fiscal Year
Ending
June 30, 2023

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
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	385,000	31,357	416,357	5.55%
2028	180,000	9,990	189,990	5.55%
	<u>\$ 1,500,000</u>	<u>\$ 242,812</u>	<u>\$ 1,742,812</u>	

Reedsport School District General Obligation Refunding Bond, Series 2019

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 15th of June and December of each year with a principal payment due the 15th 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 2023 was \$189,977.

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 Board Guaranty Act - Oregon Revised Statutes 328.321 to 328.356.

Fiscal Year
Ending
June 30, 2023

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
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	604,000	134,357	738,357	2.66%
2028-2031	2,801,000	366,681	3,167,681	2.66%
2032-2033	1,646,000	66,234	1,712,234	2.66%
	<u>\$ 6,667,000</u>	<u>\$ 1,058,095</u>	<u>\$ 7,725,095</u>	

15. NOTE PAYABLE (Cont'd)

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due in</u> <u>one year</u>
Pension Obligations Series 2002	\$ 1,750,000	\$ -	\$ (250,000)	\$ 1,500,000	\$ 280,000
General Obligation Bonds Series 2019 (direct placement)	<u>7,142,000</u>	<u>-</u>	<u>(475,000)</u>	<u>6,667,000</u>	<u>505,000</u>
	<u>\$ 8,892,000</u>	<u>\$ -</u>	<u>\$ (725,000)</u>	<u>\$ 8,167,000</u>	<u>\$ 785,000</u>

16. IMPLEMENTATION OF GASB STATEMENT NO. 54 – NEW FUND BALANCE

The District chose to implement GASB Statement No. 54 for year ending June 30, 2023. GASB Statement 54 requires analysis and presentation of fund balance in five categories.

The new fund balance categories are:

- 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 Education, by formal board action.
- Assigned – Includes items assigned for specific uses, authorized by the District's Superintendent and/or Director of Finance Operations.
- Unassigned – This the residual classification used for those balances not assigned to another company.

Below is a schedule of ending fund balance, based on GASB Statement No. 54 implementation:

16. IMPLEMENTATION OF GASB STATEMENT NO. 54 – NEW FUND BALANCE (Cont'd)

FUND BALANCE:

Fund Balances:

NonSpendable	\$	-	\$	20,929	\$	-	\$	-	\$	20,929
Restricted		-		-		-		-		-
Education		-		8,379		-		-		8,379
Private Purpose		-		-		-		-		-
Debt Service		-		-		774,589		-		774,589
Student Body		-		110,724		-		-		110,724
Assigned		-		-		-		-		-
Food Service		-		123,141		-		-		123,141
Capital Projects		-		-		-		152,397		152,397
Special Programs		-		263,857		-		-		263,857
Unassigned		1,029,727		-		-		-		1,029,727
Total Fund Balance	\$	<u>1,029,727</u>	\$	<u>527,030</u>	\$	<u>774,589</u>	\$	<u>152,397</u>	\$	<u>2,483,743</u>

GASB 54 implementation required Board approved action to authorize commitments of fund balance. There were no commitments made for the last fiscal year.

The Board of Education also authorized the Superintendent and the business manager to make assignments of ending fund balance. Assignments of fund balance can be done at any time, including after the fiscal year-end date.

Finally, GASB 54 requires a spending policy, as it related to ending fund balance. The spending policy states in what order fund balance categories are spent. The Board of Education approved the following fund balance order of spending policy:

1. Restricted Fund Balance
2. Committed Fund Balance
3. Assigned Fund Balance
4. Unassigned Fund Balance

17. TAX ABATEMENT (GASB 77)

As of June 30, 2023, 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.

Charitable, nonprofit organizations that provide housing to low-income persons are eligible, and must be

17. TAX ABATEMENT (GASB 77) (Cont'd)

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, 2023, 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 one	\$ 116,375	0.4378%	\$ 509
			<u>\$ 509</u>

18. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The District's operations are concentrated within Douglas County. In addition, substantially all the District's revenues for continuing operations are from federal, state, and local government agencies. In the normal course of operations, the District receives grant funds from various Federal and State 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.

19. SUBSEQUENT EVENTS

Management of the District has evaluated events and transactions occurring after June 30, 2023 through the date the financial statements were available for issuance, for recognition auditor disclosure in the financial statements. As of December 29, 2023 there were no reportable subsequent events.

Required Supplementary Information

Reedsport School District No. 105Budgetary Comparison Schedule
for the General Fund

For the Fiscal Year Ended June 30, 2023

	Actual	Original & Final Budget	Over (Under) Budget
REVENUES:			
Local Sources:			
Tax Levy-Current Year & Offsets	2,309,159	\$ 2,125,000	\$ 184,159
Tax Levy-Prior Years	56,202	100,000	(43,798)
Land Sales	6,875	-	6,875
Interest	106,223	50,000	56,223
Extra Curricular Fees	8,613	10,000	(1,387)
Donations from Private Sources	4,920	5,000	(80)
Miscellaneous Local Sources & Refunds	72,382	100,000	(27,618)
Total Local Sources	<u>2,564,374</u>	<u>2,390,000</u>	<u>174,374</u>
Intermediate Sources:			
County School Fund Levy	10,930	10,000	930
General ESD Funds	2,170	-	2,170
Total Intermediate Sources	<u>13,100</u>	<u>10,000</u>	<u>3,100</u>
State Sources:			
Basic School Support	5,295,082	6,352,097	(1,057,015)
Common School Fund	77,573	65,613	11,960
State Managed County Timber	-	15,000	(15,000)
Small Improvement Grant	3,486	0	3,486
Total State Sources	<u>5,376,141</u>	<u>6,432,710</u>	<u>(1,056,569)</u>
Federal Sources:			
Federal Forest Fees	61,662	50,000	11,662
Total Federal Sources	<u>61,662</u>	<u>50,000</u>	<u>11,662</u>
Total Revenues	<u>8,015,277</u>	<u>8,882,710</u>	<u>(867,433)</u>
EXPENDITURES: Schedule C-2	<u>9,047,434</u>	<u>9,930,711</u>	<u>(883,277)</u>
OTHER FINANCING SOURCES:			
Operating Transfers Out	<u>(525,586)</u>	<u>(525,586)</u>	<u>-</u>
Total Other Sources	<u>(525,586)</u>	<u>(525,586)</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	(1,557,743)	(1,573,587)	15,844
FUND BALANCE, June, 30, 2022	<u>2,587,470</u>	<u>2,123,586</u>	<u>463,884</u>
FUND BALANCE, June, 30, 2023	<u>\$ 1,029,727</u>	<u>\$ 549,999</u>	<u>\$ 479,728</u>

Reedsport School District No. 105

Budgetary Comparison Schedule
for the General Fund Expenditures

For the Fiscal Year Ended June 30, 2023

	Salaries	Employees Benefits	Purchased Services
INSTRUCTION:			
Regular Programs:			
Primary, K-3	\$ 1,047,647	\$ 628,339	\$ 45,771
Intermediate Programs	-	-	-
Middle/Junior High Programs	204,831	130,766	-
Extracurricular	931	897	-
High School Programs	712,453	407,446	17,867
Extracurricular	143,738	63,577	33,464
Special Programs:			
Secondary Enrichment	-	-	-
Restrictive Programs for Students with Disabilities	-	-	689,931
Resource Rooms	306,740	220,808	39,689
High School Special Ed	-	-	-
Title I Programs	-	-	-
Alternative Education	-	-	8,462
English Language Learner	3,946	2,351	-
Other Programs	-	-	22,351
Adult Continuing Education Programs	-	-	-
Total Instruction	<u>2,420,286</u>	<u>1,454,184</u>	<u>857,535</u>
SUPPORTING SERVICES:			
Students:			
Guidance Services	26,727	30,424	-
Other Guidance Services	-	-	-
Health Services	-	-	-
Nurse Services	-	-	218,453
Psychological Services	-	-	28,480
Speech Pathology and Audiology Services	-	-	67,852
Service Direction	-	-	-
Instructional Staff:			
Improvement of Instructional Serv.	-	5,000	-
Curriculum Development	-	-	-
Other Improvement of Instructional Serv.	-	-	-
Educational Media Services	33,503	38,564	-
Assessment & Testing	-	-	-
Instructional Staff Development	-	-	-
General Administration:			
Board of Education Services	24,907	21,474	52,685
Office of the Superintendent Serv.	134,600	86,757	89,309
School Administration:			
Office of the Principal Services	341,379	229,611	18,963
Business:			
Fiscal Services	27,871	11,906	115,739
Operation and Maintenance of Plant	264,385	180,135	812,758
Care and Upkeep of Ground Services	-	-	23,459
Student Transportation Services	12,081	7,253	636,009
Printing, Publishing, and Duplicating Services	-	-	37,163
Central Activities:			
Information Services	-	-	13,125
Systems Analysis Services	8,424	3,430	15,000
Total Supporting Services	<u>873,877</u>	<u>614,554</u>	<u>2,128,995</u>
OPERATING CONTINGENCY	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 3,294,163</u>	<u>\$ 2,068,738</u>	<u>\$ 2,986,530</u>

Supplies and Materials	Capital Outlay	Other	Total Disbursements	Original Budget	Final Budget	Over (Under) Budget
\$ 154,228	\$ -	\$ 175	\$ 1,876,160			
-	-	-	-			
2,864	-	-	338,461			
-	-	-	1,828			
15,648	-	-	1,153,414			
30,375	-	8,821	279,975			
-	-	-	-			
-	-	-	689,931			
3,229	-	-	570,466			
-	-	-	-			
-	-	-	-			
-	-	-	8,462			
-	-	-	6,297			
-	-	-	22,351			
<u>206,344</u>	<u>- 0</u>	<u>8,996</u>	<u>4,947,345</u>	<u>5,241,831</u>	<u>\$ 5,241,831</u>	<u>\$ (294,486)</u>
-	-	-	57,151			
-	-	-	-			
109	-	-	109			
-	-	-	218,453			
-	-	-	28,480			
-	-	-	67,852			
55	-	-	55			
-	-	-	5,000			
-	-	-	-			
-	-	-	-			
3,087	-	580	75,734			
-	-	-	-			
-	-	-	-			
552	-	29,872	129,490			
3,576	-	7,701	321,943			
6,154	-	5,560	601,667			
6,116	-	3,964	165,596			
86,282	15,631	85,909	1,445,100			
-	-	-	23,459			
-	-	-	655,343			
-	-	-	37,163			
-	-	-	-			
-	-	-	-			
-	-	-	13,125			
220,253	-	7,262	254,369			
<u>326,184</u>	<u>15,631</u>	<u>140,848</u>	<u>4,100,089</u>	<u>4,138,880</u>	<u>\$ 4,638,880</u>	<u>(538,791)</u>
-	-	-	-	550,000	50,000	(50,000)
<u>\$ 532,528</u>	<u>\$ 15,631</u>	<u>\$ 149,844</u>	<u>\$ 9,047,434</u>	<u>\$ 9,930,711</u>	<u>\$ 9,930,711</u>	<u>\$ (883,277)</u>

Reedsport School District No. 105
Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

PERS

Schedule C-3

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll
2023	0.0317900 %	\$ (4,867,691)	\$ 4,521,698	(107.7) %
2022	0.0306127	\$ (3,663,259)	\$ 4,206,167	(87.1)
2021	0.0311723	(6,802,866)	3,862,724	(176.1)
2020	0.0260674	(4,509,029)	4,013,035	(112.4)
2019	0.0305402	(4,626,430)	3,918,941	(118.1)
2018	0.0204303	(2,754,018)	2,885,816	(95.4)
2017	0.0240316	(3,607,698)	2,535,629	(142.3)
2016	0.0282670	(995,726)	2,706,135	(36.8)
2015	0.0282670	645,869	2,522,147	25.6

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Schedule C-4

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll
2023	\$ 796,713	\$ 796,713	-	\$ 4,521,698
2022	521,827	521,827	-	4,206,167
2021	506,939	506,939	-	3,862,724
2020	453,398	453,398	-	4,013,035
2019	235,701	235,701	-	2,220,552
2018	203,442	203,442	-	2,155,414
2017	64,475	64,475	-	2,134,921
2016	82,688	82,688	-	2,071,070
2015	251,506	251,506	-	1,927,552

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Reedsport School District No. 105
Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

RHIA

Schedule C-5

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll
2,023	0.0229146 %	\$ (81,423)	\$ 4,521,698	(1.8) %
2022	0.0214004	\$ (53,075)	\$ 4,206,167	(1.3)
2021	0.0424169	(86,429)	3,862,724	(2.2)
2020	0.0312034	(60,296)	4,013,035	(1.5)
2019	0.0298084	(33,274)	3,918,941	(0.8)
2018	0.0270905	(11,306)	2,885,816	(0.4)

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Reedsport School District No. 105
Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

OPEB

Schedule C-6

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(b) Employer's proportionate share the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll
2023	\$ (204,708)	\$ 4,521,698	(4.5) %
2022	(198,041)	4,206,167	(4.7)
2021	(271,198)	3,862,724	(7.0)
2020	(252,335)	4,013,035	(6.3)
2019	(356,464)	3,918,941	(9.1)
2018	(375,215)	2,885,816	(13.0)

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Reedsport School District No. 105Budgetary Comparison Schedule
for the Special Revenue Funds

For the Fiscal Year Ended June 30, 2023

	Actual	Original & Final Budget	Over (Under) Budget
REVENUES:			
Local Sources:			
Interest on Investments	\$ 18		
Daily Sales	5,144		
Admissions	9,300		
Contributions and Donations from Private Sources	73,160		
Miscellaneous Sources	45,674		
Total Local Sources	133,296	142,225	(8,929)
Intermediate Sources:			
Other Intermediate Sources	8,134		
Restricted Revenue	11,813		
Total Intermediate Sources	19,947	-	19,947
State Sources:			
State School Fund- School Lunch Match	2,604		
State Grants	963,214	-	
Total State Sources	965,818	767,524	198,294
Federal Sources:			
Federal Revenue through State	1,065,729		
Title IA	323,099		
Title IIA	0		
School Nutrition	404,884		
Federal Revenue through State	735		
IDEA	149,897		
Commodities	25,589	-	
Total Federal Sources	1,969,933	2,963,196	-
Total Revenues	3,088,994	3,872,945	(783,951)
EXPENDITURES:			
Current:			
Instruction	1,713,802	1,800,187	
Support Services	971,487	1,942,483	
Enterprise and community services	770,292	652,500	
	3,455,581	4,395,170	(939,589)
OTHER FINANCING SOURCES:			
Operating Transfers In	98,586		98,586
Operating Transfers Out	-	-	-
Total Other Sources	98,586	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures	(268,001)	(522,225)	155,638
FUND BALANCE, June, 30, 2022	795,032	518,640	276,392
FUND BALANCE, June, 30, 2023	\$ 527,031	\$ (3,585)	\$ 432,029

Reedsport School District No. 105Budgetary Comparison Schedule
for the Debt Service Fund

For the Fiscal Year Ended June 30, 2023

	Actual	Original & Final Budget	Over (Under) Budget
REVENUES:			
Local Sources:			
Property Taxes	\$ 616,879	\$ 629,977	\$ (13,098)
Interest on Investments	22,642	30,000	(7,358)
Services Provided Other Funds	378,980	369,500	9,480
Interest on Investments	2,608	7,500	(4,892)
Land Sales	1,952	-	1,952
Total Local Sources	1,023,061	1,036,977	(13,916)
Intermediate Sources:			
HERT Tax	598	-	598
Total Intermediate Sources	598	-	598
Total Revenues	1,023,659	1,036,977	(13,318)
EXPENDITURES:			
Current:			
Redemption of Principal	725,000		
Interest	286,506		
Dues and Fees	1,600		
	1,013,106	1,616,977	(603,871)
OTHER FINANCING SOURCES:			
Operating Transfers Out	-	-	-
Total Other Sources	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures	10,553	(580,000)	590,553
FUND BALANCE, June, 30, 2022	764,036	600,000	164,036
FUND BALANCE, June, 30, 2023	\$ 774,589	\$ 20,000	\$ 754,589

Reedsport School District No. 105Budgetary Comparison Schedule
for the Capital Projects Fund

For the Fiscal Year Ended June 30, 2023

	Actual	Original Budget	Final Budget	Over (Under) Budget
REVENUES:				
Local Sources:				
Interest on Investments	-	5,000	5,000	(5,000)
Total Local Sources	-	5,000	5,000	(5,000)
State Sources:				
State Sources	267,222	-	750,000	(482,778)
Total State Sources	267,222	-	750,000	(482,778)
Total Revenues	267,222	5,000	755,000	(487,778)
				-
EXPENDITURES:				
Support Services				
Care or Upkeep of Building Services	431,218	135,000	185,000	296,218
Facilities Acquisition and Construction				
Building Acquisition and Improvement Services	311,448	-	700,000	(388,552)
Total Expenditures	742,666	135,000	885,000	(142,334)
OTHER FINANCING SOURCES:				
Operating Transfers In	425,000	425,000	425,000	-
Total Other Sources	425,000	425,000	425,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures	(50,444)	295,000	295,000	(345,444)
FUND BALANCE, June, 30, 2022	202,841	180,000	180,000	22,841
FUND BALANCE, June, 30, 2023	\$ 152,397	\$ 475,000	\$ 475,000	\$ (322,603)

Reedsport School District No. 105

Special Revenue Funds
Budgetary Comparison Schedules-

For the Fiscal Year Ended June 30, 2023

	Special Revenue Fund	Athletic Fund	Early Learning Fund	ESSA Grant Fund	CARES ESSER/CDL Fund	Title IA Fund	RTI Fund	Carl Perkins Fund	Flow Through South Coast ESD Fund	Rural School Fund	Title IIA Fund	Title VIB-RLIS Fund	Youth Transition Fund	School Improvement Fund	Measure 98 Fund
REVENUES:															
Local Sources	\$ 58,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6,000
Intermediate Sources	-	-	2,192	-	-	-	-	0	9,621	-	-	-	8,134	-	-
State Sources	98,497	-	-	-	37,162	-	-	-	-	-	-	-	-	-	176,469
Federal Sources	-	-	-	148,813	808,593	323,099	-	8,224	-	-	-	735	-	-	-
Total Revenues	157,319	-	2,192	148,813	845,755	323,099	-	8,224	9,621	-	-	735	8,134	-	182,469
EXPENDITURES:															
Instruction	80,268	-	2,196	91,922	574,503	322,311	-	8,224	9,621	-	-	735	16,687	-	186,821
Supporting Services	82,376	-	-	56,991	351,848	788	-	-	-	-	-	-	-	-	-
Enterprise and Community Services	4,753	-	3,997	-	19,404	-	-	-	-	-	-	-	-	-	-
Building & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	167,397	-	6,193	148,913	945,755	323,099	-	8,224	9,621	-	-	735	16,687	-	186,821
OTHER FINANCING SOURCES:															
Operating Transfers In (Out)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	(10,078)	-	(4,001)	-	-	-	-	0	0	-	-	-	(8,553)	-	(4,352)
FUND BALANCES, June 30, 2022	10,078	4,000	7,151	-	-	-	3,173	-	0	6,656	-	-	8,553	-	4,352
FUND BALANCES, June 30, 2023	\$ (0)	\$ 4,000	\$ 3,150	\$ -	\$ -	\$ -	\$ 3,173	\$ 0	\$ 0	\$ 6,656	\$ -	\$ -	\$ 0	\$ -	\$ -
Fund:	200	201	209	214	215	216	219	220	222	224	233	234	237	238	244

State and Local Grants	School Investment Fund	Outdoor School Fund	Education Enrichment Fund	IDEA Fund	Career Pathways Fund	Technology Replacement Fund	Instructional Materials Fund	Vehicle Replacement Fund	Food Service Fund	Student Body Fund	Totals	Original Budget	Final Budget	Over (Under) Budget
8,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,480	\$ -	\$ -	\$ 5,144	\$ 45,512	\$ 133,298	\$ 142,225	\$ 142,225	\$ (8,929)
-	-	-	-	-	-	-	-	-	-	-	19,947	-	-	-
-	604,602	16,660	-	-	4,000	-	-	-	28,228	-	985,816	767,524	787,524	198,294
-	-	-	-	-	-	-	-	-	430,473	-	1,869,934	2,983,196	2,983,196	(993,262)
8,338	604,602	16,660	-	149,897	4,000	9,480	-	-	463,845	45,512	3,088,995	3,872,945	3,872,945	(803,950)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	190,614	15,632	656	149,897	4,000	-	32,376	-	-	27,137	1,713,802	1,800,187	1,800,187	(86,385)
8,338	447,352	609	-	-	-	22,913	-	-	-	272	971,467	1,942,483	1,642,483	(670,996)
-	26,039	-	-	-	-	-	-	-	716,099	-	770,292	652,500	952,500	(182,208)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8,338	664,005	16,241	656	149,897	4,000	22,913	32,376	-	716,099	27,409	3,455,581	4,385,170	4,385,170	(929,589)
-	-	-	-	-	-	25,000	23,566	50,000	-	-	98,566	-	-	98,566
(0)	(59,204)	419	(656)	-	-	11,567	(8,790)	50,000	(252,254)	18,103	(268,000)	(522,225)	(522,225)	234,278
-	59,204	0	9,237	-	-	78,060	94,761	20,862	396,324	92,671	795,032	518,640	518,640	276,392
\$ (0)	\$ -	\$ 419	\$ 8,379	\$ -	\$ -	\$ 69,627	\$ 85,971	\$ 70,862	\$ 144,070	\$ 110,724	\$ 527,032	\$ (3,585)	\$ (3,585)	\$ 510,669
250	251	253	272	278	286	289	291	292	298	299				

2022-23 DISTRICT AUDIT EXPENDITURE SUMMARY
Reedsport School District No. 105 2023
Fund: 100 General Fund

Instruction Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
1111 Primary, K-3	\$ 1,876,160	\$ 1,047,647	\$ 628,339	\$ 45,771	\$ 154,228		\$ 175
1112 Intermediate Programs	-						
1113 Elementary Extracurricular							
1121 Middle/Junior High Programs	338,461	204,831	130,766	-	2,864		
1122 Middle/Junior High School Extracurricular	1,828	931	897				
1131 High School Programs	1,153,414	712,453	407,446	17,867	15,648		
1132 High School Extracurricular	279,975	143,738	63,577	33,464	30,375		8,821
1140 Pre-Kindergarten Programs	-						
1210 Programs for the Talented and Gifted	-						
1220 Restrictive Programs for Students with Disabilities	689,931	-	-	689,931			
1250 Less Restrictive Programs for Students with Disabilities	570,466	306,740	220,808	39,689	3,229		
1260 Treatment and Habilitation	-						
1271 Remediation	-						
1272 Title I	-	-	-	-	-		
1280 Alternative Education	8,462			8,462			
1290 Designated Programs	6,297	3,946	2,351				
1299	22,351			22,351			
1300 Adult/Continuing Education Programs	-						
1400 Summer School Programs	-						
	\$ 4,947,345	\$ 2,420,286	\$ 1,454,184	\$ 857,535	\$ 206,344	\$ -	\$ 8,996

Support Services Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	57,151	26,727	30,424	-	-	-	-
2129 Other Guidance Services	-	-	-				
2130 Health Services	218,562	-	-	218,453	109		
2140 Psychological Services	28,480	-	-	28,480	-		
2150 Speech Pathology and Audiology Services	67,852			67,852	-		
2160 Other Student Treatment Services	-						
2190 Service Direction, Student Support Services	55				55		
2210 Improvement of Instruction Services	5,000		5,000				
2220 Educational Media Services	75,734	33,503	38,564		3,087		580
2230 Assessment & Testing	-						
2240 Instructional Staff Development	-						
2310 Board of Education Services	129,490	24,907	21,474	52,685	552		29,872
2320 Executive Administration Services	321,943	134,600	86,757	89,309	3,576		7,701
2410 Office of the Principal Services	601,667	341,379	229,611	18,963	6,154		5,560
2490 Other Support Services - School Administration	-						
2510 Direction of Business Support Services	-						
2520 Fiscal Services	165,596	27,871	11,906	115,739	6,116		3,964
2540 Operation and Maintenance of Plant Services	1,468,559	264,385	180,135	836,217	86,282	15,631	85,909
2550 Student Transportation Services	655,343	12,081	7,253	636,009	-		
2558 Special Education Transportation	-						
2570 Internal Services	37,163			37,163	-		
2610 Direction of Central Support Services	-						
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-						
2630 Information Services	13,125			13,125	-		
2640 Staff Services	-						
2660 Technology Services	254,369	8,424	3,430	15,000	220,253		7,262
2670 Records Management Services	-						
2690 Other Support Services - Central	-						
2700 Supplemental Retirement Program	-						
Total Support Services Disbursements	\$ 4,100,089	\$ 873,877	\$ 614,554	\$ 2,128,995	\$ 326,184	\$ 15,631	\$ 140,848

Grand Total	\$ 9,047,433	\$ 3,294,163	\$ 2,068,738	\$ 2,986,530	\$ 532,528	\$ 15,631	\$ 149,844
--------------------	---------------------	---------------------	---------------------	---------------------	-------------------	------------------	-------------------

2022-23 DISTRICT AUDIT EXPENDITURE SUMMARY
Reedsport School District No. 105 2023
Fund: 200 Special Revenue

Instruction Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
1111 Primary, K-3	\$ 471,595	\$ 222,141	\$ 177,614	\$ 15,435	\$ 56,404	\$ -	\$ -
1112 Intermediate Programs	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	6,064	\$ 3,000	\$ 1,778	-	\$ 1,285	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-
1131 High School Programs	699,759	285,990	222,608	20,695	170,466	-	0
1132 High School Extracurricular	6,598	-	-	-	6,598	-	-
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	189,177	78,891	61,180	49,106	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-
1272 Title I	323,924	180,705	130,824	100	12,295	-	-
1280 Alternative Education	-	-	-	-	-	-	-
1299 Designated Programs	16,687	14,515	1,962	210	-	-	-
1300 Adult/Continuing Education Programs	-	0	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-
Total Instruction Disbursements	\$ 1,713,803	\$ 785,242	\$ 595,967	\$ 85,546	\$ 247,048	\$ -	\$ -
Support Services Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2115 Guidance Services	\$ 30,952	-	-	\$ 30,952	-	-	-
2122 Counseling Services	83,653	47,706	35,947	-	-	-	-
2134 Nurse Services	152,595	-	-	152,595	\$ -	-	-
2140 Psychological Services	113,426	76,948	36,478	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-
2222 Educational Media Services	272	-	-	-	272	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-
2240 Instructional Staff Development	81,208	11,768	5,902	63,538	0	-	-
2310 Board of Education Services	-	-	-	-	-	-	-
2320 Executive Administration Services	47,345	26,459	17,920	-	2,966	-	-
2410 Office of the Principal Services	12,829	6,750	6,079	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-
2542	59,518	2,200	883	-	-	56,435	0
2550 Student Transportation Services	80,654	-	-	80,654	-	-	-
2558 Special Education Transportation	-	-	-	-	-	-	-
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	6,322	-	-	-	6,322	-	-
2660 Technology Services	302,710	76,958	38,776	18,566	168,410	-	0
2670 Records Management Services	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-
Total Support Services Disbursements	\$ 971,484	\$ 248,789	\$ 141,985	\$ 346,305	\$ 177,970	\$ 56,435	\$ -
Enterprise and Community Services Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100 Food Services	\$ 740,255	174,003	176,091	64,529	323,014	\$ -	2,618
3200 Other Enterprise Services	-	-	-	-	-	-	-
3300 Community Services	30,036	19,499	6,540	0	3,997	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-
Total Enterprise and Community Services Disbursements	\$ 770,291	\$ 193,502	\$ 182,631	\$ 64,529	\$ 327,011	\$ -	\$ 2,618
Grand Total	\$ 3,455,579	\$ 1,227,533	\$ 920,583	\$ 496,380	\$ 752,029	\$ 56,435	\$ 2,618

2022-23 DISTRICT AUDIT EXPENDITURE SUMMARY
Reedsport School District No. 105 2023
Fund: 300 Debt Service Fund

Instruction Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
1111 Primary, K-3							
1112 Intermediate Programs							
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							
1290 Designated Programs							
1300 Adult/Continuing Education Programs							
1400 Summer School Programs							
Total Instruction Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Support Services Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
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							
2558 Special Education Transportation							
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							
2690 Other Support Services - Central							
2700 Supplemental Retirement Program							
Total Support Services Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Enterprise and Community Services Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100 Food Services							
3200 Other Enterprise Services							
3300 Community Services							
3500 Custody and Care of Children Services							
Total Enterprise and Community Services Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Facilities Acquisition and Construction Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services							
4150 Building Acquisition, Construction, and Improvement Services	-			-	-		
4190 Other Facilities Construction Services							
Total Facilities Acquisition and Construction Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Other Uses Disbursements	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
5100 Debt Service	\$ 1,013,105	\$ -	\$ -	\$ -	\$ -	\$ -	1,013,105
5200 Transfers of Funds	-						
5300 Apportionment of Funds by ESD							
5400 PERS UAL Bond Lump Sum							
Total Other Uses Disbursements	\$ 1,013,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,013,105

Grand Total	\$ 1,013,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,013,105
--------------------	---------------------	-------------	-------------	-------------	-------------	-------------	---------------------

2022-23 DISTRICT AUDIT EXPENDITURE SUMMARY
Reedsport School District No. 105 2023
Fund: 400 Capital Projects Fund

Support Services Disbursements

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
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	431,218			430,449	769		
2558 Special Education Transportation	-						
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	-						
2690 Other Support Services - Central	-						
2700 Supplemental Retirement Program	-						
Total Support Services Disbursements	\$ 431,218	\$ -	\$ -	\$ 430,449	\$ 769	\$ -	\$ -

Enterprise and Community Services Disbursements

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-						
3300 Community Services	-						
3500 Custody and Care of Children Services	-						
Total Enterprise and Community Services Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Facilities Acquisition and Construction Disbursements

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services							
4150 Building Acquisition, Construction, and Improvement Services	\$ 311,448	\$ -	\$ -	\$ -	\$ -	309,357	2,092
4190 Other Facilities Construction Services							
Total Facilities Acquisition and Construction Disbursements	\$ 311,448	\$ -	\$ -	\$ -	\$ -	\$ 309,357	\$ 2,092

Other Uses Disbursements

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	-						
Total Other Uses Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Grand Total

\$ 742,666	\$ -	\$ -	\$ 430,449	\$ 769	\$ 309,357	\$ 2,092
-------------------	-------------	-------------	-------------------	---------------	-------------------	-----------------

Total Instruction Disbursements

Total Support Services Disbursements

Total Enterprise and Community Services Disbursements

Total Facilities Acquisition and Construction Disbursements

Total Other Uses Disbursements**Grand Total**

65

Single Audit Act Requirements



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
100 Ranch Road
Reedsport, OR 97467

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 Douglas County School District No. 70, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Reedsport School District's basic financial statements, and have issued our report thereon dated December 23, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Reedsport School District No. 105's internal control over financial reporting (internal control) as a basis for designing 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 Reedsport School District No. 105's internal control. Accordingly, we do not express an opinion on the effectiveness of the Reedsport School District No. 105's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Reedsport School 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Neuner Davidson & Co." with a horizontal line underneath.

Neuner Davidson & Co.

Roseburg, Oregon

December 29, 2023



NEUNER DAVIDSON & CO

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Reedsport School District
Board of Directors
Reedsport, OR

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Reedsport School District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Reedsport School District's major federal programs for the year ended June 30, 2023. Reedsport School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Reedsport School 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Reedsport School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Reedsport School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Reedsport School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance

requirements referred to above occurred, whether due to fraud or error, and express an opinion on Reedsport School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Reedsport School District's compliance with the requirements of each major federal program as a whole. In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Reedsport School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Reedsport School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Reedsport School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Reedsport School District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Reedsport School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

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


Neuner Davidson & Co

Roseburg, Oregon
December 29, 2023

Douglas County School District No. 105

Schedule of Federal Financial Assistance

For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Period		Grant #	Grant Amount	2022-23 Revenues	2022-23 Expenditures
		Beginning	Ending				
CHILD NUTRITION CLUSTER							
U.S. Department of Agriculture							
Passed through State Department of Education:							
National School Breakfast Program	10.553	7/1/2022	6/30/2023		\$ 112,296	\$ 112,296	\$ 112,296
National School Lunch Program	10.555	7/1/2022	6/30/2023		212,185	212,185	212,185
National School Lunch Program-Supply Chain	10.555	7/1/2022	6/30/2023		15,622	15,622	15,622
Child & Adult Care Food Program	10.558	7/1/2022	6/30/2023		3,240	3,240	3,240
Cash Commodities	10.558	7/1/2022	6/30/2023		241	241	241
Summer Food Program	10.559	7/1/2022	6/30/2023		44,276	44,276	44,276
Fresh Fruit and Vegetable Program	10.582	7/1/2022	6/30/2023		17,024	17,024	17,024
Commodities	10.555	7/1/2022	6/30/2023		25,589	25,589	25,589
Total Child Nutrition Cluster					430,473	430,473	430,473
SPECIAL EDUCATION CLUSTER							
U.S. Department of Education							
Passed through Oregon Department							
IDEA Part B Special Education	84.027	7/1/2021	9/30/2022	68714	125,384	125,384	125,384
IDEA Section 619 ARP	84.173	7/1/2021	9/30/2023	68465	24,513	24,513	24,513
Total Special Education Cluster					149,897	149,897	149,897
OTHER PROGRAMS							
U.S. Department of Agriculture							
Passed Through Douglas County:							
Federal Forest Fees	10.665	7/1/2021	6/30/2022		61,662	61,662	61,662
Passed Through Douglas ESD:							
Perkins	84.048	7/1/2022	6/30/2023		8,224	8,224	8,224
U.S. Department of Education							
Passed Through State Department of Education:							
Rural and Low Income Schools	84.358	7/1/2021	9/30/2022	67334	14,140	735	735
ESSA Partnerships 20-21	84.010	7/1/2020	9/30/2022	60423	100,651	48,809	48,809
ESSA Partnerships 21-22	84.010	7/1/2021	9/30/2023	68006	100,104	100,104	100,104
Title I Grants to Local Education Agencies	84.010	7/1/2022	9/30/2023	72601	231,854	231,854	231,854
Title IV Student Support and Academic Enrichment	84.424	7/1/2021	9/30/2022	66850	16,893	13,514	13,514
Title IV Student Support and Academic Enrichment	84.424	7/1/2022	9/30/2023	72995	17,935	17,935	17,935
Title IIA	83.367	7/1/2021	9/30/2022	67494	29,806	23,972	23,972
Title IIA	83.367	7/1/2022	9/30/2023	72798	35,823	35,823	35,823
LEA ESSER III	84.425	5/13/2020	9/30/2024	64974	1,729,423	908,593	908,593
Total U.S. Department of Education					2,276,629	1,381,339	1,381,339
Total Other Programs					2,276,629	1,451,225	1,451,225
TOTAL FEDERAL ASSISTANCE					2,856,999	2,031,595	2,031,595

Reedsport School District No. 105
Schedule of Findings and Questioned Costs
June 30, 2022

Summary of the Auditor's Results

The audit report issued December 29, 2023, on the general-purpose financial statements of Reedsport SD as of and for the year ended June 30, 2023, was an unqualified opinion. The audit did not disclose any reportable conditions in internal control for either major or nonmajor programs, nor did the audit disclose any noncompliance which may be material to the financial statements. The audit report on compliance for major programs was an unqualified opinion. There were no audit findings required to be reported in accordance with 2 CFR section 200.216(a).

The major programs identified by Reedsport SD were:

LEA ESSER 84.425

The threshold used to distinguish between Type A and Type B programs was \$750,000. The District did qualify as a low-risk auditee under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Findings required to be reported in accordance with generally accepted government auditing standards (GAGAS):

No Findings.

Findings and questioned costs for Federal awards:

Current Year:

No Findings or Questioned Costs.

Summary Schedule of Prior Audit Findings:

No Findings or Questioned Costs

Summary Schedule of Prior Audit Findings:

No Findings or Questioned Costs

Note 1. **Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Reedsport SD and is presented on the accrual basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. **Sub-recipients**

Of the federal expenditures presented in the schedule, Reedsport SD provided no federal awards to sub-recipients.

Auditor's Comments and Disclosures
Required by State Law



INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Reedsport School District No. 105
100 Ranch Road
Reedsport, OR 97467

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 basic financial statements of Reedsport School District No. 105 as of and for the year ended June 30, 2023, and have issued our report thereon dated December 29, 2023.

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 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

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

In connection with our testing, 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 Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Municipal Corporations except:

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting 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. Deficiencies in internal control, if any, were communicated separately.

Restriction on Use

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

Neuner Davidson & Co.
Certified Public Accountants

A handwritten signature in black ink, appearing to read 'Kelsey M. Pardon', written over a horizontal line.

Kelsey M. Pardon, CPA
Roseburg, Oregon
December 29, 2023

Form 581-3211-C

SUPPLEMENTAL INFORMATION, 2022-23

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 ESEA, Title I & other Federal Funds for Education.

A. Energy Bill for Heating - All Funds:

Please enter your expenditures for electricity
& heating fuel for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 331,075
Function 2550	\$ 0

B. Replacement of Equipment – General Fund:

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

\$ 0

Exclude these functions:

1113, 1122 & 1132
1140
1300
1400

Co-curricular Activities
Pre-Kindergarten
Continuing Education
Summer School

Exclude these functions:

4150 Construction
2550 Pupil Transportation
3100 Food Service
3300 Community Services

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