SOUTH UMPQUA SCHOOL DISTRICT #19

Myrtle Creek, Oregon

Annual Financial Report

June 30, 2021

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

558 S.W. Chadwick Lane
Myrtle Creek, Oregon 97457
(541)863-3115

BOARD OF DIRECTORS

JERRY O'SULLIVAN 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Zone 1 Position 1
JUDY COLEMAN 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Zone 1 Position 2
LONNIE RAINVILLE 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Zone 2 Position 1
DAVID STEVENS 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Zone 2 Position 2
JEFF JOHNSON 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Zone 3 Position 1
JEANNIE WEAKLEY 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Zone 3 Position 2
SUZIE ROGERS 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Zone 3 Position 3
RANDY RICHARDSON 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Replacement Zone 1 Position 2

ADMINISTRATION

CLAIRE JOHNSON 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Director of Fiscal Services
KATE MCLAUGHLIN 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Superintendent

SOUTH UMPQUA SCHOOL DISTRICT NO. 19
AUDIT REPORT
June 30, 2021

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UMPQUA VALLEY

FINANCIAL

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
South Umpqua School District No. 19,
558 Chadwick Lane, Myrtle Creek, OR

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Umpqua School District No. 19 as of and for the year ended June 30, 2021 which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions

Opinions

In my 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 South Umpqua School District No. 19 as of June 30, 2021, and the respective changes in financial position and in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 2-9, the schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 54-55, the pension schedules on pages 56-57, and OPEB schedules on pages 58-59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

I have applied certain limited procedures to the management's discussion and analysis and the pension schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described above on pages 54-55 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the South Umpqua School District No. 19's basic financial statements. The other supplementary data on pages 60-76 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the South Umpqua School District No. 19. The schedule of expenditures of federal awards, as listed in the Table of Contents, is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The other supplementary data on pages 60-76 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other 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 my opinion, other supplementary data and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued our report dated December 8, 2021, on our consideration of the South Umpqua School District No. 19'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 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 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 South Umpqua School District No. 19's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued my report dated December 8, 2021, on my consideration of the South Umpqua School District No. 19's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of my testing of compliance and the results of that testing and not to provide an opinion on the District's compliance.

Steve Tuchscherer, CPA
December 8, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of South Umpqua School District No. 19's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2021 are as follows:

- The District's net position increased by $5,106,276 which represents a 725% increase from the previous year primarily due to the increase in cash and investments and capital assets. Proceeds from grants is the primary reason for the District's overall increase in net position.
- General revenues accounted for $16,403,476 in revenue, or 74.7% of all revenues. Program specific revenues in the form of charges for services, and grants and donations accounted for $5,542,160 or 25.3% of total revenues of $21,945,636.
- The District had $17,113,328 in expenses, which was less than total revenues.
- Total assets of governmental activities increased by $4,520,389, primarily due to an increase in cash and investments from the prior year. The District received over $5 million in state and federal assistance during the year, offsetting operating costs and allowing for more than $1million addition to the District's capital assets.
- Total liabilities increased by $2,861,439 during the year primarily due to an increase in net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.

The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues, principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plant, student transportation, and non-instructional support services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of individual budget versus actual statements and combining statements in a later section of this report.

Governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, these statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Fiduciary funds such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements, but are excluded from government-wide reporting. Fiduciary fund financial statements report net position and changes in net position on a cash basis.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund and the Special Revenue Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary data includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's net position at fiscal year-end was $5,810,505. This is a $5,106,276 increase from last year's net position and represents a 725% increase from the previous year.

The following table provides a summary of the District's net position. Comparative information from the previous year is provided.

Summary of Net Position

	Governmental Activities		
	June 30, 2021	June 30, 2020	Percentage Change
Assets			
Current and Other Assets	$ 11,716,902	$ 7,824,356	49.7%
Capital Assets	9,516,977	8,889,134	7.1%
Total Assets	21,233,879	16,713,490	27.0%
Deferred Outflow of Resources	5,054,434	1,701,296	197.1%
Liabilities			
Long-Term Liabilities	15,050,199	12,939,493	16.3%
Other Liabilities	3,165,934	2,415,201	31.1%
Total Liabilities	18,216,133	15,354,694	18.6%
Deferred Inflow of Resources	2,261,675	2,355,863	-4.0%
Net Position			
Net Investment in Capital Assets	4,576,051	7,167,349	-36.2%
Restricted	-	802,803	N/A
Unrestricted	1,234,454	(7,265,923)	117.0%
Total Net Position	$ 5,810,505	$ 704,229	725.1%

The following table shows the changes in net position. Prior-year information is provided for comparative analysis of government-wide revenue and expense information.

Changes in Net Position

	Governmental Activities		
	2020-21	2019-20	Percentage Change
Revenues			
Program Revenues			
Charges for Services	$ 194,870	$ 558,782	-65.1%
Operating Grants and Contributions	5,347,290	2,931,870	82.4%
Capital Grants and Contributions	-	340,574	-100.0%
General Revenues			
Property Taxes	3,480,547	3,343,370	4.1%
State Basic School Support	12,398,219	11,689,804	6.1%
Federal Forest Fees	137,430	164,995	-16.7%
Other	387,279	398,130	-2.7%
Total Revenues	21,945,635	19,427,525	13.0%
Program Expenses			
Instruction	8,158,162	8,517,653	-4.2%
Support Services	7,377,477	7,092,716	4.0%
Community Services	941,659	967,739	-2.7%
Interest on Long-Term Debt	636,029	649,647	-2.1%
Total Program Expenses	17,113,328	17,227,755	-0.7%
Special Item: Gain (Loss) on disposition of assets	273,968	(3,282)	
Change in Net Position	$ 5,106,275	$ 2,196,488	

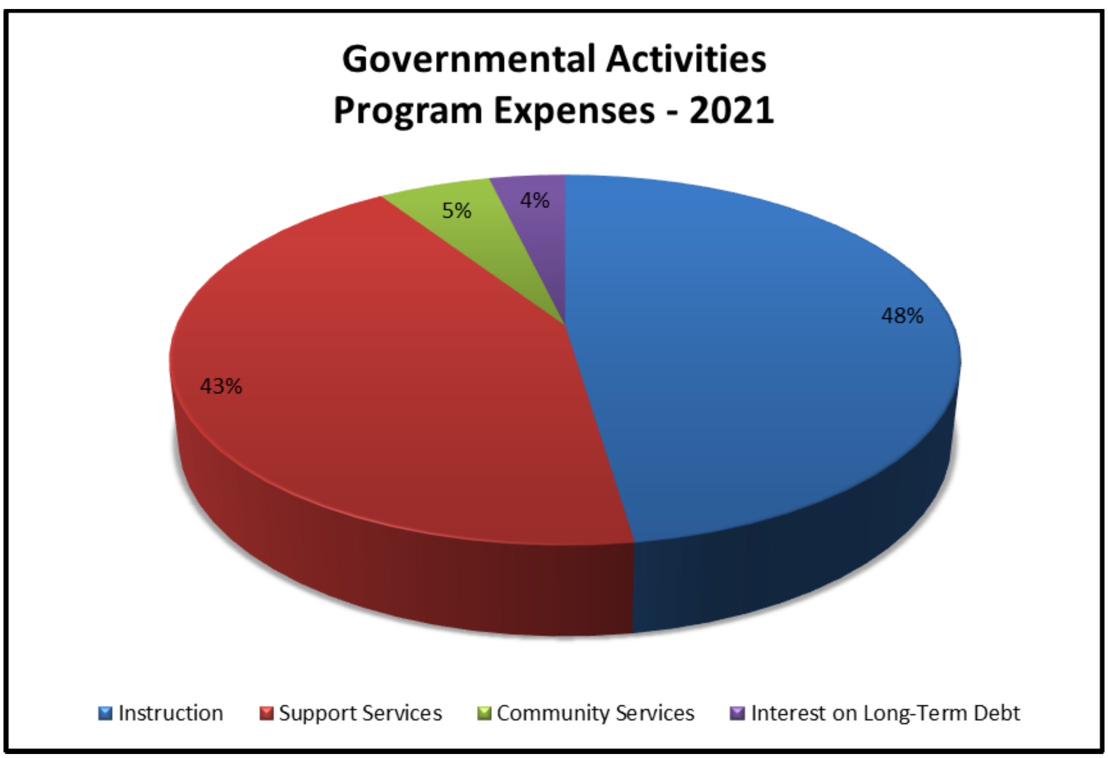
The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions. Prior-year information is provided for comparative analysis.

Governmental Activities

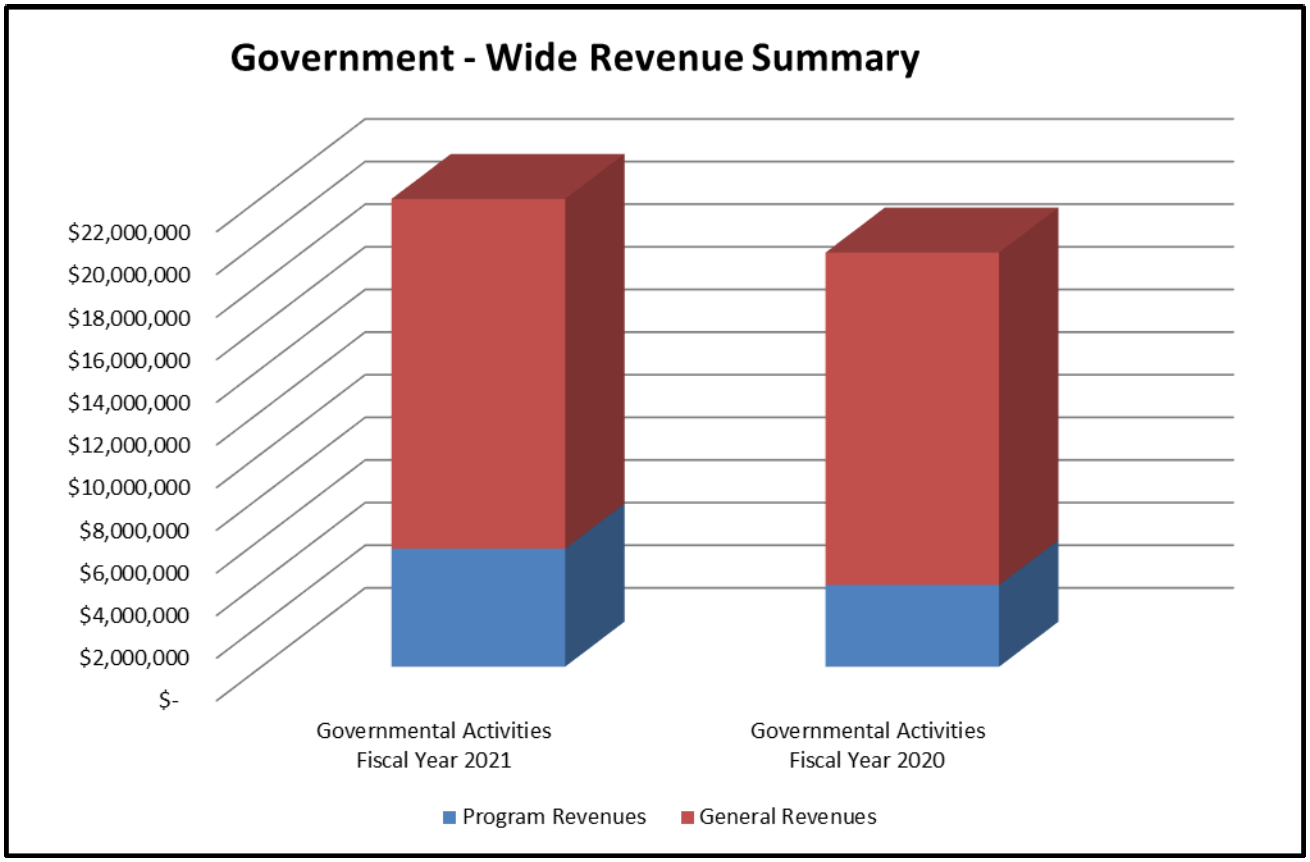
	2020-21		2019-20	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	$ 8,158,162	$ 5,585,734	$ 8,517,653	$ 6,875,863
Support Services	7,377,477	5,705,267	7,092,716	6,290,076
Community Services	941,659	(355,863)	967,739	(78,483)
Interest on Long-Term Debt	636,029	636,029	649,647	649,647
Total Program Expenses	$ 17,113,328	$ 11,571,168	$ 17,227,755	$ 13,737,103

The dependence on general revenues for general government activities is apparent. For the current year, 69% of general government activities are supported through general revenues.

This graph represents the cost of the District's Program expenses by governmental activities.



The following chart analyzes the revenue between governmental activities from prior to current year.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of $10,513,017, an increase of $3,455,189. The fund balance consists of restricted, committed, assigned and unassigned amounts. Of the current fund balances, $0 is restricted, $0 is committed and $10,513,017 is unassigned and available for spending at the District's discretion.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was $1,379,553.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District made only minor changes to its various funds' budgets.

General Fund revenues, including beginning fund balance, were budgeted and anticipated to be collected in the amount of $19,273,451 during the fiscal year. Actual revenues, including beginning fund balance, were $19,758,345 during the fiscal year, so that actual resource amounts were more than budgeted by $484,894. General Fund expenditures, including interfund transfers out, were budgeted at $18,244,238. Actual expenditures, including interfund transfers out, were $15,603,125, resulting in an under-spent amount of $2,641,113. The actual ending fund balance was more than the budgeted ending fund balance by $3,126,007.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the District had invested $29,536,356 in capital assets, including school buildings, athletic facilities, land, vehicles, computers and other equipment and furnishings. This amount represents a net increase prior to depreciation of $933,047 from last year due to additions of $1,216,837 and $283,790 deletions. During the year, construction in progress projects in the amount of $689,047 from prior years were completed and added to the depreciable assets, so that additions to depreciable assets during the fiscal year were $1,905,884.

Total depreciation expense for the year was $462,762. Additional information on the District's capital assets can be found in the Capital Asset Note in the notes to the basic financial statements section of this report.

Long-Term Debt

At June 30, 2021 the District had $10,867,646 in long-term debt outstanding. The District paid $1,324,453 toward the principal balance of the long-term debt. The District paid $868,629 in interest on total debt.

Additional information on the District's long-term debt can be found in the Long-Term Debt Note in the notes to the basic financial statements section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District was advised by OSBA and COSA to prepare next year's budget on the current state school fund without consideration of the current economic status due to the very uncertain financial times in the Oregon Education System caused by Coronavirus. Next year's budget is prepared with a 3% increase for licensed and a 3.0% increase for classified staff, insurance benefits, and an increase in PERS contributions.

The District's adopted budget for the fiscal year ending June 30, 2022 represents an overall increase of $4,159,477 or 12.8% when compared with the current fiscal year. The total budget for the fiscal year ending June 30, 2022 is $36,685,974. The most significant changes in the 2021-22 budget is the moneys to be received through the Emergency Elementary and Secondary School Relief Act (ESSER) over $2 Million and the Student Investment Account (SIA), which is over $1 Million. The remaining operating costs of government activities are expected to be similar to those of the current period.

The District will levy its maximum permanent property tax rate of $4.7091 per $1,000 of assessed property valuation.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the South Umpqua School District No. 19 at 558 Chadwick Lane, Myrtle Creek, Oregon 97457.

BASIC FINANCIAL STATEMENTS

Government -Wide Financial Statements

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

STATEMENT OF NET POSITION

June 30, 2021

		Governmental Activities
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 10,046,666	
Property Taxes Receivable	246,150	
Accounts Receivable	1,129,652	
Prepaid Expenses	110,787	
Prepaid Loan Fees, net of accumulated amortization	3,279	
Total Current Assets		$ 11,536,534
Restricted Assets:		
Net OPEB Asset (RHIA)	180,368	
Total Restricted Assets		180,368
Capital Assets:		
Land	1,248,172	
Land Improvement	375,947	
Building and Building Improvement	25,800,867	
Machinery and Equipment	2,111,370	
Less: Accumulated Depreciation	(20,019,379)	
Total Capital Assets, Net of Depreciation		9,516,977
Total Assets		**21,233,879**
DEFERRED OUTFLOW OF RESOURCES		
Pension Related Deferrals	4,847,364	
OPEB Related Deferrals - RHIA	23,870	
OPEB Related Deferrals - OEBB and Stipend	183,200	
Total Deferred Outflow of Resources		**5,054,434**
LIABILITIES:		
Accounts Payable	$ 156,403	
Accrued Interest Payable	774,519	
Payroll Liabilities	498,631	
Advances from Grantors	166,551	
Accrued Vacation Benefits	56,202	
Bonds Payable		
Due within one year	1,512,689	
Due in more than one year	9,358,236	
Early Retirement Benefits		
Due in more than one year	939	
Net OPEB Obligation - OEBB and Stipend	1,005,997	
Net Pension Liability	4,685,966	
Total Liabilities		**18,216,133**
DEFERRED INFLOW OF RESOURCES		
Pension Related Deferrals	1,874,234	
OPEB Related Deferrals - RHIA	61,787	
OPEB Related Deferrals - OEBB and Stipend	325,654	
Total Deferred Inflow of Resources		**2,261,675**
NET POSITION:		
Net Investment in Capital Assets	4,576,051	
Unrestricted	$ 1,234,454	
Total Net Position		**$ 5,810,505**

The accompanying notes to the basic financial statements are an integral part of this statement.

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2021

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	(Expenses)	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES:					
Instruction	$ 8,158,162	$ 188,939	$ 2,383,489	$ -	$ (5,585,734)
Support Services	7,377,477	-	1,672,210	-	(5,705,267)
Enterprise and Community Services	941,659	5,931	1,291,591	-	355,863
Interest on Long-Term Debt	636,029	-	-	-	(636,029)
Total Governmental Activities	**$ 17,113,328**	**$ 194,870**	**$ 5,347,290**	**$ -**	**$ (11,571,168)**

GENERAL REVENUES:	
Local Sources:	
Property Taxes, Levied for General Purposes	$ 3,480,547
Earnings on Investments	67,964
Unrestricted State and Local Revenue	158,059
Intermediate Sources	18,962
State School Fund for Education and Support Services	12,398,219
State Common School Fund	142,294
Federal Forest Fees for General Purposes	137,430
Subtotal - General Revenues	16,403,475
Special Items:	
Gain on Disposition of Assets	273,968
Change in Net Position	5,106,275
Net Position, July 1, 2020	704,230
Net Position, June 30, 2021	**$ 5,810,505**

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL STATEMENTS

Governmental Fund Financial Statements

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	$ 4,348,260	$ (232,611)	$ 3,407,774	$ 2,523,243	$ 10,046,666
Property Taxes Receivable	233,765	-	12,385	-	246,150
Accounts Receivable	160,549	878,905	-	90,199	1,129,653
Prepaid Expenses	69,793	40,994	-	-	110,787
Total Assets	**$ 4,812,367**	**$ 687,288**	**$ 3,420,159**	**$ 2,613,442**	**$ 11,533,256**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
LIABILITIES:					
Accounts Payable	$ 18,135	$ 112,345	$ -	$ 25,923	$ 156,403
Payroll Liabilities	440,358	58,273	-	-	498,631
Advances from Grantors	-	166,551	-	-	166,551
Total Liabilities	**458,493**	337,169	-	25,923	**821,585**
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	198,654	-	-	-	198,654
Total Deferred Inflows of Resources	**198,654**	-	-	-	**198,654**
FUND BALANCES:					
Unassigned	4,155,220	350,119	3,420,159	2,587,519	10,513,017
Total Fund Balances	**4,155,220**	350,119	3,420,159	2,587,519	**10,513,017**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 4,812,367**	**$ 687,288**	**$ 3,420,159**	**$ 2,613,442**	**$ 11,533,256**

The accompanying notes to the basic financial statements are an integral part of this statement.

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2021

Total Fund Balances - Governmental Funds		$ 10,513,016
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Cost of assets	$ 29,536,356	
Accumulated depreciation	(20,019,379)	
Net Value of Capital Assets		9,516,977
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		198,654
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Contributions	5,054,434	
Deferred Earnings on Pension/OPEB Assets	(2,261,675)	
Net Value of Deferrals		2,792,759
Amounts paid for loan fees out of refunding bond proceeds are not financial resources and therefore are not capitalized as a prepaid expense in the governmental funds.		
Original prepaid amount, net of accumulated amortization		3,279
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
These liabilities consist of :		
Accrued Interest Payable	774,519	
Bonds Payable	10,870,925	
Early Retirement Benefits	939	
Net Pension Liability	4,685,966	
Net OPEB Obligations	825,629	
Accrued Vacation Benefits	$ 56,202	
Total		(17,214,180)
Net Position of Governmental Activities		**$ 5,810,505**

The accompanying notes to the basic financial statements are an integral part of this statement.

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

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

For the Fiscal Year Ended June 30, 2021

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Governmental Funds
REVENUES:					
Taxes	$ 3,544,562	$ -	$ -	$ -	$ 3,544,562
Earnings on Investments	424	-	67,540	-	67,964
Fees and Charges	18,523	65,792	-	-	84,315
Miscellaneous Revenue	188,782	-	1,439,832	79,832	1,708,446
Intermediate Government Aid	152,245	-	-	-	152,245
State Aid	12,540,512	966,166	-	1,113,754	14,620,432
Federal Aid	137,430	3,113,745	24,091	-	3,275,266
Total Revenues	**16,582,478**	**4,145,703**	**1,531,463**	**1,193,586**	**23,453,230**
EXPENDITURES:					
Current:					
Instruction	7,775,038	1,725,794	-	-	9,500,832
Support Services	6,384,699	1,285,376	-	-	7,670,075
Enterprise and Community Services	-	990,585	-	-	990,585
Capital Outlay:					
Facilities Acquisition and Construction	-	6,084	-	1,633,836	1,639,920
Debt Service	-	-	2,196,830	-	2,196,830
Total Expenditures	**14,159,737**	**4,007,839**	**2,196,830**	**1,633,836**	**21,998,242**
Excess (Deficiency) of Revenues Over Expenditures	2,422,741	137,864	(665,367)	(440,250)	1,454,988
OTHER FINANCING SOURCES (USES):					
Interfund Transfers In	-	6,778	884,244	552,367	1,443,389
Interfund Transfers Out	(1,443,388)	-	-	-	(1,443,388)
Long Term Debt Financing Sources	-	-	-	1,600,000	1,600,000
Sale of or Compensation for Loss of Fixed As	400,200	-	-	-	400,200
Total Other Financing Sources (Uses)	**(1,043,188)**	**6,778**	**884,244**	**2,152,367**	**2,000,201**
Net Change in Fund Balance	1,379,553	144,642	218,877	1,712,117	3,455,189
Beginning Fund Balance	2,775,667	205,477	3,201,282	875,402	7,057,828
Ending Fund Balance	**$ 4,155,220**	**$ 350,119**	**$ 3,420,159**	**$ 2,587,519**	**$ 10,513,017**

The accompanying notes to the basic financial statements are an integral part of this statement.

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

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

For the Fiscal Year Ended June 30, 2021

Net Changes in Fund Balances - Total Governmental Funds		$ 3,455,188
Amounts reported for governmental activities in the Statement of Activities are different because:		
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.		
Expenditures for capitalized assets	$ 1,216,837	
Less current year depreciation	(462,762)	
		754,075
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.		
Deferred revenues increased by this amount this year.		(64,015)
Gain (Loss) on disposition of capital assets is not reported in the fund financial statements.		273,968
Proceeds from Sales of Assets is not reported as income in the Statement of Activities		(400,200)
Proceeds from loans are reported in the governmental funds as a source of financing. The loan proceeds are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(1,600,000)
Prepaid expenses were originally reported in the governmental funds as an expenditure. In the Statement of Activities the amount to be charged each year as an expense over the estimated expense incurred to pay the obligation is amortized, rather than expensed at the time of the prepayment.		
Amount of current year amortization - Bond Discount	(547)	
		(547)
Repayment of principal on long term debt and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Retirement of principal is as follows:		
Bonds	1,324,453	
		1,324,453
Government funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense and changes in deferred inflows and outflows related to the net pension asset/(liablity) are recorded based upon an actuarial valuation of such activity.		
This is the net change in pension related items.		1,043,918
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
The activities consist of:		
Net increase/(decrease) in accrued interest expense	232,600	
Increase/(decrease) in accrued OPEB	82,463	
Increase/(decrease) in early retirement liability	(939)	
Increase/(decrease) in accrued vacation benefits	$ 5,311	
		319,435
Change in Net Position of Governmental Activities		**$ 5,106,275**

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL STATEMENTS

Notes to the Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The South Umpqua School District No. 19 was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is government by a separately elected seven-member Board of Directors who approve 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 basic financial statements of South Umpqua School District No. 19 has been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

Reporting Entity

In determining the financial reporting entity, the South Umpqua School District No. 19 complies with Governmental Accounting Standards Board Statement 14, “The Financial Reporting Entity.” The criteria for including organizations as component units within the District’s reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their own name); 2) the District holds the corporate powers of the organization; 3) the District appoints a voting majority of the organization’s board; 4) the District is able to impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the District; and 6) there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, the South Umpqua School District No. 19 has no component units.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District with most of the interfund activities removed to minimize the double counting of internal activities. Governmental activities include programs supported primarily by taxes, state school support payments, grants and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support. The District also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to school district functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund -

The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Fund -

The Special Revenue Fund accounts for various restricted used grants from the federal government, the state government and other intermediate and local sources that are restricted or committed to expenditure for specific programs, as well as the student body activities.

Debt Service Fund -

The Debt Service Fund accounts for the servicing of long-term debt not being financed by the General Fund. For the District, this include the 2002, 2003 and 2012 PERS Bonds, the 2016 Full Faith Obligation Bonds, and the QZAB and QSCB Bonds. The principal source of revenues are interest and subsidies and other local revenues.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct maintain of major capital facilities. The principal revenue source is debt proceeds.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized 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 within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more 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 District 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 District Board of Directors.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Receivables

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the District. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Intergovernmental grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as accounts receivable.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inventory

Food and supply inventories in the Food Service Fund are valued at cost determined on the FIFO method. Commodities inventory in the Food Service 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.

Restricted Assets and Liabilities

Assets with use restricted to future bond payments and the related liability, are segregated in the statements of net position.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized, but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is $5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Asset Class	Estimated Years of Useful Lives
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

In the governmental fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Compensated Absences and Accrued Liabilities:

The liability for accrued vacation benefits reported in the government-wide statements consists of unpaid, accumulated annual vacation. The early retirement liability has been calculated using the accrual method for benefit amounts due to former employees who currently are receiving early-termination benefits. Early retirement benefits are available to a limited number of employees each year.

All payables and accrued liabilities are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full by current financial resources are reported as obligations of the funds.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial 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. Currently, the District has only one item that qualifies for reporting in this category, deferred pension contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

Long-Term Debt

All bonds, notes and capital leases payable are recognized in the government-wide financial statements as liabilities of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on long-term debt are recorded as debt service in the expenditure section of the statement and schedules.

Equity Classifications

Government-wide Statements

Equity is classified as net position, which represents the difference between assets, liabilities, and deferred accounts. Net position is displayed in three components:

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The District’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications (Cont.)

Governmental Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the District Council, and does not lapse at year-end.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the District Council or through the District Council delegating this responsibility to selected staff members or through the budgetary process.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

Property Taxes

Real and personal property taxes attach as an enforceable lien on property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectable taxes has been established. All property taxes receivable are due from property owners within the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the purposes of the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

Use of Estimates

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

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 Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP's fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see Cash and Investments note in the Summary of Significant Accounting Principles.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Cash and Investments note in the Summary of Significant Accounting Principles.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of $250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed $250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2021, the reported amount of the District's deposits was $518,079, the bank balance was $741,365 and $0 in petty cash. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices.

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2021, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

CASH AND INVESTMENTS (Cont.):

At June 30, 2021, the District's investments in financial institutions are as follows:

Type of Investment	Fair Value	Credit Rating
Oregon State Treasurer's Local Government Investment Pool (LGIP)	$ 8,889,080	N/A
Total Investments	$ 8,889,080	

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a *concentration of credit risk*. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the District's total investments.

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2021:

Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances
Assets not being depreciated:				
Land	$ 1,248,172	$ -	$ -	$ 1,248,172
Construction in Progress	689,047	-	689,047	-
Total assets not being depreciated	1,937,219	-	689,047	1,248,172
Assets being depreciated:				
Land Improvement	177,399	198,548	-	375,947
Building and Building Improvement	24,481,878	1,595,496	276,507	25,800,867
Machinery and Equipment	2,006,813	111,840	7,283	2,111,370
Total Depreciable Assets	26,666,090	1,905,884	283,790	28,288,184
Less: Accumulated Depreciation				
Land Improvement	124,132	10,550	-	134,682
Building and Building Improvement	18,279,303	344,057	150,275	18,473,085
Machinery and Equipment	1,310,740	108,155	7,283	1,411,612
Total Accumulated Depreciation	19,714,175	462,762	157,558	20,019,379
Net Value of Capital Assets Being Depreciated	6,951,915	1,443,122	126,232	8,268,805
Total Governmental Activities -- Net Value of Capital Assets	$ 8,889,134	$1,443,122	$ 815,279	$ 9,516,977

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 279,720
Support Services	164,223
Enterprise and Community Services	18,818
Total Depreciation Expense	$ 462,762

LONG-TERM DEBT:

On October 31, 2002, the District issued bonds as part of the Oregon School Boards Association Limited Tax Pension Bond Pool. 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. The original amount of the obligations was $6,393,627 with interest rates ranging from 2.06% to 6.10%. On January 31, 2012, the District participated in a partial refunding of its Limited Tax Pension Bond- 2002. This partial refunding was for the 2021 year for $450,000. The interest rate for this refunded portion is 2.75%. The bonds are held by Wells Fargo.

On April 4, 2003 the District participated in a second Limited Tax Pension Bond Pool. The original principal amount is $6,776,652 with interest ranging from 1.5% to 6.27%. The bonds are held by Wells Fargo. Interest payments on bonds with maturity dates between 2004 and 2023 are made only at the date of maturity. Interest payments on bonds with maturity dates between 2024 and 2028 are paid semi-annually. Unpaid, accrued interest (accreted interest) from issuance date to the end of the current fiscal year on the 2022 and 2023 bonds is $771,626. The unpaid interest on the 2022 bonds that will be paid during the fiscal year ending June 30, 2022 will be $384,702 along with interest accrued during that fiscal year.

On August 30, 2005, the District issued Qualified Zone Academy Bonds in the amount of $500,000. As a result of the structure of the QZAB issue and the Bank tax credits, the District will be requir4ed to repay $412,864 in total payments over the 16 year term. The District is required to make annual principal payments into a sinking fund in the amount of $25,804 through 2022.

On October 12, 2010, the District issued Qualified School Construction Bonds in the amount of $500,000. The monies were used for repairs and upgrades and weatherization projects through the District. The QSCB's are eligible to receive subsidy payments from the US Treasury. The District plans to apply any subsidy payments received to offset the interest component of the financing, but those subsidy payments are not pledged for this purpose. Interest is payable semi-annually on December 31 and June 30. Final maturity on the bonds is June 30, 2027. The District will receive approximately $212,000 in direct subsidy payments form the US Treasury of the life of the bond.

On January 19, 2012, the District issued Qualified School Construction Bonds in the amount of $350,000. The monies are for repairs and weatherization projects throughout the District. The QSCB's are eligible to receive subsidy payments from the US Treasury. The interest rate on the bonds is 4.80%.

On July 15, 2016, the District entered into a Full Faith and Credit Obligation financing agreement with Umpqua Bank to borrow $1,500,000 with an interest rate of 2.326%. The loan is earmarked for improvements to the South Umpqua High School and is to be amortized over sixty months, the entire balance due on the maturity date. Payments are made quarterly.

On March 15, 2021, the District entered into a Full Faith and Credit Obligation financing agreement with JP Morgan Chase for the amount of $1,600,000. The agreement is structured with five annual principal installment payments on June 1, and semiannual accrued interest payments on the first of June and December beginning June 1, 2022. Interest rates for the tax-exempt bonds sold is 1.50%.

On October 31, 2002, the District issued bonds as part of the Oregon School Boards Association Limited Tax Pension Bond Pool. 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. The original amount of the obligations was $6,393,627 with interest rates ranging from 2.06% to 6.10%. On January 31, 2012, the District participated in a partial refunding of its Limited Tax Pension Bond- 2002. This partial refunding was for the 2021 year for $450,000. The interest rate for this refunded portion is 2.75%. The bonds are held by Wells Fargo.

LONG-TERM DEBT (cont.)

The following is a schedule of transactions during the year:

	Outstanding Balance July 1, 2020	Principal Paid	Interest Paid	Outstanding Balance June 30, 2021	Due Within One Year
Bonds Payable:					
Limited Tax Pension Bond 2002	$ 4,329,999	$ -	$ 239,648	$ 4,329,999	$ 485,000
Limited Tax Pension Bond 2003	4,089,768	178,842	567,618	3,910,926	177,689
QZAB 2005	500,000	-	-	500,000	500,000
QSCB 2010	210,000	30,000	17,532	180,000	30,000
QSCB 2012	350,000	-	16,188	350,000	-
Full Faith Obligation Bonds- 2016	665,611	665,611	13,015	-	-
Full Faith Obligation Bonds- 2021	-	-	2,800	1,600,000	320,000
Limited Tax Pension Bond 2002 Refunding 2021	450,000	450,000	12,375	-	-
Total Bonds Payable	**10,595,378**	**1,324,453**	**869,176**	**10,870,925**	**1,512,689**
Bond Discount	(3,826)	-	(547)	(3,826)	-
Total Bonds Payable, net of Discount	**10,591,552**	**1,324,453**	**868,629**	**10,867,099**	**1,512,689**
Total Long-Term Debt	**$ 10,591,552**	**$ 1,324,453**	**$ 868,629**	**$ 10,867,099**	**$ 1,512,689**

The future debt service requirements on the above debt are as follows:

Bonds Payable: Due Fiscal Year Ending June 30,	Principal	Interest	Total
2022	$ 1,512,689	$ 892,696	$ 2,405,385
2023	1,073,237	899,253	1,972,490
2024	1,620,000	421,257	2,041,257
2025	1,770,000	344,064	2,114,064
2026	3,174,999	350,241	3,525,240
2027 - 2031	1,720,000	265,824	1,985,824
Total	$ 10,870,925	$ 3,173,335	$ 14,044,260

The District has no unused lines of credit.

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Supplementary Data section of this report.

PENSION PLAN:

Name of Pension Plan

The Oregon Public Employees Retirement System (OPERS) consists of a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits
All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Pension Benefits
The OPERS 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 (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.

2. Salary Limit Project (effective January 1, 2020): A new $195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).

PENSION PLAN (Cont.):

3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.

4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning $2,500/month or more, a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.

   - Tier One/Tier Two members: 2.5 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remaining 3.5 percent of salary will continue to go to the member's existing IAP account.
   - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.

5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

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 an OPERS employer at the time of death,
• the member died within 120 days after termination of OPERS-covered employment,
• the member died as a result of injury sustained while employed in an OPERS-covered job, or
• the member was on an official leave of absence from an OPERS-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 OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) 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 (COLA). The COLA is capped at 2.0 percent.

PENSION PLAN (Cont.):

2. OPSRP Defined Benefit Pension Program (OPSRP DB). The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

Pension Benefits

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:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.

2. Salary Limit Project (effective January 1, 2020): A new $195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).

3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.

4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning $2,500/month or more, a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.

    - OPSRP members: 0.75 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of salary will continue to go to the member's existing IAP account.
    - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.

PENSION PLAN (Cont.):

5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

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.

3. Individual Account Program (IAP).

Benefit Terms

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400.

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

Upon retirement, a member of the 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.

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.

4. Postemployment Healthcare Benefits.

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to $60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 901 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

PENSION PLAN (Cont.):

Description of Funding and Contributions for PERS Benefit Plans

OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary.

The District's OPERS required employer contributions for the year ended June 30, 2021 were $2,194,085 excluding amounts to fund employer specific liabilities. The current year contribution rates in effect for PERS have been reduced while the District receives amortization of the PERS retirement bonds (described in Long Term Debt). Amortization of the Side Account resulted in a PERS current year rate savings to the District of $2,196,228 for FY 2020-2021 from the required PERS contribution rate of $2,194,085, netting to a net contribution of ($2,143). The adjusted PERS contribution rates in effect for the period July 1, 2019 to June 30, 2021 were: Tier1/Tier2 – 0.06%, and OPSRP General Service – 0.00%.

Member Contributions
Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. During FY 2020-2021, no employee IAP contributions were paid or picked up by the District.

During FY 2020-2021, approximately $468,346 in employee IAP contributions were paid or picked up by the District.

Employer 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 OPEB (Other Post Employment Benefit) Plans. Employer contribution rates during the period were based on the December 31, 2017, actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions.

For **Oregon PERS Defined Benefit Plans**, based on the actuarial valuation as of December 31, 2017, the state agencies, the judiciary, schools, and political subdivisions all had increases in employer contribution rates on July 1, 2019. These rate changes are measured against the actual average rates paid since the last rate-setting valuation. Every two years, the PERS Board adjusts contributions so that, over time, those contributions will be sufficient to fund the benefits earned, if earnings follow assumptions.

For **Oregon PERS OPSRP Benefit Plans**, all PERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate.

Members of OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. For employees in Tier One / Tier two, the Employer makes this contribution on behalf of its members.

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2021, PERS employers contributed 0.06 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. These rates were based on the December 31, 2017, actuarial valuation.

PENSION PLAN (Cont.):

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

ORS 238.415 established the Retiree Health Insurance Premium Account (RHIPA) and requires the Board on or before January 1 of each year to calculate the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the Board and health insurance premiums paid by active state employees.

For **OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Pension Plan CAFR

Oregon PERS produces an independently audited CAFR which can be found at:
https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) 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.

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses
No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

PENSION PLAN (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:	
Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
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 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

Discount Rate

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

PENSION PLAN (Cont.):

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

OIC Target and Actual Investment Allocation as of June 30, 2020

Asset Class/Strategy	OIC Policy Range	OIC Target Allocation	Asset Class/Strategy	Actual Allocation[3]
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	20.0%
Public Equity	27.5% - 37.5%	32.5%	Public Equity	31.8%
Real estate	9.5% - 15.5%	12.5%	Real estate	11.4%
Private Equity	14.0% - 21.0%	17.5%	Private Equity	22.9%
Alternative Equity	7.5% - 17.5%	15.0%	Alternative Equity	10.5%
Opportunity Portfolio[1]	0.0% - 3.0%	0.0%	Opportunity Portfolio	2.1%
Risk Parity[2]	0.0% - 2.5%	2.5%	Risk Parity	1.3%
Total		100%	Total	100%

[1]Opportunity Portfolio is an investment strategy and it may be invested up to 3% of total plan net position.

[2]Risk Parity is a new investment strategy added to the asset allocation mix in 2019.

[3]Based on the actual investment value at 6/30/2021.

PENSION PLAN (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. 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.

Asset Class	Target Allocation*	Annual Arithmetic Mean	20-Year Annualized Geometric Mean	Annual Standard Deviation
Core Fixed Income	9.60%	4.14%	4.07%	3.90%
Short-Term Bonds	9.60%	3.70%	3.68%	2.10%
Bank/Leveraged Loans	3.60%	5.40%	5.19%	6.85%
High Yield Bonds	1.20%	6.13%	5.74%	9.35%
Large/Mid Cap US Equities	16.17%	7.35%	6.30%	15.50%
Small Cap US Equities	1.35%	8.35%	6.68%	19.75%
Micro Cap US Equities	1.35%	8.86%	6.79%	22.10%
Developed Foreign Equities	13.48%	8.30%	6.91%	17.95%
Emerging Foreign Equities	4.24%	10.35%	7.69%	25.35%
Non-US Small Cap Equities	1.93%	8.81%	7.25%	19.10%
Private Equity	17.50%	11.95%	8.33%	30%
Real Estate (Property)	10%	6.19%	5.55%	12%
Real Estate (REITS)	2.50%	8.29%	6.69%	21%
Hedge Fund of Funds - Diversified	1.50%	4.28%	4.06%	6.90%
Hedge Fund - Event-driven	0.38%	5.89%	5.59%	8.10%
Timber	1.13%	6.36%	5.61%	13%
Farmland	1.13%	6.87%	6.12%	13%
Infrastructure	2.25%	7.51%	6.67%	13.85%
Commodities	1.13%	5.34%	3.79%	18.70%
Assumed Inflation - Mean			**2.50%**	**1.65%**

*Based on the Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund as most recently revised on April 24, 2019

Sensitivity Analysis

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

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
Employer's proportionate share of the net pension liability	$ 6,958,273	$ 4,685,966	$ 2,780,532

PENSION PLAN (Cont.):

Changes in Assumptions

A summary of key changes implemented after the December 31, 2018 valuation, which was used in the 2020 PERS CAFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the System, which was published on July 20, 2021, which can be found at: https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project (effective January 1, 2020): A new $195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning $2,500/month or more, a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
    - Tier One/Tier Two members: 2.5 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remaining 3.5 percent of salary will continue to go to the member's existing IAP account.
    - OPSRP members: 0.75 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of salary will continue to go to the member's existing IAP account.
    - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.
6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

PENSION PLAN (Cont.):

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	Recommended December 31, 2018 and 2019 Valuations	Recommended December 31, 2020 and 2021 Valuations
Healthy Annuitant Mortality	**Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**	**Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**
School District male	Teachers, no set back	Blend 80% Teachers and 20% General Employees, no set back
beneficiary)	General Employees, set back 12 months	No change
Police & Fire male	Public Safety, no set back	No change
School District female	Teachers, no set back	No change
Other female (and female beneficiary)	General Employees, no set back	No change
Police & Fire female	Public Safety, set back 12 months	No change
Disabled Retiree Mortality	**Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**	**Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**
Police & Fire male	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service male	Non-Safety, set forward 24 months	No change
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service female	Non-Safety, set forward 12 months	No change
Non-Annuitant Mortality	**Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**	**Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale**
School District male	120% of same table and set back as Healthy Annuitant assumption	125% of same table and set back as Healthy Annuitant assumption
Other General Service male	115% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Healthy Annuitant assumption	No change
School District female	100% of same table and set back as Healthy Annuitant assumption	No change
Other General Service female	125% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Healthy Annuitant assumption	No change

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, other than Senate Bill 1049 which was incorporated into the 2020 CAFR Measurement, that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2020, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 76, of the June 30, 2020 Oregon PERS CAFR.

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

At June 30, 2021, the employer reported a liability of $4,685,966 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

PENSION PLAN (Cont.):

At June 30, 2020, the employer's proportion was 0.02147217%.

For the year ended June 30, 2021, the employer recognized pension expense of $1,150,056. On June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 206,239	$ -
Changes of assumptions	251,481	8,811
Net difference between projected and actual earnings on investements	551,009	-
Changes in proportionate share	1,644,550	1,106,285
Differences between employer contributions and employer's proportionate share of system contributions	-	759,138
Total Deferred Outflows/Inflows	$ 2,653,279	$ 1,874,234
Post-measurement date contributions	2,194,085	N/A
Total Deferred Outflow/(Inflow) of Resources	$ 4,847,364	$ 1,874,234
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		$ 779,045

Contributions of $2,194,085, for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$ 251,427
2nd Fiscal Year	207,423
3rd Fiscal Year	38,168
4th Fiscal Year	240,411
5th Fiscal Year	41,616
Thereafter	-
Total	$ 779,045

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to $60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

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.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB.
For the fiscal year ended June 30, 2020, state agencies contributed 0.06 and 0.18 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA and RHIPA benefits.
No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2021, 2020, and 2019 were $1,350, $6,321, and $27,462 respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

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, 2019. That independently audited report was dated February 20, 2020 and can be found at:

https://www.oregon.gov/PERS/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%206.30.19.pdf

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 32% Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
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 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category

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 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.20 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.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Table 31 on page 74 shows Milliman's assumptions for each of the asset classes in which the plans were 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 on page 74. 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. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS' audited financial statements at:
https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf

Sensitivity Analysis

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

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
Employer's proportionate share of the net OPEB liability	$ (145,617)	$ (180,368)	$ (210,082)

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

At June 30, 2021, the District reported a net OPEB RHIA liability/(asset) of $(180,368) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB RHIA 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, 2020, the District's proportion was 0.08851991 percent. OPEB RHIA expense/(income) for the year ended June 30, 2021 was $(44,570).

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

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

Contributions of $82 for RHIA OPEB were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 18,439
Changes of assumptions	-	9,587
Net difference between projected and actual earnings on	20,058	-
Changes in proportionate share	2,462	33,761
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Total Deferred Outflows/Inflows	$ 22,520	$ 61,787
Post-measurement date contributions	1,350	N/A
Total Deferred Outflow/(Inflow) of Resources	$ 23,870	$ 61,787
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		$ (39,267)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA OPEB will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$ (33,514)
2nd Fiscal Year	(19,495)
3rd Fiscal Year	7,415
4th Fiscal Year	6,327
5th Fiscal Year	-
Thereafter	-
Total	$ (39,267)

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

OEBB Health Insurance Subsidy

Plan Description

The District operates a single employer retiree benefit plan through the Oregon Educators Benefit Board that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. In some cases, the premium itself for retirees, does not represent the full cost of medical coverage (as retirees can be expected to generate higher medical claims and therefore higher premiums than the active population). Providing the same rate to retirees as provided to current employees, raises the medical premium rates for the entire employee group. This additional cost is called the "implicit subsidy" and is required to be valued under GASB 75. This "plan" is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the District has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The District will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation of the OPEB EOBB program as of July 1, 2020 using entry age normal Actuarial Cost Method. The assumptions are generally based upon those used for valuing pension benefits under Oregon PERS, and were developed in consultation with Independent Actuaries, Inc. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

Key Actuarial Assumptions and Methods	**Independent Actuaries, Inc.**
Discount Rate	2.25%
Other Key Actuarial Assumptions and Methods	
Valuation date	July 1, 2020
Measurement date	June 30, 2021
Inflation	2.00%
Salary increases	3.00%
Mortality Rates	Active employees: PUB 2010 Employee Tables for Teachers, sex distinct, projected generationally.
Participation	75% of retirees with District-paid benefits are assumed to remain enrolled. 70% of future retirees electing coverage are assumed to cover a spouse as well.
Actuarial cost method	Entry Age Normal

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB (Cont.):

In order to apply the entry age normal actuarial cost method, Projected Benefit Payments are determined for each active employee and retiree. These Projected Benefit Payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid by the retirees in that year. The Present Value of Benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the Service Cost,and is the portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals $0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate. The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

Discount Rate

The Discount Rate is a single rate of return that is applied to the Projected Benefit Payments in order to calculate the Present Value of Benefits. Under GASB 75, for plans without assets, the discount rate is equal to a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2010 Health Retiree, sex distinct for members and dependents. For members only, a one-year setback is applied. Future mortality improvement is not projected as it would be immaterial to the valuation.

Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2019. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

Sensitivity Analysis

The following presents the total OPEB liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease 1.25%	Discount Rate 2.25%	1% Increase 3.25%
Total OPEB liability from Implicit and Explicit Rate Subsidy	$ 1,069,745	$ 1,005,997	$ 945,541

Trend Rate	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit and Explicit Rate Subsidy	$ 903,635	$ 1,005,997	$ 1,126,809

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB (Cont.):

Participation

The following table represents the number of the District's covered participants:

	June 30, 2021
Active Employees	195
Eligible Retirees	7
Spouses of Retirees	1
Total Participants	203

Changes in Net (OPEB) OEBB Liability

Changes in Total OPEB Liability June 30, 2020 to June 30, 2021	Increase (Decrease) Total OPEB Liability	Fiduciary Net Position	Net Pension Liability
Balance as of June 30, 2020	**$ 933,204**	**$ -**	**$ 933,204**
Changes for the year:			
Benefit payments	-	(51,295)	(51,295)
Service Cost	55,843	-	55,843
Interest	21,676	-	21,676
Effect of changes to benefit terms	-	-	-
Effect of economic/ demographic gains or losses	162,443	-	162,443
Changes in assumptions or other inputs	(115,874)	-	(115,874)
Employer Contributions	(51,295)	51,295	-
Net OPEB Liability at June 30, 2021	**$ 1,005,997**	**$ -**	**$ 1,005,997**

Components of (OPEB) OEBB Expense

OPEB Expense	July 1, 2020 to June 30, 2021
Service cost	$ 55,843
Interest on total OPEB liability	21,676
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resour	(87,706)
Recognition of economic/demographic (gains) or los	162,443
Recognition of assumption changes	(115,874)
Administrative Expense	n/a*
OPEB Expense	$ 36,382

OTHER POST-EMPLOYMENT BENEFITS (OPEB) EARLY RETIREMENT PROGRAM:

The District maintains a single-employer defined benefit pension early retirement supplemental plan for eligible retirees from the District. The Early Retirement Plan (ERP) is composed of three components: a salary-based early retirement stipend, Explicit Medical Benefit - District-paid health premiums, (together referred to below as Stipend Benefit), and continued access to the group health plan (Implicit Medical benefit (OEBB) – as described above).

Retirement Eligibility: The retiree must be receiving benefits from Oregon PERS, under Oregon PERS eligibility requirements.

Early Retirement Stipend and Explicit Medical Benefit Plans

Retirement Stipend Plan Benefits

Administrative and Licensed: Eligible administrative and licensed retirees must be at least 58 years of age and have at least 15 years of service with the District. Licensed employees must have been hired by the District on or before September 1, 1990 to be eligible. Additionally, one current retiree is receiving benefits as part of an Early Retirement Option (ERO).

Benefit Amount: For both classes of retirees, the eligible benefit amount is $300 per month. However, retirees are required to be available to volunteer fifteen days of work, annually, in order to receive full benefits.

Benefit Duration: Monthly payments continue until the earlier of the retiree's age 62 or death. The ERO benefit ends at age 65.

Funding Policy and Contributions

The benefits from the Retirement Stipend plan are fully paid by the District and, consequently, no monetary contributions by employees are required. The District funds this benefit as it comes due and the amount paid by the district for the benefit for the period ended June 30, 2021 was $4,190. There are no assets accumulated in a trust for this program.

Explicit Medical Benefits

Eligibility: Same as Retirement Stipend above, Confidential/Central Office and Supervisors/Directors – Age 58 with at least 15 years of service with the District.

Benefit Amount:

Administrative and Supervisors/Directors – Employee only medical coverage.
Classified - $400 per month.
Confidential/Central Office – Full family medical, dental, and vision coverage.
Licensed - $200 per month.

All retirees, except for Supervisors/Directors, are required to be available to volunteer fifteen days annually, (120 hours for Classified) in order to receive full stipend benefits. For Administrative and Licensed retirees, these volunteer hours cover both the Retirement Stipend, and Explicit Medical Benefits.

Benefit Duration: Monthly payments continue until the earlier of the retiree's age 62 (age 65 for Classified retirees), or death.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) EARLY RETIREMENT PROGRAM (Cont.):

Funding Policy and Contributions

The benefits from the Explicit Medical benefit are fully paid by the District and, consequently, no monetary contributions by employees are required. The District funds this benefit as it comes due and the amount paid by the district for the benefit for the period ended June 30, 2021 was $7,183. There are no assets accumulated in a trust for this program.

Actuarial Methods and Assumptions Used for Total Stipend Liability

The District's total stipend liability of $20,384 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

Key Actuarial Assumptions and Methods	**Independent Actuaries, Inc.**
Discount Rate	2.25%
Other Key Actuarial Assumptions and Methods	
Valuation date	July 1, 2020
Measurement date	June 30, 2021
Inflation	2.00%
Salary increases	3.00%
Mortality Rates	Active employees: PUB 2010 Employee Tables for Teachers, sex distinct, projected generationally.
Participation	75% of retirees with District-paid benefits are assumed to remain enrolled. 70% of future retirees electing coverage are assumed to cover a spouse as well.
Actuarial cost method	Entry Age Normal

Sensitivity Analysis

The following presents the total OPEB Stipend liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB Stipend liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease 1.25%	Discount Rate 2.25%	1% Increase 3.25%
Total OPEB liability from Implicit and Explicit Rate Subsidy	$ 20,937	$ 20,384	$ 19,834

Trend Rate	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit and Explicit Rate Subsidy	$ 17,754	$ 20,384	$ 16,839

OTHER POST-EMPLOYMENT BENEFITS (OPEB) EARLY RETIREMENT PROGRAM (Cont.):

Changes in Net (OPEB) Stipend Liability

Changes in Total OPEB Stipend Liability June 30, 2020 to June 30, 2021	Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2020	**$ 21,323**
Changes for the year:	
Benefit payments	(4,190)
Service Cost	741
Interest	449
Effect of economic/ demographic gains or losses	2,258
Changes in assumptions or other inputs	(198)
Net OPEB Liability at June 30, 2021	**$ 20,384**

Schedule of Deferred Inflows and Outflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,694	$ -
Service Cost	169	148
(prior to post-measurement date contributions)	$ 1,863	$ 148
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		$ 1,715

OTHER POST-EMPLOYMENT BENEFITS (OPEB) EARLY RETIREMENT PROGRAM (Cont.):

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB Stipend expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$ 684
2nd Fiscal Year	515
3rd Fiscal Year	516
4th Fiscal Year	-
5th Fiscal Year	-
Thereafter	-
Total	$ 1,715

CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any, to be immaterial. The District is not currently named as a defendant in any pending or threatened litigation.

RISK:

To reduce the risk of loss from liability, fire, theft, accident, medical costs, and error and omissions, the District maintains various commercial insurance policies.

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State to pay for any claims paid to former employees. Any reimbursements are paid by the fund incurring the liability to the Employment Division of the State of Oregon. The estimated liability for unpaid claims is calculated as the present value of expected but unpaid claims based on historical experience and going concern assessments. The District's estimated liability for unpaid unemployment claims is immaterial. Therefore, no liability amount appears on the District's statement of net position or balance sheet.

Certain employees have health care coverage provided by a third-party insurance company. Premiums to the insurance company are paid by employer contributions for eligible employees.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

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

	Transfers Out	Transfers In
General Fund #100	$ 40,000	$ -
Special Revenue Fund #200	-	40,000

The transfers out of the General Fund to the Special Revenue Fund represent the District’s election to provide general fund support to the programs and activities of that fund.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Fund #100

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Taxes	$ 3,430,170	$ 3,430,170	$ 3,544,562	$ 114,392
Earnings on Investments	-	-	424	424
Fees and Charges	40,000	40,000	18,523	(21,477)
Miscellaneous Revenue	179,067	179,067	188,782	9,715
Intermediate Government Aid	155,396	155,396	152,245	(3,151)
State Aid	12,677,933	12,677,933	12,540,512	(137,421)
Federal Aid	114,000	114,000	137,430	23,430
Total Revenues	**16,596,566**	**16,596,566**	**16,582,478**	**(14,088)**
EXPENDITURES:				
Instruction	9,078,048	9,078,048	7,775,038	(1,303,010)
Support Services	7,576,702	7,576,702	6,384,699	(1,192,003)
Total Expenditures	**16,654,750**	**16,654,750**	**14,159,737**	**(2,495,013)**
Excess (Deficiency) of Revenues Over Expenditures	(58,184)	(58,184)	2,422,741	2,480,925
OTHER FINANCING SOURCES (USES):				
Interfund Transfers Out	(1,589,488)	(1,589,488)	(1,443,388)	146,100
Proceeds from Disposition of Capital Assets	-	-	400,200	400,200
Total Other Financing Sources (Uses)	**(1,589,488)**	**(1,589,488)**	**(1,043,188)**	**546,300**
Net Change in Fund Balance	(1,647,672)	(1,647,672)	1,379,553	3,027,225
Beginning Fund Balance	2,676,885	2,676,885	2,775,667	98,782
Ending Fund Balance	**$ 1,029,213**	**$ 1,029,213**	**$ 4,155,220**	**$ 3,126,007**

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Fees and Charges	$ 421,774	$ 421,774	$ 65,792	$ (355,982)
Miscellaneous Revenue	5,000	5,000	-	(5,000)
Intermediate Government Aid	17,653	17,653	-	(17,653)
State Aid	2,032,985	2,144,172	966,166	(1,178,006)
Federal Aid	2,825,436	2,825,436	3,113,745	288,309
Total Revenues	**5,302,848**	**5,414,035**	**4,145,703**	**(1,268,332)**
EXPENDITURES:				
Instruction	2,398,513	2,398,513	1,725,794	(672,719)
Support Services	2,024,291	2,135,478	1,285,376	(850,102)
Enterprise and Community Services	1,082,892	1,082,892	990,585	(92,307)
Facilities Acquisition and Constructi	-	-	6,084	6,084
Total Expenditures	**5,505,696**	**5,616,883**	**4,007,839**	**(1,609,044)**
Excess (Deficiency) of Revenues Over Expenditures	(202,848)	(202,848)	137,864	340,712
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	186,184	186,184	6,778	(179,406)
Total Other Financing Sources (Us	**186,184**	**186,184**	**6,778**	**(179,406)**
Net Change in Fund Balance	(16,664)	(16,664)	144,642	161,306
Beginning Fund Balance	194,453	194,453	205,477	11,024
Ending Fund Balance	**$ 177,789**	**$ 177,789**	**$ 350,119**	**$ 172,330**

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERS

Last 10 Fiscal Years*

Measurement Date June 30,	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.02147217%	$ 4,685,966	$ 6,768,376	69.23%	75.8%
2020	0.01354634%	$ 2,343,192	$ 6,916,883	33.88%	80.2%
2019	0.02880186%	4,363,102	6,742,538	176.01%	82.1%
2018	0.01800157%	2,426,618	6,631,395	157.90%	83.1%
2017	0.00736832%	1,106,156	6,303,231	217.34%	80.5%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PERS

Last 10 Fiscal Years *

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2021	$ 2,194,085	$ 2,194,085	$ -	$ 6,768,376	32.42%
2020	$ 2,274,314	2,274,314		$ 6,916,883	32.88%
2019	1,409,278	1,409,278	-	6,742,538	20.90%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

OPEB RHIA

Last 10 Fiscal Years*

Measurement Date June 30,	(a) Employer's proportion of the net OPEB liability (asset)	(b) Employer's proportionate share of the net OPEB liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.08851991%	$ (180,368)	$ 6,768,376	-2.66%	150.1%
2020	0.05540854%	$ (107,069)	$ 6,916,883	-1.55%	144.4%
2019	0.06395113%	(71,387)	6,742,538	-1.06%	124.0%
2018	0.06456119%	(26,944)	6,631,395	-0.41%	108.9%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF EMPLOYER CONTRIBUTIONS

OPEB RHIA

Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered employee payroll	(b/c) Contributions as a percent of covered payroll
2021	$ 1,350	$ 1,350	$ -	$ 6,768,376	0.02%
2020	$ 6,321	$ 6,321	$ -	$ 6,916,883	0.09%
2019	27,462	$ 27,462	-	6,742,538	0.45%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

OTHER SUPPLEMENTARY DATA

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Debt Service Fund #300 (A Major Fund)

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Earnings on Investments	$ 150,000	$ 150,000	$ 67,540	$ (82,460)
Miscellaneous Revenue	1,448,480	1,448,480	1,439,832	(8,648)
Federal Aid	38,500	38,500	24,091	(14,409)
Total Revenues	**1,636,980**	**1,636,980**	**1,531,463**	**(105,517)**
EXPENDITURES:				
Debt Service	1,838,654	1,838,654	2,196,830	358,176
Total Expenditures	**1,838,654**	**1,838,654**	**2,196,830**	**358,176**
Excess (Deficiency) of Revenues Over Expenditures	(201,674)	(201,674)	(665,367)	(463,693)
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	903,304	903,304	884,244	(19,060)
Total Other Financing Sources (Uses)	**903,304**	**903,304**	**884,244**	**(19,060)**
Net Change in Fund Balance	701,630	701,630	218,877	(482,753)
Beginning Fund Balance	2,480,984	2,480,984	3,201,282	720,298
Ending Fund Balance	**$ 3,182,614**	**$ 3,182,614**	**$ 3,420,159**	**$ 237,545**

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Building & Repair Fund #400 (A Major Fund)
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Miscellaneous Revenue	$ -	$ -	$ 79,832	$ 79,832
State Aid	1,518,463	1,518,463	1,113,754	(404,709)
Total Revenues	**1,518,463**	**1,518,463**	**1,193,586**	**(324,877)**
EXPENDITURES:				
Facilities Acquisition and Construction	2,198,293	2,198,293	1,633,836	(564,457)
Total Expenditures	**2,198,293**	**2,198,293**	**1,633,836**	**(564,457)**
Excess (Deficiency) of Revenues Over Expenditures	(679,830)	(679,830)	(440,250)	239,580
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	500,000	500,000	552,367	52,367
Long Term Debt Financing Sources	-	-	1,600,000	1,600,000
Total Other Financing Sources (Uses)	**500,000**	**500,000**	**2,152,367**	**1,652,367**
Net Change in Fund Balance	(179,830)	(179,830)	1,712,117	1,891,947
Beginning Fund Balance	529,830	529,830	875,402	345,572
Ending Fund Balance	**$ 350,000**	**$ 350,000**	**$ 2,587,519**	**$ 2,237,519**

ADDITIONAL SUPPORTING SCHEDULES

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

Limited Tax Pension Bond 2002

On October 31, 2002, the District issued bonds as part of the Oregon School Boards Association Limited Tax Pension Bond Pool. 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. The original amount of the obligations was $6,393,627 with interest rates ranging from 2.06% to 6.10%. On January 31, 2012, the District participated in a partial refunding of its Limited Tax Pension Bond- 2002. This partial refunding was for the 2021 year for $450,000. The interest rate for this refunded portion is 2.75%. The bonds are held by Wells Fargo.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	$ 4,329,999	$ -	$ -	$ 4,329,999	$ 485,000
Interest	-	239,648	239,648	-	239,648
Total	$ 4,329,999	$ 239,648	$ 239,648	$ 4,329,999	$ 724,648

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	$ 485,000	$ 239,648	$ 239,648	5.67%
	2023	545,000	213,070	758,070	5.50-5.55%
	2024	610,000	183,150	793,150	5.50-5.55%
	2025	685,000	149,296	834,296	5.50-5.55%
	2026 and after	2,004,999	202,020	2,207,019	5.50-5.55%
Total		$ 4,329,999	$ 987,184	$ 4,832,183	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

Limited Tax Pension Bond 2003

On April 4, 2003 the District participated in a second Limited Tax Pension Bond Pool. The original principal amount is $6,776,652 with interest ranging from 1.5% to 6.27%. The bonds are held by Wells Fargo. Interest payments on bonds with maturity dates between 2004 and 2023 are made only at the date of maturity. Interest payments on bonds with maturity dates between 2024 and 2028 are paid semi-annually. Unpaid, accrued interest (accreted interest) from issuance date to the end of the current fiscal year on the 2022 and 2023 bonds is $771,626. The unpaid interest on the 2022 bonds that will be paid during the fiscal year ending June 30, 2022 will be $384,702 along with interest accrued during that fiscal year.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	$ 4,089,768	$ -	$ 178,842	$ 3,910,926	$ 177,689
Interest	-	567,618	567,618	-	603,770
Total	$ 4,089,768	$ 567,618	$ 746,460	$ 3,910,926	$ 781,459

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	$ 177,689	$ 603,770	$ 781,459	5.71%
	2023	178,237	643,221	821,458	6.27%
	2024	660,000	201,459	861,459	6.27%
	2025	735,000	164,436	899,436	5.68%
	2026	820,000	122,688	942,688	5.68%
	2027	910,000	76,112	986,112	5.68%
	2028	430,000	24,424	454,424	5.68%
Total		$ 3,910,926	$ 1,836,110	$ 5,747,036	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

QZAB 2005

On August 30, 2005, the District issued Qualified Zone Academy Bonds in the amount of $500,000. As a result of the structure of the QZAB issue and the Bank tax credits, the District will be requir4ed to repay $412,864 in total payments over the 16 year term. The District is required to make annual principal payments into a sinking fund in the amount of $25,804 through 2022.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	$ 500,000	$ -	$ -	$ 500,000	$ 500,000
Interest	-	-	-	-	-
Total	$ 500,000	$ -	$ -	$ 500,000	$ 500,000

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	$ 500,000	$ -	$ 500,000	0.00%
Total		$ 500,000	$ -	$ 500,000	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

QSCB 2010

On October 12, 2010, the District issued Qualified School Construction Bonds in the amount of $500,000. The monies were used for repairs and upgrades and weatherization projects through the District. The QSCB's are eligible to receive subsidy payments from the US Treasury. The District plans to apply any subsidy payments received to offset the interest component of the financing, but those subsidy payments are not pledged for this purpose. Interest is payable semi-annually on December 31 and June 30. Final maturity on the bonds is June 30, 2027. The District will receive approximately $212,000 in direct subsidy payments form the US Treasury of the life of the bond.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	$ 210,000	$ -	$ 30,000	$ 180,000	$ 30,000
Interest	-	17,532	17,532	-	9,090
Total	$ 210,000	$ 17,532	$ 47,532	$ 180,000	$ 39,090

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest & Federal Subsidy	Total	Interest Rate
	2022	$ 30,000	$ 9,090	$ 39,090	3.55%
	2023	30,000	7,575	37,575	3.55%
	2024	30,000	6,060	36,060	3.55%
	2025	30,000	4,545	34,545	3.55%
	2026	30,000	4,545	34,545	3.55%
	2027	30,000	-	30,000	3.55%
Total		$ 180,000	$ 31,815	$ 211,815	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

QSCB 2012

On January 19, 2012, the District issued Qualified School Construction Bonds in the amount of $350,000. The monies are for repairs and weatherization projects throughout the District. The QSCB's are eligible to receive subsidy payments from the US Treasury. The interest rate on the bonds is 4.80%.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	$ 350,000	$ -	$ -	$ 350,000	$ -
Interest	-	16,188	16,188	-	16,188
Total	$ 350,000	$ 16,188	$ 16,188	$ 350,000	$ 16,188

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	$ -	$ 16,188	$ 16,188	4.80%
	2023	-	16,187	16,187	4.80%
	2024	-	16,188	16,188	4.80%
	2025	-	16,187	16,187	4.80%
	2026	-	16,188	16,188	4.80%
	2027	-	16,188	16,188	4.80%
	2028	-	16,188	16,188	0.00%
	2029	-	16,188	16,188	0.00%
	2030	350,000	16,188	366,188	0.00%
Total		$ 350,000	$ 145,690	$ 495,690	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

Full Faith Obligation Bonds- 2016

On July 15, 2016, the District entered into a Full Faith and Credit Obligation financing agreement with Umpqua Bank to borrow $1,500,000 with an interest rate of 2.326%. The loan is earmarked for improvements to the South Umpqua High School and is to be amortized over sixty months, the entire balance due on the maturity date. Payments are made quarterly.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	$ 665,611	$ -	$ 665,611	$ -	$ -
Interest	-	13,015	13,015	-	-
Total	$ 665,611	$ 13,015	$ 678,626	$ -	$ -

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

Full Faith Obligation Bonds- 2021

On March 15, 2021, the District entered into a Full Faith and Credit Obligation financing agreement with JP Morgan Chase for the amount of $1,600,000. The agreement is structured with five annual principal installment payments on June 1, and semiannual accrued interest payments on the first of June and December beginning June 1, 2022. Interest rates for the tax-exempt bonds sold is 1.50%.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	$ -	$ 1,600,000	$ -	$ 1,600,000	$ 320,000
Interest	-	2,800	2,800	-	24,000
Total	$ -	$ 1,602,800	$ 2,800	$ 1,600,000	$ 344,000

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	$ 320,000	$ 24,000	$ 344,000	1.50%
	2023	320,000	19,200	339,200	1.50%
	2024	320,000	14,400	334,400	1.50%
	2025	320,000	9,600	329,600	1.50%
	2026	320,000	4,800	324,800	1.50%
Total		$ 1,600,000	$ 72,000	$ 1,672,000	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2021

Limited Tax Pension Bond 2002 Refunding 2021

On October 31, 2002, the District issued bonds as part of the Oregon School Boards Association Limited Tax Pension Bond Pool. 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. The original amount of the obligations was $6,393,627 with interest rates ranging from 2.06% to 6.10%. On January 31, 2012, the District participated in a partial refunding of its Limited Tax Pension Bond- 2002. This partial refunding was for the 2021 year for $450,000. The interest rate for this refunded portion is 2.75%. The bonds are held by Wells Fargo.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	$ 450,000	$ -	$ 450,000	$ -	$ -
Interest	-	12,375	12,375	-	-
Total	$ 450,000	$ 12,375	$ 462,375	$ -	$ -

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2021

SUPPLEMENTAL INFORMATION 2020-2021

Part A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

B. Energy Bills for Heating - All Funds:

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

	Objects 325 & 326 & *327
Function 2540	$ 268,648
Function 2550	$ -

C. Replacement of Equipment - General Fund:

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

Exclude these functions:		Exclude these functions:		$ 12,501
1113,1122 & 1132	Extra-curricular Activities	4150	Construction	
1140	Pre-Kindergarten	2550	Pupil Transportation	
1300	Continuing Education	3100	Food Service	
1400	Summer School	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.

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Revenue Summary - All Funds

For the Fiscal Year Ended June 30, 2021

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 400
1110 Ad Valorem Taxes Levied by District	$ 3,543,660	$ -	$ -	$ -
1190 Penalties and Interest on Taxes	901	-	-	-
1500 Earnings on Investments	424	-	67,540	-
1600 Food Service	-	5,931	-	-
1700 Extracurricular Activities	18,523	59,860	-	-
1910 Rentals	9,775	-	-	-
1960 Recovery of Prior Years' Expenditue	24,424	-	-	42,779
1970 Services Provided Other Funds	-	-	1,439,832	-
1980 Fees Charged to Grants	33,578	-	-	-
1990 Miscellaneous	121,005	-	-	37,054
Total Revenue from Local Sources	$ 3,752,291	$ 65,792	$ 1,507,372	$ 79,832

Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 400
2101 County School Funds	$ 15,754	$ -	$ -	$ -
2199 Other Intermediate Sources	3,207	-	-	-
2200 Restricted Revenue	133,284	-	-	-
Total Revenue from Intermediate Sources	$ 152,245	$ -	$ -	$ -

Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400
3101 State School Fund - General Support	$ 12,398,219	$ -	$ -	$ -
3103 Common School Fund	142,294	-	-	-
3299 Other Restricted Grants-In-Aid	-	966,166	-	1,113,754
Total Revenue from State Sources	$ 12,540,512	$ 966,166	$ -	$ 1,113,754

Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 400
4500 Restricted Revenue From the Federal Government Through the State	$ -	$ 3,056,498	$ -	$ -
4801 Federal Forest Fees	137,430	-	-	-
4900 Revenue for/on Behalf of the District	-	57,246	24,091	-
Total Revenue from Federal Sources	$ 137,430	$ 3,113,744	$ 24,091	$ -

Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400
5100 Long Term Debt Financing Sources	-	-	-	1,600,000
5200 Interfund Transfers	$ -	$ 6,778	$ 884,244	$ 552,367
5300 Sale of or Compensation for Loss of Fixed Assets	400,200	-	-	-
5400 Resources - Beginning Fund Balance	2,775,667	205,477	3,201,282	875,402
Total Revenue from Other Sources	$ 3,175,867	$ 212,254	$ 4,085,525	$ 3,027,769
Grand Total	$ 19,758,344	$ 4,357,956	$ 5,616,989	$ 4,221,355

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-General Fund #100

For the Fiscal Year Ended June 30, 2021

FUND: General Fund #100

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	$ 2,933,819	$ 1,782,995	$ 1,025,517	$ 85,180	$ 40,127	$ -	$ -	$ -
1121	Middle/Junior High Programs	1,455,346	900,326	500,369	46,243	8,408	-	-	-
1122	Middle/Junior High School Extracurricular	82,144	63,731	15,016	2,382	764	-	250	-
1131	High School Programs	1,608,442	944,114	596,958	52,088	14,872	-	410	-
1132	High School Extracurricular	188,770	115,430	24,941	15,734	27,414	-	5,252	-
1140	Pre-Kindergarten Programs	18	-	18	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	560,559	331,244	211,597	11,489	6,229	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	941,452	577,384	327,107	32,951	4,009	-	-	-
1291	English Second Language Programs	59	-	-	-	59	-	-	-
1460	Summer School Programs	4,430	3,307	1,124	-	-	-	-	-
	Total Instruction Expenditures	$ 7,775,038	$ 4,718,531	$ 2,702,647	$ 246,066	$ 101,882	$ -	$ 5,912	$ -

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	$ 355,288	$ 212,076	$ 143,212	$ -	$ -	$ -	$ -	$ -
2120	Guidance Services	$ 205,219	$ 122,514	$ 82,426	$ -	$ 279	$ -	$ -	$ -
2130	Health Services	13,059	-	-	1,091	11,968	-	-	-
2140	Psychological Services	102,153	59,039	40,453	-	2,661	-	-	-
2190	Service Direction, Student Support Services	138,996	62,933	29,102	43,735	2,631	-	595	-
2210	Improvement of Instruction Services	124,154	87,872	35,248	296	144	-	595	-
2220	Educational Media Services	210,757	99,058	82,286	678	28,659	-	75	-
2240	Instructional Staff Development	30,936	-	30,936	-	-	-	-	-
2310	Board of Education Services	309,813	-	-	140,336	829	-	168,649	-
2320	Executive Administration Services	201,138	133,000	61,935	1,720	3,889	-	595	-
2410	Office of the Principal Services	1,616,672	910,939	338,162	323,549	38,277	-	5,745	-
2520	Fiscal Services	304,967	181,304	79,344	33,939	5,324	-	5,057	-
2540	Operation and Maintenance of Plant Services	1,172,786	498,208	289,467	189,494	115,774	79,754	90	-
2550	Student Transportation Services	1,019,577	-	-	951,640	67,937	-	-	-
2570	Internal Services	86,305	-	-	86,305	-	-	-	-
2640	Staff Services	103,557	58,795	36,045	1,685	6,922	-	110	-
2660	Technology Services	386,581	-	-	138,281	248,099	-	200	-
2700	Supplemental Retirement Program	2,742	-	2,742	-	-	-	-	-
	Total Support Services Expenditures	$ 6,384,699	$ 2,425,738	$ 1,251,358	$ 1,912,749	$ 533,391	$ 79,754	$ 181,711	$ -

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5200	Transfers of Funds	$ 1,443,388	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,443,388
	Total Other Uses Expenditures	$ 1,443,388	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,443,388
	Grand Total	$ 15,603,125	$ 7,144,269	$ 3,954,005	$ 2,158,815	$ 635,272	$ 79,754	$ 187,622	$ 1,443,388

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2021

FUND: Special Revenue Fund #200

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
1111 Elementary, K-5 or K-6	$ 38,065	$ -	$ -	$ -	$ 38,065	$ -	$ -
1113 Elementary Extracurricular	12,566	-	-	-	12,566	-	-
1121 Middle/Junior High Programs	94,643	49,786	33,047	483	10,456	-	870
1122 Middle/Junior High School Extracurricular	21,421	-	-	-	13,771	-	7,650
1131 High School Programs	630,467	263,384	164,967	27,251	173,131	-	1,734
1132 High School Extracurricular	63,589	-	-	5,825	46,564	-	11,200
1140 Pre-Kindergarten Programs	167,979	82,641	54,796	8,054	22,488	-	-
1210 Programs for the Talented and Gifted	2,660	2,000	660	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	112,552	69,819	42,732	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	64,836	43,564	19,099	1,476	697	-	-
1272 Title I	516,935	360,410	111,930	10,157	34,438	-	-
1460 Summer School Programs	80	60	20	-	-	-	-
Total Instruction Expenditures	$ 1,725,794	$ 871,664	$ 427,252	$ 53,247	$ 352,177	$ -	$ 21,454

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2110 Attendance and Social Work Services	$ 136,838	$ 36,317	$ 12,350	$ 835	$ 87,336	$ -	$ -
2130 Health Services	7,775	-	-	-	7,775	-	-
2190 Service Direction, Student Support Services	123,607	85,198	38,409	-	-	-	-
2210 Improvement of Instruction Services	65,974	45,568	20,406	-	-	-	-
2220 Educational Media Services	38,587	23,161	15,426	-	-	-	-
2240 Instructional Staff Development	130,114	69,586	37,877	17,925	4,666	-	60
2320 Executive Administration Services	260,872	229,966	30,906	-	-	-	-
2410 Office of the Principal Services	1,290	967	323	-	-	-	-
2490 Other Support Services - School Administration	68,072	24,113	10,381	-	-	-	33,578
2540 Operation and Maintenance of Plant Services	121,376	14,553	5,501	20,107	81,215	-	-
2550 Student Transportation Services	29,939	-	-	29,939	-	-	-
2640 Staff Services	20	-	-	20	-	-	-
2660 Technology Services	300,911	61,612	36,687	19,025	183,587	-	-
Total Support Services Expenditures	$ 1,285,376	$ 591,041	$ 208,267	$ 87,850	$ 364,580	$ -	$ 33,638

Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100 Food Services	$ 985,805	$ 233,419	$ 138,441	$ 552,643	$ 17,981	$ 39,780	$ 3,540
3300 Community Services	4,781	-	-	419	4,362	-	-
Total Enterprise and Community Services Expenditures	$ 990,585	$ 233,419	$ 138,441	$ 553,062	$ 22,343	$ 39,780	$ 3,540

Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
4150 Building Acquisition, Construction, and Improvement	$ 6,084	$ -	$ -	$ 6,084	$ -	$ -	$ -
Total Facilities Acquisition and Construction	$ 6,084	$ -	$ -	$ 6,084	$ -	$ -	$ -
Grand Total	$ 4,007,839	$ 1,696,124	$ 773,961	$ 700,242	$ 739,100	$ 39,780	$ 58,632

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-Debt Service Fund #300

For the Fiscal Year Ended June 30, 2021

FUND: Debt Service Fund #300

		Totals	Object 600
Other Uses Expenditures			
5100	Debt Service	$ 2,196,830	$ 2,196,830
	Total Other Uses Expenditures	$ 2,196,830	$ 2,196,830
	Grand Total	$ 2,196,830	$ 2,196,830

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-Capital Projects Fund #400

For the Fiscal Year Ended June 30, 2021

FUND: Capital Projects Fund #400

Facilities Acquisition and Construction Expenditures	**Totals**	**Object 300**	**Object 400**	**Object 500**	**Object 600**
4150 Building Acquisition, Construction, and Improvement Services	$1,633,836	$ 162,390	$ 87	$ 1,466,624	$ 4,735
Total Facilities Acquisition and Construction Expenditures	$1,633,836	$ 162,390	$ 87	$ 1,466,624	$ 4,735
Grand Total	$1,633,836	$ 162,390	$ 87	$ 1,466,624	$4,735

ACCOMPANYING

INFORMATION

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2021

To the Governing Body of the South Umpqua School District No. 19
Myrtle Creek, Oregon

I have audited the basic financial statements of the South Umpqua School District No. 19 as of and for the year ended June 30, 2021 and have issued my report thereon dated December 8, 2021. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and Government Audit Standards.

Compliance
As part of obtaining reasonable assurance about whether the South Umpqua School District No. 19's financial statements are free of material misstatement, I 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

I performed procedures to the extent I 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).**
    - No registration recorded with Oregon State Treasurer as of 12-15-2021.
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with my testing, nothing came to my 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 Oregon Municipal Corporations, with the following exceptions:

OAR 162-10-0230 Internal Control
In planning and performing my audit, I considered the District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management of South Umpqua School District No. 19 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 8, 2021

SINGLE AUDIT SECTION

UMPQUA VALLEY
FINANCIAL

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*

To the Board of Directors
South Umpqua School District No. 19

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South Umpqua School District No. 19, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise South Umpqua School District No. 19's basic financial statements and have issued our report thereon dated December 8, 2021.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered South Umpqua School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of South Umpqua School District's internal control. Accordingly, I do not express an opinion on the effectiveness of South Umpqua School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

My 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 significant deficiencies or material weaknesses. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Umpqua School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steve Tuchscherer, CPA
Roseburg, Oregon
December 8, 2021

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

To the Board of Directors
South Umpqua School District No. 19

Report on Compliance for Each Major Federal Program

I have audited South Umpqua School District No. 19's compliance with the types of compliance requirements described in the OMB *Circular Compliance Supplement* that could have a direct and material effect on each of South Umpqua School District No. 19's major federal programs for the year ended June 30, 2021. South Umpqua School District No. 19's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of South Umpqua School District No. 19's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about South Umpqua School District No. 19's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination South Umpqua School District No. 19's compliance.

Opinion on Each Major Federal Program

In my opinion, South Umpqua School District No. 19 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

The management of South Umpqua School District No. 1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit, I considered South Umpqua School District No. 19's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of South Umpqua School District No. 19's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.

Steve Tuchscherer, CPA
Roseburg, Oregon
December 8, 2021

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED June 30, 2021

Federal Grantor/Pass Through Grantor/ Program Title	Federal Awarding Agency Prefix	AL Three-Digit Extension	Additional Award Identification	Federal Program Name	Cluster Name	Grant Fund	Federal CFDA Number	Grant Period	Original Program or Grant Amount	(Receivable)/ Deferred Revenue June 30, 2020	Cash Received	Expenditures	(Receivable)/ Deferred Revenue June 30, 2021
US. DEPARTMENT OF EDUCATION													
Passed Through Oregon Department of Education:													
Title IA - Grants to Local Education Agencies	84	.010				Fund #200	84.010	2020-21	$ 696,612		$ 479,290	$ 589,770	$ (110,480)
Title IA - Grants to Local Education Agencies	84	.010				Fund #200	84.010	2019-20	779,381	(132,579)	159,401	26,822	-
Total Title I									1,475,993	(132,579)	638,691	616,592	(110,480)
Title II-A Teacher Quality	84	367				Fund #200	84.367	2020-21	55,604		23,444	34,101	(10,657)
Title II-A Teacher Quality	84	367				Grants Fund	84.367	2019-20	88,981	(27,393)	48,896	21,503	-
Total Title I I-A									144,585	(27,393)	72,340	55,604	(10,657)
Elementary & Secondary School Emergency Relief, I	84	425	**COVID-19, 84.425D**	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	Fund #230	84.425	2020-21	605,104	(127,628)	501,842	440,552	(66,338)
Elementary & Secondary School Emergency Relief, II	84	425	**COVID-19, 84.425D**	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	Fund #231	84.425	2020-21	2,275,291		16,029	325,059	(309,030)
Elementary & Secondary School Emergency Relief, III	84	425	**COVID-19, 84.425C**	Governor's Emergency Education Relief Fund	Educational Stabilization Fund	Fund #232	84.425	2020-21	5,113,564		-	6,084	(6,084)
Comprehensive Distance Learning, GEER Funding	84	425				Fund #230	84.425	2020-21	111,187		111,187	111,187	-
Total Educational Stabilization Fund									8,105,146	(127,628)	629,058	882,882	(381,452)
School Improvements Grants	84	377				Fund #200	84.377	2019-20	52,500		21,734	21,734	-
Special Education - State Personnel Development	84	323				Fund #200	84.323	2019-20	22,459	(2,073)	2,073	-	-
Rural Education	84	358				Fund #200	84.358	2019-20	10,219	(2,442)	2,442	-	-
Rural Education	84	358				Fund #200	84.358	2020-21	58,176		41,704	50,127	(8,423)
Total Rural Education									68,395	(2,442)	44,146	50,127	(8,423)
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund #200	84.027	2020-21	319,084		249,404	319,084	(69,680)
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Grants Fund	84.027	2019-21	54,904	(46,575)	48,608	2,033	-
IDEA - Special Ed Preschool Grant (Part B Sec. 619	84	173				Fund #200	84.173	2020-21	773		773	773	-
Total IDEA									374,761	(46,575)	298,785	321,890	(69,680)
Student Support & Academic Enrichment	84	424				Fund #200	84.424	2019-20	64,281	(12,015)	19,253	11,532	(4,294)
Student Support & Academic Enrichment	84	424				Fund #200	84.424	2020-21	54,126	-	14,145	14,145	-
Total Student Support & Academic Enrichment									118,407	(12,015)	33,398	25,677	(4,294)
Total Passed through Oregon Department of Education									$ 10,297,965	$ (338,690)	$ 1,720,972	$ 1,962,974	$ (580,692)
Passed through Douglas Education Service District:													
Carl Perkins Career & Technical Education	84	048				Fund #200	84.048	2020-21	8,397	-	7,584	8,397	(813)
Carl Perkins Career & Technical Education	84	048				Fund #200	84.048	2020-21	11,239	(1,255)	1,255	-	-
Total Carl Perkins Career & Technical Education									19,636	(1,255)	8,839	8,397	(813)
Total Passed through Douglas Education Service District									$ 19,636	$ (1,255)	$ 8,839	$ 8,397	$ (813)
Total U.S. Department of Education									$ 10,317,601	$ (339,945)	$ 1,729,811	$ 1,971,371	$ (581,505)
Passed through University of Oregon/Oregon University System													
Gear Up	84	334				Fund #200	84.334S	2020-21	$ 50,000		$ 23,334	$ 45,245	$ (21,911)
Gear Up	84	334				Fund #200	84.334S	2019-20	$ 20,000	$ (5,362)	$ 9,550	$ 9,335	$ (5,147)
U.S. DEPARTMENT OF AGRICULTURE									$ 70,000	$ (5,362)	$ 32,884	$ 54,580	$ (27,058)
Passed Through Oregon Department of Education:													
Commodities (Riddle SD)	10	555				Fund #200	10.555	2020-21	$ 12,976		$ 12,976	$ 12,976	$ -
Commodities	10	555				Fund #200	10.555	2020-21	$ 57,246		$ 57,246	$ 57,246	$ -
CARES SFSP Sponsor Admin	10	559				Fund #200	10.559	2020-21	13,930		13,930	13,930	-
Summer Food Program - Admin	10	559				Fund #200	10.559	2020-21	92,548		86,151	92,548	(6,397)
Summer Food Program	10	559				Fund #200	10.559	2020-21	901,823	-	839,444	901,823	(62,379)
Total National School Lunch Program									1,065,547	-	996,771	1,065,547	(68,776)
Total U.S. Department of Agriculture									$ 1,065,547	$ -	$ 996,771	$ 1,065,547	$ (68,776)
TOTALS									**$ 11,453,148**	**$ (345,307)**	**$ 2,759,466**	**$ 3,091,498**	**$ (677,339)**

This schedule is prepared using the modified accrual basis of accounting.

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of federal awards (the "Schedule") includes the federal award activity of South Umpqua School District No. 19 under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of South Umpqua School District No. 19, it is not intended to and does not present the financial position, changes in net assets, or cash flows of South Umpqua School District No. 19.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COSTS RATE

South Umpqua School District No. 19 has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2021

Section I—Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of South Umpqua School District No. 19 in accordance with GAAP.
2. No material weaknesses or significant deficiencies in internal control related to the financial statement audit were identified which are required to be reported.
3. No instances of noncompliance material to the financial statements of South Umpqua School District No. 19 were disclosed during the audit.
4. The auditor's report on compliance for the major federal award program expresses an unmodified opinion.
5. The audit did not disclose any findings that are required to be reported.
6. The program tested as a major program was the Educational Stabilization Fund AL# 84.425.
7. The threshold for distinguishing between Type A and B programs was $750,000.
8. The District was determined to be a low-risk auditee.

Section II—Financial Statements Findings

No findings related to the financial statements are reported in accordance with *Government Auditing Standards* for the year ended June 30, 2021.

Section III—Findings and Questioned Costs for Federal Awards.

No matters were reported relating to significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Section IV—Summary Schedule of Prior Audit Findings

There were no findings or questioned costs for the year ended June 30, 2020.