SOUTH UMPQUA SCHOOL DISTRICT #19

Myrtle Creek, Oregon

Annual Financial Report

June 30, 2023

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

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

BOARD OF DIRECTORS

ANANDITA TIWARI — Zone 1 Position 1
558 SW Chadwick Lane, Myrtle Creek, OR 97457

RANDY RICHARDSON — Zone 1 Position 2
558 SW Chadwick Lane, Myrtle Creek, OR 97457

LONNIE RAINVILLE — Zone 2 Position 1
558 SW Chadwick Lane, Myrtle Creek, OR 97457

DAVID STEVENS — Zone 2 Position 2
558 SW Chadwick Lane, Myrtle Creek, OR 97457

JEFF JOHNSON — Zone 3 Position 1
558 SW Chadwick Lane, Myrtle Creek, OR 97457

QUINN PICKERING — Zone 3 Position 2
558 SW Chadwick Lane, Myrtle Creek, OR 97457

SUZIE ROGERS — Zone 3 Position 3
558 SW Chadwick Lane, Myrtle Creek, OR 97457

ADMINISTRATION

SHY CHAPMAN — Director of Fiscal Services
558 SW Chadwick Lane, Myrtle Creek, OR 97457

KATE MCLAUGHLIN — Superintendent
558 SW Chadwick Lane, Myrtle Creek, OR 97457

SOUTH UMPQUA SCHOOL DISTRICT NO. 19
AUDIT REPORT
June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of the South Umpqua School District No. 19 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the South Umpqua School District No. 19's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of South Umpqua School District No. 19 as of June 30, 2023, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Umpqua School District No. 19 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Umpqua School District No. 19's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Umpqua School District No. 19's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about South Umpqua School District No. 19's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-9, schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 57-58, and the pension and OPEB schedules on pages 59-64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis and the pension and OPEB 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our 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 on pages 57-58 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 our 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.

Supplementary Information

Our 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 supplementary information on pages 66-67 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 supplementary information on pages 66-67 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 our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the additional schedules listed in the Other Information section of the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

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

The schedule of expenditures of federal awards, as listed in the Table of Contents, is presented for purposes of additional analysis as required by Oregon Department of Education and 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.

Reports on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 19, 2023, on our 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 our testing of compliance and the results of that testing and not to provide an opinion on the District's compliance.

Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 19, 2023

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, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the 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, 2023 are as follows:

- The District's net position increased by $6,097,946 which represents a 69% increase from the previous year primarily due to the decrease in long-term liabilities and increase in capital assets.
- General revenues accounted for $18,038,496 in revenue, or 65.5% of all revenues. Program specific revenues in the form of charges for services, and grants and donations accounted for $9,516,672 or 34.5% of total revenues of $27,555,168.
- The District had $21,457,223 in expenses, which was less than total revenues.
- Total assets on the Statement of Net Position increased by $5,212,153, primarily due to an increase in capital assets from the prior year.
- Total liabilities on the Statement of Net Position decreased by $1,025,211 during the year primarily due to a decrease in long-term liabilities.

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 $14,973,530. This is a $6,097,946 increase from last year's net position and represents a 69% 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, 2023	June 30, 2022	Percentage Change
Assets			
Current and Other Assets	$ 11,330,940	$ 10,681,207	6.1%
Capital Assets	16,590,784	12,028,364	37.9%
Total Assets	27,921,724	22,709,571	23.0%
Deferred Outflow of Resources	5,495,314	4,105,657	33.8%
Liabilities			
Long-Term Liabilities	11,844,582	11,127,682	6.4%
Other Liabilities	2,959,449	2,651,138	11.6%
Total Liabilities	14,804,031	13,778,820	7.4%
Deferred Inflow of Resources	3,639,477	4,160,823	-12.5%
Net Position			
Net Investment in Capital Assets	12,565,784	7,795,127	61.2%
Unrestricted	(2,669,496)	1,080,457	347.1%
Total Net Position	$ 14,973,530	$ 8,875,585	68.7%

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		
	2022-23	2021-22	Percentage Change
Revenues			
Program Revenues			
Charges for Services	$ 528,235	$ 194,870	171.1%
Operating Grants and Contributions	8,988,437	5,347,290	68.1%
General Revenues			
Property Taxes	3,872,497	3,480,547	11.3%
State Basic School Support	13,548,313	12,398,219	9.3%
Federal Forest Fees	151,821	137,430	10.5%
Other	465,865	387,279	20.3%
Total Revenues	27,555,168	21,945,635	25.6%
Program Expenses			
Instruction	10,057,135	8,158,162	23.3%
Support Services	9,454,817	7,377,477	28.2%
Community Services	1,012,602	941,659	7.5%
Interest on Long-Term Debt	932,668	636,029	46.6%
Total Program Expenses	21,457,223	17,113,328	25.4%
Special Item: Gain (Loss) on disposition of assets	-	273,968	
Change in Net Position	$ 6,097,945	$ 5,106,275	

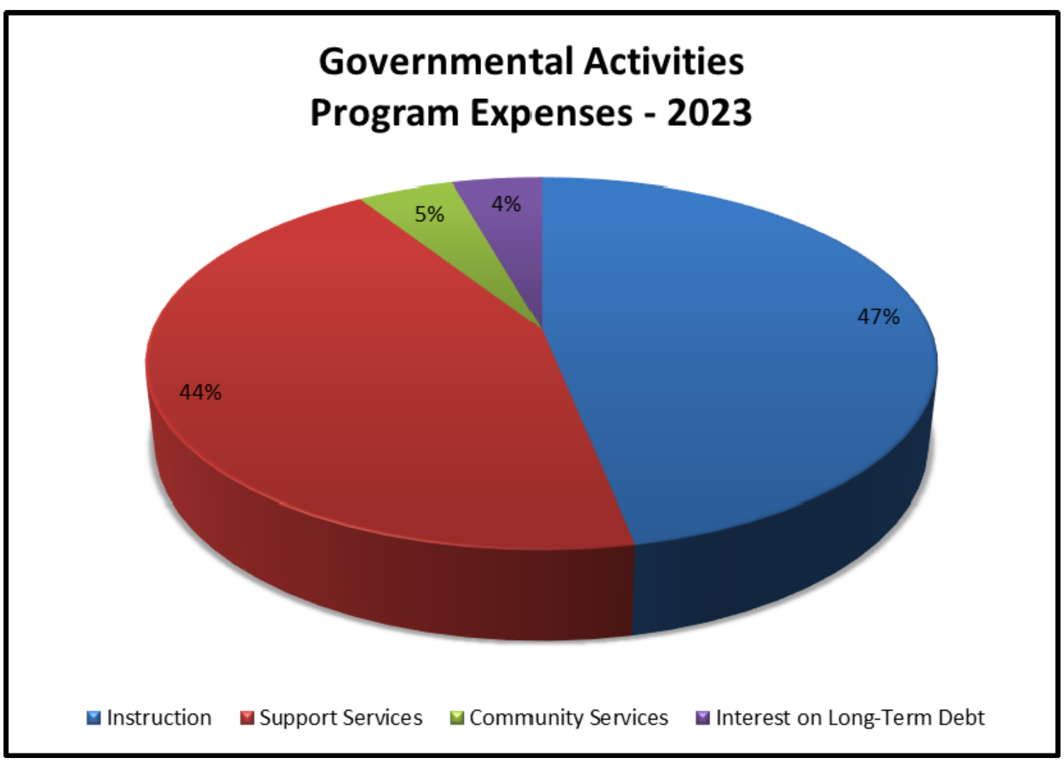
The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's 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

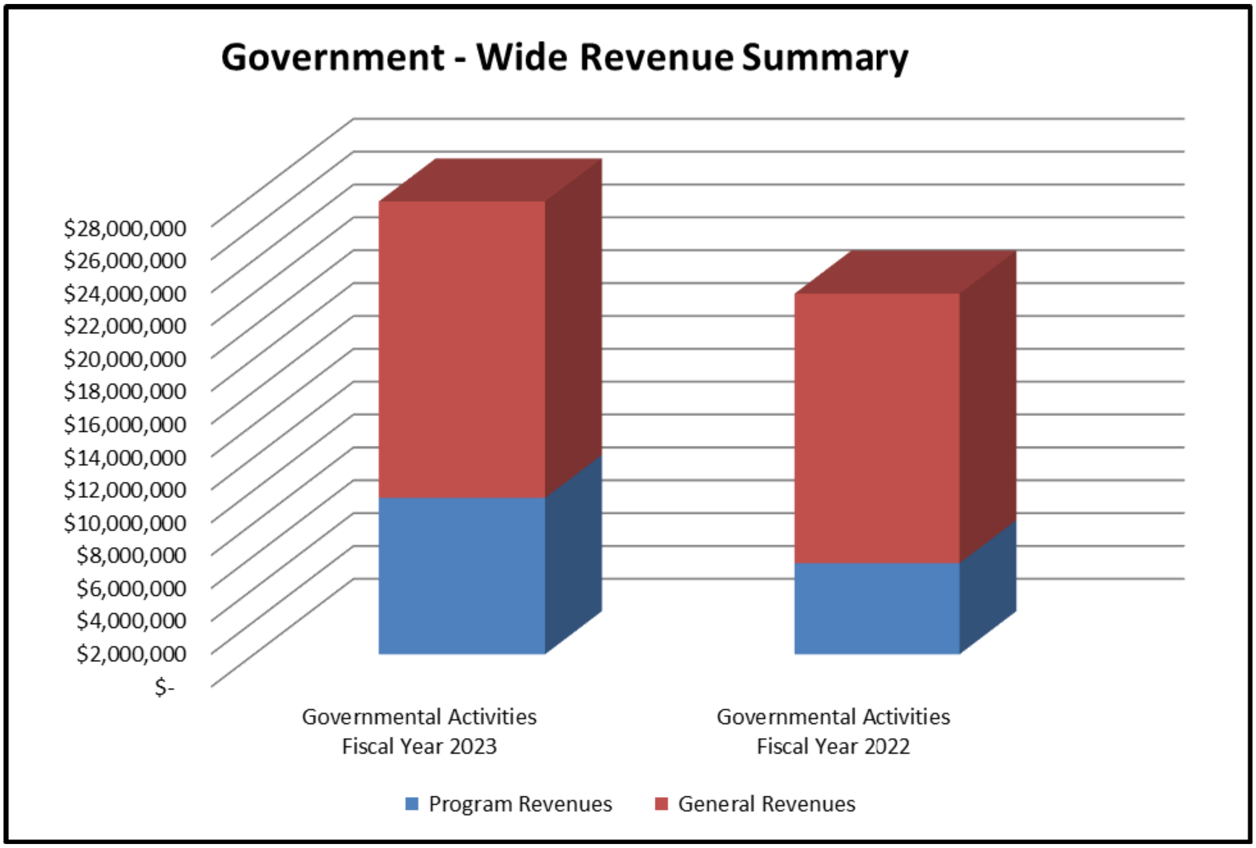
	2022-23		2021-22	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	$10,057,135	$ 5,209,751	$ 8,158,162	$ 5,585,734
Support Services	9,454,817	6,721,497	7,377,477	5,705,267
Community Services	1,012,602	(923,365)	941,659	(355,863)
Interest on Long-Term Debt	932,668	932,668	636,029	636,029
Total Program Expenses	$21,457,223	$11,940,551	$17,113,328	$11,571,168

The dependence on general revenues for general government activities is apparent. For the current year, 65.5% 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 $10,112,869, an increase of $891,768. The fund balance consists of restricted, committed, assigned and unassigned amounts. Of the current fund balances, $5,077,242 is restricted, $685,813 is committed and $4,349,814 is unassigned and available for spending at the District's discretion.

The General Fund is the principal operating fund of the District. The decrease in fund balance in the General Fund for the fiscal year was $397,830.

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 $16,961,003 during the fiscal year. Actual revenues, including beginning fund balance, were $17,930,212 during the fiscal year, so that actual resource amounts were more than budgeted by $969,209. General Fund expenditures, excluding interfund transfers out, were budgeted at $18,224,021. Actual expenditures, including interfund transfers out, were $16,238,118, resulting in an under-spent amount of $1,985,903. The actual ending fund balance was more than the budgeted ending fund balance by $3,179,450.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the District had invested $37,164,753 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 $5,150,151 from last year due to additions in construction in process of $4,061,445, additions of purchased and completed projects of $3,023,746 and $1,935,039 deletions.

Total depreciation expense for the year was $587,731. 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, 2023 the District had $8,282,267 in long-term debt outstanding. The District paid $1,037,237 toward the principal balance of the long-term debt. The District paid $898,848 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

For the 2023-24 Fiscal Year, district staff proposed a budget that allows the district to continue providing high quality services to students and move toward our continuous improvement plan based on existing estimates. At the same time staff have worked to expand and improve programs using additional grant funds.

This budget was built on the official estimate issued by the Oregon Department of Education February 22nd 2023. The 2023-25 biennial budget and state school fund distributions are predicated on a $9.9 billion state appropriation. This amount has not yet been amended by the legislature as of the date of the budget message. This funding level is not expected to change significantly. Further it is anticipated that income tax collections will remain stable and property tax collections will increase slightly from last year. A Licensed bargaining agreement was negotiated in 2023 and is set for three years. The agreement provides for a 5% COLA and an insurance cap per month for 2023-24. The Classified bargaining agreement began in 2021-22 and is for three years. The classified agreement will see a 5% cola and an insurance cap.

The District's 2023-24 budget looks to maintain a firm financial position. Projected enrollment combined with expected state revenue and grant funding is expected to provide enough revenue to allow the district to maintain a good financial position. We continue to keep an eye to the future, as these are challenging years to navigate financially.

The District's adopted budget for the fiscal year ending June 30, 2023 represents an overall decrease of $3,958,741 or 9.9% when compared with the current fiscal year. The total budget for the fiscal year ending June 30, 2023 is $35,980,349.

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

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

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

STATEMENT OF NET POSITION

June 30, 2023

		Governmental Activities
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 9,815,602	
Property Taxes Receivable	286,658	
Accounts Receivable	982,302	
Due From Other Governments	4,088	
Prepaid Expenses	75,278	
Prepaid Loan Fees, net of accumulated amortizatio	2,185	
Total Current Assets		$ 11,166,113
Restricted Assets:		
Net OPEB Asset (RHIA)	164,827	
Total Restricted Assets		164,827
Capital Assets:		
Land	1,238,172	
Construction in Progress	4,475,699	
Land Improvement	2,343,505	
Building and Building Improvement	26,598,135	
Machinery and Equipment	2,509,243	
Less: Accumulated Depreciation	(20,573,969)	
Total Capital Assets, Net of Depreciation		16,590,784
Total Assets		**27,921,724**
DEFERRED OUTFLOW OF RESOURCES		
Pension Related Deferrals	5,306,466	
OPEB Related Deferrals - RHIA	27,833	
OPEB Related Deferrals - OEBB and Stipend	161,015	
Total Deferred Outflow of Resources		**5,495,314**
LIABILITIES:		
Accounts Payable	$ 177,433	
Accrued Interest Payable	460,671	
Payroll Liabilities	540,164	
Other Current Liabilities	-	
Advances from Grantors	76,209	
Accrued Vacation Benefits	55,512	
Bonds Payable		
Due within one year	1,620,000	
Due in more than one year	6,664,999	
Early Retirement Benefits		
Due in more than one year	29,460	
Net OPEB Obligation - OEBB and Stipend	978,867	
Net Pension Liability	4,200,716	
Total Liabilities		**14,804,031**
DEFERRED INFLOW OF RESOURCES		
Pension Related Deferrals	3,290,364	
OPEB Related Deferrals - RHIA	22,531	
OPEB Related Deferrals - OEBB and Stipend	326,582	
Total Deferred Inflow of Resources		**3,639,477**
NET POSITION:		
Net Investment in Capital Assets	12,565,784	
Restricted for:		
Debt Service	3,959,240	
Capital Construction & Building Maintenance	1,118,002	
Unrestricted	$ (2,669,496)	
Total Net Position		**$ 14,973,530**

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, 2023

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	(Expenses)	Charges for Services	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES:				
Instruction	$ 10,057,135	$ 396,427	$ 4,330,362	$ (5,330,346)
Support Services	9,307,165	-	2,652,219	(6,654,947)
Enterprise and Community Services	1,160,254	131,808	2,005,856	977,410
Interest on Long-Term Debt	932,668	-	-	(932,668)
Total Governmental Activities	**$ 21,457,223**	**$ 528,235**	**$ 8,988,437**	**$ (11,940,551)**
GENERAL REVENUES:				
Local Sources:				
Property Taxes, Levied for General Purposes				$ 3,872,497
Earnings on Investments				306,560
Unrestricted State and Local Revenue				128,864
Intermediate Sources				30,441
State School Fund for Education and Support Services				13,548,313
Federal Forest Fees for General Purposes				151,821
Subtotal - General Revenues				18,038,496
Special Items:				
Change in Net Position				6,097,945
Net Position, July 1, 2022				8,875,585
Net Position, June 30, 2023				**$ 14,973,530**

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, 2023

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	$4,625,722	$ (35,707)	$3,955,152	$1,270,436	$ 9,815,603
Property Taxes Receivable	286,658	-	-	-	286,658
Accounts Receivable	105,956	873,242	-	3,103	982,301
Due From Other Governments	-	-	4,088	-	4,088
Prepaid Expenses	59,227	16,051	-	-	75,278
Total Assets	**$5,077,563**	**$ 853,586**	**$3,959,240**	**$1,273,539**	**$ 11,163,928**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
LIABILITIES:					
Accounts Payable	$ 32,866	$ 136,682	$ -	$ 7,885	$ 177,433
Payroll Liabilities	437,630	102,534	-	-	540,164
Advances from Grantors	-	76,209	-	-	76,209
Total Liabilities	**470,496**	315,425	-	7,885	**793,806**
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	257,253	-	-	-	257,253
Total Deferred Inflows of Resources	**257,253**	-	-	-	**257,253**
FUND BALANCES:					
Non-spendable	59,227	16,051	-	-	75,278
Restricted for:					
Capital Construction & Building Mainten	-	-	-	1,265,654	1,265,654
Debt Service	-	-	3,959,240	-	3,959,240
Special Programs	-	522,110	-	-	522,110
Unassigned	4,290,587	-	-	-	4,290,587
Total Fund Balances	**4,349,814**	538,161	3,959,240	1,265,654	**10,112,869**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$5,077,563**	**$ 853,586**	**$3,959,240**	**$1,273,539**	**$ 11,163,928**

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, 2023

Total Fund Balances - Governmental Funds		$ 10,112,869
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	$ 37,164,753	
Accumulated depreciation	(20,573,969)	
Net Value of Capital Assets		16,590,784
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		257,253
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Contributions	5,495,314	
Deferred Earnings on Pension/OPEB Assets	(3,639,477)	
Net Value of Deferrals		1,855,837
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		2,185
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	460,671	
Bonds Payable	8,284,999	
Early Retirement Benefits	29,460	
Net Pension Liability	4,200,716	
Net OPEB Obligations	814,040	
Accrued Vacation Benefits	$ 55,512	
Total		(13,845,398)
Net Position of Governmental Activities		**$ 14,973,530**

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, 2023

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Governmental Funds
REVENUES:					
Taxes	$ 3,833,260	$ -	$ -	$ -	$ 3,833,260
Earnings on Investments	470	-	306,090	-	306,560
Fees and Charges	60,555	391,084	-	-	451,639
Miscellaneous Revenue	166,488	-	1,567,021	281,113	2,014,622
Intermediate Government Aid	151,153	-	-	-	151,153
State Aid	13,566,465	1,947,588	-	-	15,514,053
Federal Aid	151,821	6,641,538	22,054	-	6,815,413
Total Revenues	**17,930,212**	**8,980,210**	**1,895,165**	**281,113**	**29,086,700**
EXPENDITURES:					
Current:					
Instruction	8,192,244	2,285,390	-	-	10,477,634
Support Services	8,045,874	1,536,941	-	-	9,582,815
Enterprise and Community Services	-	1,160,737	-	-	1,160,737
Capital Outlay:					
Facilities Acquisition and Constructio	-	4,022,069	-	975,844	4,997,913
Debt Service	-	-	1,975,833	-	1,975,833
Total Expenditures	**16,238,118**	**9,005,137**	**1,975,833**	**975,844**	**28,194,932**
Excess (Deficiency) of Revenues Over Expenditures	1,692,094	(24,927)	(80,668)	(694,731)	891,768
OTHER FINANCING SOURCES (USES):					
Interfund Transfers In	-	-	589,924	1,500,000	2,089,924
Interfund Transfers Out	(2,089,924)	-	-	-	(2,089,924)
Total Other Financing Sources (Uses)	**(2,089,924)**	**-**	**589,924**	**1,500,000**	**-**
Net Change in Fund Balance	(397,830)	(24,927)	509,256	805,269	891,768
Beginning Fund Balance	4,747,644	563,088	3,449,984	460,385	9,221,101
Ending Fund Balance	**$ 4,349,814**	**$ 538,161**	**$ 3,959,240**	**$1,265,654**	**$ 10,112,869**

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, 2023

Net Changes in Fund Balances - Total Governmental Funds		$ 891,768
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	$ 5,150,151	
Less current year depreciation	(587,731)	
		4,562,420
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.		39,237
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	1,073,237	
		1,073,237
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.		(493,076)
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	(33,820)	
Increase/(decrease) in accrued OPEB	58,724	
Increase/(decrease) in early retirement liability	2	
		24,906
Change in Net Position of Governmental Activities		**$ 6,097,945**

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, 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.):

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities columns of the Statement of Activities.

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, 2023, the reported amount of the District's deposits was $1,136,961 including Trust Accounts, the bank balance was $1,248,419. 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, 2023, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

CASH AND INVESTMENTS (Cont.):

At June 30, 2023, 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)	$ 8,682,724	N/A
Total Investments	$ 8,682,724	

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.

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2023:

Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances
Assets not being depreciated:				
Land	$ 1,238,172	$ -	$ -	$ 1,238,172
Construction in Progress	2,349,293	4,061,445	1,935,039	4,475,699
Total assets not being depreciated	3,587,465	4,061,445	1,935,039	5,713,871
Assets being depreciated:				
Land Improvement	384,882	1,958,623	-	2,343,505
Building and Building Improvement	26,089,204	508,931	-	26,598,135
Machinery and Equipment	1,953,051	556,191	-	2,509,243
Total Depreciable Assets	28,427,137	3,023,746	-	31,450,883
Less: Accumulated Depreciation				
Land Improvement	149,033	80,040	-	229,073
Building and Building Improvement	18,622,706	361,601	-	18,984,307
Machinery and Equipment	1,214,498	146,091	-	1,360,589
Total Accumulated Depreciation	19,986,238	587,731	-	20,573,969
Net Value of Capital Assets Being Depreciated	8,440,899	2,436,015	-	10,876,914
Total Governmental Activities -- Net Value of Capital Assets	$ 12,028,364	$ 6,497,460	$ 1,935,039	$ 16,590,784

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 261,908
Support Services	$ 294,028
Enterprise and Community Services	$ 31,795
Total Depreciation Expense	$ 587,731

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 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 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%.

LONG-TERM DEBT (cont.)

The following is a schedule of transactions during the year:

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

	Outstanding Balance July 1, 2022	Principal Paid	Interest Paid	Outstanding Balance June 30, 2023	Due Within One Year
Bonds Payable:					
Limited Tax Pension Bond 2002	$ 3,844,999	$ 545,000	$ 207,265	$ 3,299,999	$ 610,000
Limited Tax Pension Bond 2003	3,733,237	178,237	649,027	3,555,000	660,000
QSCB 2010	150,000	30,000	7,575	120,000	30,000
QSCB 2012	350,000	-	16,187	350,000	-
Full Faith Obligation Bonds- 2021	1,280,000	320,000	19,341	960,000	320,000
Total Bonds Payable	**9,358,236**	**1,073,237**	**899,395**	**8,284,999**	**1,620,000**
Bond Discount	(2,732)	-	(547)	(2,732)	-
Total Bonds Payable, net of Discount	**9,355,504**	**1,073,237**	**898,848**	**8,282,267**	**1,620,000**
Total Long-Term Debt	**$ 9,355,504**	**$ 1,073,237**	**$ 898,848**	**$ 8,282,267**	**$ 1,620,000**

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

Bonds Payable: Due Fiscal Year Ending June 30,	Principal	Interest	Total
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	940,000	92,300	1,032,300
2028	430,000	40,612	470,612
2029 - 2033	350,000	32,376	382,376
Total	$ 8,284,999	$ 1,280,850	$ 9,565,849

The District has no unused lines of credit.

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

PENSION PLAN:

South Umpqua School District No. 19 offers various retirement plans to qualified employees as described below.

Name of Pension Plan

South Umpqua School District No. 19 participates with other state agencies in the Oregon Public Employees Retirement System (OPERS) which is a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERS Board) to administer and manage the System.

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: A new limitation on subject final average 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 was added, ($210,582 as of January 1, 2022). This amount is 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, (adjusted to $3,333/month in House Bill 2906 effective June 2021), 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 IAP contribution amount, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remainder 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 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 $3,333/month in House Bill 2906 as of June 2021), 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 contribution, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of the members contribution 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 898 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. Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to OPERS are calculated based on creditable compensation for active members reported by employers. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The District's employer contributions to PERS for the year ended June 30, 2023 were $2,196,059, 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 Side Account funded by retirement bonds (described in Long Term Debt).

Amortization of the Side Account resulted in a PERS current year rate savings to the District of $2,192,013 for FY 2022-2023 from the required PERS contribution rate of $2,196,059, netting to a net contribution of $4,046. Because of the side account amortization, the adjusted PERS contribution rates in effect for the period July 1, 2021 to June 30, 2023 were: Tier1/Tier2 – 0.05%, 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 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 2022-2023, approximately $520,350 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, 2019, actuarial valuation, which became effective July 1, 2021. 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%) contributions. Re-employed retirees do not accrue additional benefits while they work after retirement.

For **Oregon PERS Defined Benefit Plans**, Effective July 1, 2021, the contribution rate for State Agencies was 20.36%, the State and Local Government Rate Pool 28.08%, School Districts 27.54%, and judiciary 24.56% of PERS-covered salaries.

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 6.0% 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.

PENSION PLAN (Cont.):

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2023, PERS employers contributed 5.0% 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 over 100% as of December 31, 2019. These rates were based on the December 31, 2019, actuarial valuation.

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/ ACFR

Oregon PERS produces an independently audited ACFR which can be found at:
2022-Annual-Comprehensive-Financial-Report.pdf (oregon.gov)

Actuarial Valuations

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the 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 over 100% as of December 31, 2019. 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, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 24, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 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 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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, 2022

Asset Class/Strategy	OIC Policy Range			OIC Target Allocation	Asset Class/Strategy	Actual Allocation[2]
Debt Securities	15.0%	-	25.0%	20.0%	Debt Securities	19.8%
Public Equity	25.0%	-	35.0%	30.0%	Public Equity	21.2%
Real Estate	7.5%	-	17.5%	12.5%	Real estate	13.6%
Private Equity	15.0%	-	27.5%	20.0%	Private Equity	28.0%
Risk Parity	0.0%	-	3.5%	2.5%	Risk Parity	2.0%
Real Assets	2.5%	-	10.0%	7.5%	Real Assets	7.9%
Diversifying Strategies	2.5%	-	10.0%	7.5%	Diversifying Strategies	4.9%
Opportunity Portfolio[1]	0.0%	-	5.0%	0.0%	Opportunity Portfolio	2.6%
Total				100%	Total	100%

[1]Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total plan net position.

[2]Based on the actual investment value at 6/30/2022.

[3]In October 2021 the Alternatives Portfolio was split into Real Assets and Diversifying Strategies.

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 June 2021 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.

Long Term Expected Rate of Return[1] Asset Class	Target Allocation	Annual Arithmetic Return[2]	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50%	11.35%	7.71%	30.00%
Core Fixed Income	23.75%	2.80%	2.73%	3.85%
Real Estate	12.25%	6.29%	5.66%	12.00%
Master Limited Partnerships	0.75%	7.65%	5.71%	21.30%
Infrastructure	1.50%	7.24%	6.26%	15.00%
Commodities	0.63%	4.68%	3.10%	18.85%
Hedge Fund of Funds - Multistrategy	1.25%	5.42%	5.11%	8.45%
Hedge Fund Equity - Hedge	0.63%	5.85%	5.31%	11.05%
Hedge Fund - Macro	5.62%	5.33%	5.06%	7.90%
US Cash[3]	-2.50%	1.77%	1.76%	1.20%
Assumed Inflation - Mean			**2.40%**	**1.65%**

[1]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 June 2, 2021.

[2]The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

[3]Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net pension liability	$ 7,449,606	$ 4,200,716	$ 1,481,545

Changes Since Last Valuation

A summary of key changes implemented after the December 31, 2020 valuation, which was used in the 2021 PERS ACFR. 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: 2020-Experience-Study.pdf (oregon.gov).

PENSION PLAN (Cont.):

Changes in Actuarial Methods and Allocation Procedures

There were no changes in actuarial methods and allocation procedures since the December 31,2020 actuarial valuation.

Changes in Assumptions

The changes in assumptions since the December 31,2020 actuarial valuation, were limited to non-annuitant Police and Fire Mortality, as shown below.

Mortality Rates

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

Assumption	Recommended December 31, 2020 and 2021 Valuations	Recommended December 31, 2022 and 2023 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	Blend 80% Teachers and 20% General Employees, no set back	No change
Other General Service male (and male 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	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service male	115% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Non-Disabled Annuitant assumption	125% of same table and set back as Non-Disabled Annuitant assumption
School District female	100% of same table and set back as Non-Disabled Annuitant assumption	No change
Other General Service female	125% of same table and set back as Non-Disabled Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Non-Disabled Annuitant assumption	No change

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, 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, 2022, 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, 2022 Oregon PERS ACFR. 2022-Annual-Comprehensive-Financial-Report.pdf (oregon.gov).

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

At June 30, 2023, the employer reported a liability of $4,200,716 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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, 2022, the employer's proportion was 0.02743413%.

For the year ended June 30, 2023, the employer recognized pension expense of $454,661. As of June 30, 2022, 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	$ 203,911	$ 26,196
Changes of assumptions	659,115	6,022
Net difference between projected and actual earnings on investements	-	751,007
Changes in proportionate share	2,247,381	1,117,137
Differences between employer contributions and employer's proportionate share of system contributions	-	1,390,002
Total Deferred Outflows/Inflows	$ 3,110,407	$ 3,290,364
Post-measurement date contributions	2,196,059	N/A
Total Deferred Outflow/(Inflow) of Resources	$ 5,306,466	$ 3,290,364
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		$ (179,957)

Contributions of $2,196,059, 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.

Amortization of the Side Account resulted in a PERS rate savings to the District of $2,192,01 for FY 2022-2023 from the required PERS contribution rate of $2,196,059, resulting in a net cash contribution of $4,086.

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	$ (274,304)
2nd Fiscal Year	(95,126)
3rd Fiscal Year	(346,648)
4th Fiscal Year	437,697
5th Fiscal Year	98,424
Thereafter	-
Total	$ (179,957)

Net Pension Liability

Net pension liabilities are calculated at the system-wide level and are allocated to employers based on their proportionate share. UAL Side Accounts are included as assets in this calculation. The rate setting actuarial valuation will continue to allocate the UAL Side Account, transitional or pre-SLGRP liabilities or surpluses as adjustments to the respective employers.

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/Pages/Financials/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, 2022, PERS employers contributed 0.05% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. 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. These rates were based on the December 31, 2019, actuarial valuation.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2023, 2022, and 2021 were $1,118, $1,143, and $1,350 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, 2021. That independently audited report was dated February 25, 2022 and can be found at:
https://sos.oregon.gov/audits/Documents/2022-09.pdf

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

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 20, 2021
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15%
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 adjustments and set-backs as described in the valuation.

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

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

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 June 2021 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://sos.oregon.gov/audits/Documents/2022-09.pdf

Sensitivity Analysis

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Employer's proportionate share of the net OPEB liability	$ (148,556)	$ (164,827)	$ (178,775)

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

At June 30, 2023, the District reported a net OPEB RHIA liability/(asset) of $(164,827) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, 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, 2020. 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, 2022, the District's proportion was 0.04638635 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2023 was $(8,857).

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

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 4,467
Changes of assumptions	1,291	5,494
Net difference between projected and actual earnings on	-	12,570
Changes in proportionate share	25,424	-
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Total Deferred Outflows/Inflows	$ 26,715	$ 22,531
Post-measurement date contributions	1,118	N/A
Total Deferred Outflow/(Inflow) of Resources	$ 27,833	$ 22,531
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		$ 4,184

Contributions of $1,118 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.

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	$ 13,675
2nd Fiscal Year	(5,584)
3rd Fiscal Year	(7,932)
4th Fiscal Year	4,025
Thereafter	-
Total	$ 4,184

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2022 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.

At June 30, 2023, the District reported a an estimated net OPEB OEBB liability/(asset) of $978,867 for its proportionate share of the net OPEB liability/(asset). The OPEB OEBB liability/(asset) was measured as of June 30, 2023, and the total OPEB OEBB liability/(asset) used to calculate the net OPEB OEBB liability/(asset) was determined by an actuarial valuation as of July 1, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB OEBB 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. Based on the measurement date of June 30, 2022, the District’s estimated OPEB OEBB expense/(income) for the year ended June 30, 2023 was $45,785.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation of the OPEB EOBB program as of July 1, 2022 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	3.75%
Other Key Actuarial Assumptions and Methods	
Valuation date	July 1, 2022
Measurement date	June 30, 2023
General Inflation	2.50%
Payroll Growth	3.50%
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 once benefits end. 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:

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 most recent Oregon PERS valuation assumptions. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

Starting per capita costs are based on premium rates. The same rates are charged for actives and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for pre-Medicare retirees based on average ages and assumptions on the relationship between costs and increasing age (Morbidity).

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.

The discount rate in used for the June 20, 2023 reporting date is 3.75%.

	1% Decrease 2.75%	Discount Rate 3.75%	1% Increase 4.75%
Total OPEB liability from Implicit and Explicit Rate Subsidy	$ 1,042,044	$ 978,867	$ 919,201

Trend Rate	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit and Explicit Rate Subsidy	$ 887,932	$ 978,867	$ 1,111,568

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

Participation

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

Covered participants at Measurement Date Implicit Healthcare Benefit GASB 75	June 30, 2022
Active Employees	175
Inactive Employees	7
Spouses of Retirees	0
Total Participants	182

Changes in Net (OPEB) OEBB Liability

Changes in Total OPEB Liability June 30, 2022 to June 30, 2023	Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2022	**$ 1,050,731**
Changes for the year:	
Benefit payments	-
Service Cost	69,567
Interest	35,677
Effect of changes to benefit terms	-
Effect of economic/ demographic gains or losses	19,110
Changes in assumptions or other inputs	(154,245)
Employer Contributions	(41,973)
Net OPEB Liability at June 30, 2023	**$ 978,867**

Components of (OPEB) OEBB Expense

OPEB Expense	July 1, 2022 to June 30, 2023
Service cost	$ 69,567
Interest on total OPEB liability	35,677
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or los	19,110
Recognition of assumption changes	(78,569)
OPEB Expense	$ 45,785

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. Volunteer hours cover Explicit Medical benefits described below as well.

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, 2023 was $2,630. 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 Early Retirement Stipend Plan, and 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, 2023 was $5,548. 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 at June 30, 2023 of $15,017 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

Key Actuarial Assumptions and Methods	**Independent Actuaries, Inc.**
Discount Rate	3.75%
Other Key Actuarial Assumptions and Methods	
Valuation date	July 1, 2022
Measurement date	June 30, 2023
General Inflation	2.50%
Payroll Growth	3.50%
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 once benefits end. 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 2.75%	Discount Rate 3.75%	1% Increase 4.75%
Total OPEB liability from Early Retirement Stipend Plan and Explicit Benefit Plan	$ 15,459	$ 15,017	$ 14,588

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

Changes in Net (OPEB) Stipend Liability

Changes in Total OPEB Stipend Liability June 30, 2022 to June 30, 2023	Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2022	**$ 17,767**
Changes for the year:	
Benefit payments	(2,630)
Service Cost	389
Interest	589
Changes in assumptions or other inputs	(1,098)
Net OPEB Liability at June 30, 2023	**$ 15,017**

Schedule of Deferred Inflows and Outflows of Resources

At June 30, 2023, 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	$ 1,321	$ -
Service Cost	-	1,965
(prior to post-measurement date contributions)	$ 1,321	$ 1,965
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		$ (644)

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	$ 155
2nd Fiscal Year	(361)
3rd Fiscal Year	(220)
4th Fiscal Year	(218)
Total	$ (644)

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, 2023, were as follows:

	Fund		Budget Final	Actual Amounts
Interfund Transfers Out	General Fund	# 100	(2,099,020)	(2,089,924)
	Total Transfers Out		(2,099,020)	(2,089,924)
Interfund Transfers In	Special Revenue Fund	# 200	10,000	-
Interfund Transfers In	Debt Service Fund	# 300	589,020	589,924
Interfund Transfers In	Capital Project Fund	# 400	1,500,000	1,500,000
	Total Transfers In		2,099,020	2,089,924

The transfers out of the General Fund to the other funds represent the District's election to provide general fund support to the programs and activities of those 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, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Taxes	$ 3,726,824	$ 3,726,824	$ 3,833,260	$ 106,436
Earnings on Investments	400	400	470	70
Fees and Charges	40,000	40,000	60,555	20,555
Miscellaneous Revenue	100,500	100,500	166,488	65,988
Intermediate Government Aid	149,167	149,167	151,153	1,986
State Aid	12,844,112	12,844,112	13,566,465	722,353
Federal Aid	100,000	100,000	151,821	51,821
Total Revenues	**16,961,003**	**16,961,003**	**17,930,212**	**969,209**
EXPENDITURES:				
Instruction	9,337,924	9,337,924	8,192,244	(1,145,680)
Support Services	8,886,097	8,886,097	8,045,874	(840,223)
Total Expenditures	**18,224,021**	**18,224,021**	**16,238,118**	**(1,985,903)**
Excess (Deficiency) of Revenues Over Expenditures	(1,263,018)	(1,263,018)	1,692,094	2,955,112
OTHER FINANCING SOURCES (USES):				
Interfund Transfers Out	(2,099,020)	(2,099,020)	(2,089,924)	9,096
Total Other Financing Sources (Uses)	**(2,099,020)**	**(2,099,020)**	**(2,089,924)**	**9,096**
Net Change in Fund Balance	(3,362,038)	(3,362,038)	(397,830)	2,964,208
Beginning Fund Balance	4,532,402	4,532,402	4,747,644	215,242
Ending Fund Balance	**$ 1,170,364**	**$ 1,170,364**	**$ 4,349,814**	**$ 3,179,450**

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, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
REVENUES:				
Fees and Charges	$ 319,600	$ 319,600	$ 391,084	$ 71,484
State Aid	2,052,055	2,052,055	1,947,588	(104,467)
Federal Aid	7,919,127	7,919,127	6,641,538	(1,277,589)
Total Revenues	**10,290,782**	**10,290,782**	**8,980,210**	**(1,310,572)**
EXPENDITURES:				
Instruction	2,878,801	2,878,801	2,285,390	(593,411)
Support Services	1,856,593	1,856,593	1,536,941	(319,652)
Enterprise and Community Services	1,343,779	1,343,779	1,160,737	(183,042)
Facilities Acquisition and Construction	4,240,180	4,240,180	4,022,069	(218,111)
Total Expenditures	**10,319,353**	**10,319,353**	**9,005,137**	**(1,314,216)**
Excess (Deficiency) of Revenues Over Expenditures	(28,571)	(28,571)	-	3,644
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	10,000	10,000	-	(10,000)
Total Other Financing Sources (Uses)	**10,000**	**10,000**	**-**	**(10,000)**
Net Change in Fund Balance	(18,571)	(18,571)	(24,927)	(6,356)
Beginning Fund Balance	271,420	271,420	563,088	291,668
Ending Fund Balance	**$ 252,849**	**$ 252,849**	**$ 538,161**	**$ 285,312**

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERS

Last 10 Fiscal Years*

Fiscal Year June 30,[1]	(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
2023	0.02743413%	$ 4,200,716	$ 8,654,084	48.54%	84.5%
2022	0.01497476%	1,791,952	7,636,778	23.46%	87.6%
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%

[1]Measurement date is one year in arrears.

*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
2023	$ 2,196,059	$ 2,196,059	$ -	$ 8,654,084	25.38%
2022	2,234,475	2,234,475	-	7,636,778	29.26%
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%
2018	(91,717)	(91,717)	-	6,631,395	-1.38%
2017	(62,948)	(62,948)	-	6,303,231	-1.00%

*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*

Fiscal Year June 30,[1]	(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
2023	0.04638635%	$ (164,827)	$ 8,654,084	-1.90%	194.6%
2022	0.05046069%	(173,282)	7,636,778	-2.27%	183.9%
2021	0.08851991%	(180,368)	6,768,376	-1.55%	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%

[1]Measurement date is one year in arrears.

*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
2023	$ 1,118	$ 1,118	$ -	$ 8,654,084	0.01%
2022	1,143	1,143	-	7,636,778	0.01%
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%
2018	30,965	30,965	-	6,631,395	0.36%

*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 RELATED RATIOS

IMPLICIT RATE SUBSIDIES, HEALTH INSURANCE
GASB 75

Last 10 Fiscal Years*

	2023	2022	2021
Total OPEB Liability			
Service cost	$ 69,567	$ 82,560	$ 55,843
Interest on total OPEB liability	35,677	23,799	21,676
Effect of economic/demographic gains or (losses)	(32,186)	-	162,444
Effect of assumption changes or inputs	(102,949)	-	(115,875)
Benefit payments	(41,973)	(61,625)	(51,295)
Net change in total OPEB liability	(71,864)	44,734	72,793
Total OPEB liability, beginning	1,050,731	1,005,997	933,204
Total OPEB liability, ending (a)	978,867	1,050,731	1,005,997
Covered payroll	$ 8,654,084	$ 7,636,778	$ 6,768,376
Total OPEB liability as a % of covered payroll	11.3%	13.8%	14.9%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF RELATED RATIOS

STIPEND BENEFITS FOR EARLY REITREMENT
GASB 73
Last 10 Fiscal Years*

	2023	2022	2021
Total OPEB Liability			
Service cost	$ 389	$ 471	$ 741
Interest on total OPEB liability	589	436	449
Effect of economic/demographic gains or (losses)	946	-	2,259
Effect of assumption changes or inputs	(2,608)	-	(198)
Benefit payments	(2,630)	(2,960)	(4,190)
Net change in total OPEB liability	(3,314)	(2,053)	(939)
Total OPEB liability, beginning	18,331	20,384	21,323
Total OPEB liability, ending (a)	15,017	18,331	20,384
Covered payroll	$ 8,654,084	$ 7,636,778	$ 6,768,376
Total OPEB liability as a % of covered payroll	0.17%	0.24%	0.30%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

SUPPLEMENTARY INFORMATION

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, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Earnings on Investments	$ 50,000	$ 50,000	$ 306,090	$ 256,090
Miscellaneous Revenue	1,579,530	1,579,530	1,567,021	(12,509)
Federal Aid	23,388	23,388	22,054	(1,334)
Total Revenues	**1,652,918**	**1,652,918**	**1,895,165**	**242,247**
EXPENDITURES:				
Debt Service	1,978,950	1,978,950	1,975,833	(3,117)
Total Expenditures	**1,978,950**	**1,978,950**	**1,975,833**	**(3,117)**
Excess (Deficiency) of Revenues Over Expenditures	(326,032)	(326,032)	(80,668)	245,364
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	589,020	589,020	589,924	904
Total Other Financing Sources (Uses)	**589,020**	**589,020**	**589,924**	**904**
Net Change in Fund Balance	262,988	262,988	509,256	246,268
Beginning Fund Balance	-	-	3,449,984	3,449,984
Ending Fund Balance	**$ 262,988**	**$ 262,988**	**$ 3,959,240**	**$ 3,696,252**

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Capital Projects Fund #400 (A Major Fund)
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Miscellaneous Revenue	$ 25,000	$ 25,000	$ 281,113	$ 256,113
Total Revenues	**25,000**	**25,000**	**281,113**	**256,113**
EXPENDITURES:				
Facilities Acquisition and Construction	1,390,748	1,390,748	975,844	(414,904)
Total Expenditures	**1,390,748**	**1,390,748**	**975,844**	**(414,904)**
Excess (Deficiency) of Revenues Over Expenditures	(1,365,748)	(1,365,748)	(694,731)	671,017
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	1,500,000	1,500,000	1,500,000	-
Total Other Financing Sources (Uses)	**1,500,000**	**1,500,000**	**1,500,000**	**-**
Net Change in Fund Balance	134,252	134,252	805,269	671,017
Beginning Fund Balance	563,571	563,571	460,385	(103,186)
Ending Fund Balance	**$ 697,823**	**$ 697,823**	**$ 1,265,654**	**$ 567,831**

OTHER INFORMATION

ADDITIONAL SUPPORTING SCHEDULES

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

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, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$ 3,844,999	$ -	$ 545,000	$ 3,299,999	$ 610,000
Interest	-	207,265	207,265	-	183,150
Total	$ 3,844,999	$ 207,265	$ 752,265	$ 3,299,999	$ 793,150

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
					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 & after	2,004,999	202,020	2,207,019	5.50-5.55%
Total		$ 3,299,999	$ 534,466	$ 3,834,465	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

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 2023 bonds is $422,695. The unpaid interest on the 2023 bonds that will be paid during the fiscal year ending June 30, 2023 will be $422,695 along with interest accrued during that fiscal year.

Current Year Activity:

	Outstanding Balance July 1, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$ 3,733,237	$ -	$ 178,237	$ 3,555,000	$ 660,000
Interest	-	649,027	649,027	-	201,459
Total	$ 3,733,237	$ 649,027	$ 827,264	$ 3,555,000	$ 861,459

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	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		$ 3,555,000	$ 589,119	$ 4,144,119	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

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, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$ 150,000	$ -	$ 30,000	$ 120,000	$ 30,000
Interest	-	7,575	7,575	-	6,060
Total	$ 150,000	$ 7,575	$ 37,575	$ 120,000	$ 36,060

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest & Federal Subsidy	Total	Interest Rate
	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		$ 120,000	$ 15,150	$ 135,150	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

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, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$ 350,000	$ -	$ -	$ 350,000	$ -
Interest	-	16,187	16,187	-	16,188
Total	$ 350,000	$ 16,187	$ 16,187	$ 350,000	$ 16,188

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	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	$ 113,315	$ 463,315	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2023

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, 2022	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2023	Due Within One Year
Principal	$ 1,280,000	$ -	$ 320,000	$ 960,000	$ 320,000
Interest	-	19,341	19,341	-	14,400
Total	$ 1,280,000	$ 19,341	$ 339,341	$ 960,000	$ 334,400

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	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		$ 960,000	$ 28,800	$ 988,800	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2023

SUPPLEMENTAL INFORMATION 2022-2023

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	$ 358,017
Function 2550	$ -

C. Replacement of Equipment - General Fund:

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

$ 169,602

Exclude these functions:		Exclude these functions:	
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, 2023

Revenue from Local Sources		Fund 100	Fund 200	Fund 300	Fund 400
1110	Ad Valorem Taxes Levied by District	$ 3,826,347	$ -	$ -	$ -
1190	Penalties and Interest on Taxes	6,912	-	-	-
1500	Earnings on Investments	470	-	306,090	-
1600	Food Service	-	131,808	-	-
1700	Extracurricular Activities	60,555	259,276	-	-
1910	Rentals	7,565	-	-	-
1920	Contributions and Donations From Private Sources	-	-	-	242,142
1960	Recovery of Prior Years' Expenditure	16,117	-	-	-
1970	Services Provided Other Funds	-	-	1,567,021	-
1980	Fees Charged to Grants	52,914	-	-	-
1990	Miscellaneous	89,892	-	-	38,972
	Total Revenue from Local Sources	$ 4,060,773	$ 391,084	$ 1,873,112	$ 281,113

Revenue from Intermediate Sources		Fund 100	Fund 200	Fund 300	Fund 400
2101	County School Funds	$ 26,911	$ -	$ -	$ -
2199	Other Intermediate Sources	3,529	-	-	-
2200	Restricted Revenue	120,712	-	-	-
	Total Revenue from Intermediate Sources	$ 151,153	$ -	$ -	$ -

Revenue from State Sources		Fund 100	Fund 200	Fund 300	Fund 400
3101	State School Fund - General Support	$13,555,241	$ -	$ -	$ -
3102	State School Fund - School Lunch Match	(6,928)	6,928	-	-
3299	Other Restricted Grants-In-Aid	18,152	1,940,660	-	-
	Total Revenue from State Sources	$13,566,465	$ 1,947,588	$ -	$ -

Revenue from Federal Sources		Fund 100	Fund 200	Fund 300	Fund 400
4500	Restricted Revenue From the Federal Government Through the State	$ -	$ 6,555,091	$ -	$ -
4801	Federal Forest Fees	151,821	-	-	-
4900	Revenue for/on Behalf of the District	-	86,447	22,054	-
	Total Revenue from Federal Sources	$ 151,821	$ 6,641,538	$ 22,054	$ -

Revenue from Other Sources		Fund 100	Fund 200	Fund 300	Fund 400
5100	Long Term Debt Financing Sources	-	-	-	-
5200	Interfund Transfers	$ -	$ -	$ 589,924	$ 1,500,000
5300	Sale of or Compensation for Loss of Fixed Assets	-	-	-	-
5400	Resources - Beginning Fund Balance	4,747,644	563,088	3,449,984	460,385
	Total Revenue from Other Sources	$ 4,747,644	$ 563,088	$ 4,039,908	$ 1,960,385
	Grand Total	$22,677,855	$ 9,543,298	$ 5,935,074	$ 2,241,498

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-General Fund #100

For the Fiscal Year Ended June 30, 2023

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	$ 2,992,359	$ 1,699,830	$ 967,425	$ 87,889	$ 237,215	$ -	$ -	$ -
1121	Middle/Junior High Programs	1,573,141	953,327	481,776	49,038	89,000	-	-	-
1122	Middle/Junior High School Extracurricular	119,631	84,597	18,487	10,633	5,914	-	-	-
1131	High School Programs	1,683,456	955,851	563,172	70,981	91,657	-	1,795	-
1132	High School Extracurricular	286,801	156,796	37,228	31,033	40,123	-	21,621	-
1220	Restrictive Programs for Students with Disabilities	394,548	225,598	131,766	31,095	6,089	-	-	-
1250	Less Restrictive Programs for Students with	1,131,828	591,009	358,135	179,223	3,462	-	-	-
1291	English Second Language Programs	143	-	-	-	143	-	-	-
1460	Summer School Programs	10,337	8,055	2,259	-	24	-	-	-
	Total Instruction Expenditures	$ 8,192,244	$ 4,675,063	$ 2,560,247	$ 459,892	$ 473,625	$ -	$ 23,416	$ -

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	$ 457,610	$ 279,093	$ 178,390	$ -	$ 127	$ -	$ -	$ -
2120	Guidance Services	$ 226,047	$ 137,131	$ 88,677	$ -	$ 239	$ -	$ -	$ -
2130	Health Services	55,028	-	-	39,700	15,328	-	-	-
2140	Psychological Services	137,310	90,945	43,792	383	2,190	-	-	-
2190	Service Direction, Student Support Services	198,647	116,780	33,376	44,278	3,170	-	1,043	-
2210	Improvement of Instruction Services	213,736	143,970	68,278	-	-	-	1,488	-
2220	Educational Media Services	227,234	113,432	76,139	770	36,491	-	402	-
2240	Instructional Staff Development	(0)	-	(0)	-	-	-	-	-
2310	Board of Education Services	311,228	-	-	110,383	754	-	200,091	-
2320	Executive Administration Services	218,065	143,434	67,234	2,919	3,396	-	1,082	-
2410	Office of the Principal Services	1,443,070	945,714	347,077	47,976	37,171	57,417	7,715	-
2520	Fiscal Services	441,815	236,673	143,501	48,039	6,715	-	6,887	-
2540	Operation and Maintenance of Plant Services	2,021,456	606,870	385,453	671,454	201,716	155,839	125	-
2550	Student Transportation Services	1,236,127	-	-	1,116,306	119,821	-	-	-
2570	Internal Services	52,256	-	-	52,256	-	-	-	-
2640	Staff Services	131,963	78,354	43,281	5,334	4,640	-	354	-
2660	Technology Services	660,850	-	-	181,621	441,964	37,265	-	-
2700	Supplemental Retirement Program	13,432	-	13,432	-	-	-	-	-
	Total Support Services Expenditures	$ 8,045,874	$ 2,892,396	$ 1,488,630	$ 2,321,420	$ 873,721	$ 250,521	$ 219,187	$ -

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5200	Transfers of Funds	$ 2,089,924	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,089,924
	Total Other Uses Expenditures	$ 2,089,924	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,089,924
	Grand Total	$ 18,328,042	$ 7,567,459	$ 4,048,878	$ 2,781,312	$1,347,346	$ 250,521	$ 242,603	$ 2,089,924

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2023

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	$ 283,423	$ 95,228	$ 46,685	$ 640	$ 139,870	$ -	$ 1,000
1113	Elementary Extracurricular	28,939	-	-	-	28,939	-	-
1121	Middle/Junior High Programs	156,856	86,275	45,025	1,514	19,543	-	4,500
1122	Middle/Junior High School Extracurricular	118,340	4,225	1,431	-	100,284	-	12,400
1131	High School Programs	760,422	424,185	228,826	12,234	91,533	-	3,644
1132	High School Extracurricular	171,820	-	-	-	137,270	-	34,550
1210	Programs for the Talented and Gifted	6,685	5,000	1,685	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	98,179	62,086	36,000	-	94	-	-
1250	Less Restrictive Programs for Students with	88,080	50,320	28,149	2,460	7,152	-	-
1272	Title I	559,622	281,128	109,606	49,981	118,908	-	-
1460	Summer School Programs	13,024	-	-	-	13,024	-	-
	Total Instruction Expenditures	$ 2,285,390	$ 1,008,445	$ 497,407	$ 66,828	$ 656,615	$ -	$ 56,094

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2110	Attendance and Social Work Services	$ 194,185	$ 98,687	$ 72,796	$ 3,175	$ 19,527	$ -	$ -
2120	Guidance Services	$ 7,260	$ 145	$ 48	$ -	$ 7,067	$ -	$ -
2130	Health Services	19	-	-	-	19	-	-
2140	Psychological Services	86,977	56,180	28,887	1,911	-	-	-
2190	Service Direction, Student Support Services	72,653	46,691	17,487	-	8,475	-	-
2210	Improvement of Instruction Services	194,587	122,187	58,585	1,632	12,183	-	-
2220	Educational Media Services	117,469	60,482	56,987	-	-	-	-
2240	Instructional Staff Development	136,292	31,079	34,588	67,677	2,948	-	-
2320	Executive Administration Services	51,978	147	49	-	48,363	-	3,418
2410	Office of the Principal Services	38,205	1,323	447	-	23,643	12,792	-
2490	Other Support Services - School Administration	88,235	23,618	12,203	-	-	-	52,414
2520	Fiscal Services	1,823	1,388	225	210	-	-	-
2540	Operation and Maintenance of Plant Services	252,721	80,108	50,982	94,789	26,842	-	-
2550	Student Transportation Services	33,223	-	-	33,223	-	-	-
2660	Technology Services	261,313	62,246	37,421	11,924	149,722	-	-
	Total Support Services Expenditures	$ 1,536,941	$ 584,282	$ 370,705	$ 214,542	$ 298,789	$ 12,792	$ 55,832

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100	Food Services	$ 1,154,195	$ 268,825	$ 152,972	$ 517,446	$ 27,181	$ 184,576	$ 3,195
3300	Community Services	6,543	-	-	-	6,543	-	-
	Total Enterprise and Community Services	$ 1,160,737	$ 268,825	$ 152,972	$ 517,446	$ 33,724	$ 184,576	$ 3,195

Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
4150	Building Acquisition, Construction, and Improvement	$ 4,022,069	$ -	$ -	$ 61,760	$ -	$3,960,309	$ -
	Total Facilities Acquisition and Construction	$ 4,022,069	$ -	$ -	$ 61,760	$ -	$3,960,309	$ -
	Grand Total	$ 9,005,137	$ 1,861,552	$1,021,084	$ 860,575	$ 989,128	$4,157,677	$ 115,121

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-Debt Service Fund #300

For the Fiscal Year Ended June 30, 2023

FUND: Debt Service Fund #300

		Totals	Object 600
Other Uses Expenditures			
5100	Debt Service	$ 1,975,833	$ 1,975,833
	Total Other Uses Expenditures	$ 1,975,833	$ 1,975,833
	Grand Total	$ 1,975,833	$ 1,975,833

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-Capital Projects Fund #400

For the Fiscal Year Ended June 30, 2023

FUND: Capital Projects Fund #400

Facilities Acquisition and Construction		**Totals**	**Object 300**	**Object 400**	**Object 500**
4150	Building Acquisition, Construction, and Improvement Services	$ 975,844	$ 92,831	$ 3,109	$ 879,904
	Total Facilities Acquisition and Construction Expenditures	$ 975,844	$ 92,831	$ 3,109	$ 879,904
	Grand Total	$ 975,844	$ 92,831	$ 3,109	$ 879,904

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED June 30, 2023

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, 2022	Cash Received	Expenditures	(Receivable)/ Deferred Revenue June 30, 2023
US. DEPARTMENT OF EDUCATION													
Passed Through Oregon Department of Education:													
Elementary and Secondary School Emergency Relief, II	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund Educational Stabilization Fund		Fund 231	84.425D	2019-20	2,275,291	(95,800)	1,293,202	1,226,732	(29,330)
Elementary & Secondary School Emergency Relief, III	84	425	COVID-19, 84.425D	Elementary and Secondary School Emergency Relief Fund Educational Stabilization Fund		Fund 232	84.425D	2019-20	5,107,480	(187,335)	3,125,001	3,354,725	(417,059)
Total Elementary & Secondary School Relief Fund									7,382,771	(283,135)	4,418,203	4,581,457	(446,389)
Title I-A - Grants to Local Education Agencies	84	010				Fund 200-100	84.010	2022-23	618,715	-	390,690	499,608	(108,918)
Title I-A - Grants to Local Education Agencies	84	011				Fund 200-100	84.010	2021-22	627,134	(129,324)	251,650	122,327	-
Title I-ESSA Partnerships 20-21	84	010				Fund 200-135	84.010	2020-21	25,686	-	16,971	16,971	-
Total Title IA									1,271,535	(129,324)	659,311	638,906	(108,918)
Title II-A Teacher Quality	84	367				Fund 200-200	84.367	2022-23	53,632	-	17,454	17,454	(0)
Title II-A Teacher Quality	84	367				Fund 200-200	84.367	2021-22	50,891	(8,690)	35,880	36,454	(9,264)
Total Title I I-A									104,523	(8,690)	53,333	53,907	(9,264)
Title IV-A Student Support and Academic Enrichment	84	424				Fund 200-400	84.424	2021-22	49,950		14,156	27,452	(13,296)
Title IV-A Student Support and Academic Enrichment	84	424				Fund 200-400	84.424	2020-21	54,126	(2,687)	41,400	38,713	-
Total Title III									104,076	(2,687)	55,556	66,165	(13,296)
Title V Rural Education	84	358				Fund 200-500	84.358	2021-22	33,448	(3,939)	9,739	5,800	-
Total Rural Education									33,448	(3,939)	9,739	5,800	-
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund 200-300	84.027	2022-23	322,453	-	83,446	156,758	(73,311)
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund 200-300	84.027	2021-22	68,736	(55,944)	103,931	47,987	-
IDEA - Special Ed Grants to States(Part B Sec.619 ARP)	84	173				Fund 200-300	84.173	2021-22	66,864		66,864	66,864	-
Total IDEA									458,053	(55,944)	254,241	271,609	(73,311)
Foster Care Student Tranportation Reimbursement Grant	93	658				Fund 100-1990	93.658	2022-23	2,319	-	2,319	2,319	-
Total Foster Care Grants									2,319	-	2,319	2,319	-
Total Passed through Oregon Department of Education									$ 9,356,725	$ (483,718)	$ 5,452,703	$ 5,620,163	$ (651,178)
Passed through Douglas Education Service District:													
Carl Perkins Career & Technical Education	84	048	DESD			Fund 200-350	84.048	2022-23	47,397	(5,198)	35,095	31,379	(1,483)
Carl Perkins Career & Technical Education	84	048	DESD			Fund 200-350	84.048	2021-22	10,075	(1,981)	1,981	-	-
Total Carl Perkins Career & Technical Education									57,472	(7,179)	37,076	31,379	(1,483)
Total Passed through Douglas Education Service District									$ 57,472	$ (7,179)	$ 37,076	$ 31,379	$ (1,483)
Total U.S. Department of Education									$ 9,414,198	$ (490,898)	$ 5,489,779	$ 5,651,542	$ (652,661)
U.S. DEPARTMENT OF AGRICULTURE													
Commodities	10	555				Fund 299	10.555	2022-23	-	-	67,779	67,779	-
Commodities-Riddle	10	555				Fund 299	10.555	2022-23			18,668	18,668	
National School Lunch - Breakfast	10	553				Fund 299	10.553	2022-23	-		222,816	232,494	(9,678)
National School Lunch - Section 4	10	555				Fund 299	10.555	2022-23	-	-	484,221	506,398	(22,177)
Nutrition Program SSA Grant Payment (Severe Need) -Breakfast	10	555				Fund 299	10.555	2022-23	-	-	40,998	40,998	-
Nutrition Program SSA Grant Payment (Severe Need) -Lunch	10	555				Fund 299	10.555	2022-23	-	-	87,829	87,829	-
Summer Food Program- Admin	10	559				Fund 299	10.559	2022-23	-	(957)	2,782	2,877	(1,052)
Summer Food Program	10	559				Fund 299	10.559	2022-23	-	(9,243)	26,856	27,771	(10,158)
National School Lunch Equipment	10	579				Fund 299	10.579	2022-23	-	-	7,408	7,408	-
Total National School Lunch Program									-	(10,200)	959,356	992,221	(43,065)
Total U.S. Department of Agriculture									$ -	$ (10,200)	$ 959,356	$ 992,221	$ (43,065)
TOTALS									**$ 9,414,198**	**$ (501,098)**	**$ 6,449,135**	**$ 6,643,764**	**$ (695,726)**

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

RECONCILIATION TO REVENUE:	
Cash Receipts per Schedule Above	$ 6,449,135
Grants Receivable/Deferred Revenue Beginning of Year	(501,098)
Grants Receivable/Deferred Revenue End of Year	695,726
Federal Revenue Recognized per Financial Statements	$ 6,643,763

REPORTS ON OTHER LEGAL AND REGULATORY MATTERS

South Umpqua School District No. 19

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2023

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

We have audited the basic financial statements of the South Umpqua School District No. 19 as of and for the year ended June 30, 2023 and have issued our report thereon dated December 19, 2023. We conducted our 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, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, with the following exceptions:

- Appropriation resolution amounts do not agree with Budgeted amounts in certain instances

OAR 162-10-0230 Internal Control
In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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, we 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 19, 2023