SOUTH UMPQUA SCHOOL DISTRICT #19

Myrtle Creek, Oregon

Annual Financial Report

June 30, 2024

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

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

BOARD OF DIRECTORS

ADMINISTRATION

SHY CHAPMAN 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Director of Fiscal Services
PAUL HILLYER 558 SW Chadwick Lane, Myrtle Creek, OR 97457	Superintendent

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AUDIT REPORT
June 30, 2024

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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, 2024, 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, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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, schedules of revenues, expenditures and changes in fund balances – budget and actuals, and the pension and OPEB schedules 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 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 is presented for the purpose 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 introductory and statistical sections and 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 in 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 not a required part of the basic financial statements.

Reports on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2024, on our consideration of the South Umpqua School District No. 19's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering South Umpqua School District No. 19's internal control over financial reporting and compliance.

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 14, 2024, 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 16, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2024

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, 2024. This discussion and analysis evaluate 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, 2024, are as follows:

- The District's net position increased by $5,638,948 reflecting a growth of a 37.7% increase. This resulted in a substantial total net position of $20,612,478 for the current fiscal year, marking a significant improvement compared to the previous year.
- General revenues accounted for $18,923,399 (74.5%) of all revenues. Program-specific revenues in the form of charges for services, and grants and donations accounted for $6,460,704 (25.5%), totaling $25,384,103.
- The District had $19,745,155 in expenses, which was $1,712,068 (8.0%) less than the prior fiscal year.
- Total assets of governmental activities increased by $2,600,470, primarily due to a rise in current and other assets amounting to $13,571,369.
- Total liabilities decreased by $ 3,830,292 during the fiscal 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 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 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 plants, 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 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 government-wide financial statements, these statements report short-term fiscal accountability focusing on the 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, the Special Revenue Fund, the Debt Service Fund, and the Capital Project 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 $20,612,478. This is a $5,638,948 increase from last year's net position and represents a 37.7% increase from the prior fiscal year as reflected below.

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, 2024	July 1, 2023	Percentage Change
Assets			
Current and Other Assets	$ 13,571,369	$ 11,330,940	19.8%
Capital Assets	16,950,825	16,590,784	2.2%
Total Assets	30,522,194	27,921,724	9.3%
Deferred Outflow of Resources	5,143,214	5,495,314	-6.4%
Liabilities			
Long-Term Liabilities	8,014,290	11,844,582	-32.3%
Other Liabilities	3,009,021	2,959,449	1.7%
Total Liabilities	11,023,311	14,804,031	-25.5%
Deferred Inflow of Resources	4,029,619	3,639,477	10.7%
Net Position			
Net Investment in Capital Assets	13,615,825	12,565,784	8.4%
Restricted	7,409,609	5,077,242	45.9%
Unrestricted	(412,956)	(2,669,496)	84.5%
Total Net Position	$ 20,612,478	$ 14,973,530	37.7%

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		
	2023-24	2022-23	Percentage Change
Revenues			
Program Revenues			
Charges for Services	$ 644,092	$ 528,235	21.9%
Operating Grants and Contributions	5,816,612	8,988,437	-35.3%
General Revenues			
Property Taxes	4,052,166	3,872,497	4.6%
State Basic School Support	13,792,903	13,548,313	1.8%
Federal Forest Fees	164,200	151,821	8.2%
Other	914,130	465,865	96.2%
Total Revenues	**25,384,103**	**27,555,168**	-7.9%
Program Expenses			
Instruction	9,739,014	10,057,135	-3.2%
Support Services	8,837,897	9,307,165	-5.0%
Community Services	1,207,679	1,160,254	4.1%
Interest on Long-Term Debt	(39,435)	932,668	-104.2%
Total Program Expenses	**19,745,155**	**21,457,223**	-8.0%
Change in Net Position	5,638,948	6,097,945	-7.5%
Beginning Net Position	14,973,530	8,875,585	68.7%
Ending Net Position	**$ 20,612,478**	**$ 14,973,530**	37.7%

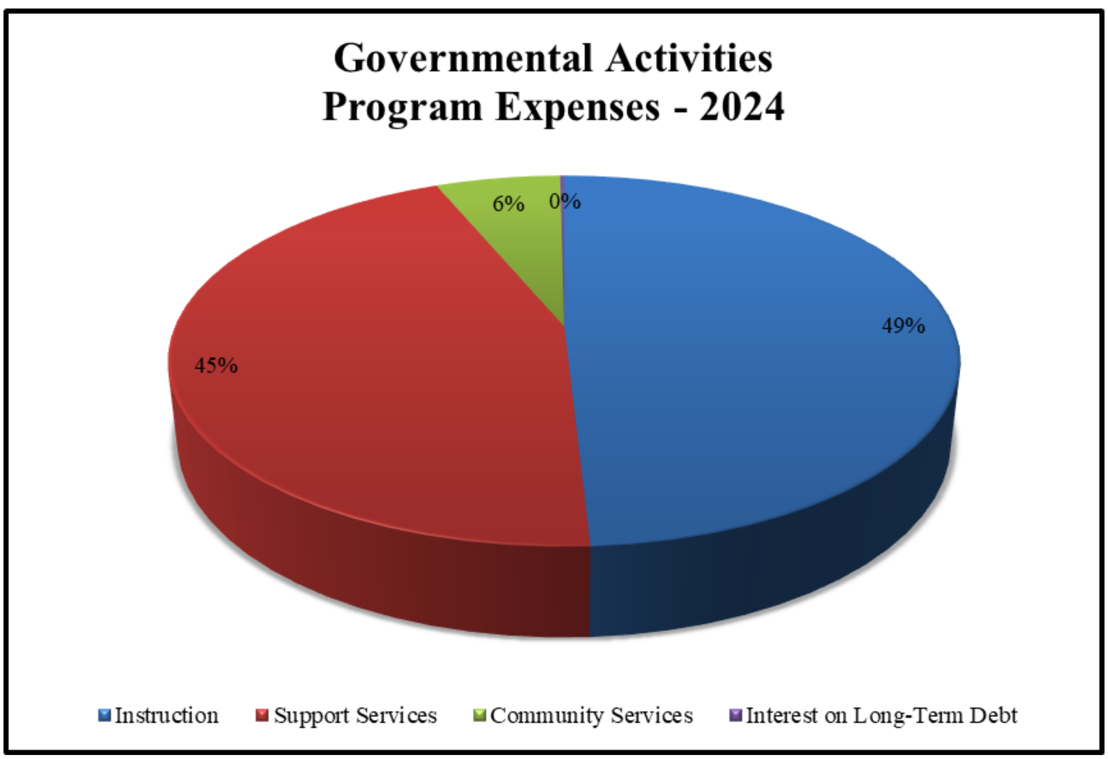
The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's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

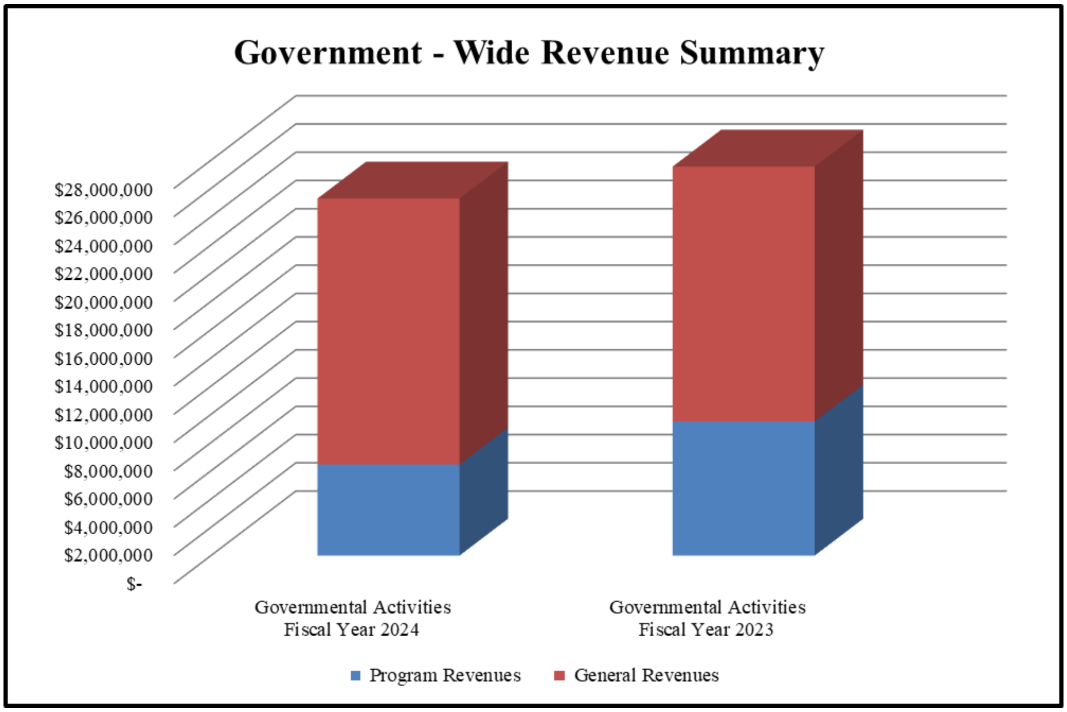
	2023-24		2022-23	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	$ 9,739,014	$ 6,462,606	$ 10,057,135	$ 5,330,346
Support Services	8,837,897	7,052,859	9,307,165	6,654,947
Community Services	1,207,679	(191,579)	1,160,254	(977,410)
Interest on Long-Term Debt	(39,435)	(39,435)	932,668	932,668
Total Program Expenses	$ 19,745,155	$ 13,284,451	$ 21,457,223	$11,940,551

The dependence on general revenues for general government activities is apparent. For the current year, 74.5% 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 the prior fiscal year to the current.



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. 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 $11,921,050, an increase of $1,808,182. The fund balance consists of restricted, committed, assigned, and unassigned amounts. Of the current fund balances, $69,887 is non-spendable, $6,291,607 is restricted, $544,608 is committed, and $5,014,948 is unassigned and available for spending at the District's discretion.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was $726,582.

BUDGETARY HIGHLIGHTS

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

General Fund revenues, including the beginning fund balance, were budgeted and anticipated to be collected in the amount of $18,064,797 during the fiscal year. Actual revenues were $18,474,986 during the fiscal year so actual resource amounts were more than budgeted by $410,189. General Fund expenditures, including inter-fund transfers out, were budgeted at $19,941,286. Actual expenditure was $16,524,906, resulting in an under-spent amount of $2,166,276. The actual ending fund balance was more than the budgeted ending fund balance by $3,779,313.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the District had invested $38,250,867 in capital assets, including school buildings, athletic facilities, land, vehicles, computers, and other equipment and furnishings. This amount represents a prior to depreciation net increase of $1,086,114 from last year due to additions of $5,514,426 and $4,428,312 in deletions.

Total depreciation expense for the year was $726,073.

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

As of June 30, 2024, the District had $ $6,663,361 in long-term debt outstanding. The District paid $1,620,000 toward the principal balance of the long-term debt. The District paid $420,710 in interest on total debt.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The South Umpqua School District is positioned to enter the upcoming fiscal year with a robust economic standing, a testament to the fiscal responsibility demonstrated over the past decade. This advantageous position is particularly important for initiatives related to the recruitment and retention of staff, the development and maintenance of facilities, and the strategic planning necessary as the availability of ESSER funds will conclude after September 2024.

The proposed budget for the fiscal year 2024-25 has been meticulously prepared under the guidance of the Budget Officer and the Superintendent, in alignment with District policies and applicable local budgetary regulations.

The District's adopted budget for the fiscal year ending June 30, 2025, reflects a total increase of $3,510,407 (9.8%) in comparison to the preceding fiscal year, culminating in an overall budget of $39,490,756. Within this budget, allocations include $23,210,883 designated for the General Fund, $6,840,273 for the Special Fund, $7,026,504 for the Debt Fund, and $2,413,097 for the Capital Fund.

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, 2024

	Governmental Activities	
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 11,939,074	
Property Taxes Receivable	378,942	
Accounts Receivable	974,157	
Prepaid Expenses	69,887	
Prepaid Loan Fees, net of accumulated amortizatio	1,638	
Total Current Assets		$ 13,363,698
Restricted Assets:		
Net OPEB Asset (RHIA)	207,671	
Total Restricted Assets		207,671
Capital Assets:		
Capital Assets, Non-Depreciable	1,475,188	
Capital Assets, Depreciable, Net	15,475,637	
Total Capital Assets		16,950,825
Total Assets		**30,522,194**
DEFERRED OUTFLOW OF RESOURCES		
Pension Related Deferrals	5,016,892	
OPEB Related Deferrals - RHIA	2,711	
OPEB Related Deferrals - OEBB and Stipend	123,611	
Total Deferred Outflow of Resources		**5,143,214**
LIABILITIES:		
Accounts Payable	$ 212,058	
Accrued Interest Payable	526	
Payroll Liabilities	559,666	
Advances from Grantors	331,471	
Accrued Vacation Benefits	75,151	
Bonds Payable		
Due within one year	1,770,000	
Due in more than one year	4,894,999	
Early Retirement Benefits		
Due within one year	28,217	
Due in more than one year	31,932	
Net OPEB Obligation - OEBB and Stipend	1,032,267	
Net Pension Liability	2,087,024	
Total Liabilities		**11,023,311**
DEFERRED INFLOW OF RESOURCES		
Pension Related Deferrals	3,758,955	
OPEB Related Deferrals - RHIA	25,524	
OPEB Related Deferrals - OEBB and Stipend	245,140	
Total Deferred Inflow of Resources		**4,029,619**
NET POSITION:		
Net Investment in Capital Assets	13,615,825	
Restricted for:		
Debt Service	4,777,500	
Capital Construction & Building Maintenance	2,632,109	
Unrestricted	$ (412,956)	
Total Net Position		**$ 20,612,478**

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, 2024

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	(Expenses)	Charges for Services	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES:				
Instruction	$ 9,739,014	$ 446,056	$ 2,830,352	$ (6,462,606)
Support Services	8,837,897	-	1,785,038	(7,052,859)
Enterprise and Community Services	1,207,679	198,036	1,201,222	191,579
Interest on Long-Term Debt	(39,435)	-	-	39,435
Total Governmental Activities	**$ 19,745,155**	**$ 644,092**	**$ 5,816,612**	**$ (13,284,451)**
GENERAL REVENUES:				
Local Sources:				
Property Taxes, Levied for General Purposes				$ 4,052,166
Earnings on Investments				625,349
Unrestricted State and Local Revenue				70,592
Intermediate Sources				24,281
State School Fund for Education and Support Services				13,792,903
State Common School Fund				193,908
Federal Forest Fees for General Purposes				164,200
Subtotal - General Revenues				18,923,399
Change in Net Position				5,638,948
Net Position, July 1, 2023				14,973,530
Net Position, June 30, 2024				**$ 20,612,478**

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, 2024

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	$ 5,422,767	$ 223,956	$ 4,777,500	$ 1,514,851	$ 11,939,074
Property Taxes Receivable	378,942	-	-	-	378,942
Accounts Receivable	142,945	827,114	-	4,098	974,157
Prepaid Expenses	61,446	8,441	-	-	69,887
Total Assets	**$ 6,006,100**	**$ 1,059,511**	**$ 4,777,500**	**$ 1,518,949**	**$ 13,362,060**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND					
LIABILITIES:					
Accounts Payable	$ 150,718	$ 56,498	$ -	$ 4,842	$ 212,058
Payroll Liabilities	441,173	118,493	-	-	559,666
Advances from Grantors	-	331,471	-	-	331,471
Total Liabilities	**591,891**	506,462	-	4,842	**1,103,195**
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	337,815	-	-	-	337,815
Total Deferred Inflows of Resources	**337,815**	-	-	-	**337,815**
FUND BALANCES:					
Non-spendable	61,446	8,441	-	-	69,887
Restricted for:					
Capital Construction & Building Mainten	-	-	-	1,514,107	1,514,107
Debt Service	-	-	4,777,500	-	4,777,500
Committed for:					
Special Programs	-	544,608	-	-	544,608
Unassigned	5,014,948	-	-	-	5,014,948
Total Fund Balances	**5,076,394**	553,049	4,777,500	1,514,107	**11,921,050**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 6,006,100**	**$ 1,059,511**	**$ 4,777,500**	**$ 1,518,949**	**$ 13,362,060**

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

RECONCILIATION OF THE BALANCE SHEET

June 30, 2024

Total Fund Balances - Governmental Funds		$ 11,921,050
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	$ 38,250,867	
Accumulated depreciation	(21,300,042)	
Net Value of Capital Assets		16,950,825
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		337,815
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Contributions	5,143,214	
Deferred Earnings on Pension/OPEB Assets	(4,029,619)	
Net Value of Deferrals		1,113,595
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		1,638
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	526	
Bonds Payable	6,664,999	
Early Retirement Benefits	60,149	
Net Pension Liability	2,087,024	
Net OPEB Obligations	824,596	
Accrued Vacation Benefits	$ 75,151	
Total		(9,712,445)
Net Position of Governmental Activities		**$ 20,612,478**

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, 2024

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Governmental Funds
REVENUES:					
Taxes	$ 3,971,604	$ -	$ -	$ -	$ 3,971,604
Earnings on Investments	564	16	624,769	-	625,349
Fees and Charges	54,111	492,675	-	-	546,786
Miscellaneous Revenue	120,672	-	1,649,533	47,227	1,817,432
Intermediate Government Aid	150,021	-	-	-	150,021
State Aid	13,987,814	2,199,131	-	-	16,186,945
Federal Aid	201,922	3,453,568	2,716	-	3,658,206
Total Revenues	**18,486,708**	**6,145,390**	**2,277,018**	**47,227**	**26,956,343**
EXPENDITURES:					
Current:					
Instruction	8,538,735	2,779,640	-	-	11,318,375
Support Services	7,984,880	1,864,617	-	-	9,849,497
Enterprise and Community Services	1,291	1,252,480	-	-	1,253,771
Capital Outlay:					
Facilities Acquisition and Constructio	-	233,765	-	448,774	682,539
Debt Service	-	-	2,043,979	-	2,043,979
Total Expenditures	**16,524,906**	**6,130,502**	**2,043,979**	**448,774**	**25,148,161**
Excess (Deficiency) of Revenues Over Expenditures	1,961,802	14,888	233,039	(401,547)	1,808,182
OTHER FINANCING SOURCES (USES):					
Interfund Transfers In	-	-	585,220	650,000	1,235,220
Interfund Transfers Out	(1,235,220)	-	-	-	(1,235,220)
Total Other Financing Sources (Uses)	**(1,235,220)**	**-**	**585,220**	**650,000**	**-**
Net Change in Fund Balance	726,582	14,888	818,259	248,453	1,808,182
Beginning Fund Balance	4,349,812	538,161	3,959,241	1,265,654	10,112,868
Ending Fund Balance	**$ 5,076,394**	**$ 553,049**	**$ 4,777,500**	**$1,514,107**	**$ 11,921,050**

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, 2024

Net Changes in Fund Balances - Total Governmental Funds		$ 1,808,182
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Expenditures for capitalized assets	$ 1,086,114	
Less current year depreciation	(726,073)	
		360,041
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	1,620,000	
		1,620,000
Government funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense and changes in deferred inflows and outflows related to the net pension asset/(liablity) are recorded based upon an actuarial valuation of such activity.		
This is the net change in pension related items.		1,355,527
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	460,145	
Increase/(decrease) in accrued OPEB	5,367	
Increase/(decrease) in early retirement liability	(30,687)	
Increase/(decrease) in accrued vacation benefits	$ (19,639)	
		415,186
Change in Net Position of Governmental Activities		**$ 5,638,951**

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 to operate elementary and secondary schools. The District is governed 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 have 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 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 can 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 inter-fund 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 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 funds 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 includes the 2002, 2003, and 2012 PERS Bonds, and the QZAB and QSCB Bonds. The principal sources 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 and maintain 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; the basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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 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 in net position are 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 using 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. The 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 by 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's 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 government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid on time 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 lease 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, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c. Unrestricted net position - All other net positions 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 in net position are 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 that 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 purposes 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 are attached as an enforceable lien on the 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 is 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 inter-fund 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 the discussion of deposit and investment policies and other related information, see the 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 in the 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.

CASH AND INVESTMENTS (Cont.):

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, 2024, the reported amount of the District's deposits was $487,909.93 including Trust Accounts, the bank balance was $721,354.72. 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, 2024, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

As of June 30, 2024, 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)	$ 11,451,163	N/A
Total Investments	$ 11,451,163	

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 investment.

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2024:

Depreciable Assets Schedule
For the Year 2024

Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances
Assets not being depreciated:				
Land	$ 1,238,172	$ -	$ -	$ 1,238,172
Construction in Progress	4,475,699	189,630	4,428,312	237,016
Total assets not being depreciated	5,713,871	189,630	4,428,312	1,475,188
Assets being depreciated:				
Land Improvement	2,343,505	634,164	-	2,977,669
Building and Building Improvement	26,598,135	4,391,856	-	30,989,991
Machinery and Equipment	2,509,243	298,776	-	2,808,019
Total Depreciable Assets	31,450,883	5,324,796	-	36,775,679
Less: Accumulated Depreciation				
Land Improvement	229,073	111,341	-	340,414
Building and Building Improvement	18,984,307	451,031	-	19,435,338
Machinery and Equipment	1,360,589	163,701	-	1,524,290
Total Accumulated Depreciation	20,573,969	726,073	-	21,300,042
Net Value of Capital Assets Being Depreciated	10,876,914	4,598,723	-	15,475,637
Total Governmental Activities -- Net Value of Capital Assets	$ 16,590,784	$ 4,788,353	$ 4,428,312	$ 16,950,825

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 262,291
Support Services	$ 422,343
Enterprise and Community Services	$ 41,439
Total Depreciation Expense	$ 726,073

LONG-TERM DEBT:

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 refund of its Limited Tax Pension Bond- 2002. This partial refund 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.

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 the 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.

QSCB 2010

On October 12, 2010, the District issued Qualified School Construction Bonds for $500,000. The monies were used for repairs, upgrades, and weatherization projects throughout the District. The QSCBs 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. The final maturity on the bonds is June 30, 2027. The District will receive approximately $212,000 in direct subsidy payments from the US Treasury over the life of the bond.

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 QSCBs are eligible to receive subsidy payments from the US Treasury. The interest rate on the bonds is 4.80%.

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. The interest rate 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, 2024

	Outstanding Balance July 1, 2023	Principal Paid	Interest Paid	Outstanding Balance June 30, 2024	Due Within One Year
Bonds Payable:					
Limited Tax Pension Bond 2002	$ 3,299,999	$ 610,000	$ 183,150	$ 2,689,999	$ 685,000
Limited Tax Pension Bond 2003	3,555,000	660,000	201,459	2,895,000	735,000
QSCB 2010	120,000	30,000	6,060	90,000	30,000
QSCB 2012	350,000	-	16,188	350,000	-
On March 15, 2021, the District entered into a	960,000	320,000	14,400	640,000	320,000
Total Bonds Payable	**8,284,999**	**1,620,000**	**421,257**	**6,664,999**	**1,770,000**
Bond Discount	(2,185)	-	(547)	(1,638)	-
Total Bonds Payable, net of Discount	**8,282,814**	**1,620,000**	**420,710**	**6,663,361**	**1,770,000**
Total Long-Term Debt	**$ 8,282,814**	**$ 1,620,000**	**$ 420,710**	**$ 6,663,361**	**$ 1,770,000**

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

Bonds Payable:	Due Fiscal Year Ending June 30,	Principal	Interest	Total
	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	-	16,188	16,188
	2030 - 2034	350,000	16,188	366,188
	Total	$ 6,664,999	$ 859,593	$ 7,524,592

The District has no unused lines of credit.

For further details 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. Members may select 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, ($225,533 as of January 1, 2023). 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 $3,570/month in House Bill 2906 as of June 2023), 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 equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

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

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: 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 ($225,533 as of January 1, 2023). 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 $3,570/month in House Bill 2906 as of June 2023), 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 897 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 for the year ended June 30, 2024, were $3,082,933 before Side Account Amortization, and excluding amounts to fund employer specific liabilities.

Amortization of the Side Account resulted in a PERS savings to the District of $2,530,837 for FY 2023-2024 from the required PERS contribution rate of $3,082,933, netting to a net contribution of $552,096.

The current year contribution rates in effect for PERS have been reduced while the District receives amortization of the PERS Side Account, funded with PERS retirement bonds (described in Long Term Debt). Because of this side account amortization, the adjusted PERS contribution rates in effect for the period July 1, 2023, to June 30, 2025 are: Tier1/Tier2 – 0.0% 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 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 2023-2024, approximately $551,385 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%, Schools 27.54%, Cities 28.64% and Judiciary 24.56% of PERS-covered salaries.

For **Oregon PERS OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. The employer rates effective July 1, 2021, through June 20, 2023, are 10.33% for General Service employees, and 14.69% for Police and Fire employees of covered salaries. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

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 0.05% 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.

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:
www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

Actuarial Valuations

The employer contribution rates effective July 1, 2023, through June 30, 2025, 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 the same period of 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, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
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 July 20, 2021.

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 an 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, 2023

Asset Class/Strategy	OIC Policy Range			OIC Target Allocation	Asset Class/Strategy	Actual Allocation[2]
Debt Securities	22.0%	-	30.0%	25.0%	Debt Securities	20.0%
Public Equity	22.5%	-	32.5%	27.5%	Public Equity	23.3%
Real Estate	9.0%	-	16.5%	12.5%	Real estate	13.6%
Private Equity	17.5%	-	27.5%	20.0%	Private Equity	26.5%
Real Assets	2.5%	-	10.0%	7.5%	Real Assets	9.1%
Diversifying Strategies	2.5%	-	10.0%	7.5%	Diversifying Strategies	5.0%
Opportunity Portfolio[1]	0.0%	-	5.0%	0.0%	Opportunity Portfolio	2.5%
Total				100%	Total	100%

[1]Opportunity Portfolio is an investment strategy. Up to 5% of total Fund assets may be invested in it.

[2]The target allocation of Debt Securities is increased by 5% and Public Equity is reduced by 2.5% from FY2022, and the allocation to Risk Parity is eliminated.

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 January 2023 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	27.50%	8.57%	7.07%	17.99%
Private Equity	25.50%	12.89%	8.83%	30.00%
Core Fixed Income	25.00%	4.59%	4.50%	4.22%
Real Estate	12.25%	6.90%	5.83%	15.13%
Master Limited Partnerships	0.75%	9.41%	6.02%	27.04%
Infrastructure	1.50%	7.88%	6.51%	17.11%
Hedge Fund of Funds - Multistrategy	1.25%	6.81%	6.27%	9.04%
Hedge Fund Equity - Hedge	0.63%	7.39%	6.48%	12.04%
Hedge Fund - Macro	5.62%	5.44%	4.83%	7.49%
Assumed Inflation - Mean			**2.35%**	**1.41%**

[1]Based on the Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

[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.

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	$ 3,447,370	$ 2,087,024	$ 948,558

Changes Since Last Valuation

A summary of key changes implemented after the December 31, 2021 valuation, which was used in the 2023 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

An adjustment was added to the side account amortization calculations and Pre-SLGRP liability and surplus calculations to reflect the delay between when a rate is calculated and when it takes effect.

The timing of the amortization period for Pre-SLGRP liabilities and surpluses for SLGRP employers was revised to align the biennial rate-setting cycle.

Changes in Assumptions

The merit/longevity component assumption of individual member salary increases were updated for all groups, including adding a select assumption of an additional 2% for all members for two years.

The mortality improvement projection scale applied to all groups is based on 60-year unisex average mortality improvements by age. The assumption was updated to reflect the most recent publicly available data at the time of the latest experience study.

Termination, disability and retirement rates were updated for some groups to more closely match observed and anticipated future experience.

Assumptions for unused sick leave and vacation pay were updated.

PENSION PLAN (Cont.):

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, 2023, 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 96, of the June 30, 2023 Oregon PERS ACFR. www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

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

At June 30, 2024, the employer reported a liability of $2,087,024 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2023, 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, 2023, the employer's proportion was 0.01114227%
For the year ended June 30, 2024, the employer recognized pension expense of $(464,567). As of June 30, 2023, 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	$ 102,062	$ 8,275
Changes of assumptions	185,399	1,382
Net difference between projected and actual earnings on investements	37,512	-
Changes in proportionate share	1,608,986	2,558,902
Differences between employer contributions and employer's proportionate share of system contributions	-	1,190,396
Total Deferred Outflows/Inflows	$ 1,933,959	$ 3,758,955
Post-measurement date contributions	3,082,933	N/A
Total Deferred Outflow/(Inflow) of Resources	$ 5,016,892	$ 3,758,955
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		$ (1,824,996)

Contributions of $3,082,933 for PERS defined benefits, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

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

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$ (490,633)
2nd Fiscal Year	(598,073)
3rd Fiscal Year	(206,704)
4th Fiscal Year	(334,111)
5th Fiscal Year	(195,475)
Thereafter	-
Total	$ (1,824,996)

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, 2023, 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, 2024, 2023, and 2022 were $54, $1,118, and $1,143 respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total (OPEB) RHIA 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, 2023. That independently audited report was dated December 1, 2023 and can be found at:
www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

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

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
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 July 20, 2021.

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 January 2023 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 92 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:
www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.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	$ (188,773)	$ (207,671)	$ (223,885)

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

At June 30, 2024, the District reported a net OPEB RHIA liability/(asset) of $(207,671) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2023, 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, 2021. 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, 2023, the District's proportion was 0.05671488 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2024 was $(14,580).

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

At June 30, 2024, 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	$ -	$ 5,214
Changes of assumptions	-	2,239
Net difference between projected and actual earnings on	589	-
Changes in proportionate share	2,068	18,071
Total Deferred Outflows/Inflows	$ 2,657	$ 25,524
Post-measurement date contributions	54	N/A
Total Deferred Outflow/(Inflow) of Resources	$ 2,711	$ 25,524
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		$ (22,867)

Contributions of $54 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 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	$ (21,314)
2nd Fiscal Year	(11,980)
3rd Fiscal Year	7,675
4th Fiscal Year	2,752
Total	$ (22,867)

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2023, Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

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

OEBB Health Insurance Subsidy- GASB 75

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, 2024, the District reported an estimated net OPEB OEBB liability/(asset) of $1,020,919 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 December 31, 2021. 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, 2023, the District's estimated OPEB OEBB expense/(income) for the year ended June 30, 2024 was $59,696.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of July 1, 2023 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 Milliman. 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:

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

Key Actuarial Assumptions and Methods	Independent Actuaries, Inc.
Discount Rate	4.00%
Other Key Actuarial Assumptions and Methods	
Valuation date	July 1, 2022
Measurement date	June 30, 2024
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

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.

The 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 Employee tables. The Mortality Table reflects recent rates developed by the Society of Actuaries. For members only, a one-year setback is applied. Future mortality improvement is not projected as it would be immaterial to the valuation.

Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31,2022. 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).

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

Sensitivity Analysis

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

	1% Decrease 3.00%	Discount Rate 4.00%	1% Increase 5.00%
Total OPEB liability from Implicit and Explicit Rate Subsidy	$ 1,085,820	$ 1,020,919	$ 954,583

Trend Rate	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit and Explicit Rate Subsidy	$ 902,194	$ 1,020,919	$ 1,156,368

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, 2023**
Active Employees	175
Inactive Employees	7
Total Participants	182

Changes in Net (OPEB) OEBB Liability

Changes in Total OPEB Liability June 30, 2023 to June 30, 2024	Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2022	**$ 978,867**
Changes for the year:	
Benefit payments	(62,540)
Service Cost	82,603
Interest	38,633
Changes in assumptions or other inputs	(16,644)
Net OPEB Liability at June 30, 2023	**$ 1,020,919**

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

Components of (OPEB) OEBB Expense

OPEB Expense		July 1, 2023 to June 30, 2024
Service cost	$	82,603
Interest on total OPEB liability		38,633
Recognition of Deferred (Inflows)/Outflows of Resources		
Recognition of economic/demographic (gains) or losses		19,110
Recognition of assumption changes		(80,650)
OPEB Expense	$	59,696

Schedule of Deferred Inflows and Outflows of Resources

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	105,459	$	10,069
Changes of assumptions or inputs		17,584		233,645
(prior to post-measurement date contributions)	$	123,043	$	243,714
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions			$	(120,671)

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

Employer subsequent fiscal years		Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	$	(61,541)
2nd Fiscal Year		(4,959)
3rd Fiscal Year		(13,746)
4th Fiscal Year		(20,399)
5th Fiscal Year		(8,977)
Thereafter		(11,049)
Total	$	(120,671)

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) EARLY RETIREMENT PROGRAM – GASB 73:

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 for 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, 2024, was $4,535. 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, 2024 was $4,535. 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, 2024 of $11,348 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022.

Key Actuarial Assumptions and Methods	Independent Actuaries, Inc.
Discount Rate	4.00%
Other Key Actuarial Assumptions and Methods	
Valuation date	July 1, 2022
Measurement date	June 30, 2024
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. 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 3.00%	Discount Rate 4.00%	1% Increase 5.00%
Total OPEB liability from Early Retirement Stipend Plan and Explicit Benefit Plan	$ 11,625	$ 11,348	$ 11,051

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

Changes in Net (OPEB) Stipend Liability

Changes in Total OPEB Stipend Liability June 30, 2023 to June 30, 2024		Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2023	**$**	**15,017**
Changes for the year:		
Benefit payments		(4,535)
Service Cost		445
Interest		495
Changes in assumptions or other inputs		(74)
Net OPEB Liability at June 30, 2024	**$**	**11,348**

Components of (OPEB) Stipend Expense

OPEB Implicit Stipend and Explicit Benefit Expense		July 1, 2023 to June 30, 2024
Service cost	$	445
Interest on total OPEB liability	$	495
Recognition of Deferred (Inflows)/Outflows of Resources		
Recognition of economic/demographic (gains) or losses		753
Recognition of assumption changes		(613)
OPEB Expense	$	1,080

Schedule of Deferred Inflows and Outflows of Resources

At June 30, 2024, 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	$	568	$	-
Service Cost		-		1,426
(prior to post-measurement date contributions)	$	568	$	1,426
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions			$	(858)

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	$	(376)
2nd Fiscal Year		(235)
3rd Fiscal Year		(233)
4th Fiscal Year		(14)
Total	$	(858)

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, 2024, were as follows:

	Transfers Out	Transfers In
General Fund #100	$ 1,235,220	$ -
Debt Service Fund #300	-	585,220
Building & Repair Fund #400	-	650,000
Total	$ 1,235,220	$ 1,235,220

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 funds.

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, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Taxes	$ 3,838,599	$ 3,838,599	$ 3,971,604	$ 133,005
Earnings on Investments	400	400	564	164
Fees and Charges	40,000	40,000	54,111	14,111
Miscellaneous Revenue	128,300	128,300	120,672	(7,628)
Intermediate Government Aid	149,884	149,884	150,021	137
State Aid	13,807,614	13,807,614	13,987,814	180,200
Federal Aid	100,000	100,000	201,922	101,922
Total Revenues	**18,064,797**	**18,064,797**	**18,486,708**	**421,911**
EXPENDITURES:				
Instruction	9,659,192	9,659,192	8,538,735	(1,120,457)
Support Services	9,031,990	9,031,990	7,984,880	(1,047,110)
Enterprise and Community Services	-	-	1,291	1,291
Total Expenditures	**18,691,182**	**18,691,182**	**16,524,906**	**(2,166,276)**
Excess (Deficiency) of Revenues Over Expenditures	(626,385)	(626,385)	1,961,802	2,588,187
OTHER FINANCING SOURCES (USES):				
Interfund Transfers Out	(1,250,104)	(1,250,104)	(1,235,220)	(14,884)
Total Other Financing Sources (Uses)	**(1,250,104)**	**(1,250,104)**	**(1,235,220)**	**(14,884)**
Net Change in Fund Balance	(1,876,489)	(1,876,489)	726,582	2,573,303
Beginning Fund Balance	3,161,848	3,161,848	4,349,812	1,187,964
Ending Fund Balance	**$ 1,285,359**	**$ 1,285,359**	**$ 5,076,394**	**$ 3,791,035**

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, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Earnings on Investments	$ -	$ -	$ 16	$ 16
Fees and Charges	293,931	293,931	492,675	198,744
State Aid	1,682,551	2,128,291	2,199,131	70,840
Federal Aid	4,091,743	4,091,743	3,453,568	(638,175)
Total Revenues	**6,068,225**	**6,513,965**	**6,145,390**	**(368,575)**
EXPENDITURES:				
Instruction	2,445,402	2,837,055	2,779,640	(57,415)
Support Services	1,778,581	1,831,668	1,864,617	32,949
Enterprise and Community Services	1,384,750	1,384,750	1,252,480	(132,270)
Facilities Acquisition and Construction	665,063	665,063	233,765	(431,298)
Total Expenditures	**6,273,795**	**6,718,535**	**6,130,502**	**(588,033)**
Excess (Deficiency) of Revenues Over Expenditures	(205,571)	(204,571)	14,888	219,459
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	(195,571)	(194,571)	14,888	209,459
Beginning Fund Balance	447,979	447,979	538,161	90,182
Ending Fund Balance	**$ 252,408**	**$ 253,408**	**$ 553,049**	**$ 299,641**

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERS

Last 10 Fiscal Years*

Fiscal Year Ended June 30,[1]	Measurement Date	(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 as of Measurement Date	(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
2024	June 30, 2023	0.01114227%	$ 2,087,024	$ 8,654,084	24.12%	81.7%
2023	June 30, 2022	0.02743413%	4,200,716	7,636,778	55.01%	84.5%
2022	June 30, 2021	0.01497476%	1,791,952	6,768,376	26.48%	87.6%
2021	June 30, 2020	0.02147217%	4,685,966	6,916,883	67.75%	75.8%
2020	June 30, 2019	0.01354634%	2,343,192	6,742,538	34.75%	80.2%
2019	June 30, 2018	0.02880186%	4,363,102	6,631,395	65.79%	82.1%
2018	June 30, 2017	0.01800157%	2,426,618	6,303,231	38.50%	83.1%

[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
2024	$ 3,082,933	$ 3,082,933	$ -	$ 9,148,073	33.70%
2023	2,715,304	2,715,304	-	8,654,084	31.38%
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 Ended June 30,[1]	Measurement Date	(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 as of Measurement Date	(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
2024	June 30, 2023	0.05671488%	$ (207,671)	$ 8,654,084	-2.40%	201.6%
2023	June 30, 2022	0.04638635%	(164,827)	7,636,778	-2.16%	194.6%
2022	June 30, 2021	0.05046069%	(173,282)	6,768,376	-2.56%	183.9%
2021	June 30, 2020	0.08851991%	(180,368)	6,916,883	-2.61%	150.1%
2020	June 30, 2019	0.05540854%	(107,069)	6,742,538	-1.59%	144.4%
2019	June 30, 2018	0.06395113%	(71,387)	6,631,395	-1.08%	124.0%
2018	June 30, 2017	0.06456119%	(26,944)	6,303,231	-0.43%	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 payroll	(b/c) Contributions as a percent of covered payroll
2024	$ 54	$ 54	$ -	$ 9,148,073	0.00%
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	0.41%
2018	30,965	30,965	-	6,631,395	0.47%

*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*

	2024	2023	2022	2021	2020
Total OPEB Liability					
Service cost	$ 82,603	69,567	82,560	55,843	53,955
Interest on total OPEB liability	38,633	35,677	23,799	21,676	38,634
Effect of economic/demographic gains or losses	-	47,786	-	162,443	-
Effect of assumption changes or inputs	(16,644)	(102,949)	(79,972)	(115,875)	61,549
Benefit payments	(62,540)	(41,973)	(61,625)	(51,294)	(51,021)
Net change in total OPEB liability **	42,052	8,108	(35,238)	72,793	103,117
Total OPEB liability, beginning	978,867	970,759	1,005,997	933,204	830,087
Total OPEB liability, ending (a) **	$ 1,020,919	$ 978,867	$ 970,759	$ 1,005,997	$ 933,204
Covered payroll	$ 8,654,084	$ 7,636,778	$ 6,768,376	$ 6,916,883	$ 6,742,538
Total OPEB OEBB liability as a % of covered payroll	11.80%	12.82%	14.34%	14.54%	13.84%

	2019	2018	2017	2016	2015
Total OPEB Liability					
Service cost	54,989	53,648	53,648	-	-
Interest on total OPEB liability	42,239	39,816	38,718	-	-
Effect of economic/demographic gains or losses	(70,483)	-	-	-	-
Effect of assumption changes or inputs	(325,599)	-	-	-	-
Benefit payments	(45,788)	(59,035)	(62,923)	-	-
Net change in total OPEB liability **	(344,642)	34,429	29,443	-	-
Total OPEB liability, beginning	1,174,729	1,140,300	1,110,857	-	-
Total OPEB liability, ending (a) **	$ 830,087	$ 1,174,729	$ 1,140,300	$ -	$ -
Covered payroll	$ 6,631,395	$ 6,303,231	$ -	$ -	$ -
Total OPEB OEBB liability as a % of covered payroll	12.52%	-	-	-	-

*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.

* **Totals may not agree due to rounding.*

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF RELATED RATIOS

STIPEND BENEFITS FOR EARLY REITREMENT

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020
Total OPEB Liability					
Service cost	$ 445	389	471	741	716
Interest on total OPEB liability	495	589	436	449	777
Effect of economic/demographic gains or losses	-	946	-	2,259	-
Effect of assumption changes or inputs	(74)	(2,044)	(564)	(198)	505
Benefit payments	(4,535)	(2,630)	(2,960)	(4,190)	(4,320)
Net change in total OPEB liability **	(3,669)	(2,750)	(2,617)	(939)	(2,322)
Total OPEB liability, beginning	15,017	17,767	20,384	21,323	23,645
Total OPEB liability, ending (a) **	$ 11,348	$ 15,017	$ 17,767	$ 20,384	$ 21,323
Covered payroll	$ 8,654,084	$ 7,636,778	$ 6,768,376	$ 6,916,883	$ 6,742,538
Total OPEB OEBB liability as a % of covered payroll	0.13%	0.20%	0.26%	0.29%	0.32%

	2019	2018	2017	2016	2015
Total OPEB Liability					
Service cost	714	697	697		
Interest on total OPEB liability	1,020	1,061	1,025		
Effect of economic/demographic gains or losses	510	-	-		
Effect of assumption changes or inputs	(4,510)	-	-		
Benefit payments	(5,041)	(1,553)	188		
Net change in total OPEB liability **	(7,307)	205	1,910	-	-
Total OPEB liability, beginning	30,952	30,747	28,837	-	-
Total OPEB liability, ending (a) **	$ 23,645	$ 30,952	$ 30,747	$ -	$ -
Covered payroll	$ 6,631,395	$ 6,303,231	$ -	$ -	$ -
Total OPEB OEBB liability as a % of covered payroll	0.36%	-	-	-	-

*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, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Earnings on Investments	$ 173,400	$ 173,400	$ 624,769	$ 451,369
Miscellaneous Revenue	1,654,609	1,654,609	1,649,533	(5,076)
Federal Aid	21,948	21,948	2,716	(19,232)
Total Revenues	**1,849,957**	**1,849,957**	**2,277,018**	**427,062**
EXPENDITURES:				
Debt Service	2,047,913	2,047,913	2,043,979	(3,934)
Total Expenditures	**2,047,913**	**2,047,913**	**2,043,979**	**(3,934)**
Excess (Deficiency) of Revenues Over Expenditures	(197,956)	(197,956)	233,039	430,995
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	590,104	590,104	585,220	(4,884)
Total Other Financing Sources (Uses)	**590,104**	**590,104**	**585,220**	**(4,884)**
Net Change in Fund Balance	392,148	392,148	818,259	426,111
Beginning Fund Balance	3,805,962	3,805,962	3,959,241	153,279
Ending Fund Balance	**$ 4,198,110**	**$ 4,198,110**	**$ 4,777,500**	**$ 579,390**

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, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over
	Original	Final	(See Note 1)	(Under)
REVENUES:				
Miscellaneous Revenue	$ 38,000	$ 38,000	$ 47,227	$ 9,227
Total Revenues	**38,000**	**38,000**	**47,227**	**9,227**
EXPENDITURES:				
Facilities Acquisition and Construction	1,106,478	1,106,478	448,774	(657,704)
Total Expenditures	**1,106,478**	**1,106,478**	**448,774**	**(657,704)**
Excess (Deficiency) of Revenues Over Expenditures	(1,068,478)	(1,068,478)	(401,547)	666,931
OTHER FINANCING SOURCES (USES):				
Interfund Transfers In	650,000	650,000	650,000	-
Total Other Financing Sources (Uses)	**650,000**	**650,000**	**650,000**	**-**
Net Change in Fund Balance	(418,478)	(418,478)	248,453	666,931
Beginning Fund Balance	1,293,478	1,293,478	1,265,654	(27,824)
Ending Fund Balance	**$ 875,000**	**$ 875,000**	**$ 1,514,107**	**$ 639,107**

OTHER INFORMATION

ADDITIONAL SUPPORTING SCHEDULES

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2024

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 refund of its Limited Tax Pension Bond- 2002. This partial refund 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, 2023	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2024	Due Within One Year
Principal	$ 3,299,999	$ -	$ 610,000	$ 2,689,999	$ 685,000
Interest	-	183,150	183,150	-	149,296
Total	$ 3,299,999	$ 183,150	$ 793,150	$ 2,689,999	$ 834,296

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	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		$ 2,689,999	$ 351,316	$ 3,041,315	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2024

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 the issuance date to the end of the current fiscal year on the 2022 and 2023 bonds is $771,626. The unpaid interest on the 2022 bonds that will be paid during the fiscal year ending June 30, 2022, will be $384,702 along with interest accrued during that fiscal year.

Current Year Activity:

	Outstanding Balance July 1, 2023	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2024	Due Within One Year
Principal	$ 3,555,000	$ -	$ 660,000	$ 2,895,000	$ 735,000
Interest	-	201,459	201,459	-	164,436
Total	$ 3,555,000	$ 201,459	$ 861,459	$ 2,895,000	$ 899,436

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	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		$ 2,895,000	$ 387,660	$ 3,282,660	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2024

QSCB 2010

On October 12, 2010, the District issued Qualified School Construction Bonds for $500,000. The monies were used for repairs, upgrades, and weatherization projects throughout the District. The QSCBs 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. The final maturity on the bonds is June 30, 2027. The District will receive approximately $212,000 in direct subsidy payments from the US Treasury over the life of the bond.

Current Year Activity:

	Outstanding Balance July 1, 2023	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2024	Due Within One Year
Principal	$ 120,000	$ -	$ 30,000	$ 90,000	$ 30,000
Interest	-	6,060	6,060	-	4,545
Total	$ 120,000	$ 6,060	$ 36,060	$ 90,000	$ 34,545

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest & Federal Subsidy	Total	Interest Rate
	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		$ 90,000	$ 9,090	$ 99,090	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2024

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 QSCBs 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, 2023	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2024	Due Within One Year
Principal	$ 350,000	$ -	$ -	$ 350,000	$ -
Interest	-	16,188	16,188	-	16,187
Total	$ 350,000	$ 16,188	$ 16,188	$ 350,000	$ 16,187

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	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	$ 97,127	$ 447,127	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2024

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. The interest rate for the tax-exempt bonds sold is 1.50%.

Current Year Activity:

	Outstanding Balance July 1, 2023	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2024	Due Within One Year
Principal	$ 960,000	$ -	$ 320,000	$ 640,000	$ 320,000
Interest	-	14,400	14,400	-	9,600
Total	$ 960,000	$ 14,400	$ 334,400	$ 640,000	$ 329,600

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2025	$ 320,000	$ 9,600	$ 329,600	1.50%
	2026	320,000	4,800	324,800	1.50%
Total		$ 640,000	$ 14,400	$ 654,400	

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2024

SUPPLEMENTAL INFORMATION 2023-2024

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	$ 351,651
Function 2550	$ -

C. Replacement of Equipment - General Fund:

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

$ 54,983

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, 2024

Revenue from Local Sources		Fund 100	Fund 200	Fund 300	Fund 400
1110	Ad Valorem Taxes Levied by District	$ 3,950,448	$ -	$ -	$ -
1190	Penalties and Interest on Taxes	9,434	-	-	-
1500	Earnings on Investments	564	16	624,769	-
1600	Food Service	-	198,036	-	-
1700	Extracurricular Activities	54,111	294,639	-	-
1910	Rentals	7,772	-	-	-
1960	Recovery of Prior Years' Expenditue	11,970	-	-	-
1970	Services Provided Other Funds	-	-	1,649,533	-
1980	Fees Charged to Grants	77,565	-	-	-
1990	Miscellaneous	23,365	-	-	47,227
	Total Revenue from Local Sources	$ 4,135,229	$ 492,691	$ 2,274,302	$ 47,227

Revenue from Intermediate Sources		Fund 100	Fund 200	Fund 300	Fund 400
2101	County School Funds	$ 19,922	$ -	$ -	$ -
2199	Other Intermediate Sources	4,359	-	-	-
2200	Restricted Revenue	125,740	-	-	-
	Total Revenue from Intermediate Sources	$ 150,021	$ -	$ -	$ -

Revenue from State Sources		Fund 100	Fund 200	Fund 300	Fund 400
3101	State School Fund - General Support	$13,800,587	$ -	$ -	$ -
3102	State School Fund - School Lunch Match	(7,684)	7,684	-	-
3103	Common School Fund	193,908	-	-	-
3299	Other Restricted Grants-In-Aid	1,003	2,191,447	-	-
	Total Revenue from State Sources	$13,987,814	$ 2,199,131	$ -	$ -

Revenue from Federal Sources		Fund 100	Fund 200	Fund 300	Fund 400
4200	Unrestricted Revenue From the Federal Government Through the State	37,722	-	-	-
4500	Restricted Revenue From the Federal Government Through the State	$ -	$ 3,393,079	$ -	$ -
4801	Federal Forest Fees	164,200	-	-	-
4900	Revenue for/on Behalf of the District	-	60,488	2,716	-
	Total Revenue from Federal Sources	$ 201,922	$ 3,453,568	$ 2,716	$ -

Revenue from Other Sources		Fund 100	Fund 200	Fund 300	Fund 400
5200	Interfund Transfers	$ -	$ -	$ 585,220	$ 650,000
5400	Resources - Beginning Fund Balance	4,349,812	538,161	3,959,241	1,265,654
	Total Revenue from Other Sources	$ 4,349,812	$ 538,161	$ 4,544,461	$ 1,915,654
	Grand Total	$22,824,798	$ 6,683,551	$ 6,821,479	$ 1,962,881

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-General Fund #100

For the Fiscal Year Ended June 30, 2024

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	$ 2,974,622	$ 1,822,969	$ 996,972	$ 117,636	$ 37,045	$ -	$ -	$ -
1121	Middle/Junior High Programs	1,606,963	999,152	487,333	107,172	13,201	-	105	-
1122	Middle/Junior High School Extracurricular	132,297	93,085	19,012	14,158	5,410	-	632	-
1131	High School Programs	1,741,823	1,060,180	574,286	87,196	18,436	-	1,725	-
1132	High School Extracurricular	311,147	173,637	48,999	36,456	43,527	-	8,527	-
1210	Programs for the Talented and Gifted	6,739	5,000	1,739	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	472,098	282,175	168,684	15,072	6,168	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	1,281,406	685,648	441,045	152,257	2,456	-	-	-
1291	English Second Language Programs	43	-	-	-	43	-	-	-
1460	Summer School Programs	11,597	8,632	2,965	-	-	-	-	-
	Total Instruction Expenditures	$ 8,538,735	$ 5,130,478	$ 2,741,036	$ 529,946	$ 126,285	$ -	$ 10,990	$ -

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	$ 446,643	$ 264,881	$ 181,762	$ -	$ -	$ -	$ -	$ -
2120	Guidance Services	764	-	581	-	183	-	-	-
2130	Health Services	47,587	-	-	34,460	13,127	-	-	-
2140	Psychological Services	153,588	114,483	35,637	1,449	2,020	-	-	-
2190	Service Direction, Student Support Services	202,022	121,128	36,640	42,343	1,032	-	879	-
2210	Improvement of Instruction Services	208,111	134,553	71,418	516	100	-	1,524	-
2220	Educational Media Services	240,117	125,719	78,096	653	35,170	-	479	-
2240	Instructional Staff Development	28,439	-	28,439	-	-	-	-	-
2310	Board of Education Services	337,500	-	-	104,985	112	-	232,403	-
2320	Executive Administration Services	208,602	173,850	21,602	10,282	1,840	-	1,029	-
2410	Office of the Principal Services	1,566,607	1,024,105	401,826	49,449	39,437	46,113	5,677	-
2520	Fiscal Services	403,554	193,462	136,695	50,532	15,347	-	7,518	-
2540	Operation and Maintenance of Plant Services	1,896,740	668,170	442,263	584,510	182,273	19,282	242	-
2550	Student Transportation Services	1,432,076	-	-	1,327,929	104,146	-	-	-
2570	Internal Services	53,212	-	-	53,212	-	-	-	-
2640	Staff Services	140,564	81,343	45,492	6,125	7,494	-	110	-
2660	Technology Services	578,074	14,567	11,432	172,173	355,216	23,398	1,288	-
2700	Supplemental Retirement Program	40,681	-	40,681	-	-	-	-	-
	Total Support Services Expenditures	$ 7,984,880	$ 2,916,261	$ 1,532,563	$ 2,438,618	$ 757,497	$ 88,793	$ 251,149	$ -

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5200	Transfers of Funds	$ 1,235,220	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,235,220
	Total Other Uses Expenditures	$ 1,235,220	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,235,220
	Grand Total	$ 17,760,127	$ 8,046,739	$ 4,274,890	$ 2,968,564	$ 883,782	$ 88,793	$ 262,139	$ 1,235,220

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-Special Revenue Fund #200

For the Fiscal Year Ended June 30, 2024

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	$ 370,294	$ 70,040	$ 24,105	$ 261	$ 274,889	$ -	$ 1,000
1113	Elementary Extracurricular	25,222	-	-	-	25,222	-	-
1121	Middle/Junior High Programs	310,078	91,180	48,531	15,358	148,867	-	6,142
1122	Middle/Junior High School Extracurricular	78,879	-	-	-	66,166	-	12,713
1131	High School Programs	892,852	405,897	234,107	23,423	220,345	-	9,080
1132	High School Extracurricular	192,868	-	-	-	159,273	-	33,595
1210	Programs for the Talented and Gifted	3,504	-	-	420	3,084	-	-
1220	Restrictive Programs for Students with Disabilities	154,483	74,456	77,788	2,239	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	123,499	62,751	35,843	12,791	12,115	-	-
1272	Title I	595,329	380,152	178,378	4,656	32,144	-	-
1460	Summer School Programs	32,632	24,169	8,464	-	-	-	-
	Total Instruction Expenditures	$ 2,779,640	$ 1,108,644	$ 607,215	$ 59,148	$ 942,103	$ -	$ 62,530

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2110	Attendance and Social Work Services	$ 227,924	$ 121,584	$ 93,835	$ 3,860	$ 8,644	$ -	$ -
2120	Guidance Services	247,711	149,835	97,496	-	380	-	-
2140	Psychological Services	93,146	61,544	30,651	952	-	-	-
2190	Service Direction, Student Support Services	68,879	49,690	18,959	-	230	-	-
2210	Improvement of Instruction Services	242,987	139,101	68,526	35,360	-	-	-
2220	Educational Media Services	142,541	70,603	61,938	-	10,000	-	-
2240	Instructional Staff Development	263,895	91,597	55,568	111,632	5,099	-	-
2320	Executive Administration Services	17,254	11,669	3,986	-	265	-	1,335
2490	Other Support Services - School Administration	164,208	25,013	13,050	48,580	-	-	77,565
2520	Fiscal Services	1,679	1,540	139	-	-	-	-
2540	Operation and Maintenance of Plant Services	259,932	22,709	14,680	180,942	41,600	-	-
2550	Student Transportation Services	49,570	-	-	49,570	-	-	-
2640	Staff Services	687	-	-	-	687	-	-
2660	Technology Services	84,204	-	-	595	83,609	-	-
	Total Support Services Expenditures	$ 1,864,617	$ 744,884	$ 458,827	$ 431,491	$ 150,515	$ -	$ 78,900

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100	Food Services	$ 1,241,614	$ 296,537	$ 153,781	$ 578,814	$ 46,891	$ 163,886	$ 1,705
3300	Community Services	11,159	-	-	-	11,159	-	-
	Total Enterprise and Community Services Expenditures	$ 1,252,773	$ 296,537	$ 153,781	$ 578,814	$ 58,050	$ 163,886	$ 1,705

Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
4150	Building Acquisition, Construction, and Improvement	$ 233,765	$ -	$ -	$ 1,663	$ -	$ 232,102	$ -
	Total Facilities Acquisition and Construction	$ 233,765	$ -	$ -	$ 1,663	$ -	$ 232,102	$ -
	Grand Total	$ 6,130,795	$ 2,150,065	$ 1,219,824	$ 1,071,116	$ 1,150,669	$ 395,988	$ 143,134

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-Debt Service Fund #300

For the Fiscal Year Ended June 30, 2024

FUND: Debt Service Fund #300

		Totals	Object 600
Other Uses Expenditures			
5100	Debt Service	$ 2,043,979	$ 2,043,979
	Total Other Uses Expenditures	$ 2,043,979	$ 2,043,979
	Grand Total	$ 2,043,979	$ 2,043,979

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Audit Expenditure Summary-Capital Projects Fund #400

For the Fiscal Year Ended June 30, 2024

FUND: Capital Projects Fund #400

Facilities Acquisition and Construction Expenditures		**Totals**	**Object 300**	**Object 400**	**Object 500**
4150	Building Acquisition, Construction, and Improvement Services	$ 448,774	$ 16,267	$ 5,193	$ 427,314
	Total Facilities Acquisition and Construction Expenditures	$ 448,774	$ 16,267	$ 5,193	$ 427,314
	Grand Total	$ 448,774	$ 16,267	$ 5,193	$ 427,314

REPORT ON LEGAL
AND OTHER
REGULATORY REQUIREMENTS

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2024

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, 2024, and have issued our report thereon dated December 16, 2024. 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:

- Original appropriation resolution amounts did not agree with budgeted amounts in certain instances. A revised Resolution correcting the issues was adopted by the Board of Directors in November 2023.

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 16, 2024

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

<u>SINGLE AUDIT SECTION</u>

UMPQUA VALLEY
FINANCIAL

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South Umpqua School District No. 19, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise South Umpqua School District No. 19's basic financial statements and have issued our report thereon dated December 16, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered South Umpqua School District No. 19's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of South Umpqua School District No. 19's internal control. Accordingly, we do not express an opinion on the effectiveness of South Umpqua School District No. 19's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 16, 2024

UMPQUA VALLEY
FINANCIAL

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited South Umpqua School District No. 19's compliance with the types of compliance requirements described in the OMB *Circular Compliance Supplement* that could have a direct and material effect on each of South Umpqua School District No. 19's major federal programs for the year ended June 30, 2024. South Umpqua School District No. 19's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, South Umpqua School District No. 19 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of South Umpqua School District No. 19 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinions on compliance for each major federal program. Our audit does not provide a legal determination of South Umpqua School District No. 19's compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to South Umpqua School District No. 19's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on South Umpqua School District No. 19's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about South Umpqua School District No. 19's compliance with the requirements of each major program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding South Umpqua School District No. 19's compliance with the compliance requirements referred to above and performing such other procedures as we have considered necessary in the circumstances.

- Obtain an understanding of South Umpqua School District No. 19's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of South Umpqua School District No. 19's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on South Umpqua School District No. 19's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. South Umpqua School District No. 19's response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

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

Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 16, 2024

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED June 30, 2024

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	$ (29,331)	$ 49,817	$ 20,486	$ -
Elementary & Secondary School Emergency Relief, III	84	425	COVID-19, 84.425U	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	Fund 232	84.425U	2019-20	5,109,980	(417,059)	1,432,347	1,144,178	(128,890)
ARP ESSER Library Grant	84	425	COVID-19, 84.425	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	Fund 200-535	84.425	2022-23	10,000		10,000	10,000	-
Total Elementary & Secondary School Relief Fund									7,395,271	(446,390)	1,492,164	1,174,664	(128,890)
Title I-A - Grants to Local Education Agencies	84	010				Fund 200-100	84.010	2023-24	807,392	-	484,509	607,650	(123,141)
Title I-A - Grants to Local Education Agencies	84	010				Fund 200-100	84.010	2021-22	618,715	(108,918)	228,160	119,242	-
Total Title IA									1,426,107	(108,918)	712,669	726,892	(123,141)
Title II-A Teacher Quality	84	367				Fund 200-200	84.367	2023-24	91,398	-	24,164	40,469	(16,305)
Title II-A Teacher Quality	84	367				Fund 200-200	84.367	2022-23	84,637	-	67,183	67,183	-
Title II-A Teacher Quality	84	367				Fund 200-200	84.367	2021-22	75,380	(9,264)	26,442	17,178	-
Total Title I I-A									251,415	(9,264)	117,789	124,830	(16,305)
Title IV-A Student Support and Academic Enrichment	84	424				Fund 200-400	84.424	2023-24	45,348	-	35,352	42,409	(7,057)
Title IV-A Student Support and Academic Enrichment	84	424				Fund 200-400	84.424	2022-23	48,785	-	48,785	48,785	-
Title IV-A Student Support and Academic Enrichment	84	424				Fund 200-400	84.424	2021-22	49,950	(13,296)	35,794	22,498	-
Total Title IV-A									144,083	(13,296)	119,931	113,692	(7,057)
Title V Rural Education	84	358				Fund 200-500	84.358	2023-24	40,218	-	8,727	9,039	(314)
Total Rural Education									40,218	-	8,727	9,039	(314)
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund 200-300	84.027	2023-24	356,951	-	126,426	189,835	(63,409)
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				Fund 200-300	84.027	2022-23	322,453	(73,405)	239,101	165,696	-
IDEA - Oregon Extended Assessments	84	027				Fund 200-300	84.027	2023-24	549	-	25	25	-
IDEA - Special Education Grants to States(Part B Sec.619)	84	173				Fund 200-300	84.173	2023-24	3,229	-	3,229	3,229	-
IDEA - Special Ed Grants to States(Part B Sec.619 ARP)	84	173				Fund 200-300	84.173	2022-23	3,758	-	195	195	-
IDEA - Special Ed Grants to States(Part B Sec.619 ARP)	84	173				Fund 200-300	84.173	2021-22	2,625		1,863	1,863	
Total IDEA									689,566	(73,405)	370,838	360,841	(63,409)
Foster Care Student Tranportation Reimbursement Grant	93	658				Fund 100-1990	93.658	2022-23	37,722	-	37,722	37,722	-
Total Foster Care Grants									37,722	-	37,722	37,722	-
Total Passed through Oregon Department of Education									$ 9,984,382	$ (651,273)	$ 2,859,839	$ 2,547,680	$ (339,116)
Passed through Douglas Education Service District:													
Carl Perkins Career & Technical Education	84	048	DESD			Fund 200-350	84.048	2023-24	26,219		12,502	12,502	0
Carl Perkins Career & Technical Education	84	048	DESD			Fund 200-350	84.048	2022-23	47,397	(1,483)	12,615	14,006	(2,874)
Total Carl Perkins Career & Technical Education									73,616	(1,483)	25,117	26,508	(2,874)
Total Passed through Douglas Education Service District									$ 73,616	$ (1,483)	$ 25,117	$ 26,508	$ (2,874)
Total U.S. Department of Education									$ 10,057,998	$ (652,756)	$ 2,884,956	$ 2,574,188	$ (341,989)
U.S. DEPARTMENT OF AGRICULTURE													
Commodities	10	555				Fund 299	10.555	2023-24	$ 50,697	$ -	$ 50,697	$ 50,697	$ -
Commodities-Riddle	10	555				Fund 299	10.555	2023-24	9,792	-	9,792	9,792	
National School Lunch Program - Breakfast	10	553				Fund 299	10.553	2023-24	254,224	(8,172)	255,239	254,224	(7,157)
National School Lunch Program - Lunch	10	555				Fund 299	10.555	2023-24	556,051	(18,773)	559,080	556,051	(15,744)
National Schoool Lunch Program - Supply Chain Assistance	10	582				Fund 299	10.582	2023-24	16,069	-	16,069	16,069	-
Summer Food Program- Admin	10	559				Fund 299	10.559	2023-24	2,531	(1,052)	2,512	2,531	(1,071)
Summer Food Program (Federal - not State Funded)	10	559				Fund 299	10.559	2023-24	24,482	(10,158)	24,224	24,482	(10,415)
CNP SNAP State and Local P-EBT	10	649				Fund 299	10.649	2023-24	3,256	-	3,256	3,256	-
Total National School Lunch Program									917,102	(38,156)	920,869	917,102	(34,388)
Total U.S. Department of Agriculture									$ 917,102	$ (38,156)	$ 920,869	$ 917,102	$ (34,388)
TOTALS									**$ 10,975,100**	**$ (690,912)**	**$ 3,805,826**	**$ 3,491,290**	**$ (376,377)**

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

RECONCILIATION TO REVENUE:

Cash Receipts per Schedule Above	$ 3,805,826
Grants Receivable/Deferred Revenue Beginning of Year	(690,912)
Grants Receivable/Deferred Revenue End of Year	376,377
Federal Revenue Recognized per Financial Statements	$ 3,491,291

SOUTH UMPQUA SCHOOL DISTRICT NO. 19

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of federal awards (the “Schedule”) includes the federal award activity of South Umpqua School District No. 19 under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of South Umpqua School District No. 19, it is not intended to and does not present the financial position, changes in net assets, or cash flows of South Umpqua School District No. 19.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COSTS RATE

South Umpqua School District No. 19 has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, or other approved rate that is lower.

South Umpqua School District No. 19

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I—Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of South Umpqua School District No. 19 in accordance with GAAP.

2. No material weaknesses or significant deficiencies in internal control related to the financial statement audit were identified which are required to be reported.

3. No instances of noncompliance material to the financial statements of South Umpqua School District No. 19 were disclosed during the audit.

4. The auditor's report on compliance for the major federal award program expresses an unmodified opinion.

5. The audit did not disclose any findings that are required to be reported.

6. The programs tested as a major program were the

    - Grants to Local Education Agencies (Title I) AL# 84.010

7. The threshold for distinguishing between Type A and B programs was $750,000.

8. The District was determined to be a low-risk auditee.

Section II—Financial Statements Findings

No findings related to the financial statements are reported in accordance with *Government Auditing Standards* for the year ended June 30, 2024.

Section III—Findings and Questioned Costs for Federal Awards.

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

Section IV—Summary Schedule of Prior Audit Findings

There were no findings for the fiscal year ended June 30, 2024.