



COOS COUNTY SCHOOL DISTRICT NO. 54

Bandon, Oregon

Annual Financial Report

June 30, 2024

COOS COUNTY SCHOOL DISTRICT NO. 54

455 9th St SW
Bandon, OR 97411
(541) 347-4411

DISTRICT OFFICIALS

| | |
|---------------------------------|--------------------------|
| DAVID HISEL | Board Chair, Position #1 |
| 455 9th St SW, Bandon, OR 97411 | |

| | |
|---------------------------------|-------------|
| MARTHA LANE | Position #2 |
| 455 9th St SW, Bandon, OR 97411 | |

| | |
|---------------------------------|-------------|
| STAN AVERY | Position #3 |
| 455 9th St SW, Bandon, OR 97411 | |

| | |
|---------------------------------|-------------------------|
| A.J. KIMBALL | Vice Chair, Position #4 |
| 455 9th St SW, Bandon, OR 97411 | |

| | |
|---------------------------------|-------------|
| ANGELA CARDAS | Position #5 |
| 455 9th St SW, Bandon, OR 97411 | |

| | |
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| ANTHONY ZUNINO | Position #6 |
| 455 9th St SW, Bandon, OR 97411 | |

| | |
|---------------------------------|-------------|
| GREG LOONEY | Position #7 |
| 455 9th St SW, Bandon, OR 97411 | |

ADMINISTRATION

| | |
|---------------------------------|-------------------------------|
| AMANDA STEIMONTS | Business Manager/Deputy Clerk |
| 455 9th St SW, Bandon, OR 97411 | |

| | |
|---------------------------------|----------------|
| SHAUNA SCHMERER | Superintendent |
| 455 9th St SW, Bandon, OR 97411 | |

COOS COUNTY SCHOOL DISTRICT NO. 54

AUDIT REPORT

June 30, 2024

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
Coos County School District No. 54
455 9th St SW, Bandon, Oregon 97411

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Coos County School District No. 54 as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Coos County School District No. 54 ’s basic financial statements, as listed in the table of contents.

Summary of Opinions

| <u>Opinion Unit</u> | <u>Type of Opinion</u> |
|-------------------------|------------------------|
| Governmental Activities | Qualified |
| General Fund | Unmodified |
| Special Revenue Fund | Unmodified |
| Debt Service Fund | Unmodified |
| Capital Project Fund | Unmodified |

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matters described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental active ties of Coos County School District No. 54 as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of Coos County School District No. 54 as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified 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 Coos County School District No. 54 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 qualified and unmodified audit opinions

Matters Giving Rise to the Qualified Opinion on Governmental Activities

The District has chosen not to adopt Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. This statement is required by accounting principles generally accepted in the United States of America.

Because the District did not determine the amount of their liability under GASB Statement No. 75, the effect on the Statement of Net Position and the Statement of Activities cannot be determined.

The District has chosen not to adopt Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This statement establishes a single approach for reporting leases in which the Lessee records an asset representing the right to use an asset for a period of time as well as a liability for lease payments. The lease asset is amortized over the shorter of the lease term or the useful life of the asset. This statement is required by accounting principles generally accepted in the United States of America.

Because the District did not determine the effect of potential leases under GASB Statement No. 87, the effect on the Statement of Net Position and the Statement of Activities cannot be determined.

The District has chosen not to adopt Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Agreements (SBITAS)*. This statement establishes a single approach for reporting SBITAS in which the District records an asset representing the right to use an subscription-based asset for a period of time as well as a liability for subscription payments. The subscription-based asset is amortized over the projected useful life of the asset. This statement is required by accounting principles generally accepted in the United States of America.

Because the District did not determine the amount of subscription-based assets, if any, and their related liabilities under GASB Statement No. 96, the effect on the Statement of Net Position and the Statement of Activities cannot be determined.

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 Coos County School District No. 54'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in 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 Coos County School District No. 54'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, which raises substantial doubt about Coos County School District No. 54'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, the schedules of revenues, expenditures, and changes in fund balances – budget and actuals, and the pension and OPEB schedules are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to 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 above 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 Coos County School District No. 54's basic financial statements. The supplementary information is presented for additional analysis and is not a required part of the basic financial statements of Coos County School District No. 54.

The supplementary 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, other supplementary data 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 basic financial statements, or whether 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 the 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 26, 2024, on our consideration of the Coos County School District No. 54'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 Coos County School District No. 54'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 March 6, 2025 on our consideration of the Coos County School District No. 54'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
March 6, 2025

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

COOS COUNTY SCHOOL DISTRICT NO. 54

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

The discussion and analysis of Coos County School District No. 54'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 intend to examine the District's financial performance. Readers should also review the basic financial statements and notes to understand the District's financial performance better.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year that ended June 30, 2024, are as follows:

- In the current fiscal year, the District's governmental activities generated \$12,918,263 in revenue, with general revenues accounting for \$9,795,080 or 75.8%. Charges for services, grants, and contributions accounted for program-specific revenues of \$3,123,183 or 24.2%.
- In the current fiscal year, the District incurred expenses totaling \$13,438,627, which is \$1,468,674 (12.3%) higher than the previous fiscal year.
- The school district's financial position declined slightly this year, with total assets decreasing by \$1,029,713. While current and other assets decreased by \$830,713 due to planned expenditures on instructional and operational needs, capital assets decreased a small amount, \$199,000.
- Total long-term liabilities increased by \$1,548,176 during the fiscal year, total liabilities amounted to \$12,290,467.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduce 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 as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates most revenue to be collected through the State Funding Formula.

COOS COUNTY SCHOOL DISTRICT NO. 54

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

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 budgets 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 a 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 Debt Service Fund, and the Capital Improvement 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

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

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 \$10,251,583. There was a reduction in the net position compared to the prior year of 4.8%.

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 | \$ 9,342,948 | \$ 10,173,661 | -8.2% |
| Capital Assets | 10,679,100 | 10,878,100 | -1.8% |
| Total Assets | 20,022,048 | 21,051,761 | -4.9% |
| Deferred Outflow of Resources | 3,506,308 | 2,691,801 | 30.3% |
| Liabilities | | | |
| Long-Term Liabilities | 10,846,669 | 9,298,493 | 16.6% |
| Other Liabilities | 1,443,798 | 1,197,195 | 20.6% |
| Total Liabilities | 12,290,467 | 10,495,688 | 17.1% |
| Deferred Inflow of Resources | 986,306 | 2,475,931 | -60.2% |
| Net Position | | | |
| Net Investment in Capital Assets | 7,649,204 | 10,652,385 | -28.2% |
| Unrestricted | 2,602,379 | (716,600) | 463.2% |
| Total Net Position | \$ 10,251,583 | \$ 10,771,943 | -4.8% |

COOS COUNTY SCHOOL DISTRICT NO. 54

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

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 | | Percentage Change |
| | 2023-24 | 2022-23 | |
| Revenues | | | |
| Program Revenues | | | |
| Charges for Services | \$ 293,597 | \$ 280,634 | 4.6% |
| Operating Grants and Contributions | 2,802,613 | 3,726,951 | -24.8% |
| Capital Grants and Contributions | 26,973 | 269,030 | -90.0% |
| General Revenues | | | |
| Property Taxes | 4,901,089 | 4,950,708 | -1.0% |
| State Basic School Support | 4,325,474 | 4,595,264 | -5.9% |
| Other | 568,517 | 229,595 | 147.6% |
| Total Revenues | 12,918,263 | 14,052,182 | -8.1% |
| Program Expenses | | | |
| Instruction | 7,189,455 | 6,374,251 | 12.8% |
| Support Services | 5,631,533 | 5,034,536 | 11.9% |
| Community Services | 541,240 | 489,794 | 10.5% |
| Interest on Long-Term Debt | 76,399 | 71,372 | 7.0% |
| Total Program Expenses | 13,438,627 | 11,969,953 | 12.3% |
| Special Item: Gain (Loss) on disposition of assets | - | (2,766) | |
| Change in Net Position | (520,364) | 2,079,463 | |
| Beginning Net Position | 10,771,947 | 8,692,484 | |
| Ending Net Position | \$ 10,251,583 | \$ 10,771,947 | |

COOS COUNTY SCHOOL DISTRICT NO. 54

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

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 minus 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 below for comparative analysis.

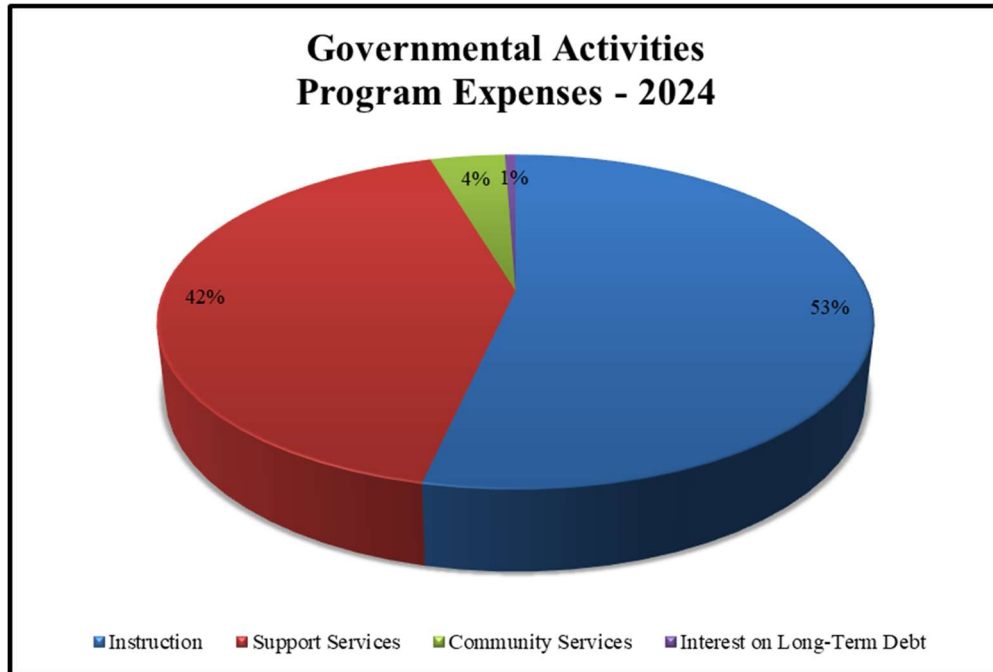
| Governmental Activities | | | | |
|--------------------------------|-----------------------------------|--|-----------------------------------|--|
| | 2023-24 | | 2022-23 | |
| | Total Cost of Services | Net Cost (Profit) of Services | Total Cost of Services | Net Cost (Profit) of Services |
| Instruction | \$ 7,189,455 | \$ 5,026,792 | \$ 6,374,251 | \$ 4,156,850 |
| Support Services | 5,631,533 | 5,095,118 | 4,380,299 | 2,877,517 |
| Community Services | 541,240 | 117,135 | 489,794 | 202,392 |
| Interest on Long-Term Debt | 76,399 | 76,399 | 71,372 | (269,030) |
| Total Program Expenses | <u>\$ 13,438,627</u> | <u>\$ 10,315,444</u> | <u>\$ 11,315,716</u> | <u>\$ 6,967,729</u> |

The governmental activities rely on general revenues. For the current year, 75.80% of general government activities are supported by general revenues such as property taxes and state basic school support. The remaining 24.2% of governmental activities are funded by program revenues such as charges for services, operating grants, and contributions.

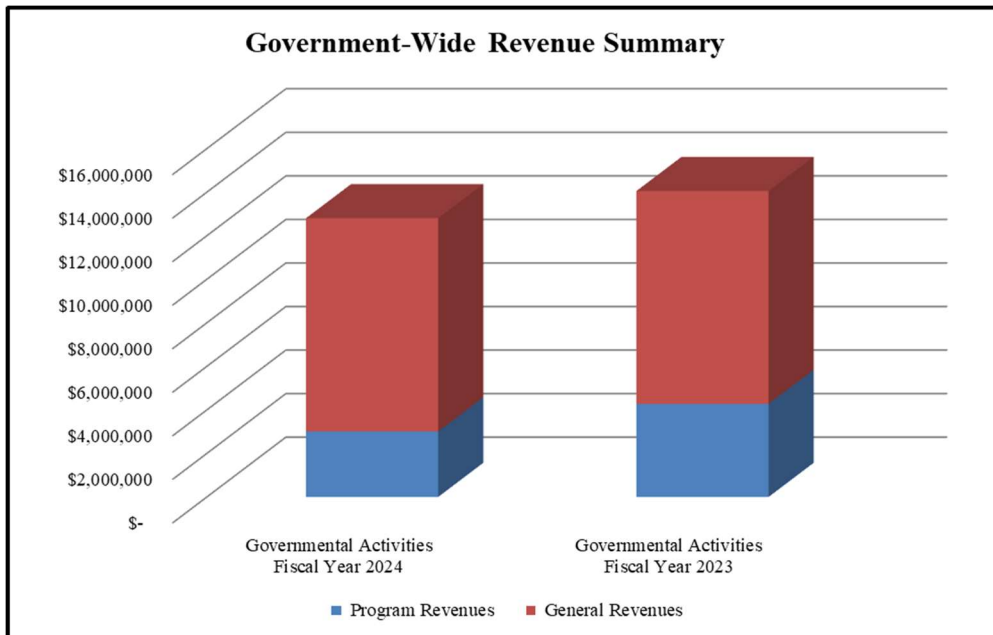
COOS COUNTY SCHOOL DISTRICT NO. 54

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

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.



COOS COUNTY SCHOOL DISTRICT NO. 54

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

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 is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$8,089,608, a decrease of \$873,009. The fund balance consists of restricted, unassigned, and unspendable amounts. Of the current fund balances, \$3,430,887 is restricted, \$3,687 is unspendable and \$4,655,034 is unassigned and available for spending at the District's discretion.

The District's primary operating fund is the General Fund. The fund started the fiscal year with a balance of \$5,245,264, which decreased by \$590,230, ending with a balance of \$4,655,034 representing a 11% decrease.

BUDGETARY HIGHLIGHTS

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

The General Fund revenue for the fiscal year was budgeted at \$9,438,354, but the actual amount collected was \$9,658,821, representing a surplus of \$220,467. Moreover, the General Fund expenditures budget was under-spent by \$4,304,292, which resulted in an ending fund balance of \$4,655,034.

The Special Revenue Fund had an ending fund balance of \$472,088, despite the actual revenues being less than the budgeted revenues by \$225,561. However, the actual expenditures were \$850,713 under budgeted, thus increasing the ending fund balance.

The Debt Service Fund had an ending fund balance of \$129,199. This is due to the combination of revenue totaling \$73,822, and the actual expenditure was \$28,167 under the budgeted expenditures.

COOS COUNTY SCHOOL DISTRICT NO. 54

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the District reported an addition of \$218,745 in capital assets, encompassing school buildings, athletic facilities, land, vehicles, computers, and various equipment and furnishings before the deduction of accumulated depreciation. The total recorded value of capital assets, before applying depreciation, amounts to \$17,189,056.

The total depreciation expense for the year was \$417,746. 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

On June 30, 2024, the District's long-term debt outstanding amounted to \$3,231,799, including a new issue of \$201,903 on February 15, 2024. In the current fiscal year, the District paid \$476,527 toward its long-term debt. Out of this payment, \$410,299 was allocated for principal repayment, while \$66,228 was devoted to interest repayment. The District's fiscal responsibility and adherence to debt repayment obligations are salient indicators of its financial prudence and stability.

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 proposed 2024-2025 budget document reflects Bandon School District's continued commitment to providing quality education programs for all students while maintaining fiscal responsibility to the community. This budget has been prepared, emphasizing the need to maintain critical staffing by matching the available resources with the most pressing student needs. It includes a contingency amount of \$430,000, and a beginning cash balance of \$3,400,000.

The District's adopted budget for the fiscal year ending June 30, 2025, represents an overall decrease of \$1,692,257 or a 7.4% decrease when compared with the current fiscal year. The total budget for the fiscal year ending June 30, 2025, is \$21,273,724.

The District will levy its maximum permanent property tax rate of \$3.9702 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 Coos County School District No. 54 at 455 9th St SW, Bandon, Oregon 97411.

BASIC FINANCIAL **STATEMENTS**

Government-Wide **Financial Statements**

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

COOS COUNTY SCHOOL DISTRICT NO. 54**STATEMENT OF NET POSITION**

June 30, 2024

| | | <u>Governmental Activities</u> |
|---|--------------|---------------------------------------|
| <u>ASSETS:</u> | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 8,045,632 | |
| Property Taxes Receivable | 176,449 | |
| Accounts Receivable | 1,017,016 | |
| Inventory-Food, Supplies & Commodities | 3,687 | |
| Total Current Assets | | \$ 9,242,784 |
| Restricted Assets: | | |
| Net OPEB Asset (RHIA) | 100,164 | |
| Total Restricted Assets | | 100,164 |
| Capital Assets: | | |
| Capital Assets, Non-Depreciable | 229,169 | |
| Capital Assets, Depreciable, Net | 10,449,931 | |
| Total Capital Assets | | 10,679,100 |
| Total Assets | | <u>20,022,048</u> |
| <u>DEFERRED OUTFLOW OF RESOURCES</u> | | |
| Pension Related Deferrals | 3,505,958 | |
| OPEB Related Deferrals - RHIA | 350 | |
| Total Deferred Outflow of Resources | | <u>3,506,308</u> |
| <u>LIABILITIES:</u> | | |
| Accounts Payable | \$ 71,908 | |
| Accrued Interest Payable | 13,283 | |
| Payroll Liabilities | 723,180 | |
| Advances from Grantors | 204,150 | |
| Accrued Vacation Benefits | 10,037 | |
| Leases Payable: | | |
| Due within one year | 52,034 | |
| Due in more than one year | 154,765 | |
| Bonds Payable: | | |
| Due within one year | 365,000 | |
| Due in more than one year | 2,660,000 | |
| Retirement Stipend: | | |
| Due within one year | 4,206 | |
| Net Pension Liability | 8,031,904 | |
| Total Liabilities | | <u>12,290,467</u> |
| <u>DEFERRED INFLOW OF RESOURCES</u> | | |
| Pension Related Deferrals | 975,319 | |
| OPEB Related Deferrals - RHIA | 10,987 | |
| Total Deferred Inflow of Resources | | <u>986,306</u> |
| <u>NET POSITION:</u> | | |
| Net Investment in Capital Assets | 7,649,204 | |
| Unrestricted | 2,602,379 | |
| Total Net Position | | <u>\$ 10,251,583</u> |

COOS COUNTY SCHOOL DISTRICT NO. 54**STATEMENT OF ACTIVITIES****For the Fiscal Year Ended June 30, 2024**

| | | Program Revenues | | | Net (Expense) Revenue and Change in Net Position |
|--|----------------------|----------------------------|--|--|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| | (Expenses) | | | | Governmental Activities |
| <u>GOVERNMENTAL ACTIVITIES:</u> | | | | | |
| Instruction | \$ 7,189,455 | \$ 293,597 | \$ 1,869,066 | \$ - | \$ (5,026,792) |
| Support Services | 5,631,533 | - | 509,442 | 26,973 | (5,095,118) |
| Enterprise and Community Services | 541,240 | - | 424,105 | - | (117,135) |
| Interest on Long-Term Debt | 76,399 | - | - | - | (76,399) |
| Total Governmental Activities | \$ 13,438,627 | \$ 293,597 | \$ 2,802,613 | \$ 26,973 | \$ (10,315,444) |
| <u>GENERAL REVENUES:</u> | | | | | |
| Property Taxes, Levied for General Purposes | | | | | \$ 4,594,998 |
| Property Taxes, Levied for Debt Service | | | | | 306,091 |
| Earnings on Investments | | | | | 474,705 |
| Intermediate Sources | | | | | 15,996 |
| State School Fund for Education and Support Services | | | | | 4,325,474 |
| State Common School Fund | | | | | 77,816 |
| Subtotal - General Revenues | | | | | 9,795,080 |
| Change in Net Position | | | | | (520,364) |
| Net Position, July 1, 2023 | | | | | 10,771,947 |
| Net Position, June 30, 2024 | | | | | \$ 10,251,583 |

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

BASIC FINANCIAL
STATEMENTS

Governmental Fund
Financial Statements

COOS COUNTY SCHOOL DISTRICT NO. 54**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 |
|---|------------------------------|--|-----------------------------------|---|---|
| <u>ASSETS:</u> | | | | | |
| Cash and Cash Equivalents | \$ 5,061,847 | \$ - | \$ 121,383 | \$ 2,862,402 | \$ 8,045,632 |
| Property Taxes Receivable | 114,554 | - | 61,895 | - | 176,449 |
| Accounts Receivable | 38,908 | 978,108 | - | - | 1,017,016 |
| Due From Other Funds | 289,480 | - | - | - | 289,480 |
| Inventory-Food, Supplies & Commodities | - | 3,687 | - | - | 3,687 |
| Total Assets | \$ 5,504,789 | \$ 981,795 | \$ 183,278 | \$ 2,862,402 | \$ 9,532,264 |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u> | | | | | |
| LIABILITIES: | | | | | |
| Accounts Payable | \$ 26,716 | \$ 16,077 | \$ - | \$ 29,115 | \$ 71,908 |
| Payroll Liabilities | 723,180 | - | - | - | 723,180 |
| Due to Other Funds | - | 289,480 | - | - | 289,480 |
| Advances from Grantors | - | 204,150 | - | - | 204,150 |
| Total Liabilities | 749,896 | 509,707 | - | 29,115 | 1,288,718 |
| DEFERRED INFLOWS OF RESOURCES: | | | | | |
| Unavailable Revenue - Property Taxes | 99,859 | - | 54,079 | - | 153,938 |
| Total Deferred Inflows of Resources | 99,859 | - | 54,079 | - | 153,938 |
| FUND BALANCES: | | | | | |
| Unspendable | - | 3,687 | - | - | 3,687 |
| Restricted for: | | | | | |
| Capital Construction & Building Maintenance | - | - | - | 2,833,287 | 2,833,287 |
| Debt Service | - | - | 129,199 | - | 129,199 |
| Special Programs | - | 468,401 | - | - | 468,401 |
| Unassigned | 4,655,034 | - | - | - | 4,655,034 |
| Total Fund Balances | 4,655,034 | 472,088 | 129,199 | 2,833,287 | 8,089,608 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 5,504,789 | \$ 981,795 | \$ 183,278 | \$ 2,862,402 | \$ 9,532,264 |

COOS COUNTY SCHOOL DISTRICT NO. 54

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

June 30, 2024

| | | |
|--|--------------------|-----------------------------|
| Total Fund Balances - Governmental Funds | | \$ 8,089,608 |
| 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 | \$ 17,189,056 | |
| Accumulated depreciation | <u>(6,509,956)</u> | |
| Net Value of Capital Assets | | 10,679,100 |
| Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds. | | |
| | | 153,938 |
| Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds. | | |
| Deferred Pension/OPEB Contributions | 3,506,308 | |
| Deferred Earnings on Pension/OPEB Assets | <u>(986,306)</u> | |
| Net Value of Deferrals | | 2,520,002 |
| 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 | 13,283 | |
| Bonds Payable | 3,025,000 | |
| Retirement Stipend Payable | 4,206 | |
| Leases Payable | 206,799 | |
| Net Pension Liability | 8,031,904 | |
| Net OPEB Obligations | (100,164) | |
| Accrued Vacation Benefits | <u>10,037</u> | |
| Total | | <u>(11,191,065)</u> |
| Net Position of Governmental Activities | | <u>\$ 10,251,583</u> |

COOS COUNTY SCHOOL DISTRICT NO. 54**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 |
|--|------------------------------|--|-----------------------------------|---------------------------------------|---|
| <u>REVENUES:</u> | | | | | |
| Taxes | \$ 4,649,617 | \$ - | \$ 427,041 | \$ - | \$ 5,076,658 |
| Earnings on Investments | 428,128 | - | 46,577 | - | 474,705 |
| Fees and Charges | 30,753 | 242,643 | - | - | 273,396 |
| Miscellaneous Revenue | 94,670 | 252,349 | 1,336 | - | 348,355 |
| Intermediate Government Aid | 22,720 | - | - | - | 22,720 |
| State Aid | 4,432,933 | 968,775 | - | 26,973 | 5,428,681 |
| Federal Aid | - | 1,469,317 | - | - | 1,469,317 |
| Total Revenues | 9,658,821 | 2,933,084 | 474,954 | 26,973 | 13,093,832 |
| <u>EXPENDITURES:</u> | | | | | |
| Current: | | | | | |
| Instruction | 5,241,416 | 1,967,599 | - | - | 7,209,015 |
| Support Services | 4,268,702 | 679,025 | - | 613,580 | 5,561,307 |
| Enterprise and Community Services | - | 557,326 | - | - | 557,326 |
| Capital Outlay: | | | | | |
| Facilities Acquisition and Construction | 47,773 | 66,744 | - | 244,586 | 359,103 |
| Debt Service | 6,527 | 62,311 | 412,345 | - | 481,183 |
| Total Expenditures | 9,564,418 | 3,333,005 | 412,345 | 858,166 | 14,167,934 |
| Excess (Deficiency) of Revenues Over Expenditures | 94,403 | (399,921) | 62,609 | (831,193) | (1,074,102) |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | | |
| Interfund Transfers In | 200,000 | 234,633 | - | 450,000 | 884,633 |
| Interfund Transfers Out | (884,633) | - | - | - | (884,633) |
| Long Term Debt Financing Sources | - | 201,093 | - | - | 201,093 |
| Total Other Financing Sources (Uses) | (684,633) | 435,726 | - | 450,000 | 201,093 |
| Net Change in Fund Balance | (590,230) | 35,805 | 62,609 | (381,193) | (873,009) |
| Beginning Fund Balance | 5,245,264 | 436,283 | 66,590 | 3,214,480 | 8,962,617 |
| Ending Fund Balance | \$ 4,655,034 | \$ 472,088 | \$ 129,199 | \$ 2,833,287 | \$ 8,089,608 |

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

COOS COUNTY SCHOOL DISTRICT NO. 54

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 **\$ (873,009)**

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 | \$ 218,745 | |
| Less current year depreciation | <u>(417,746)</u> | (199,001) |

Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue.

| | |
|---|-----------|
| Deferred revenues increased by this amount this year. | (175,569) |
|---|-----------|

Proceeds from loans are reported in the governmental funds as a source of financing.

The loan proceeds are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.

| | | |
|-------------------|------------------|-----------|
| Issuance of Lease | <u>(201,903)</u> | (201,903) |
|-------------------|------------------|-----------|

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:

| | | |
|--------|----------------|---------|
| Leases | 60,299 | |
| Bonds | <u>350,000</u> | 410,299 |

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/(liability) are recorded based upon an actuarial valuation of such activity.

| | |
|--|-------------|
| This is the net change in pension related items. | (5,717,135) |
|--|-------------|

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 | (10,171) |
| Net increase/(decrease) in retirement stipend expense | (11,268) |
| Increase/(decrease) in accrued OPEB | 6,208,255 |
| Increase/(decrease) in accrued vacation benefits | <u>49,138</u> |

6,235,954

Change in Net Position of Governmental Activities

\$ (520,364)

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Coos County School District No. 54 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 Board of Directors who approve of 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 Coos County School District No. 54 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 Coos County School District No. 54 complies with Governmental Accounting Standards Board Statement 14 as amended, "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, Coos County School District No. 54 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 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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 fiscal 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. This fund accounts for all general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund. General Fund expenditures are categorized by "Instruction" which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are transportation, maintenance of facilities (i.e., heating, phones, electricity, cleaning,) administration, counseling for students, and technology support.

Special Revenue Fund – The Special Revenue Fund accounts for the revenues and expenditures of local, state, and federal grants, student body activities, food service and other special programs.

Debt Service Fund – Revenues accounted for in the Debt Service Fund are from local property taxes levied to make general obligation bond payments, which are also accounted for in this fund according to the bond repayment schedule.

Capital Projects Fund – Accounting for this fund is for the use of capital improvements.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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 liability is incurred.

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

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

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

Budgeting

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

Unexpected additional resources may be added to the budget with 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Cash and Investments

For the 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. 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 on 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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:

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

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

Compensated Absences and Accrued Liabilities:

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

All payables and accrued liabilities are reported on 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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:

- A. Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- B. 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.
- C. Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the District Board, and does not lapse at year-end.
- D. 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 Board or through the District Board delegating this responsibility to selected staff members or through the budgetary process.
- E. 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 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Inter-Fund Transactions

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

Use of Estimates

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

CASH AND INVESTMENTS:

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

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 under the Summary of Significant Accounting Policies.

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 External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

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

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

As of June 30, 2024, the reported amount of the District's deposits was \$451,681. The bank balance was \$557,567. 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

CASH AND INVESTMENTS (Cont.):

On June 30, 2024, the District's investments in financial institutions are as follows:

| <u>Type of Investment</u> | <u>Fair Value</u> | <u>Credit Rating</u> |
|---|--------------------------|-----------------------------|
| Oregon State Treasurer's Local Government | | |
| Investment Pool (LGIP) | \$ 7,593,951 | N/A |
| Total Investments | <u>\$ 7,593,951</u> | |

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 99.9% of the District's total investments.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

CAPITAL ASSETS:

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

| <u>Governmental Activities</u> | <u>Beginning Balances</u> | <u>Additions</u> | <u>Ending Balances</u> |
|---|-------------------------------|---------------------|----------------------------|
| Assets not being depreciated: | | | |
| Land | \$ 122,221 | \$ - | \$ 122,221 |
| Construction in Progress | 106,948 | - | 106,948 |
| Total assets not being depreciated | 229,169 | - | 229,169 |
| Assets being depreciated: | | | |
| Land Improvement | - | - | - |
| Building and Building Improvement | 14,831,606 | - | 14,831,606 |
| Machinery and Equipment | 1,909,536 | 218,745 | 2,128,281 |
| Total Depreciable Assets | 16,741,142 | 218,745 | 16,959,887 |
| Less: Accumulated Depreciation | | | |
| Land Improvement | - | - | - |
| Building and Building Improvement | 4,952,977 | 299,183 | 5,252,160 |
| Machinery and Equipment | 1,139,233 | 118,563 | 1,257,796 |
| Total Accumulated Depreciation | 6,092,210 | 417,746 | 6,509,956 |
| Net Value of Capital Assets Being Depreciated | 10,648,932 | (199,001) | 10,449,931 |
| Total Governmental Activities -- | | | |
| Net Value of Capital Assets | <u>\$ 10,878,101</u> | <u>\$ (199,001)</u> | <u>\$ 10,679,100</u> |
| Depreciation expense was charged to governmental functions as follows: | | | |
| Instruction | \$ 291,209 | | |
| Support Services | 126,537 | | |
| Total Depreciation Expense | <u>\$ 417,746</u> | | |

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS:

A summary of debt transactions for the year ended June 30, 2024, is as follows:

Leases Payable

On October 15, 2022, the District entered into an \$80,885 lease-purchase agreement with Santander Bank for the acquisition of a Micro Bird G5 school bus. This lease has Implied interest at a rate of 4.560% and is to be paid with the principal over 5 years. Principal and interest payments are made annually on November 15. The capitalized amount of the bus is \$80,885.

On February 15, 2024, the District entered into a \$201,903 lease-purchase agreement with Santander Bank for the acquisition of a Blue Bird school bus. This lease has an implied interest at a rate of 5.214% and is to be paid with the principal over 5 years. Principal and interest payments are made annually on March 15. The capitalized amount of the bus is \$201,903.

LONG-TERM DEBT:

Bonds Payable

On May 5, 2021, the District issued \$4,000,000 in general obligation bonds. The bonds were issued at face value. Proceeds are to be used for capital improvements, specifically security improvements, construction of a bus barn, lighting and HVAC upgrades, roof repairs, track resurfacing and site improvements. The Oregon School Capital Improvement Matching Program (OSCIM) is matching the bond with a maximum \$4,000,000 grant. Principal payments are due annually on June 15, with interest due semiannually on June 15 and December 15, beginning December 15, 2021. The interest rate is 1.852 percent. The full faith and credit and taxing power of the District has been pledged to pay the bonds.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

LONG-TERM DEBT (Cont.):

The following is a schedule of transactions during the year:

| | Outstanding Balance July 1, 2023 | New Issues | Reductions | Interest Paid | Outstanding Balance June 30, 2024 | Due Within One Year |
|--|--|-------------------|-------------------|------------------|---|---------------------------|
| Leases Payable: | | | | | | |
| 2022 Micro Bird G5 Santander Bus Lease | \$ 65,195 | \$ - | \$ 16,540 | \$ 2,895 | \$ 48,655 | \$ 15,500 |
| 2025 Blue Bird AA Santander Bus Lease | - | 201,903 | 43,759 | 833 | 158,144 | 36,534 |
| Total Leases Payable | <u>\$ 65,195</u> | <u>\$ 201,903</u> | <u>\$ 60,299</u> | <u>\$ 3,728</u> | <u>\$ 206,799</u> | <u>\$ 52,034</u> |
| Bonds Payable: | | | | | | |
| 2021 Issue General Obligation Bonds | \$ 3,375,000 | \$ - | \$ 350,000 | \$ 62,500 | \$ 3,025,000 | \$ 365,000 |
| Total Bonds Payable | <u>\$ 3,375,000</u> | <u>\$ -</u> | <u>\$ 350,000</u> | <u>\$ 62,500</u> | <u>\$ 3,025,000</u> | <u>\$ 365,000</u> |
| Total Long-Term Debt | <u>\$ 3,440,195</u> | <u>201,903</u> | <u>\$ 410,299</u> | <u>\$ 66,228</u> | <u>\$ 3,231,799</u> | <u>\$ 52,034</u> |

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

| Bonds Payable: | Due Fiscal Year Ending June 30, | Principal | Interest | Total |
|-----------------------|------------------------------------|---------------------|-------------------|---------------------|
| | 2025 | \$ 365,000 | \$ 56,023 | \$ 421,023 |
| | 2026 | 395,000 | 49,263 | 444,263 |
| | 2027 | 410,000 | 41,948 | 451,948 |
| | 2028 | 430,000 | 34,355 | 464,355 |
| | 2029 | 455,000 | 26,391 | 481,391 |
| | 2030 - 2034 | 970,000 | 27,132 | 997,132 |
| | Total | <u>\$ 3,025,000</u> | <u>\$ 235,111</u> | <u>\$ 3,260,111</u> |

The District has no unused lines of credit.

The District has not pledged any assets as collateral for their debt.

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

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN:

Coos County School District No. 54 offers various retirement plans to qualified employees as described below.

Name of Pension Plan

Coos County School District No. 54 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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).
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 at 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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.

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).

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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 at 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.
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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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.

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 contribution rates in effect for the period July 1, 2023, to June 30, 2025, are: Tier1/Tier2 – 27.87%%, and OPSRP General Service – 25.03%.

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 \$309,774 in employee IAP contributions were paid or picked up by the District.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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 30, 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.

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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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.

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. |

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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.

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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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% |

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

²The 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.

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.

| <u>Long Term Expected Rate of Return¹</u> | Target Allocation | Annual Arithmetic Return ² | 20-Year Annualized Geometric Mean | Annual Standard Deviation |
|--|-------------------|---------------------------------------|-----------------------------------|---------------------------|
| Asset Class | | | | |
| 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% |

¹Based 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.

²The 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

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 | \$ 13,267,192 | \$ 8,031,904 | \$ 3,650,522 |

Changes Since Last Valuation

A summary of key changes implemented after the December 31, 2021, valuation, which was used in the 2023 PERS ACFR. The 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 \(oregon.gov\)](#)

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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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 |

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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

On June 30, 2024, the employer reported a liability of \$8,031,904 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.

At June 30, 2023, the employer's proportion was 0.04288099%.

For the year ended June 30, 2024, the employer recognized pension expense of \$1,248,158. As of June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

PENSION PLAN (Cont.):

As of June 30, 2024, 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 | \$ 392,785 | \$ 31,847 |
| Changes of assumptions | 713,507 | 5,320 |
| Net difference between projected and actual earnings on investments | 144,366 | - |
| Changes in proportionate share | 372,132 | 599,280 |
| Differences between employer contributions and employer's proportionate share of system contributions | 245,063 | 338,872 |
| Total Deferred Outflows/Inflows | \$ 1,867,853 | \$ 975,319 |
| Post-measurement date contributions | 1,638,105 | N/A |
| Total Deferred Outflow/(Inflow) of Resources | <u>\$ 3,505,958</u> | <u>\$ 975,319</u> |
| Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions | | <u>892,534</u> |

Contributions of \$1,638,105 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 the 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 | \$ (14,776) |
| 2nd Fiscal Year | (269,870) |
| 3rd Fiscal Year | 796,101 |
| 4th Fiscal Year | 316,732 |
| 5th Fiscal Year | 64,347 |
| Total | <u>\$ 892,534</u> |

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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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 \$23, \$539, and \$570 respectively, which equaled the required contributions for the year.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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

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

| 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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

Discount Rate

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

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in 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 | \$ (91,049) | \$ (100,164) | \$ (107,984) |

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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

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 \$(100,164) 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 0.02735475 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2024, was \$(1,826).

On 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 | \$ - | \$ 2,515 |
| Changes of assumptions | - | 1,080 |
| Net difference between projected and actual earnings on investments | 284 | - |
| Changes in proportionate share | 43 | 7,392 |
| Total Deferred Outflows/Inflows | \$ 327 | \$ 10,987 |
| Post-measurement date contributions | 23 | N/A |
| Total Deferred Outflow/(Inflow) of Resources | <u>\$ 350</u> | <u>\$ 10,987</u> |
| Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions | | <u>(10,660)</u> |

Contributions of \$224 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 | \$ (10,216) |
| 2nd Fiscal Year | (5,473) |
| 3rd Fiscal Year | 3,702 |
| 4th Fiscal Year | 1,327 |
| Total | <u>\$ (10,660)</u> |

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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

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) OEGB:

GASB Statement No. 75, Accounting and Financial Reporting for Employers for Post-employment Benefits Other Than Pensions, was effective for periods ending June 30, 2018. This standard requires the District to report on its financial statements an actuarially determined liability for the present value of the projected benefits for other post-employment benefits (OPEB) for retired and active employees on the financial statements along with related deferred inflows and deferred outflows.

The District does not have a significant formal other postemployment benefits (OPEB) plan for any employee group, however, the District is required by Oregon Revised Statutes 243.303 to provide retirees with the opportunity to purchase group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of the retiree healthcare premiums represents an implicit employer contribution.

GASB Statement No. 75 is applicable to the District due only to this implicit rate subsidy. The District chose to not implement this standard. The District did not determine the amount of their liability under GASB Statement No. 75, therefore the effect on the Statement of Net Position and the Statement of Activities cannot be determined. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements.

The District is receiving a modified opinion on GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. Accounting principles generally accepted in the United States of America require that actuarially determined annual required contributions related to postemployment benefits, other than retirement benefits, attributable to employee service already rendered be recorded as expenses as employees earn the benefits, which, if not funded, would increase the liabilities, reduce the net position, and change the expenses of the governmental activities.

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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024

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 | \$ 884,633 | |
| General Fund # 100 | | \$ 200,000 |
| Special Revenue Fund #200 | | 234,633 |
| Capital Projects Fund #400 | | 450,000 |
| | <u>884,633</u> | <u>\$ 884,633</u> |

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. The transfer into the General Fund is a budgetary transfer to a separate budgetary fund intended to account for expenditures of curriculum textbooks. It is combined with the General Fund for financial statement and budgetary reporting in accordance with generally accepted accounting principles.

REQUIRED
SUPPLEMENTARY
INFORMATION

COOS COUNTY SCHOOL DISTRICT NO. 54**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual****GENERAL FUND****For the Fiscal Year Ended June 30, 2024**

| | Budgeted Amounts | | Actual | Variance with |
|---|-------------------|-------------------|---------------------|---------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Over |
| | | | | (Under) |
| <u>REVENUES:</u> | | | | |
| Taxes | \$ 4,414,384 | \$ 4,414,384 | \$ 4,649,617 | \$ 235,233 |
| Tuition Charges | 100 | 100 | - | (100) |
| Earnings on Investments | 120,000 | 120,000 | 428,128 | 308,128 |
| Fees and Charges | 22,000 | 22,000 | 30,753 | 8,753 |
| Miscellaneous Revenue | 197,800 | 197,800 | 94,670 | (103,130) |
| Intermediate Government Aid | 11,700 | 11,700 | 22,720 | 11,020 |
| State Aid | 4,661,370 | 4,661,370 | 4,432,933 | (228,437) |
| Federal Aid | 11,000 | 11,000 | - | (11,000) |
| Total Revenues | 9,438,354 | 9,438,354 | 9,658,821 | 220,467 |
| <u>EXPENDITURES:</u> | | | | |
| Instruction | 7,963,555 | 7,963,555 | 5,241,416 | (2,722,139) |
| Support Services | 4,955,146 | 4,955,146 | 4,268,702 | (686,444) |
| Enterprise and Community Services | 307 | 307 | - | (307) |
| Facilities Acquisition and Construction | 96,750 | 96,750 | 47,773 | (48,977) |
| Debt Service | 8,700 | 8,700 | 6,527 | (2,173) |
| Contingency | 844,251 | 844,251 | - | (844,251) |
| Total Expenditures | 13,868,710 | 13,868,710 | 9,564,418 | (4,304,292) |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (4,430,356) | (4,430,356) | 94,403 | 4,524,759 |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | |
| Interfund Transfers In | 200,000 | 200,000 | 200,000 | - |
| Interfund Transfers Out | (915,114) | (915,114) | (884,633) | 30,481 |
| Long Term Debt Financing Sources | 100 | 100 | - | (100) |
| Proceeds from Sale of Assets | 3,000 | 3,000 | - | (3,000) |
| Total Other Financing Sources (Uses) | (712,014) | (712,014) | (684,633) | 27,381 |
| Net Change in Fund Balance | (5,142,370) | (5,142,370) | (590,230) | 4,552,140 |
| Beginning Fund Balance | 5,142,370 | 5,142,370 | 5,245,264 | 102,894 |
| Ending Fund Balance | \$ - | \$ - | \$ 4,655,034 | \$ 4,655,034 |

COOS COUNTY SCHOOL DISTRICT NO. 54**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 | Variance with |
|---|------------------|------------------|-------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Over |
| | | | | (Under) |
| <u>REVENUES:</u> | | | | |
| Fees and Charges | \$ 2,000 | \$ 2,000 | \$ 242,643 | \$ 240,643 |
| Miscellaneous Revenue | 198,000 | 198,000 | 252,349 | 54,349 |
| State Aid | 988,913 | 988,913 | 968,775 | (20,138) |
| Federal Aid | 1,969,732 | 1,969,732 | 1,469,317 | (500,415) |
| Total Revenues | 3,158,645 | 3,158,645 | 2,933,084 | (225,561) |
| <u>EXPENDITURES:</u> | | | | |
| Instruction | 2,337,544 | 2,337,544 | 1,967,599 | (369,945) |
| Support Services | 844,758 | 844,758 | 679,025 | (165,733) |
| Enterprise and Community Services | 680,618 | 680,618 | 557,326 | (123,292) |
| Facilities Acquisition and Construction | 232,697 | 232,697 | 66,744 | (165,953) |
| Debt Service | 88,101 | 88,101 | 62,311 | (25,790) |
| Total Expenditures | 4,183,718 | 4,183,718 | 3,333,005 | (850,713) |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (1,025,073) | (1,025,073) | (399,921) | 625,152 |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | |
| Interfund Transfers In | 265,014 | 265,014 | 234,633 | (30,381) |
| Long Term Debt Financing Sources | 200,000 | 200,000 | 201,093 | 1,093 |
| Total Other Financing Sources (Uses) | 465,014 | 465,014 | 435,726 | (29,288) |
| Net Change in Fund Balance | (560,060) | (560,060) | 35,805 | 595,865 |
| Beginning Fund Balance | 560,060 | 560,060 | 436,283 | (123,777) |
| Ending Fund Balance | \$ - | \$ - | \$ 472,088 | \$ 472,088 |

COOS COUNTY SCHOOL DISTRICT NO. 54**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 | 0.04288099% | \$ 8,031,904 | \$ 4,480,930 | 179.25% | 81.7% |
| 2023 | June 30, 2022 | 0.03996000% | 6,118,728 | 4,055,167 | 150.89% | 84.5% |
| 2022 | June 30, 2021 | 0.04309408% | 5,156,844 | 3,488,673 | 147.82% | 87.6% |
| 2021 | June 30, 2020 | 0.04306106% | 9,397,404 | 3,945,799 | 238.16% | 75.8% |
| 2020 | June 30, 2019 | 0.05053052% | 8,740,570 | 3,699,666 | 236.25% | 80.2% |
| 2019 | June 30, 2018 | 0.04785185% | 7,248,925 | 3,594,241 | 201.68% | 82.1% |
| 2018 | June 30, 2017 | 0.04501506% | 6,068,047 | 3,513,169 | 172.72% | 83.1% |
| 2017 | June 30, 2016 | 0.05313217% | 7,976,372 | 3,263,332 | 244.42% | 80.5% |
| 2016 | June 30, 2015 | 0.06695697% | 3,844,309 | 3,256,663 | 118.04% | 91.9% |

¹Measurement 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

COOS COUNTY SCHOOL DISTRICT NO. 54**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 | \$ 1,638,105 | \$ 1,638,105 | \$ - | \$ 4,950,300 | 33.09% |
| 2023 | 1,440,609 | 1,440,609 | - | 4,480,930 | 32.15% |
| 2022 | 1,084,120 | 1,084,120 | - | 4,055,167 | 26.73% |
| 2021 | 1,142,309 | 1,142,309 | - | 3,488,673 | 32.74% |
| 2020 | 1,069,309 | 1,069,309 | - | 3,945,799 | 27.10% |
| 2019 | 856,394 | 856,394 | - | 3,699,666 | 23.15% |
| 2018 | 807,538 | 807,538 | - | 3,594,241 | 22.47% |
| 2017 | 670,385 | 670,385 | - | 3,513,169 | 19.08% |
| 2016 | 635,632 | 635,632 | - | 3,263,332 | 19.48% |
| 2015 | 679,464 | 679,464 | - | 3,256,663 | 20.86% |

*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

COOS COUNTY SCHOOL DISTRICT NO. 54
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 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 | 0.02735475% | \$ (100,164) | \$ 4,480,930 | -2.24% | 201.6% |
| 2023 | June 30, 2022 | 0.02313013% | (82,189) | 4,055,167 | -2.03% | 194.6% |
| 2022 | June 30, 2021 | 0.02321388% | (79,717) | 3,488,673 | -2.29% | 183.9% |
| 2021 | June 30, 2020 | 0.05365000% | (109,317) | 3,945,799 | -2.77% | 150.1% |
| 2020 | June 30, 2019 | 0.03369730% | (65,115) | 3,699,666 | -1.76% | 144.4% |
| 2019 | June 30, 2018 | 0.03406744% | (38,029) | 3,594,241 | -1.06% | 124.0% |
| 2018 | June 30, 2017 | 0.03389079% | (14,144) | 3,513,169 | -0.40% | 108.9% |
| 2017 | June 30, 2016 | 0.03381949% | 9,184 | 3,263,332 | 0.28% | 94.2% |

¹Measurement 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

COOS COUNTY SCHOOL DISTRICT NO. 54

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 | \$ 23 | \$ 23 | \$ - | \$ 4,950,300 | 0.00% |
| 2023 | 539 | 539 | - | 4,480,930 | 0.01% |
| 2022 | 570 | 570 | - | 4,055,167 | 0.01% |
| 2021 | 621 | 621 | - | 3,488,673 | 0.02% |
| 2020 | 3,831 | 3,831 | - | 3,945,799 | 0.10% |
| 2019 | 16,701 | 16,701 | - | 3,699,666 | 0.45% |
| 2018 | 16,496 | 16,496 | - | 3,594,241 | 0.46% |
| 2017 | 16,911 | 16,911 | - | 3,513,169 | 0.48% |
| 2016 | 16,140 | 16,140 | - | 3,263,332 | 0.49% |
| 2015 | 17,733 | 17,733 | - | 3,256,663 | 0.54% |

*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

SUPPLEMENTARY
INFORMATION

COOS COUNTY SCHOOL DISTRICT NO. 54**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual****Debt Service Fund #300****For the Fiscal Year Ended June 30, 2024**

| | Budgeted Amounts | | Actual | Variance with |
|---|------------------|----------------|-------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Over |
| | | | | (Under) |
| <u>REVENUES:</u> | | | | |
| Taxes | \$ 400,583 | \$ 400,583 | \$ 427,041 | \$ 26,459 |
| Earnings on Investments | 550 | 550 | 46,577 | 46,027 |
| Miscellaneous Revenue | - | - | 1,336 | 1,336 |
| Total Revenues | 401,133 | 401,133 | 474,954 | 73,822 |
| <u>EXPENDITURES:</u> | | | | |
| Debt Service | 412,500 | 412,500 | 412,345 | (155) |
| Contingency | 28,012 | 28,012 | - | (28,012) |
| Total Expenditures | 440,512 | 440,512 | 412,345 | (28,167) |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (39,379) | (39,379) | - | 101,988 |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | |
| Interfund Transfers In | 100 | 100 | - | (100) |
| Total Other Financing Sources (Uses) | 100 | 100 | - | (100) |
| Net Change in Fund Balance | (39,279) | (39,279) | 62,609 | 101,888 |
| Beginning Fund Balance | 39,279 | 39,279 | 66,590 | 27,311 |
| Ending Fund Balance | \$ - | \$ - | \$ 129,199 | \$ 129,199 |

COOS COUNTY SCHOOL DISTRICT NO. 54**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Debt Service Fund #300****For the Fiscal Year Ended June 30, 2024**

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|----------------|-------------------|---------------------------------|
| | Original | Final | Amounts | Final Budget Over (Under) |
| <u>REVENUES:</u> | | | | |
| Taxes | \$ 400,583 | \$ 400,583 | \$ 427,041 | \$ 26,459 |
| Earnings on Investments | 550 | 550 | 46,577 | 46,027 |
| Miscellaneous Revenue | - | - | 1,336 | 1,336 |
| Total Revenues | 401,133 | 401,133 | 474,954 | 73,822 |
| <u>EXPENDITURES:</u> | | | | |
| Debt Service | 412,500 | 412,500 | 412,345 | (155) |
| Contingency | 28,012 | 28,012 | - | (28,012) |
| Total Expenditures | 440,512 | 440,512 | 412,345 | (28,167) |
| Excess (Deficiency) of Revenues Over Expenditures | (39,379) | (39,379) | - | 101,988 |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | |
| Interfund Transfers In | 100 | 100 | - | (100) |
| Total Other Financing Sources (Uses) | 100 | 100 | - | (100) |
| Net Change in Fund Balance | (39,279) | (39,279) | 62,609 | 101,888 |
| Beginning Fund Balance | 39,279 | 39,279 | 66,590 | 27,311 |
| Ending Fund Balance | \$ - | \$ - | \$ 129,199 | \$ 129,199 |

OTHER
INFORMATION

Additional
Supporting Schedules

COOS COUNTY SCHOOL DISTRICT NO. 54**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS****For the Fiscal Year Ended June 30, 2024****2021 Issue General Obligation Bonds**

On May 5, 2021 the District issued \$4,000,000 in general obligation bonds. The bonds were issued at face value. Proceeds are to be used for capital improvements, specifically security improvements, construction of a bus barn, lighting and HVAC upgrades, roof repairs, track resurfacing and site improvements. The Oregon School Capital Improvement Matching Program (OSCIM) is matching the bond with a maximum \$4,000,000 grant. Principal payments are due annually on June 15, with interest due semiannually on June 15 and December 15, beginning December 15, 2021. The interest rate is 1.852 percent. The full faith and credit and taxing power of the District has been pledged to pay the bonds.

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 | \$ 3,375,000 | \$ - | \$ 350,000 | \$ 3,025,000 | \$ 365,000 |
| Interest | - | 62,500 | 62,500 | - | 56,023 |
| Total | <u>\$ 3,375,000</u> | <u>\$ 62,500</u> | <u>\$ 412,500</u> | <u>\$ 3,025,000</u> | <u>\$ 421,023</u> |

Future Requirements:

| | Fiscal Year Ended June 30, | Principal | Interest | Total | Interest Rate |
|-------|----------------------------------|---------------------|-------------------|---------------------|------------------|
| | 2025 | \$ 365,000 | \$ 56,023 | \$ 421,023 | 1.85% |
| | 2026 | 395,000 | 49,263 | 444,263 | 1.85% |
| | 2027 | 410,000 | 41,948 | 451,948 | 1.85% |
| | 2028 | 430,000 | 34,355 | 464,355 | 1.85% |
| | 2029 | 455,000 | 26,391 | 481,391 | 1.85% |
| | 2030 | 475,000 | 17,964 | 492,964 | 1.85% |
| | 2031 | 495,000 | 9,167 | 504,167 | 1.85% |
| Total | | <u>\$ 3,025,000</u> | <u>\$ 235,111</u> | <u>\$ 3,260,111</u> | |

COOS COUNTY SCHOOL DISTRICT NO. 54**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS****For the Fiscal Year Ended June 30, 2024****2022 Micro Bird G5 Santander Bus Lease**

On October 15, 2022, the District entered into an \$80,885 lease-purchase agreement with Santander Bank for the acquisition of a Micro Bird G5 school bus. This lease has Implied interest at a rate of 4.560% is to be paid with the principal over 5 years. Principal and interest payments are made annually on November 15. The capitalized amount of the bus is \$80,885

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 | \$ 65,195 | \$ - | \$ 16,540 | \$ 48,655 | \$ 15,500 |
| Interest | - | 2,895 | 2,895 | - | 2,219 |
| Total | <u>\$ 65,195</u> | <u>\$ 2,895</u> | <u>\$ 19,435</u> | <u>\$ 48,655</u> | <u>\$ 17,719</u> |

Future Requirements:

| | Fiscal Year Ended June 30, | Principal | Interest | Total | Interest Rate |
|-------|----------------------------------|------------------|-----------------|------------------|------------------|
| | 2025 | \$ 15,500 | \$ 2,219 | \$ 17,719 | 4.56% |
| | 2026 | 16,207 | 1,512 | 17,719 | 4.56% |
| | 2027 | 16,947 | 772 | 17,719 | 4.56% |
| Total | | <u>\$ 48,655</u> | <u>\$ 4,502</u> | <u>\$ 53,157</u> | |

COOS COUNTY SCHOOL DISTRICT NO. 54**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS****For the Fiscal Year Ended June 30, 2024****2025 Blue Bird AA Santander Bus Lease**

On February 15, 2024, the District entered into a \$201,903 lease-purchase agreement with Santander Bank for the acquisition of a Blue Bird school bus. This lease have Implied interest at a rate of 5.214% is to be paid with the principal over 5 years. Principal and interest payments are made annually on March 15. The capitalized amount of the bus is \$201,903.

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 | \$ - | \$ 201,903 | \$ 43,759 | \$ 158,144 | \$ 36,534 |
| Interest | - | 833 | 833 | - | 8,237 |
| Total | <u>\$ -</u> | <u>\$ 202,736</u> | <u>\$ 44,592</u> | <u>\$ 158,144</u> | <u>\$ 44,771</u> |

Future Requirements:

| | Fiscal Year Ended June 30, | Principal | Interest | Total | Interest Rate |
|-------|----------------------------------|-------------------|------------------|-------------------|---------------|
| | 2025 | \$ 36,534 | \$ 8,237 | \$ 44,771 | 5.21% |
| | 2026 | 38,439 | 6,332 | 44,771 | 5.21% |
| | 2027 | 40,443 | 4,328 | 44,771 | 5.21% |
| | 2028 | 42,728 | 2,219 | 44,947 | 5.21% |
| Total | | <u>\$ 158,144</u> | <u>\$ 21,116</u> | <u>\$ 179,260</u> | |

COOS COUNTY SCHOOL DISTRICT NO. 54

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 | \$ 179,435 |
| Function 2550 | \$ 53,110 |

C. Replacement of Equipment - General Fund:

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

Exclude these functions:

1113,1122 & 1132

1140

1300

1400

Extra-curricular Activities

Pre-Kindergarten

Continuing Education

Summer School

Exclude these functions:

4150

2550

3100

3300

Construction

Pupil Transportation

Food Service

Community Services

| |
|------|
| \$ - |
|------|

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

COOS COUNTY SCHOOL DISTRICT NO. 54**Audit Revenue Summary - All Funds****For the Fiscal Year Ended June 30, 2024****Revenue from Local Sources**

| | |
|------|--|
| 1110 | Ad Valorem Taxes Levied by District |
| 1500 | Earnings on Investments |
| 1700 | Extracurricular Activities |
| 1910 | Rentals |
| 1920 | Contributions and Donations From Private Sources |
| 1980 | Fees Charged to Grants |
| 1990 | Miscellaneous |

| Fund 100 | Fund 200 | Fund 300 | Fund 400 |
|--------------|----------|------------|----------|
| \$ 4,649,617 | \$ - | \$ 427,041 | \$ - |
| 428,128 | - | 46,577 | - |
| 30,753 | 242,643 | - | - |
| 19,700 | - | - | - |
| 83,391 | 252,053 | - | - |
| 500 | - | - | - |
| (8,921) | 296 | 1,336 | - |

Total Revenue from Local Sources

| | | | |
|--------------|------------|------------|------|
| \$ 5,203,168 | \$ 494,992 | \$ 474,955 | \$ - |
|--------------|------------|------------|------|

| | |
|------|---------------------------------------|
| 2101 | County School Funds |
| 2199 | Other Intermediate Sources |
| 2200 | Restricted Revenue |
| 2900 | Revenue for/on Behalf of the District |

| | | | |
|-----------|------|------|------|
| \$ 11,151 | \$ - | \$ - | \$ - |
| 4,844 | - | - | - |
| 6,706 | - | - | - |
| 19 | - | - | - |

Total Revenue from Intermediate Sources

| | | | |
|-----------|------|------|------|
| \$ 22,720 | \$ - | \$ - | \$ - |
|-----------|------|------|------|

| | |
|------|--|
| 3101 | State School Fund - General Support |
| 3102 | State School Fund - School Lunch Match |
| 3103 | Common School Fund |
| 3222 | State School Fund (SSF) Transportation Equipment |
| 3299 | Other Restricted Grants-In-Aid |

| | | | |
|--------------|---------|------|--------|
| \$ 4,325,474 | \$ - | \$ - | \$ - |
| - | 3,063 | - | - |
| 77,816 | - | - | - |
| - | 117,260 | - | - |
| 29,643 | 848,452 | - | 26,973 |

Total Revenue from State Sources

| | | | |
|--------------|------------|------|-----------|
| \$ 4,432,933 | \$ 968,775 | \$ - | \$ 26,973 |
|--------------|------------|------|-----------|

| | |
|------|--|
| 4500 | Restricted Revenue From the Federal Government Through the State |
| 4900 | Revenue for/on Behalf of the District |

| | | | |
|------|--------------|------|------|
| \$ - | \$ 1,448,056 | \$ - | \$ - |
| - | 21,261 | - | - |

Total Revenue from Federal Sources

| | | | |
|------|--------------|------|------|
| \$ - | \$ 1,469,317 | \$ - | \$ - |
|------|--------------|------|------|

| | |
|------|------------------------------------|
| 5100 | Long Term Debt Financing Sources |
| 5200 | Interfund Transfers |
| 5400 | Resources - Beginning Fund Balance |

| | | | |
|-----------|------------|--------|-----------|
| \$ - | \$ 201,093 | \$ - | \$ - |
| 200,000 | 234,633 | - | 450,000 |
| 5,245,264 | 436,283 | 66,590 | 3,214,480 |

Total Revenue from Other Sources

| | | | |
|--------------|------------|-----------|--------------|
| \$ 5,445,264 | \$ 872,008 | \$ 66,590 | \$ 3,664,480 |
|--------------|------------|-----------|--------------|

Grand Total

| | | | |
|----------------------|---------------------|-------------------|---------------------|
| \$ 15,104,086 | \$ 3,805,092 | \$ 541,544 | \$ 3,691,453 |
|----------------------|---------------------|-------------------|---------------------|

COOS COUNTY SCHOOL DISTRICT NO. 54
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 | \$ 1,600,347 | \$ 909,798 | \$ 617,632 | \$ 13,678 | \$ 57,399 | \$ - | \$ 1,840 | \$ - |
| 1113 Elementary Extracurricular | 964 | 677 | 287 | - | - | - | - | - |
| 1121 Middle/Junior High Programs | 583,392 | 332,003 | 232,640 | 5,897 | 10,964 | - | 1,889 | - |
| 1122 Middle/Junior High School Extracurricular | 55,815 | 35,997 | 10,659 | 4,334 | 2,851 | - | 1,974 | - |
| 1131 High School Programs | 1,487,860 | 862,007 | 571,491 | 12,252 | 37,625 | - | 4,484 | - |
| 1132 High School Extracurricular | 220,307 | 115,869 | 30,708 | 39,940 | 21,357 | - | 12,432 | - |
| 1210 Programs for the Talented and Gifted | 11,558 | 7,236 | 4,205 | 117 | - | - | - | - |
| 1250 Less Restrictive Programs for Students with Disabilities | 1,121,203 | 613,478 | 458,694 | 15,479 | 33,348 | - | 204 | - |
| 1272 Title I | 2,950 | 2,270 | 510 | 171 | - | - | - | - |
| 1280 Alternative Education | 5,690 | - | - | - | 90 | - | 5,600 | - |
| 1291 English Second Language Programs | 51,741 | 37,620 | 14,121 | - | - | - | - | - |
| 1299 Other Programs | 99,589 | 5,900 | 1,875 | 40,713 | 23,955 | 15,037 | 12,110 | - |
| Total Instruction Expenditures | \$ 5,241,416 | \$ 2,922,854 | \$ 1,942,822 | \$ 132,581 | \$ 187,588 | \$ 15,037 | \$ 40,534 | \$ - |

Support Services Expenditures

| | Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
|--|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2110 Attendance and Social Work Services | \$ 7,519 | \$ 4,067 | \$ 2,703 | \$ 749 | \$ - | \$ - | \$ - | \$ - |
| 2120 Guidance Services | 1,876 | - | - | 1,007 | 869 | - | - | - |
| 2190 Service Direction, Student Support Services | 4,618 | - | - | 4,618 | - | - | - | - |
| 2210 Improvement of Instruction Services | 3,632 | - | - | - | 3,632 | - | - | - |
| 2220 Educational Media Services | 92,712 | 48,157 | 38,538 | - | 5,027 | - | 990 | - |
| 2310 Board of Education Services | 66,252 | - | - | 42,175 | 113 | - | 23,965 | - |
| 2320 Executive Administration Services | 360,173 | 205,013 | 124,426 | 19,971 | 3,221 | - | 7,542 | - |
| 2410 Office of the Principal Services | 900,868 | 499,032 | 344,640 | 6,148 | 3,508 | - | 47,540 | - |
| 2520 Fiscal Services | 264,610 | 144,603 | 105,779 | 3,251 | 601 | - | 10,375 | - |
| 2540 Operation and Maintenance of Plant Services | 1,524,623 | 467,223 | 384,500 | 425,005 | 128,558 | 8,652 | 110,685 | - |
| 2550 Student Transportation Services | 744,076 | 320,081 | 218,237 | 166,132 | 16,138 | - | 23,488 | - |
| 2660 Technology Services | 284,864 | 125,522 | 92,651 | 2,907 | 62,144 | - | 1,640 | - |
| 2700 Supplemental Retirement Program | 12,880 | - | 12,880 | - | - | - | - | - |
| Total Support Services Expenditures | \$ 4,268,702 | \$ 1,813,697 | \$ 1,324,354 | \$ 671,964 | \$ 223,810 | \$ 8,652 | \$ 226,225 | \$ - |

Facilities Acquisition and Construction Expenditures

| | Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 4150 Building Acquisition, Construction, and Improvement Services | 47,773 | - | - | 16,507 | - | 31,266 | - | - |
| Total Facilities Acquisition and Construction Expenditures | \$ 47,773 | \$ - | \$ - | \$ 16,507 | \$ - | \$ 31,266 | \$ - | \$ - |

Other Uses Expenditures

| | Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
|--------------------------------------|----------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 5100 Debt Service | \$ 6,527 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,527 | \$ - |
| 5200 Transfers of Funds | 884,633 | - | - | - | - | - | - | 884,633 |
| Total Other Uses Expenditures | \$ 891,160 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,527 | \$ 884,633 |
| Grand Total | \$ 10,449,050 | \$ 4,736,551 | \$ 3,267,176 | \$ 821,052 | \$ 411,398 | \$ 54,955 | \$ 273,286 | \$ 884,633 |

COOS COUNTY SCHOOL DISTRICT NO. 54
Audit Expenditure Summary-Special Revenue Fund #200
For the Fiscal Year Ended June 30, 2024

FUND: Special Revenue Fund #200

Instruction Expenditures

| | |
|------|--|
| 1111 | Elementary, K-5 or K-6 |
| 1113 | Elementary Extracurricular |
| 1121 | Middle/Junior High Programs |
| 1122 | Middle/Junior High School Extracurricular |
| 1131 | High School Programs |
| 1132 | High School Extracurricular |
| 1250 | Less Restrictive Programs for Students with Disabilities |
| 1271 | Remediation |
| 1272 | Title I |
| 1299 | Other Programs |
| 1400 | Summer School Programs |

| Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 |
|--------------|------------|------------|------------|------------|------------|------------|
| \$ 513,393 | \$ 283,941 | \$ 223,365 | \$ - | \$ 6,087 | \$ - | \$ - |
| 40,455 | - | - | - | 40,455 | - | - |
| 116,139 | 67,843 | 47,597 | - | 699 | - | - |
| 32,007 | - | - | 1,404 | 30,603 | - | - |
| 416,341 | 207,551 | 161,001 | 20,000 | 27,789 | - | - |
| 389,455 | 5,659 | 1,668 | 62,076 | 308,901 | - | 11,151 |
| 60,732 | 33,070 | 27,327 | - | 335 | - | - |
| 17,505 | 12,400 | 5,105 | - | - | - | - |
| 376,924 | 230,120 | 146,803 | - | - | - | - |
| (1,447) | 504 | 203 | (11,604) | (999) | 10,450 | - |
| 6,095 | - | - | - | 6,095 | - | - |
| \$ 1,967,599 | \$ 841,090 | \$ 613,069 | \$ 71,875 | \$ 419,964 | \$ 10,450 | \$ 11,151 |

Total Instruction Expenditures

Support Services Expenditures

| | |
|------|---|
| 2110 | Attendance and Social Work Services |
| 2120 | Guidance Services |
| 2140 | Psychological Services |
| 2210 | Improvement of Instruction Services |
| 2240 | Instructional Staff Development |
| 2320 | Executive Administration Services |
| 2410 | Office of the Principal Services |
| 2540 | Operation and Maintenance of Plant Services |
| 2550 | Student Transportation Services |
| 2640 | Staff Services |
| 2660 | Technology Services |

| Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 |
|------------|------------|------------|------------|------------|------------|------------|
| \$ 125,250 | \$ 75,240 | \$ 50,010 | \$ - | \$ - | \$ - | \$ - |
| 151,014 | 34,726 | 7,955 | 108,333 | - | - | - |
| 75,900 | - | - | 75,900 | - | - | - |
| 4,997 | - | - | 2,997 | 2,000 | - | - |
| 20,797 | - | - | 20,167 | 630 | - | - |
| 12,409 | - | - | 1,454 | 10,955 | - | - |
| 20,722 | 14,100 | 5,281 | 1,250 | 92 | - | - |
| 81 | 43 | 38 | - | - | - | - |
| 213,530 | 2,969 | 468 | - | - | 210,093 | - |
| 3,011 | - | - | 133 | 2,878 | - | - |
| 51,315 | - | - | 851 | 50,464 | - | - |
| \$ 679,025 | \$ 127,078 | \$ 63,751 | \$ 211,085 | \$ 67,019 | \$ 210,093 | \$ - |

Total Support Services Expenditures

Enterprise and Community Services Expenditures

| | |
|------|--------------------|
| 3100 | Food Services |
| 3300 | Community Services |

| Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 |
|------------|------------|------------|------------|------------|------------|------------|
| \$ 548,326 | \$ 194,837 | \$ 159,305 | \$ 2,107 | \$ 190,383 | \$ - | \$ 1,695 |
| 9,000 | - | - | 9,000 | - | - | - |
| \$ 557,326 | \$ 194,837 | \$ 159,305 | \$ 11,107 | \$ 190,383 | \$ - | \$ 1,695 |

Total Enterprise and Community Services Expenditures

Facilities Acquisition and Construction Expenditures

| | |
|------|--|
| 4150 | Building Acquisition, Construction, and Improvement Services |
|------|--|

| Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 |
|-----------|------------|------------|------------|------------|------------|------------|
| 66,744 | - | - | 5,420 | - | 61,324 | - |
| \$ 66,744 | \$ - | \$ - | \$ 5,420 | \$ - | \$ 61,324 | \$ - |

Total Facilities Acquisition and Construction Expenditures

Other Uses Expenditures

| | |
|------|--------------|
| 5100 | Debt Service |
|------|--------------|

| Totals | Object 100 | Object 200 | Object 300 | Object 400 | Object 500 | Object 600 |
|--------------|--------------|------------|------------|------------|------------|------------|
| \$ 62,311 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 62,311 |
| 62,311 | - | - | - | - | - | 62,311 |
| \$ 3,333,006 | \$ 1,163,004 | \$ 836,125 | \$ 299,486 | \$ 677,366 | \$ 281,867 | \$ 75,157 |

Total Other Uses Expenditures

Grand Total

COOS COUNTY SCHOOL DISTRICT NO. 54

Audit Expenditure Summary-Debt Service Fund #300

For the Fiscal Year Ended June 30, 2024

| FUND: Debt Service Fund #300 | | |
|--------------------------------------|--|--|
| Other Uses Expenditures | | |
| 5100 Debt Service | | |
| Total Other Uses Expenditures | | |
| Grand Total | | |

| Totals | Object 600 |
|-------------------|-------------------|
| \$ 412,345 | \$ 412,345 |
| \$ 412,345 | \$ 412,345 |
| \$ 412,345 | \$ 412,345 |

COOS COUNTY SCHOOL DISTRICT NO. 54
Audit Expenditure Summary-Capital Projects Fund #400
For the Fiscal Year Ended June 30, 2024

FUND: Capital Projects Fund #400

Support Services Expenditures

2540 Operation and Maintenance of Plant Services
2550 Student Transportation Services
2660 Technology Services

Total Support Services Expenditures

| Totals | Object 300 | Object 500 | Object 600 |
|---------------|-------------------|-------------------|-------------------|
| \$ 155,903 | \$ 1,713 | \$ 85,766 | - |
| 145,014 | - | 145,014 | - |
| 312,663 | 81,538 | 227,020 | - |
| \$ 613,580 | \$ 83,251 | \$ 457,799 | \$ - |

Facilities Acquisition and Construction Expenditures

4150 Building Acquisition, Construction, and Improvement
Services

**Total Facilities Acquisition and Construction
Expenditures**

Grand Total

| Totals | Object 300 | Object 500 | Object 600 |
|-------------------|-------------------|-------------------|-------------------|
| \$ 244,586 | \$ 135,909 | \$ 39,289 | 121 |
| \$ 244,586 | \$ 135,909 | \$ 39,289 | \$ 121 |
| \$ 858,166 | \$ 219,160 | \$ 497,088 | \$ 121 |

REPORT ON LEGAL
AND OTHER
REGULATORY REQUIREMENTS



To the Governing Body of the Coos County School District No. 54
Bandon, Oregon

We have audited the basic financial statements of the Coos County School District No. 54 as of and for the year ended June 30, 2024, and have issued our report thereon dated March 6, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Coos County School District No. 54'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.

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 Coos County School District No. 54 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink, appearing to read 'Steve Tuchscherer', is written over a horizontal line.

Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
March 6, 2025

COOS COUNTY SCHOOL DISTRICT NO. 19

SINGLE AUDIT SECTION



**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
Coos County School District No. 54

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 Coos County School District No. 54, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Coos County School District No. 54's basic financial statements and have issued our report thereon dated March 6, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coos County School District No. 54'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 Coos County School District No. 54's internal control. Accordingly, we do not express an opinion on the effectiveness of Coos County School District No. 54'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 Coos County School District No. 54'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.

A handwritten signature in black ink, appearing to read 'Steve Tuchscherer'.

Steve Tuchscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
March 6, 2025



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
Coos County School District No. 54

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coos County School District No. 54'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 Coos County School District No. 54's major federal programs for the year ended June 30, 2024. Coos County School District No. 54'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, Coos County School District No. 54 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 Coos County School District No. 54 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 Coos County School District No. 54'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 Coos County School District No. 54's federal programs.

COOS COUNTY SCHOOL DISTRICT NO. 54

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

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 Coos County School District No. 54'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 Coos County School District No. 54'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 Coos County School District No. 54'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 Coos County School District No. 54'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 Coos County School District No. 54'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 Coos County School District No. 54's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Coos County School District No. 54'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.

COOS COUNTY SCHOOL DISTRICT NO. 54

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

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 Tuhscherer, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
March 6, 2025

COOS COUNTY SCHOOL DISTRICT NO. 54
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED June 30, 2024

| Federal Grantor/Pass Through Grantor/ Program Title | Assistance Listing (AL) # | | Additional Award Identification | Federal Program Name | Cluster Name | Grant Fund | Federal Assistance Listing Number | Grant Period | Original Program or Grant Amount | (Receivable)/ | Cash Received | Expenditures | (Receivable)/ |
|---|---|-----------------------------|---------------------------------------|---|--------------------------------------|------------|--|--------------|--|--------------------------------------|------------------|--------------|--------------------------------------|
| | Federal Awarding Agency Prefix | AL Three-Digit Extension | | | | | | | | Deferred Revenue June 30, 2023 | | | Deferred Revenue June 30, 2024 |
| U.S. DEPARTMENT OF EDUCATION | | | | | | | | | | | | | |
| Passed Through Oregon Department of Education: | | | | | | | | | | | | | |
| Title IA - Grants to Local Education Agencies | 84 | 010 | | | | Fund #201 | 84.010 | 2023-24 | \$ 393,553 | \$ - | \$ 133,696 | \$ 374,998 | \$ (241,302) |
| Title IA - Grants to Local Education Agencies | 84 | 010 | | | | Fund #201 | 84.010 | 2022-23 | 238,325 | | 1,926 | 1,926 | - |
| Total Title I | | | | | | | | | 631,878 | - | 135,622 | 376,924 | (241,302) |
| Title II-A Teacher Quality | 84 | 367 | | | | Fund #207 | 84.367 | 2022-23 | 41,930 | - | 7,498 | 19,381 | (11,883) |
| Title II-A Teacher Quality | 84 | 367 | | | | Fund #207 | 84.367 | 2023-24 | - | - | - | - | - |
| Total Title I-A | | | | | | | | | 41,930 | - | 7,498 | 19,381 | (11,883) |
| Title IV - Student Support and Academic Enrichment | 84 | 424 | | | | Fund #202 | 84.424 | 2023-24 | 18,436 | - | 5,933 | 5,933 | - |
| Title IV - Student Support and Academic Enrichment | 84 | 424 | | | | Fund #202 | 84.424 | 2022-23 | 17,468 | - | 17,468 | 17,468 | - |
| Total IV - Student Support and Academic Enrichment | | | | | | | | | 35,904 | - | 23,401 | 23,401 | - |
| Title V-B - Rural and Low Income Schools | 84 | 358 | | | | Fund #208 | 84.358 | 2023-24 | 17,957 | - | 17,957 | 17,957 | - |
| Total Title V-B - Rural and Low Income Schools | | | | | | | | | 17,957 | - | 17,957 | 17,957 | - |
| | | | | Governor's Emergency Education Relief Fund | Educational Stabilization Fund | | | | | | | | |
| Elementary & Secondary School Emergency Relief, III | 84 | 425U | COVID-19, 84.425U | | | Fund #214 | 84.425U | 2021-24 | 1,775,028 | (225,660) | 340,672 | 624,510 | (509,498) |
| Total Educational Stabilization Fund | | | | | | | | | 1,775,028 | (225,660) | 340,672 | 624,510 | (509,498) |
| IDEA - Special Education Grants to States(Part B Sec.611) | 84 | 027 | | | | Fund #226 | 84.027 | 2023-24 | 9,707 | - | 335 | 335 | - |
| IDEA - Equipment and Supplies Grant | 84 | 027 | | | | Fund #225 | 84.027 | 2022-23 | 159,832 | - | - | 136,298 | (136,298) |
| IDEA - Special Ed Preschool Grant (section 619) | 84 | 173 | | | | Fund #224 | 84.173 | 2023-24 | 1,899 | - | 1,899 | 1,899 | - |
| Total IDEA | | | | | | | | | 171,438 | - | 2,234 | 138,531 | (136,298) |
| Total Passed through Oregon Department of Education | | | | | | | | | \$ 2,674,135 | \$ (225,660) | \$ 527,383 | \$ 1,200,703 | \$ (898,980) |
| Passed Through South Coast ESD: | | | | | | | | | | | | | |
| Career and Technical Education | 84 | 048 | | | | Fund #253 | 84.048 | 2023-24 | \$ 12,483 | \$ - | \$ 12,483 | \$ 12,483 | \$ - |
| Total Passed Through South Coast ESD: | | | | | | | | | \$ 12,483 | \$ - | \$ 12,483 | \$ 12,483 | \$ - |
| Total U.S. Department of Education | | | | | | | | | \$ 2,686,618 | \$ (225,660) | \$ 539,866 | \$ 1,213,186 | \$ (898,980) |
| U.S. DEPARTMENT OF AGRICULTURE | | | | | | | | | | | | | |
| Passed Through Oregon Department of Education: | | | | | | | | | | | | | |
| National School Lunch - Lunch | 10 | 555 | | | | Fund #230 | 10.555 | 2023-24 | \$ 183,997 | \$ (30,195) | \$ 209,911 | \$ 183,997 | \$ (4,282) |
| National School Lunch - Breakfast | 10 | 553 | | | | Fund #230 | 10.553 | 2023-24 | 34,665 | (5,082) | 39,117 | 34,665 | (630) |
| Summer Food Service Program for Children | 10 | 559 | | | | Fund #230 | 10.559 | 2023-24 | 14,998 | (1,455) | 11,211 | 14,998 | (5,242) |
| CNP Snap School and Local | 10 | 649 | | | | Fund #230 | 10.649 | 2023-24 | 653 | - | 653 | 653 | - |
| National School Lunch - Commodities | 10 | 555C | | | | Fund #230 | 10.555C | 2023-24 | 21,202 | - | 21,202 | 21,202 | - |
| Commodities Supplemental Food Program | 10 | 559C | | | | Fund #230 | 10.559C | 2023-24 | 58 | - | 58 | 58 | - |
| Total National School Lunch Program | | | | | | | | | 255,574 | 255,574 | 255,574 | 255,574 | 255,574 |
| Total U.S. Department of Agriculture | | | | | | | | | \$ 255,574 | \$ 255,574 | \$ 255,574 | \$ 255,574 | \$ 255,574 |
| TOTALS | | | | | | | | | \$ 2,942,192 | \$ 29,914 | \$ 795,440 | \$ 1,468,760 | \$ (643,406) |
| This schedule is prepared using the modified accrual basis of accounting. | | | | | | | | | | | | | |
| RECONCILIATION TO REVENUE: | | | | | | | | | | | | | |
| Cash Receipts per Schedule Above | \$ | 795,440 | | | | | | | | | | | |
| Grants Receivable/Deferred Revenue Beginning of Year | | 29,914 | | | | | | | | | | | |
| Grants Receivable/Deferred Revenue End of Year | | 643,406 | | | | | | | | | | | |
| Federal Revenue Recognized per Financial Statements | \$ | 1,468,760 | | | | | | | | | | | |

COOS COUNTY SCHOOL DISTRICT NO. 54

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 Coos County School District No. 54 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 Coos County School District No. 54, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Coos County School District No. 54.

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

Coos County School District No. 54 has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, or other approved rate that is lower.

COOS COUNTY SCHOOL DISTRICT NO. 54

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 Coos County School District No. 54 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 Coos County School District No. 54 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
 - Education Stabilization Fund AL# 84.425
7. The threshold for distinguishing between Type A and B programs was \$750,000.
8. The District was not 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

This part of the Schedule of Findings and Questioned Costs presents audit findings required to be reported by *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200*.

Each finding has one of the following designations:

Material Weakness – 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 non-compliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Significant Deficiency – 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.

Material Noncompliance – Conditions representing noncompliance with the provisions of laws, regulations, contracts or grant agreements, that in the auditor’s judgement have a direct and material effect on a major federal program.

Immaterial Noncompliance - Conditions representing noncompliance with the provisions of laws, regulations, contracts or grant agreements, that do not have a direct and material effect on a major federal program.

Prior Year Financial Statement Findings:

Finding 2023-001 – Internal controls over accounting – (Significant Deficiency)

Condition: Inadequate segregation of duties within the business office, with little or no review by Management.

Repeat of Prior Year Finding: No

Status: District has implemented review and approval of bank reconciliations, and journal entries. All payments, deposits and transfers are reviewed and signed by another effective 10/31/2023.

Prior Year Findings and Questioned Costs for Federal Awards

Finding 2023-002 – Internal controls and noncompliance related to Eligibility – (Material Weakness)

Child Nutrition Program Cluster AL# 10.553 / 10.555
Department of Agriculture
Passed through Oregon Department of Education

Condition: During fiscal year 2022-23 the District was not under Community Eligibility Program, but did not actively solicit applications for free and reduced cost eligibility.

Repeat of Prior Year Finding: No

Status: District is maintaining close communication with the Oregon Department of Education to ensure that all requirements are met effective May 2023. District is currently utilizing Community Eligibility Program.

Finding 2023-003 – Internal controls and noncompliance related to Eligibility – (Significant Deficiency)

Child Nutrition Program Cluster AL# 10.553 / 10.555
Department of Agriculture
Passed through Oregon Department of Education

Condition: During fiscal year 2022-23 the District did not have sufficient controls over meal claiming process.

Repeat of Prior Year Finding: No

Status: District implemented Mealtime to improve meal counting process and avoid error in tallying meals. Food Service Director reviews the counts monthly to ensure accuracy.

Finding 2023-004 – Special Tests and Provisions-Verifications related to Eligibility – (Material Weakness)

Child Nutrition Program Cluster AL# 10.553 / 10.555
Department of Agriculture
Passed through Oregon Department of Education

Condition: During fiscal year 2022-23 the District did not perform validation process on all application timely during 2022-23 when Federal, State programs resulted in free meals to all students.

Repeat of Prior Year Finding: No

Status: District is maintaining close communication with the Oregon Department of Education to ensure that all requirements are met effective May 2023. District is currently utilizing Community Eligibility Program.