



COOS COUNTY SCHOOL DISTRICT NO. 54

Bandon, Oregon

Annual Financial Report

June 30, 2025

COOS COUNTY SCHOOL DISTRICT NO. 54

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

DISTRICT OFFICIALS

DAVID HISEL Board Chair, Position #1
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MARTHA LANE Position #2
1296 Newport Ave. SW, Bandon, OR 97411

STAN AVERY Position #3
P.O Box 1848, Bandon, OR 97411

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

ANGELA CARDAS Position #5
52302 Sturtevant Rd, Bandon, OR 97411

BRIANA HUTCHENS Position #6
1182 SW Jackson Ave., Bandon, OR 97411

JON SULIVAN Position #7
57586 Parkersburg Rdn, 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, 2025

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COOS COUNTY SCHOOL DISTRICT NO. 54

AUDIT REPORT

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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, 2025, 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, 2025, 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, 2025, 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 5, 2025, 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 December 5, 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.



Ashraf Lakhani Farishta, CPA
Umpqua Valley Financial, LLC
Roseburg, Oregon
December 5, 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, 2025

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, 2025. 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, 2025, are as follows:

- In the government-wide statements, the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows at June 30, 2025, by \$10,230,780. Of this amount, \$8,461,931 represents the District's net investment in capital assets, and \$1,768,849 is unrestricted.
- Total assets decreased by 4% to \$19,222,799, driven by a 13.3% decline in current and other assets, while capital assets increased 4.2%, reflecting continued investment in District facilities. Deferred outflows increased 28.6%, primarily due to pension-related activity.
- Liabilities remained consistent, increasing only 0.6% to \$12,367,572, with long-term liabilities up 1.4% and other liabilities down by 5.1%.

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.

The second government-wide statement is the *Statement of Activities*, which reports on how the District's net position changed during the current fiscal year. All current 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

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 on the 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, 2025

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position provides the perspective of the District as a whole and may serve over time as a useful indicator of a government's financial position. In the case of the District, the assets and deferred outflow of District resources exceeded its liabilities and deferred inflows of resources at June 30, 2025, by \$10,230,780.

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

Summary of Net Position

	<u>Governmental Activities</u>		
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Percentage Change</u>
Assets			
Current and Other Assets	\$ 8,100,324	\$ 9,342,948	-13.3%
Capital Assets	<u>11,122,475</u>	<u>10,679,100</u>	4.2%
Total Assets	<u>19,222,799</u>	<u>20,022,048</u>	-4.0%
Deferred Outflow of Resources	<u>4,509,054</u>	<u>3,506,308</u>	28.6%
Liabilities			
Long-Term Liabilities	10,945,915	10,792,168	1.4%
Other Liabilities	<u>1,421,658</u>	<u>1,498,299</u>	-5.1%
Total Liabilities	<u>12,367,572</u>	<u>12,290,467</u>	0.6%
Deferred Inflow of Resources	<u>1,133,500</u>	<u>986,306</u>	14.9%
Net Position			
Net Investment in Capital Assets	8,461,931	7,649,204	10.6%
Unrestricted	<u>1,768,849</u>	<u>2,602,379</u>	-32.0%
Total Net Position	<u>\$ 10,230,780</u>	<u>\$ 10,251,583</u>	-0.2%

Capital assets, which consist of the District's land, buildings, building improvements, and equipment, net of accumulated depreciation, represent about 57.9 percent of total assets. The remaining 42.1 percent are current assets, which consist mainly of investments, cash, grants, and property taxes receivable.

The District's largest liability, which represents 88.5 percent of total liabilities, is mainly its share of the net pension liability, followed by bonds payable. The remaining 11.5 percent are other liabilities, which consist primarily of payables on accounts and salaries, and benefits as of June 30, 2025.

COOS COUNTY SCHOOL DISTRICT NO. 54

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2025

A portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending.

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
	2024-25	2023-24	
Revenues			
Program Revenues			
Charges for Services	\$ 238,028	\$ 293,597	-18.9%
Capital Grants and Contributions	-	26,973	-100.0%
General Revenues			
Property Taxes	5,594,899	4,901,089	14.2%
State Basic School Support	4,185,022	4,325,474	-3.2%
Other	517,019	568,517	-9.1%
Total Revenues	<u>13,431,807</u>	<u>12,918,263</u>	4.0%
Program Expenses			
Instruction	7,648,279	7,189,455	6.4%
Support Services	5,180,903	5,631,533	-8.0%
Community Services	590,228	541,240	9.1%
Interest on Long-Term Debt	62,261	76,399	-18.5%
Total Program Expenses	<u>13,481,671</u>	<u>13,438,627</u>	0.3%
Special Item: Gain (Loss) on disposition of assets	<u>29,060</u>	<u>-</u>	
Change in Net Position	(20,804)	(520,364)	
Beginning Net Position	<u>10,251,584</u>	<u>10,771,947</u>	
Ending Net Position	<u>\$ 10,230,780</u>	<u>\$ 10,251,583</u>	

During the current fiscal year, the District's net position in government activities decreased by \$20,803. Total revenues in government activities increased \$513,544, which is primarily due to an increase in property taxes collected, slightly offset by a decrease in Capital Grants and Contributions, Charges for Services, State Basic School Support, and Other revenue.

Total expenses slightly increased by \$43,044 (0.3%), from \$13,438,627 to \$13,481,671, primarily due to the higher cost of services in instruction and community services.

COOS COUNTY SCHOOL DISTRICT NO. 54

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2025

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

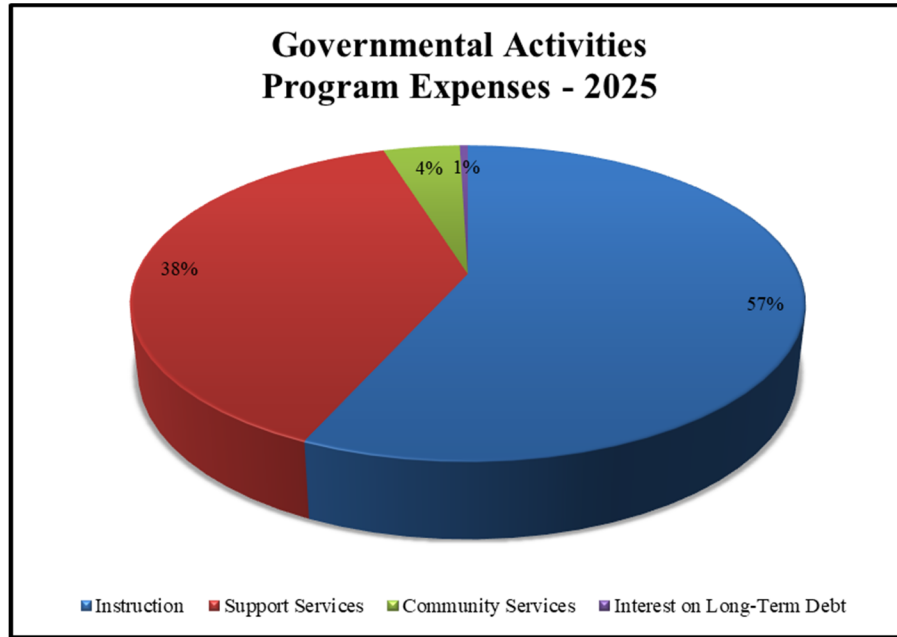
	<u>2024-25</u>		<u>2023-24</u>	
	<u>Total Cost of Services</u>	<u>Net Cost (Profit) of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost (Profit) of Services</u>
Instruction	\$ 7,648,279	\$ 5,527,122	\$ 7,189,455	\$ 5,026,792
Support Services	5,180,903	4,665,673	5,631,533	5,095,118
Community Services	590,228	91,748	541,240	117,135
Interest on Long-Term Debt	<u>62,261</u>	<u>62,261</u>	<u>-</u>	<u>(269,030)</u>
Total Program Expenses	<u>\$ 13,481,671</u>	<u>\$ 10,346,804</u>	<u>\$ 13,362,228</u>	<u>\$ 9,970,015</u>

The governmental activities rely on general revenues. For the current year, 76.6% of general government activities are supported by general revenues such as property taxes and state basic school support. The remaining 23.4% of governmental activities are funded by program revenues such as charges for services, operating grants, and contributions.

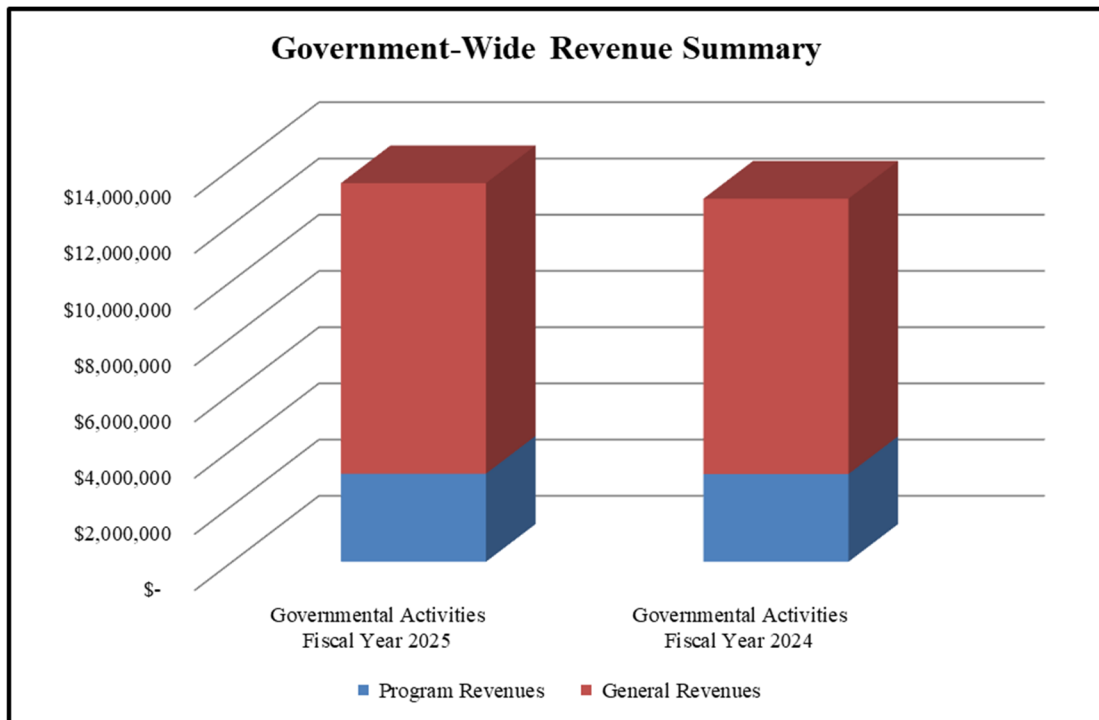
COOS COUNTY SCHOOL DISTRICT NO. 54

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2025

This graph illustrates the expenses of the District's programs by governmental activities. Instruction has the highest expenses, totaling \$7,648,279, followed by support services with \$5,180,903. The rest is made up by Community Services and interest on long-term debt, which accounts for \$590,228 and \$62,261.



The chart compares revenue from governmental activities between the prior year and the current year, reflecting an increase in revenue of \$513,544.



COOS COUNTY SCHOOL DISTRICT NO. 54

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2025

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. At the end of the year, the combined fund balance of the governmental funds was \$6,677,003. The fund balance is composed of restricted, unspendable, and unassigned amounts. Of the current fund balances, \$2,841,199 is restricted \$3,662,792 is unassigned and \$3,687 is unspendable.

The General Fund is the primary operating fund of the District. As of June 30, 2025, the General Fund's ending fund balance was \$3,662,792. This balance is fully unassigned and available to support District operations. This fund began the fiscal year with \$4,655,036, the decrease due mostly to interfund transfers.

The Special Revenue Fund accounts for revenues and expenditures restricted for specific programs, such as grants and targeted instructional support. As of June 30, 2025, the Special Revenue Fund balance was \$936,351, consisting of \$3,687 unspendable inventory and \$932,664 restricted for special programs. The net change shows an increase of \$464,264 due to interfund transfers.

BUDGETARY HIGHLIGHTS

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

General Fund revenues were budgeted at \$9,914,740 and came in at \$9,714,446, which is \$200,294 less than anticipated. The shortfall was mainly due to lower-than-expected State Aid and Miscellaneous Revenue, partially offset by higher Earnings on Investments and property tax collections.

The Special Revenue Fund had an ending fund balance of \$936,351, because the actual revenues were more than the budgeted revenues by \$244,104. In addition, the actual expenditure was \$983,121 under budget, thus increasing the ending fund balance.

The Debt Service Fund had an ending fund balance of \$169,325. This is primarily due to the collected property tax being \$27,804 higher than expected, and expenses being \$75,925 under budget.

Lastly, the Capital Fund expenditures budget was underspent by \$2,053,330, resulting in an ending fund balance of \$1,908,535. Although the expenses were under budget, there was not enough revenue from property taxes to cover the \$931,670 in expenses for support services, and facilities acquisitions and construction.

COOS COUNTY SCHOOL DISTRICT NO. 54

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the District reported an addition of \$1,041,506 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 \$17,770,927.

The total depreciation expense for the year was \$443,764. 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, 2025, the District's long-term debt outstanding amounted to \$2,825,322. In the current fiscal year, the District paid \$480,678 toward its long-term debt. Out of this payment, \$416,889 was allocated for principal repayment, while \$63,789 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 2025-2026 budget document reflects the 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 \$415,000 and a beginning cash balance of \$3,100,000.

The District's adopted budget for the fiscal year ending June 30, 2026, represents an overall decrease of \$1,016,018 or a 4.78% decrease when compared with the current fiscal year. The total budget for the fiscal year ending June 30, 2025, is \$20,257,706.

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, 2025

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 7,000,308
Property Taxes Receivable	451,373
Accounts Receivable	507,530
Inventory-Food, Supplies & Commodities	3,687
Total Current Assets	<u>7,962,898</u>
Restricted Assets:	
Net OPEB Asset (RHIA)	137,426
Total Restricted Assets	<u>137,426</u>
Capital Assets:	
Capital Assets, Non-Depreciable	786,202
Capital Assets, Depreciable, Net	10,336,273
Total Capital Assets	<u>11,122,475</u>
Total Assets	<u>19,222,799</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
Pension Related Deferrals	4,505,161
OPEB Related Deferrals - RHIA	3,893
Total Deferred Outflow of Resources	<u>4,509,054</u>
<u>LIABILITIES:</u>	
Accounts Payable	171,017
Accrued Interest Payable	11,755
Payroll Liabilities	770,287
Accrued Vacation Benefits	6,206
Leases Payable:	
Due within one year	54,646
Due in more than one year	100,264
Bonds Payable:	
Due within one year	395,000
Due in more than one year	2,265,000
Retirement Stipend:	
Due within one year	12,746
Net Pension Liability	8,580,651
Total Liabilities	<u>12,367,572</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	
Pension Related Deferrals	1,114,999
OPEB Related Deferrals - RHIA	18,501
Total Deferred Inflow of Resources	<u>1,133,500</u>
<u>NET POSITION:</u>	
Net Investment in Capital Assets	8,461,931
Unrestricted	1,768,849
Total Net Position	<u>\$ 10,230,780</u>

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

COOS COUNTY SCHOOL DISTRICT NO. 54

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2025

	<u>(Expenses)</u>	<u>Program Revenues</u>		<u>Net</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>(Expense) Revenue and Change in Net Position</u>
<u>GOVERNMENTAL ACTIVITIES:</u>				<u>Governmental Activities</u>
Instruction	\$ 7,648,279	\$ 238,028	\$ 1,883,129	\$ (5,527,122)
Support Services	5,180,903	-	515,230	(4,665,673)
Enterprise and Community Services	590,228	-	498,480	(91,748)
Interest on Long-Term Debt	62,261	-	-	(62,261)
Total Governmental Activities	\$ 13,481,671	\$ 238,028	\$ 2,896,839	\$ (10,346,804)
<u>GENERAL REVENUES:</u>				
Property Taxes, Levied for General Purposes				\$ 5,156,600
Property Taxes, Levied for Debt Service				438,299
Earnings on Investments				419,998
Intermediate Sources				17,117
State School Fund for Education and Support Services				4,185,022
State Common School Fund				79,904
Subtotal - General Revenues				10,296,940
Special Items:				
Gain on Disposition of Assets				29,060
Change in Net Position				(20,804)
Net Position, July 1, 2024				10,251,584
Net Position, June 30, 2025				\$ 10,230,780

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, 2025

	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	\$ 4,337,495	\$ 478,550	\$ 162,438	\$ 2,021,825	\$ 7,000,308
Property Taxes Receivable	422,958	-	28,415	-	451,373
Accounts Receivable	39,952	467,578	-	-	507,530
Inventory-Food, Supplies & Commodities	-	3,687	-	-	3,687
Total Assets	\$ 4,800,405	\$ 949,815	\$ 190,853	\$ 2,021,825	\$ 7,962,898
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>					
LIABILITIES:					
Accounts Payable	\$ 44,263	\$ 13,464	\$ -	\$ 113,290	\$ 171,017
Payroll Liabilities	770,287	-	-	-	770,287
Total Liabilities	814,550	13,464	-	113,290	941,304
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	323,063	-	21,528	-	344,591
Total Deferred Inflows of Resources	323,063	-	21,528	-	344,591
FUND BALANCES:					
Unspendable	-	3,687	-	-	3,687
Restricted for:					
Capital Construction & Building Maintenance	-	-	-	1,908,535	1,908,535
Debt Service	-	-	169,325	-	169,325
Special Programs	-	932,664	-	-	932,664
Unassigned	3,662,792	-	-	-	3,662,792
Total Fund Balances	3,662,792	936,351	169,325	1,908,535	6,677,003
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,800,405	\$ 949,815	\$ 190,853	\$ 2,021,825	\$ 7,962,898

COOS COUNTY SCHOOL DISTRICT NO. 54

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

June 30, 2025

Total Fund Balances - Governmental Funds	\$	6,677,003
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	\$	17,770,927
Accumulated depreciation		<u>(6,648,452)</u>
Net Value of Capital Assets		11,122,475
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		
		344,591
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Contributions		4,509,054
Deferred Earnings on Pension/OPEB Assets		<u>(1,133,500)</u>
Net Value of Deferrals		3,375,554
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		11,755
Bonds Payable		2,660,000
Retirement Stipend Payable		12,746
Leases Payable		154,910
Net Pension Liability		8,580,651
Net OPEB Obligations		(137,426)
Accrued Vacation Benefits		<u>6,206</u>
Total		<u>(11,288,842)</u>
Net Position of Governmental Activities	\$	<u>10,230,780</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, 2025

	General Fund #100	Special Revenue Fund #200	Debt Service Fund #300	Capital Projects Fund #400	Total Governmental Funds
<u>REVENUES:</u>					
Taxes	\$ 4,965,529	\$ -	\$ 438,717	\$ 6,918	\$ 5,411,164
Earnings on Investments	400,223	-	19,776	-	419,999
Fees and Charges	19,444	192,593	-	-	212,037
Miscellaneous Revenue	37,478	283,666	-	-	321,144
Intermediate Government Aid	17,117	-	-	-	17,117
State Aid	4,268,175	1,451,543	-	-	5,719,718
Federal Aid	6,480	1,133,495	-	-	1,139,975
Total Revenues	9,714,446	3,061,297	458,493	6,918	13,241,154
<u>EXPENDITURES:</u>					
Current:					
Instruction	5,648,369	1,924,860	-	-	7,573,229
Support Services	4,350,260	594,971	-	132,949	5,078,180
Enterprise and Community Services	-	601,990	-	-	601,990
Capital Outlay:					
Support Services	191,019	-	-	413,472	604,491
Facilities Acquisition and Construction	-	104,616	-	385,249	489,865
Debt Service	8,754	62,311	418,367	-	489,432
Total Expenditures	10,198,402	3,288,748	418,367	931,670	14,837,187
Excess (Deficiency) of Revenues Over Expenditures	(483,956)	(227,451)	40,126	(924,752)	(1,596,033)
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	-	691,715	-	-	691,715
Interfund Transfers Out	(691,715)	-	-	-	(691,715)
Proceeds from Sale of Assets	183,427	-	-	-	183,427
Total Other Financing Sources (Uses)	(508,288)	691,715	-	-	183,427
Net Change in Fund Balance	(992,244)	464,264	40,126	(924,752)	(1,412,606)
Beginning Fund Balance	4,655,036	472,087	129,199	2,833,287	8,089,609
Ending Fund Balance	\$ 3,662,792	\$ 936,351	\$ 169,325	\$ 1,908,535	\$ 6,677,003

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, 2025

Net Changes in Fund Balances - Total Governmental Funds \$ (1,412,606)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 1,041,506	
Less current year depreciation	<u>(443,764)</u>	
		597,741

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.		190,653
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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	51,889	
Bonds	<u>365,000</u>	
		416,889

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.		310,776
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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	1,528	
Net increase/(decrease) in retirement stipend expense	8,540	
Increase/(decrease) in accrued OPEB	33,291	
Increase/(decrease) in accrued vacation benefits	<u>(13,249)</u>	
		<u>30,110</u>

Change in Net Position of Governmental Activities **\$ (20,804)**

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

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, 2025

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, 2025

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, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Cash and Investments

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 receivable 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 consists 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, 2025

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 expenditure 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 payable 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, 2025

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 (expenses/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, 2025

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, 2025

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, 2025

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, 2025, the reported amount of the District's deposits was \$416,869. The bank balance was \$711,612. 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 that the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2025, 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, 2025

CASH AND INVESTMENTS (Cont.):

On June 30, 2025, 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)	\$ 6,583,439	N/A
Total Investments	<u>\$ 6,583,439</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, 2025

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2025:

<u>Governmental Activities</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets not being depreciated:				
Land	\$ 122,221	\$ -	\$ -	\$ 122,221
Construction in Progress	106,948	557,033	-	663,981
Total assets not being depreciated	229,169	557,033	-	786,202
Assets being depreciated:				
Building and Building Improvement	14,831,606	191,019	307,656	14,714,969
Machinery and Equipment	2,128,281	293,453	151,979	2,269,755
Total Depreciable Assets	16,959,887	484,473	459,635	16,984,725
Less: Accumulated Depreciation				
Building and Building Improvement	5,252,160	311,668	171,408	5,392,419
Machinery and Equipment	1,257,796	132,097	133,860	1,256,033
Total Accumulated Depreciation	6,509,956	443,764	305,268	6,648,452
Net Value of Capital Assets Being Depreciated	10,449,931	40,708	154,367	10,336,273
Total Governmental Activities --				
Net Value of Capital Assets	<u>\$ 10,679,100</u>	<u>\$ 597,741</u>	<u>\$ 154,367</u>	<u>\$ 11,122,475</u>
Depreciation expense was charged to governmental functions as follows:				
Instruction	\$ 291,209			
Support Services	152,555			
Total Depreciation Expense	<u>\$ 443,764</u>			

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

LONG-TERM LIABILITIES OTHER THAN OPEB AND PENSIONS:

A summary of debt transactions for the year ended June 30, 2025, 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, 2025

LONG-TERM DEBT (Cont.):

The following is a schedule of transactions during the year:

	Outstanding Balance July 1, 2024	Additions	Reductions	Interest Paid	Outstanding Balance June 30, 2025	Due Within One Year
Leases Payable:						
2022 Micro Bird G5 Santander Bus Lease	\$ 48,655	\$ -	\$ 15,500	\$ 2,219	\$ 33,155	\$ 16,207
2025 Blue Bird AA Santander Bus Lease	158,144	-	36,389	8,203	121,755	38,439
Total Leases Payable	<u>\$ 206,799</u>	<u>\$ -</u>	<u>\$ 51,889</u>	<u>\$ 10,422</u>	<u>\$ 154,910</u>	<u>\$ 54,646</u>
Bonds Payable:						
2021 Issue General Obligation Bonds	\$ 3,025,000	\$ -	\$ 365,000	\$ 53,367	\$ 2,660,000	\$395,000
Total Bonds Payable	<u>\$ 3,025,000</u>	<u>\$ -</u>	<u>\$ 365,000</u>	<u>\$ 53,367</u>	<u>\$ 2,660,000</u>	<u>\$395,000</u>
Compensated Absences	4,206	6,206 *	-	-	10,412	-
Total Long-Term Debt	<u>\$ 3,236,005</u>	<u>\$ 6,206</u>	<u>\$ 416,889</u>	<u>\$ 63,789</u>	<u>\$ 2,825,322</u>	<u>\$449,646</u>

* The change in the compensated absences liability is presented as a net change.

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

Leases Payable: Due Fiscal Year

Ending June 30,	Principal	Interest	Total
2026	\$ 54,646	\$ 7,844	\$ 62,490
2027	57,391	5,099	62,490
2028	42,873	2,219	45,092
Total	<u>\$ 154,910</u>	<u>\$ 15,162</u>	<u>\$ 170,072</u>

Bonds Payable: Due Fiscal Year

Ending June 30,	Principal	Interest	Total
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	475,000	17,964	492,964
2031 - 2035	495,000	9,167	504,167
Total	<u>\$ 2,660,000</u>	<u>\$ 179,088</u>	<u>\$ 2,839,088</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, 2025

PENSION PLAN:

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

Cost-sharing Multiple-employer Defined Benefit Pension Plan - The Oregon Public Employees Retirement System (PERS)

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

Organization

OPERS administers a cost-sharing, multiple-employer defined benefit pension plan (Plan) for units of state government, political subdivisions (including community colleges and school districts), and public universities. The Plan contains multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the Plan. As of June 30, 2024, there were 904 participating employers and more than 415,000 active, inactive, and retired members and beneficiaries.

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 Oregon Public Employees Retirement Board (OPERB) to administer and manage the System. All members of the Board are appointed by the governor and confirmed by the State Senate. Oregon PERS produces an independently audited comprehensive annual financial report (ACFR) for the funds administered by OPERB. The OPERS ACFR can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

Plan Membership

The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to age 58 for Tier One.

As of June 30, 2024, Tier One was comprised of 7,928 active plan members, 127,957 retired plan members or their beneficiaries currently receiving benefits, and 6,927 inactive plan members entitled to but not yet receiving benefits for a total of 142,812 members. For Tier Two, as of June 30, 2024, there were 23,549 active plan members, 24,248 retired plan members or their beneficiaries currently receiving benefits, and 12,332 inactive plan members entitled to but not yet receiving benefits for a total of 60,129.

The 2003 Legislature enacted House Bill 2021, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program and the Individual Account Program. Membership for the OPSRP Pension Program includes public employees hired on or after August 29, 2003. OPSRP is part of PERS and is administered by the Board. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

As of June 30, 2024, there were 163,367 active OPSRP Pension plan members, 13,931 retired plan members or their beneficiaries currently receiving benefits, 10,596 inactive plan members entitled to but not yet receiving benefits, and 24,658 inactive plan members not eligible for refund or retirement for a total of 212,552 OPSRP Pension Program members.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

Plan Benefits

1. OPERS Pension (Chapter 238) – Tier One/Tier Two

a. Pension Benefits

The PERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit.

These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly based on years of service and final average salary. A percentage (2.0% for Police and Fire employees, 1.67% for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which they are entitled.

Under Senate Bill (SB) 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary is limited for all members beginning in 2021. The limit was equal to \$232,976 as of January 1, 2024, and it is indexed with inflation every year.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have contributions in each of five calendar years or have 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 plans are closed to new members hired on or after August 29, 2003.

b. Death Benefits

Upon the death of a nonretired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary receives a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lumpsum and monthly payments, if eligible. The monthly payment must be a minimum of \$200 per month for deaths that occur after July 30, 2003.

In 2019 the Legislature introduced an Optional Spouse Death Benefit (OSDB) that may provide a higher survivor benefit than the standard pre-retirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person who is constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and met the following conditions:

- Member's date of death must be on or after January 1, 2020.
- Member's account must be eligible for the employer-matching death benefit (as described above).
- Member must have a surviving spouse.
- The surviving spouse must be the member's sole beneficiary as determined by a valid Tier One/Tier Two Preretirement Beneficiary Designation form on file with PERS.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

As of January 1, 2024, the Legislature modified the rules such that, in order to be eligible for the Optional Spouse Death Benefit, a surviving spouse must make a written election no later than 60 days after the date of the estimate that PERS provides to a member's spouse. For members who die before their earliest retirement date, the OSDB is the actuarial equivalent of 50% of the service retirement that would have been paid to the member, calculated as if the member became inactive on their date of death and retired at their earliest retirement date. For members who die after their earliest retirement date but before normal retirement age, the OSDB is the actuarial equivalent of the service retirement that would have been paid to the member calculated as if they retired on the first day of the month following their death. For members who die after their normal retirement age, the OSDB is the actuarial equivalent of the benefit that would have been paid to the member, calculated as if the member retired on the first day of the month following their date of death.

The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

c. Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time for General Service members is computed to age 58 (55 for Police and Fire members) when determining the monthly benefit.

d. Benefit Changes After Retirement

Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

2. OPSRP Pension Program

a. Pension Benefits

This portion of OPSRP provides a life pension funded primarily by employer contributions and earnings. Benefits are calculated with the following formula for members who attain normal retirement age.

General Service: 1.5% 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.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary is limited for all members beginning in 2020. The limit was equal to \$232,976 as of January 1, 2024 and is indexed with inflation every year.

A member of the 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, or, if the pension program is terminated, the date on which termination becomes effective.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

b. Death Benefits

Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

c. 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 from a job-related injury may receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred. Disability benefits continue until the member is no longer disabled or otherwise no longer qualifies for benefits, reaches normal retirement age, or dies.

d. Benefit Changes After Retirement

Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

3. Individual Account Program (IAP)

a. 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.

Employers have the option to make employer contributions for a member under ORS 238A.340. Contributions for these accounts are deposited into a separate employer-funded account. The member becomes vested in this optional employer-funded account 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. The accounts fall under Internal Revenue Code Section 414(k).

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer-funded account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or an anticipated life-span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

b. Death Benefits

Upon the death of a nonretired 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.

c. Recordkeeping

PERS contracts with Voya Financial to maintain IAP participant records.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

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 904 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.

A surviving spouse or dependent of a deceased PERS 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 PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

For the fiscal year ended June 30, 2024, PERS employers contributed 0.04% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. A (0.04)% unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Consequently, PERS employers had an effective contribution rate of 0.00% for the RHIA program. 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, 2021, actuarial valuation.

Contributions

Description of Funding and Contributions for PERS Benefit Plans

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

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.

The Member Reserve represents accumulated member contributions and earnings allocations made prior to January 1, 2004, and subsequent earnings allocations less refunds and amounts transferred to reserves for retirements and disabilities (ORS 238.515). The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements.

Starting July 1, 2020, Senate Bill 1049 (2019) required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. In 2024, if the member earns more than \$3,688 per month, 0.75% (if OPSRP member) or 2.5% (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the member's Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

a. Employee Pension Stability Accounts (EPSA)

EPSA was created by the Oregon Legislature through Senate Bill 1049 (2019) to address the increasing cost of funding pension benefits. EPSA's function is to help pay for part of an applicable member's lifetime monthly pension benefit when they retire.

EPSA rules apply to most PERS members, but the EPSA redirect is only triggered when the member's gross pay in a month exceeds the monthly salary threshold, which is tied to the annual Consumer Price Index (All Urban Consumers, West Region). EPSA accounts are credited with investment earnings and losses annually and have no guaranteed rate of return.

b. Target-Date Funds

The Oregon Investment Council, responsible for all PERS fund investments, approved the transition to a target-date fund (TDF) investment methodology for all IAP accounts beginning January 1, 2018. This change in investment methodology reflects an investment best practice that will better protect participants from potential losses as they approach and enter retirement by gradually reducing investment risk as participants age.

Effective January 1, 2021, Senate Bill 1049 (2019) allowed members to elect investment of their IAP account in a TDF other than the default TDF based on their year of birth. PERS now provides members the opportunity to make elections once a year during the month of September, with the change effective the following calendar year.

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 plans. Employer contribution rates during fiscal year 2024 were based on the December 31, 2021, actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, public universities, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced.

a. PERS Defined Benefit Plan (ORS 238)

Effective July 1, 2023, the contribution rate for state agencies was 28.88%, the State and Local Government Rate Pool was 29.03%, the School Districts Pool was 28.58%, and the judiciary was 29.01% of PERS-covered salaries. Political subdivisions that have not joined the State and Local Government Rate Pool had an average pension contribution rate of 29.81%.

b. OPSRP Pension Program (ORS 238A)

All PERS-participating employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. The OPSRP Pension Program employer rates effective July 1, 2023, through June 30, 2025, are 11.58% of covered salaries for General Service employees and 16.37% of covered salaries for Police and Fire employees. These rates increased from 10.33% of covered salaries for General Service and 14.69% of covered salaries for Police and Fire employees for the period July 1, 2021, through June 30, 2023. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Effective January 1, 2021, Senate Bill 1049 (2019) requires employers to pay contributions on reemployed PERS retirees' salaries as if they were active members, excluding IAP (6%) contributions. Reemployed retirees do not accrue additional benefits while they work after retirement.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

District Employer Contributions

The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The District's employer contributions for the year ended June 30, 2025 were \$1,870,631 excluding amounts to fund employer specific liabilities.

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%.

District 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 2024-2025, approximately \$353,914 in employee IAP contributions were paid or picked up by the district.

Pension Plan ACFR

Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

Actuarial Valuations

The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2022 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, 2021. 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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:	
Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study	2022, published July 20, 2023
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 <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and the pattern of cost-sharing between the employer and plan members. The December 31, 2022, system-wide actuarial valuation was used to develop the GASB 67 financial reporting results for the Defined Benefit Pension Plan as of June 30, 2024, using standard roll-forward procedures.

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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

Depletion Date Projection

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

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

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

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

OIC Target and Actual Investment Allocation as of June 30, 2024

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation²</u>
Debt Securities	20.0% - 30.0%	25.0%	Debt Securities	19.1%
Public Equity	22.5% - 32.5%	27.5%	Public Equity	23.0%
Real Estate	7.5% - 17.5%	12.5%	Real estate	13.2%
Private Equity	15.0% - 27.5%	20.0%	Private Equity	26.9%
Real Assets	2.5% - 10.0%	7.5%	Real Assets	10.1%
Diversifying Strategies	2.5% - 10.0%	7.5%	Diversifying Strategies	5.0%
Opportunity Portfolio ¹	0.0% - 5.0%	0.0%	Opportunity Portfolio	2.7%
Total		<u>100%</u>	Total	<u>100%</u>

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

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below.

<u>Long Term Expected Rate of Return¹</u>	Annual	20-Year	Annual
<u>Asset Class</u>	Target	Annualized	Standard
	Allocation	Geometric Mean	Deviation
Global Equity	27.50%	7.07%	17.99%
Private Equity	25.50%	8.83%	30.00%
Core Fixed Income	25.00%	4.50%	4.22%
Real Estate	12.25%	5.83%	15.13%
Master Limited Partnerships	0.75%	6.02%	27.04%
Infrastructure	1.50%	6.51%	17.11%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%	9.04%
Hedge Fund Equity - Hedge	0.63%	6.48%	12.04%
Hedge Fund - Macro	5.62%	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.

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	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Employer's proportionate share of the net pension liability	\$ 13,535,629	\$ 8,580,651	\$ 4,430,616

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

Changes Since Last Valuation

A summary of key changes implemented after the December 31, 2024 valuation, which was used in the 2024 PERS ACFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2024 Experience Study for the System, which was published on July 22, 2025, which can be found at: https://www.oregon.gov/pers/Documents/Financials/Actuarial/2025/2024_Exp_Study.pdf

Changes in Actuarial Methods and Allocation Procedures

As of June 30, 2024, PERS fully finished and closed the Employer Programs, Salary Limit, Member Choice, Technical Debt, and Work After Retirement projects. House Bill 2296 (2023) extended the sunset of the work after retirement provisions until 2034. The Member Redirect project has an expected completion date of June 2025. PERS received funding for these projects for the 2023-25 biennium.

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

- Adjust mortality assumptions to use the new “Pub-2016” base tables, matched to observed PERS-specific experience.
- Increase the individual member salary increase assumption’s merit/longevity component for one member category based on observations of the last 12 years of experience. The individual member salary increase assumption consists of the sum of inflation, real wage growth, and merit/longevity components, with the latter varying by member. We also recommend maintaining an assumed additional 2% annual increase specifically for calendar year 2025 above the long-term assumptions, which was first adopted in the 2022 Experience Study to reflect significant bargained increases already known at that time.
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience.
- Lower assumed rates of ordinary (non-duty) disability incidence to more closely match recent experience.
- Adjust the Tier One/Tier Two unused sick leave assumption for one member category to reflect recently observed experience.
- Decrease the likelihood of program participation for non-disabled and disabled retirees in the RHIA retiree healthcare program.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

Mortality Rates

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

Assumption	Used for December 31, 2022 and 2023 Valuations	Recommended December 31, 2024 and 2025 Valuations
Healthy Annuitant Mortality	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2016 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-2016 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	Blended 20% Public Safety, 80% Non-Safety, no set back
Other General Service male	Non-Safety, set forward 24 months	120% of Non-Safety, no set back
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	Blended 20% Public Safety, 80% Non-Safety, no set back
Other General Service female	Non-Safety, set forward 12 months	120% of Non-Safety, no set back
Non-Annuitant Mortality	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2016 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	125% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Other General Service male	115% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Police & Fire male	125% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
School District female	100% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Other General Service female	125% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Police & Fire female	100% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

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, 2025, 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, 2024 Oregon PERS ACFR. <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

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

At June 30, 2025, the employer reported a liability of \$8,580,651 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2024, 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, 2024, the employer's proportion was 0.03860421%

For the year ended June 30, 2025, the employer recognized pension expense of \$1,238,865.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

PENSION PLAN (Cont.):

As of June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 508,324	\$ 20,479
Changes of assumptions	862,701	1,105
Net difference between projected and actual earnings on investments	545,111	-
Changes in proportionate share	277,698	851,450
Differences between employer contributions and employer's proportionate share of system contributions	<u>440,696</u>	<u>241,965</u>
Total Deferred Outflows/Inflows	\$ 2,634,530	\$ 1,114,999
Post-measurement date contributions	1,870,631	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 4,505,161</u>	<u>\$ 1,114,999</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ 1,519,531</u>

Contributions of \$1,870,631 less amortization of the District's Side Account for PERS defined benefits, and IAP for employees, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

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

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (82,717)
2nd Fiscal Year	880,094
3rd Fiscal Year	456,342
4th Fiscal Year	232,107
5th Fiscal Year	<u>33,705</u>
Total	<u>\$ 1,519,531</u>

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

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/Documents/Financials/ACFR/2024-ACFR.pdf>

Funding Policy

For the fiscal year ended June 30, 2024, PERS Employers had an effective contribution rate of 0.00% for the RHIA program. The unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Consequently, 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, 2021, actuarial valuation.

Contributions

The District's contributions to OPERS' RHIA for the years ended June 30, 2025, 2024, and 2023 were \$13, \$23, and \$539, respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total (OPEB) RHIA Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2024. That independently audited report was dated November 27, 2024 and can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

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

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	RHIA
Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study	2022, published July 20, 2023
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: 25.0% 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 valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and the pattern of cost-sharing between the employer and plan members. The December 31, 2022, system-wide actuarial valuation was used to develop the GASB 67 financial reporting results for the Defined Benefit Pension Plan as of June 30, 2024, using standard roll-forward procedures.

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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

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

Long-Term Expected Rate of Return

In January 2023, the PERS Board sought to develop an analytical basis for selecting the long-term expected rate of return assumption. The 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 (from the PERS 2024 ACFR) 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 in Table 31. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustments for the inflation assumption. These assumptions are not based on historical returns, instead, they are based on a forward-looking capital market economic model.

For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS’ audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-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	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Employer's proportionate share of the net OPEB liability	\$ (127,214)	\$ (137,426)	\$ (146,218)

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

At June 30, 2025, the District reported a net OPEB RHIA liability/(asset) of \$(137,426) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2024, 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, 2024, the District’s proportion was 0.03402398 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2025 was \$(33,225).

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

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

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,688
Changes of assumptions	-	1,738
Net difference between projected and actual earnings on investments	3,880	-
Changes in proportionate share	-	14,075
Total Deferred Outflows/Inflows	<u>\$ 3,880</u>	<u>\$ 18,501</u>
Post-measurement date contributions	13	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 3,893</u>	<u>\$ 18,501</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ (14,621)</u>

Contributions of \$13 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:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (20,740)
2nd Fiscal Year	3,572
3rd Fiscal Year	2,099
4th Fiscal Year	448
Total	<u>\$ (14,621)</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2024 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB:

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.

RISK MANAGEMENT:

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.

COOS COUNTY SCHOOL DISTRICT NO. 54

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2025

RISK DUE TO CONCENTRATIONS AND CONSTRAINTS:

The District is subject to a concentration risk related to its reliance on state funding for operational and instructional expenditures. For the fiscal year ended June 30, 2025, approximately 36.7% of the District’s total governmental fund revenues were derived from state apportionments and grants.

This concentration represents a lack of diversity in the District’s revenue sources and makes the District vulnerable to the risk of a substantial impact should there be significant changes in state funding levels. The State of Oregon has in the past experienced budgetary pressures due to declining tax revenues and increasing costs in other areas of the state budget, which could affect future funding allocations to school districts.

The District monitors state funding and evaluates potential mitigation strategies, including expenditure reviews and the identification of potential areas for budget reductions, to mitigate the potential impact of reduced state funding.

A concentration is a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. At June 30, 2025, the District had approximately 26 employees who were accounted for under the governmental activities of the District. Of this total, 14 are certified staff under the Certified Bargaining Agreement (five of which joined the union and are represented by a union contract), 9 are classified staff, one is a part-time classified staff, and 3 are other staff (admin & confidential). The existing agreement and contract expire in 2027.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund transfers for the year ended June 30, 2025, were as follows:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund #100	\$ 691,715	\$ -
Special Revenue Fund #200	-	691,715
Total	<u>\$ 691,715</u>	<u>\$ 691,715</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.

SUBSEQUENT EVENTS:

Management has evaluated subsequent events through December 5, 2025, the date on which the financial statements were available to be issued.

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, 2025

	Budgeted Amounts		Variance with Original Budget-- over (under)	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget-- over (under)
	Original	Final	Final Budget		Actual Amounts
<u>REVENUES:</u>					
Taxes	\$ 4,767,751	\$ 4,767,751	\$ -	\$ 4,965,529	\$ 197,778
Tuition Charges	100	100	-	-	(100)
Earnings on Investments	270,000	270,000	-	400,223	130,223
Fees and Charges	32,000	32,000	-	19,444	(12,556)
Miscellaneous Revenue	202,800	202,800	-	37,478	(165,322)
Intermediate Government Aid	15,000	15,000	-	17,117	2,117
State Aid	4,627,089	4,627,089	-	4,268,175	(358,914)
Federal Aid	-	-	-	6,480	6,480
Total Revenues	9,914,740	9,914,740	-	9,714,446	(200,294)
<u>EXPENDITURES:</u>					
Instruction	7,286,687	7,286,687	-	5,648,369	(1,638,318)
Support Services	5,100,562	5,100,562	-	4,541,279	(559,283)
Debt Service	12,200	12,200	-	8,754	(3,446)
Contingency	431,397	431,397	-	-	(431,397)
Total Expenditures	12,830,846	12,830,846	-	10,198,402	(2,632,444)
Excess (Deficiency) of Revenues Over Expenditures	(2,916,106)	(2,916,106)	-	(483,956)	2,432,150
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers Out	(691,717)	(691,717)	-	(691,715)	2
Long Term Debt Financing Sources	3,500	3,500	-	-	(3,500)
Proceeds from Sale of Assets	-	-	-	183,427	183,427
Total Other Financing Sources (Uses)	(688,217)	(688,217)	-	(508,288)	179,929
Net Change in Fund Balance	(3,604,323)	(3,604,323)	-	(992,244)	2,612,079
Beginning Fund Balance	3,604,323	3,604,323	-	4,655,036	1,050,713
Ending Fund Balance	\$ -	\$ -	\$ -	\$ 3,662,792	\$ 3,662,792

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, 2025

	<u>Budgeted Amounts</u>		Variance with Original Budget-- over (under) Final Budget	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget-- over (under) Actual Amounts
	<u>Original</u>	<u>Final</u>			
<u>REVENUES:</u>					
Fees and Charges	\$ 1,000	\$ 1,000	\$ -	\$ 192,593	\$ 191,593
Miscellaneous Revenue	226,000	226,000	-	283,666	57,666
State Aid	1,462,044	1,462,044	-	1,451,543	(10,501)
Federal Aid	1,128,149	1,128,149	-	1,133,495	5,346
Total Revenues	2,817,193	2,817,193	-	3,061,297	244,104
<u>EXPENDITURES:</u>					
Instruction	2,504,503	2,504,503	-	1,924,860	(579,643)
Support Services	837,465	837,465	-	594,971	(242,494)
Enterprise and Community Services	688,800	688,800	-	601,990	(86,810)
Facilities Acquisition and Construction	120,000	120,000	-	104,616	(15,384)
Debt Service	121,101	121,101	-	62,311	(58,790)
Total Expenditures	4,271,869	4,271,869	-	3,288,748	(983,121)
Excess (Deficiency) of Revenues Over Expenditures	(1,454,676)	(1,454,676)	-	(227,451)	1,227,225
<u>OTHER FINANCING SOURCES (USES):</u>					
Interfund Transfers In	691,617	691,617	-	691,715	98
Long Term Debt Financing Sources	200,000	200,000	-	-	(200,000)
Total Other Financing Sources (Uses)	891,617	891,617	-	691,715	(199,902)
Net Change in Fund Balance	(563,059)	(563,059)	-	464,264	1,027,323
Beginning Fund Balance	563,059	563,059	-	472,087	(90,972)
Ending Fund Balance	\$ -	\$ -	-	\$ 936,351	\$ 936,351

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)	Plan fiduciary net position as a percentage of the total pension liability
					Employer's share of the net pension liability (asset) as a percentage of its covered payroll	
2025	June 30, 2024	0.03860421%	\$ 8,580,651	\$ 4,950,300	173.34%	79.3%
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.

COOS COUNTY SCHOOL DISTRICT NO. 54

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PERS

Last 10 Fiscal Years*

<u>Year Ended June 30,</u>	<u>(a) Contractually required contribution</u>	<u>(b) Contributions in relation to the contractually required contribution</u>	<u>(a-b) Contribution deficiency (excess)</u>	<u>(c) Employer's covered payroll</u>	<u>(b/c) Contributions as a percent of covered payroll</u>
2025	\$ 1,870,631	\$ 1,870,631	\$ -	\$ 5,696,974	32.84%
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	1,327,430	1,327,430	-	4,055,167	32.73%
2021	1,351,629	1,351,629	-	3,488,673	38.74%
2020	1,306,057	1,306,057	-	3,945,799	33.10%
2019	1,078,374	1,078,374	-	3,699,666	29.15%
2018	1,023,192	1,023,192	-	3,594,241	28.47%
2017	881,175	881,175	-	3,513,169	25.08%
2016	831,431	831,431	-	3,263,332	25.48%

*This schedule is presented to illustrate the requirement to show information for 10 years.

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
2025	June 30, 2024	0.03402398%	\$ (137,426)	\$ 4,950,300	-2.78%	220.6%
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.

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
2025	\$ 13	\$ 13	\$ -	\$ 5,696,974	0.00%
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%

*This schedule is presented to illustrate the requirement to show information for 10 years.

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, 2025

	Budgeted Amounts		Variance with	Actual	Variance with
	Original	Final	Original Budget-- over (under) Final Budget	Amounts (Budgetary Basis) (See Note 1)	Final Budget-- over (under) Actual Amounts
<u>REVENUES:</u>					
Taxes	\$ 410,913	\$ 410,913	\$ -	\$ 438,717	\$ 27,804
Earnings on Investments	16,000	16,000	-	19,776	3,776
Total Revenues	426,913	426,913	-	458,493	31,580
<u>EXPENDITURES:</u>					
Debt Service	466,280	466,280	-	418,367	(47,913)
Contingency	28,012	28,012	-	-	(28,012)
Total Expenditures	494,292	494,292	-	418,367	(75,925)
Net Change in Fund Balance	(67,279)	(67,279)	-	40,126	107,405
Beginning Fund Balance	67,279	67,279	-	129,199	61,920
Ending Fund Balance	\$ -	\$ -	\$ -	\$ 169,325	\$ 169,325

COOS COUNTY SCHOOL DISTRICT NO. 54
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Capital Projects Fund #400
For the Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		Variance with Original Budget-- over (under) Final Budget	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget-- over (under) Actual Amounts
	<u>Original</u>	<u>Final</u>			
<u>REVENUES:</u>					
Taxes	\$ -	\$ -	\$ -	\$ 6,918	\$ 6,918
Total Revenues	-	-	-	6,918	6,918
<u>EXPENDITURES:</u>					
Support Services	544,831	544,831	-	546,421	1,590
Facilities Acquisition and Construction	2,440,169	2,440,169	-	385,249	(2,054,920)
Total Expenditures	2,985,000	2,985,000	-	931,670	(2,053,330)
Net Change in Fund Balance	(2,985,000)	(2,985,000)	-	(924,752)	2,060,248
Beginning Fund Balance	2,985,000	2,985,000	-	2,833,287	(151,713)
Ending Fund Balance	\$ -	\$ -	-	\$ 1,908,535	\$ 1,908,535

OTHER
INFORMATION

Additional
Supporting Schedules

COOS COUNTY SCHOOL DISTRICT NO. 54
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2025

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, 2024	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2025	Due Within One Year
Principal	\$ 3,025,000	\$ -	\$ 365,000	\$ 2,660,000	\$ 395,000
Interest	-	53,367	53,367	-	49,263
Total	<u>\$ 3,025,000</u>	<u>\$ 53,367</u>	<u>\$ 418,367</u>	<u>\$ 2,660,000</u>	<u>\$ 444,263</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	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>\$ 2,660,000</u>	<u>\$ 179,088</u>	<u>\$ 2,839,088</u>	

COOS COUNTY SCHOOL DISTRICT NO. 54
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2025

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 <u>July 1, 2024</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2025</u>	Due Within <u>One Year</u>
Principal	\$ 48,655	\$ -	\$ 15,500	\$ 33,155	\$ 16,207
Interest	-	2,219	2,219	-	1,512
Total	<u>\$ 48,655</u>	<u>\$ 2,219</u>	<u>\$ 17,719</u>	<u>\$ 33,155</u>	<u>\$ 17,719</u>

Future Requirements:

	Fiscal Year Ended June <u>30,</u>	Principal	Interest	Total	Interest Rate
	2026	\$ 16,207	\$ 1,512	\$ 17,719	4.56%
	2027	16,947	772	17,719	4.56%
Total		<u>\$ 33,155</u>	<u>\$ 2,283</u>	<u>\$ 35,438</u>	

COOS COUNTY SCHOOL DISTRICT NO. 54
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2025

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 <u>July 1, 2024</u>	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance <u>June 30, 2025</u>	Due Within One Year
Principal	\$ 158,144	\$ -	\$ 36,389	\$ 121,755	\$ 38,439
Interest	-	8,203	8,203	-	6,332
Total	<u>\$ 158,144</u>	<u>\$ 8,203</u>	<u>\$ 44,592</u>	<u>\$ 121,755</u>	<u>\$ 44,771</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2026	\$ 38,439	\$ 6,332	\$ 44,771	5.21%
	2027	40,443	4,328	44,771	5.21%
	2028	42,873	2,219	45,092	5.21%
Total		<u>\$ 121,756</u>	<u>\$ 12,879</u>	<u>\$ 134,634</u>	

COOS COUNTY SCHOOL DISTRICT NO. 54

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2025

SUPPLEMENTAL INFORMATION 2024-2025

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	\$ 194,222
Function 2550	\$ 44,140

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 Extra-curricular Activities
- 1140 Pre-Kindergarten
- 1300 Continuing Education
- 1400 Summer School

Exclude these functions:

- 4150 Construction
- 2550 Pupil Transportation
- 3100 Food Service
- 3300 Community Services

\$ -

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

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, 2025, and have issued our report thereon dated December 5, 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 that reads 'Ashraf Lakhani'.

Ashraf Lakhani Farishta, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 5, 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, 2025, 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 December 5, 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 that reads 'Ashraf Lakhani'.

Ashraf Lakhani Farishta, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 5, 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, 2025. Coos County School District No. 54’s major federal programs are identified in the summary of the 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, 2025.

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.

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.

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.



Ashraf Lakhani Farishta, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 5, 2025

COOS COUNTY SCHOOL DISTRICT NO. 54
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED June 30, 2025

Federal Grantor/Pass Through Grantor/ Program Title	Assistance Listing (AL) #			Federal Program Name	Cluster Name	Grant Fund	Federal Assistance Listing Number	Grant Period	Original Program or Grant Amount	(Receivable/ Deferred Revenue June 30, 2024	Cash Received	Expenditures	(Receivable/ Deferred Revenue June 30, 2025
	Federal Awarding Agency Prefix	AL Three-Digit Extension	Additional Award Identification										
U.S. DEPARTMENT OF EDUCATION													
Passed Through Oregon Department of Education:													
Title IA - Grants to Local Education Agencies	84	010				201	84.010	2023-24	\$ 393,553	\$ (241,303)	\$ 259,858	\$ 18,555	\$ -
Title IA - Grants to Local Education Agencies	84	010				201	84.010	2024-25	393,718	-	158,209	380,910	(222,701)
Total Title I									787,271	(241,303)	418,067	399,465	(222,701)
Title II-A Teacher Quality	84	367				207	84.367	2023-24	41,930	(11,883)	34,432	22,549	-
Title II-A Teacher Quality	84	367				207	84.367	2024-25	44,928	-	5,423	35,331	(29,908)
Total Title II-A									86,858	(11,883)	39,855	57,880	(29,908)
Title IV - Student Support and Academic Enrichment	84	424				202	84.424	2024-25	31,761	-	31,348	31,725	(377)
Total IV - Student Support and Academic Enrichment									31,761	-	31,348	31,725	(377)
Title V-B - Rural and Low Income Schools	84	358				208	84.358	2024-25	27,255	-	11,882	22,951	(11,069)
Total Title V-B - Rural and Low Income Schools									27,255	-	11,882	22,951	(11,069)
Elementary & Secondary School Emergency Relief, III	84	425U	COVID-19, 84.425U	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	214	84.425U	2021-24	1,775,028	(509,498)	509,498	-	-
ARP - HCY II	84	425W	COVID-19, 84.425W	Elementary and Secondary School Emergency Relief Fund	Educational Stabilization Fund	212	84.425W	2021-24	8,112	-	7,098	7,098	-
Total Educational Stabilization Fund									1,783,140	(509,498)	516,596	7,098	-
IDEA - Special Education Grants to States(Part B Sec.611)	84	027				225	84.027	2023-24	159,832	(136,298)	159,832	23,535	-
IDEA - Equipment and Supplies Grant	84	027				225	84.027	2024-25	159,832	-	79,251	171,955	(92,704)
IDEA - Special Ed Preschool Grant (section 619)	84	173				224	84.173	2023-24	1,899	(1,899)	1,899	-	-
Total IDEA									321,563	(138,197)	240,982	195,490	(92,704)
Lead Testing Reimbursement Funds	66	444				100	66.444	2020-24	6,480	-	6,480	6,480	-
Total Lead Testing Reimbursement Funds									6,480	-	6,480	6,480	-
Total Passed through Oregon Department of Education									\$ 3,044,328	\$ (900,880)	\$ 1,265,210	\$ 721,089	\$ (356,759)
Passed Through South Coast ESD:													
Career and Technical Education	84	048				253	84.048	2024-25	\$ 11,603	\$ -	\$ 11,424	\$ 11,424	\$ -
Total Passed Through South Coast ESD:									\$ 11,603	\$ -	\$ 11,424	\$ 11,424	\$ -
Total U.S. Department of Education									\$ 3,055,931	\$ (900,880)	\$ 1,276,633	\$ 732,512	\$ (356,759)
U.S. DEPARTMENT OF AGRICULTURE													
Passed Through Oregon Department of Education:													
National School Lunch - Lunch	10	555				230	10.555	2024-25	\$ 265,980	\$ (4,282)	\$ 260,076	\$ 265,980	\$ (10,186)
National School Lunch - Breakfast	10	553				230	10.553	2024-25	49,839	(630)	48,448	49,839	(2,021)
Summer Food Service Program for Children	10	559				230	10.559	2024-25	13,490	(5,242)	18,478	13,490	(254)
NSLP Equipment Assistance Grant	10	579				229	10.579	2024-25	50,354	-	50,354	50,354	-
National School Lunch - Commodities	10	555				230	10.555C	2024-25	27,566	-	27,566	27,566	-
Commodities Supplemental Food Program	10	559				230	10.559C	2024-25	234	-	234	234	-
Total National School Lunch Program									407,463	(10,154)	405,156	407,463	(12,461)
Total U.S. Department of Agriculture									\$ 407,463	\$ (10,154)	\$ 405,156	\$ 407,463	\$ (12,461)
TOTALS									\$ 3,463,393	\$ (911,034)	\$ 1,681,789	\$ 1,139,975	\$ (369,220)

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

RECONCILIATION TO REVENUE:

Cash Receipts per Schedule Above	\$ 1,681,789
Grants Receivable/Deferred Revenue Beginning of Year	(911,034)
Grants Receivable/Deferred Revenue End of Year	369,220
Federal Revenue Recognized per Financial Statements	\$ 1,139,975

COOS COUNTY SCHOOL DISTRICT NO. 54

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2025

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, 2025. 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, 2025**

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
 - Child Nutrition Program (NSLP) AL#10.553, 10.555, 10.559 cluster
 - Supporting Effective Instruction AL #84.367A
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, 2025.

Section III—Findings and Questioned Costs for Federal Awards.

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

Section IV—Summary Schedule of Prior Audit Findings

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